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GULFA MINERAL WATER AND
PROCESSING INDUSTRIES CO. (PLC)
AJMAN -U.A.E.

INDEPENDENT AUDITOR'S REVIEW REPORT
AND INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD FROM JANUARY 1, 2009
TO MARCH 31, 2009

Manal Mohammed

GULFA MINERAL WATER AND PROCESSING INDUSTRIES CO. (PLC)
INDEPENDENT AUDITOR'S REVIEW REPORT AND INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1, 2009 TO MARCH 31, 2009

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MAZARS

CHARTERD ACCOUNTANTS

Independent Auditor's Review Report

To the Shareholders of
Gulfa Mineral Water and Processing Industries Co. (PLC)
Ajman
United Arab Emirates

We have reviewed the accompanying interim statement of financial position of **Gulfa Mineral Water & Processing Industries Co. (PLC) - Public Shareholding Company registered in Ajman (the "Company")** as of March 31, 2009 and the related interim statement of comprehensive income, changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements. Our responsibility is to issue a report on these interim financial statements based on our review.

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements of **Gulfa Mineral Water & Processing Industries Co. (PLC)** are not presented fairly, in all material respects the financial position of the Company as at March 31, 2009, and of its financial performance and its cash flows for the three-month period then ended in accordance with International Financial Reporting Standards.

MAZARS مـــزارز
محاسبون قانونيون
CHARTERED ACCOUNTANTS

MAZARS
Chartered Accountants

Ajman, April 26, 2009

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GULFA MINERAL WATER AND PROCESSING INDUSTRIES CO. (PLC)
INTERIM STATEMENT OF FINANCIAL POSITION
MARCH 31, 2009

	Note	March 31, 2009 AED (Reviewed)	December 31, 2008 AED (Audited)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,465,680	2,528,246
Trade receivables - net	5	9,458,224	8,549,677
Inventories - net	6	5,925,641	5,526,688
Other current assets	7	1,921,610	1,346,725
Due from related parties	8	4,782,474	7,302,460
Total current assets		**23,553,629**	**25,253,796**
NON-CURRENT ASSETS			
Property, plant and equipment	9	27,659,801	26,894,640
TOTAL ASSETS		**51,213,430**	**52,148,436**
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Bank borrowings	10	2,351,846	2,000,000
Trade payables		6,154,360	7,125,027
Other payables and provisions		3,082,398	2,864,964
Dividends payable		176,714	177,005
Due to related parties	8	1,607,068	1,568,364
Ajman government provision (concession fees)	11	168,750	675,000
Total current liabilities		**13,541,136**	**14,410,360**
NON-CURRENT LIABILITIES			
Bank borrowings - non-current	10	6,000,000	7,000,000
Provision for employees' end of service indemnity	12	3,654,412	3,704,417
Total non-current liabilities		**9,654,412**	**10,704,417**
TOTAL LIABILITIES		**23,195,548**	**25,114,777**
SHAREHOLDERS' EQUITY			
Authorized and fully paid share capital	13	25,000,000	25,000,000
Statutory reserve		3,232,068	3,232,068
General reserve		767,937	767,937
Accumulated losses		(982,123)	(1,966,346)
Net shareholders' equity		**28,017,882**	**27,033,659**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**51,213,430**	**52,148,436**

We approve these interim financial statements and confirm that we are responsible for them, including selecting the accounting policies and making the judgments underlying them. We also confirm that we have made available all relevant accounting records and information for their compilation.

These interim financial statements were approved by the Board of Directors on April 26, 2009 and signed on its behalf by:

Mr. Ziad Abdel Rehim
Deputy Managing Director

Mr. Khalid Omar
Deputy General Manager - Finance & Admin

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE INTERIM FINANCIAL STATEMENTS

GULFA MINERAL WATER AND PROCESSING INDUSTRIES CO. (PLC)
INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM JANUARY 1, 2009 TO MARCH 31, 2009

	Note	Period from January 01, 2009 To March 31, 2009 AED (Reviewed)	Period from January 01, 2008 To March 31, 2008 AED (Reviewed)
Gross sales		9,491,167	8,804,872
Less: Sales discounts		(464,492)	(516,583)
Sales - net		9,026,675	8,288,289
Cost of sales		(6,454,850)	(5,666,068)
Gross Operating Profit		**2,571,825**	**2,622,221**
Other income	14	597,552	91,264
Gross Profit		**3,169,377**	**2,713,485**
General and administrative expenses		(943,662)	(1,236,422)
Selling, marketing and advertising expenses		(969,764)	(154,207)
Finance costs		(102,978)	(222,844)
Concession fees for Ajman Government	11	(168,750)	(168,750)
Profit for the period	15	**984,223**	**931,262**
Earnings per share		**0.04**	**0.04**

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE INTERIM FINANCIAL STATEMENTS

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GULFA MINERAL WATER AND PROCESSING INDUSTRIES CO. (PLC)
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM JANUARY 1, 2009 TO MARCH 31, 2009

	Authorized and fully paid share capital AED	Statutory reserve AED	General reserve AED	Accumulated losses AED	Total AED
Balance at January 01, 2008 - **(audited)**	25,000,000	2,971,048	767,937	(4,315,526)	24,423,459
Net profit for the period	---	---	---	931,262	931,262
Transfer to statutory reserve	---	93,126	---	(93,126)	---
Balance at March 31, 2008 (reviewed)	**25,000,000**	**3,064,174**	**767,937**	**(3,477,390)**	**25,354,721**
Balance at December 31, 2008 **(audited)**	25,000,000	3,232,068	767,937	(1,966,346)	27,033,659
Net profit for the period	---	---	---	984,223	984,223
Balance at March 31, 2009 - (reviewed)	**25,000,000**	**3,232,068**	**767,937**	**(982,123)**	**28,017,882**

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE INTERIM FINANCIAL STATEMENTS

GULFA MINERAL WATER AND PROCESSING INDUSTRIES CO. (PLC)
INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM JANUARY 1, 2009 TO MARCH 31, 2009

	Note	Period from January 01, 2009 To March 31, 2009 AED (Reviewed)	Period from January 01, 2008 To March 31, 2008 AED (Reviewed)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the period		984,223	931,262
Adjustments for:			
Depreciation	9	902,210	667,507
Profit on sale of fixed assets		(13,390)	---
Provision for employees' end of service indemnity	12	108,378	122,077
OPERATING PROFIT BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES		**1,981,421**	**1,720,846**
(Increase) in trade receivables		(908,547)	(813,599)
(Increase) in inventories		(398,953)	(1,351,771)
(Increase) in other current assets		(574,885)	(231,365)
Decrease/ (Increase) in due from related parties		2,519,986	(1,726,744)
(Decrease) / increase in trade payables		(970,667)	212,537
Decrease) in other payables and provisions		(288,816)	(100,778)
Increase in due to related parties		38,704	36,180
CASH FLOW GENERATED FROM/ (USED IN) OPERATING ACTIVITIES		**1,398,243**	**(2,254,694)**
Employees' end of service indemnity paid	12	(158,383)	(28,289)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES		**1,239,860**	**(2,282,983)**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	9	(1,767,241)	(3,506,239)
Proceed from sale of fixed assets		113,260	---
NET CASH (USED IN) INVESTING ACTIVITIES		**(1,653,981)**	**(3,506,239)**
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(291)	---
Repayment of bank borrowings		(1,000,000)	---
NET CASH USED IN FINANCING ACTIVITIES		**(1,000,291)**	**-**
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		**(1,414,412)**	**(5,789,222)**
CASH AND CASH EQUIVALENTS			
At the beginning of the period		2,528,246	5,054,559
At the end of the period		1,113,834	(734,663)
Cash and cash equivalent reconciliation:			
Cash at banks	4	1,465,680	344,843
Less: Bank overdraft	10	(351,846)	(1,079,506)
		1,113,834	(734,663)

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE INTERIM FINANCIAL STATEMENTS

GULFA MINERAL WATER AND PROCESSING INDUSTRIES CO. (PLC)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1, 2009 TO MARCH 31, 2009

1. **Status and principal activities:**

1.1. **Gulfa Mineral Water and Processing Industries Co. (PLC)** – is a public shareholding company - **(the "Company")** established in Ajman by an Emiri decree number 13 issued by H.H. The Ruler of Ajman on March 28, 1977. **The Company** started operations on May 24, 1977. **The Company** started operations on May 24, 1977. **The Company** has fulfilled all the requirements of the commercial federal law number 8 of 1984 and its subsequent amendments as per the decision of the Annual General Meeting ("AGM") in its extra ordinary meeting held on February 20, 1993.

The Company owns and manages "Gulfa Mineral Water Plant" in Masfout –Ajman. It's main activities extends to production and bottling of mineral water, juices, soft drinks, food stuff, in addition to marketing the products of such plants.

2. **Significant accounting policies:**

a. ***Statement of compliance***
The interim financial statements have been prepared in accordance with International Financial Reporting Standards. These interim financial statements are presented in Arab Emirates Dirham (AED) since this is the currency of the country in which **the Company** is domiciled.

b. ***Basis of preparation***
The interim financial statements have been prepared on the historical cost basis. The principal accounting policies which are set out below are consistent with these followed in the preparation of the audited financial statements.

c. ***Cash and cash equivalents***
Cash and cash equivalents comprise cash on hand, banks' current accounts, call and short term deposits, free of encumbrance, with a maturity date of three months or less from the date of deposit and net of bank overdraft.

d. ***Foreign currencies***
Transactions in foreign currencies are translated into Arab Emirates Dirham at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into Arab Emirates Dirham at the rate of exchange prevailing at that date. Gains or losses resulting from foreign currency transactions are included in the statement of income.

e. Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- **The Company** has transferred to the buyer the significant risks and rewards of ownership of the goods.
- **The Company** retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefit associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

f. Inventories

- The inventory of finished products of bottled water is valued at the lower of production cost and the net realizable value. Net realizable value presents the estimated selling price of inventories less all estimated cost of completion and costs necessary to make the sale. Finished products cost are valued using the weighted average cost.
- The raw materials and spare parts are valued at the weighted average cost.

g. Property, plant, equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Depreciation is calculated on straight line basis to write off the cost of the property, plant and equipment over their estimated useful lives. During the year 2005, **the Company** has increased the expected useful life for both buildings and motor vehicles from 10 to 20 years and 3 to 4 years respectively. The estimated useful lives are as follows:

	Years
Buildings	20
Machinery and equipments	5 – 7
Furniture, fixtures and others	4 – 5
Motor vehicles	4 – 5

h. ***Provisions***

Provisions are recognised when **the Company** has a present obligation (legal or constructive) as a result of a past event, it is probable that **the Company** will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

i. ***Employees' end of service indemnity***

Provision is made for employees' end of service indemnity in accordance with the UAE Labor Law (as amended) for the accumulated period of service as at the date of statement of financial position.

j. ***Statutory reserve***

The statutory reserve is established in accordance with the Commercial Companies Law (as amended) which requires providing 10 % of the net annual distributable profit as statutory reserve.

k. ***General reserve***

In accordance with **the Company's** Articles of Association, the Board of Directors has the discretion to determine the percentage of the net annual distributable income that will be provided as general reserve.

l. ***Impairment of assets***

At each statement of financial position date, **the Company** reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, **the Company** estimates the recoverable amount of the cash-generating unit to which the asset belongs.

m. ***Financial instruments***

Financial instruments comprise financial assets and financial liabilities. A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, a contractual right to exchange financial instruments under conditions that are potentially favourable or an equity instrument. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavourable.

GULFA MINERAL WATER AND PROCESSING INDUSTRIES CO. (PLC)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1, 2009 TO MARCH 31, 2009

3. **Seasonality of operations :**

Due to the seasonal nature of **the Company's** main activities, higher revenue and operating profits are usual expected during second and third quarter of the year.

4. **Cash and cash equivalents :**

Cash at banks consist of the following:

	March 31, 2009 AED (Reviewed)	December 31, 2008 AED (Audited)
Cash in hand	84,908	---
Cash at bank – current	438,445	1,496,471
Cash at bank – call deposit	942,327	1,031,775
	1,465,680	**2,528,246**

5. **Trade receivables:**

The trade receivables consist of the following:

	March 31, 2009 AED (Reviewed)	December 31, 2008 AED (Audited)
Trade receivables	9,803,414	8,894,867
Less: Allowance for doubtful debts	(345,190)	(345,190)
Net trade receivables	**9,458,224**	**8,549,677**

The movements in allowance for bad and doubtful debts are as follows:

Balance at the beginning of the period / year	345,190	304,702
Provided during the year	---	89,516
Written off during the year	---	(49,028)
Balance at the end of the period / year	**345,190**	**345,190**

GULFA MINERAL WATER AND PROCESSING INDUSTRIES CO. (PLC)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1, 2009 TO MARCH 31, 2009

6. **Inventories:**

	March 31, 2009 AED (Reviewed)	December 31, 2008 AED (Audited)
Raw materials	4,325,122	3,907,387
Finished products	334,342	472,231
Spare parts	1,611,468	1,492,361
	6,270,932	5,871,979
Less: Allowance for slow moving inventories	(345,291)	(345,291)
	5,925,641	**5,526,688**

7. **Other current assets:**

	March 31, 2009 AED (Reviewed)	December 31, 2008 AED (Audited)
Advances to suppliers	141,090	245,424
Prepayments and other debit balances	1,141,059	462,969
Deposits	639,461	638,332
	1,921,610	**1,346,725**

8. **Related party transactions:**

Trading transactions

The Company in ordinary course of business enters into transactions with associated companies which fall within the definition of "related parties" as defined in International Accounting Standard 24. Management believes that the terms of such transactions are not materially different from those which could have been obtained from unrelated parties.

GULFA MINERAL WATER AND PROCESSING INDUSTRIES CO. (PLC)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1, 2009 TO MARCH 31, 2009

Related party transactions

During the period the Company entered into the following transactions with related parties:

	Period from January 1, 2009 To March 31, 2009 AED (Reviewed)	Period from January 1, 2008 To March 31, 2008 AED (Reviewed)
Sales	128,716	171,101
Selling and marketing distribution expenses charged to other related party *	800,000	3,750,000

* Total expenses incurred and recharged to related parties during the period were AED 800,000 (2008: 3,750,000), which is representing their share in setting up a new distribution division.

Related parties balances

Due from related parties

	March 31, 2009 AED (Reviewed)	December 31, 2008 AED (Audited)
Kuwait Food Co.- (Americana), Sharjah Restaurant	176,661	104,950
M/s. Gulf Food Industries - (California Garden)	4,605,813	7,197,510
	4,782,474	**7,302,460**

Due to related parties

	March 31, 2009 AED (Reviewed)	December 31, 2008 AED (Audited)
M/s. Kuwait Food Co.- (Americana), Sharjah Branch, other related party	1,397,158	1,391,558
M/s. Kuwait Food Co.- (Americana), Head Office, Kuwait, the Parent Company	209,910	176,806
	1,607,068	**1,568,364**

9. **Property, plant and equipment :**

	Land AED	Building AED	Machinery and equipment AED	Furniture fixtures and others AED	Motor vehicles AED	Capital work in progress AED	Total AED
COST							
Balance at January 1, 2008 (audited)	243,000	13,048,624	30,938,783	4,398,190	5,089,669	13,640,813	67,359,079
Transfers	---	---	10,830,351	---	---	(10,830,351)	---
Additions during the year	---	55,500	425,409	100,989	---	6,867,703	7,449,601
Disposal during the year	---	---	---	(167,276)	(2,994,300)	---	(3,161,576)
Balance at December 31, 2008 (audited)	**243,000**	**13,104,124**	**42,194,543**	**4,331,903**	**2,095,369**	**9,678,165**	**71,647,104**
Additions during the period	---	95,000	6,849	327	---	1,665,065	1,767,241
Disposal during the period	---	---	---	(143,400)	---	---	(143,400)
Balance at March 31, 2009 (reviewed)	**243,000**	**13,199,124**	**42,201,392**	**4,188,830**	**2,095,369**	**11,343,230**	**73,270,945**
DEPRECIATION							
Balance at January 1, 2008 (audited)	---	(10,690,909)	(28,097,061)	(2,573,198)	(1,298,844)	---	(42,660,012)
Charges for the year	---	(355,271)	(1,262,693)	(572,345)	(782,006)	---	(2,972,315)
Adjustment related to disposal	---	---	---	43,042	836,821	---	879,863
Balance at December 31, 2008 (audited)	---	**(11,046,180)**	**(29,359,754)**	**(3,102,501)**	**(1,244,029)**	---	**(44,752,464)**
Charges for the period	---	(91,562)	(582,372)	(124,923)	(103,353)	---	(902,210)
Disposal during the period	---	---	---	43,530	---	---	43,530
Balance at March 31, 2009 (reviewed)	---	(11,137,742)	(29,942,126)	**(3,183,894)**	**(1,347,382)**	---	**(45,611,144)**
NET BOOK VALUE							
Balance at March 31, 2009 (reviewed)	**243,000**	**2,061,382**	**12,259,266**	**1,004,936**	**747,987**	**11,343,230**	**27,659,801**
Balance at December 31, 2008 (audited)	243,000	2,057,944	12,834,789	1,229,402	851,340	9,678,165	26,894,640

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GULFA MINERAL WATER AND PROCESSING INDUSTRIES CO. (PLC)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1, 2009 TO MARCH 31, 2009

10. Bank borrowings:

		March 31, 2009 AED (Reviewed)	December 31, 2008 AED (Audited)
Bank overdraft	10.1	351,846	---
Long term Loan	10.2	8,000,000	9,000,000
Current portion of loan		(2,000,000)	(2,000,000)
Non-current portion of loan		**6,351,846**	**7,000,000**

Bank facilities

10.1 As at June 12, 2008, **the Company** had the overdraft facility, from National Bank of Kuwait – Bahrain Branch, amounting to AED 10,000,000. The facility is subject to interest rate at 1.5 % per annum over three or six months BIBOR.

The above facility is secured by Kuwait Food Company – Americana, Head Office, Kuwait, the Parent Company, equivalent to 92% it's stake of participation in **the Company.**

10.2 On June 1, 2007, **the Company** has obtained the above loan from National Bank of Kuwait, Bahrain Branch in the form of a term loan amounting to AED 10,000,000. The term loan is subject to interest rate at 1 % per annum plus three or six months BIBOR.

The term loan will be settled over 10 equal installments of AED 1,000,000 starting on July 1, 2008, the last installment will be on January 1, 2013.

The above facility is secured by Kuwait Food Company – Americana, Head Office, Kuwait, the Parent Company equivalent to 92% it's stake of participation in **the Company.**

GULFA MINERAL WATER AND PROCESSING INDUSTRIES CO. (PLC)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1, 2009 TO MARCH 31, 2009

11. Ajman government provision (Concession fees):

In accordance with a letter dated September 17, 2004, received from the Ruler's Court of Ajman, The Ajman Government agreed to receive a sum of AED 675,000 (AED Six hundred seventy five thousand only) as an annual concession fee from **the Company** for a period of six years effective January 1, 2004 to December 31, 2009. The unpaid concession fees to Ajman Government as of March 31, 2009, is AED 168,750 (AED One hundred and sixty eight thousand and seven hundred and fifty only).

12. Provision for employees' end of service indemnity:

	2009 (Three months) AED (Reviewed)	2008 (Twelve months) AED (Audited)
Balance at January 1,	3,704,417	3,254,406
Provision made during the period / year	108,378	914,031
Payments made during the period/ year	(158,383)	(464,020)
Balance at March 31 / December 31	**3,654,412**	**3,704,417**

13. Authorized and fully paid capital:

In its extra ordinary meeting on December 6, 2006, the general assembly of **the Company** has agreed to increase the authorized capital of **the Company** from AED 13,357,820 (AED Thirteen million three hundred fifty seven thousand eight hundred and twenty only) to a AED 40,000,000 (AED Forty millions only). However, it was decided in the same meeting to call the increase in the capital on stages, the first stage was to call the sum of AED 11,642,180 (AED Eleven million six hundred and forty two thousand one hundred and eighty only) with the objective of increasing the paid up capital to AED 25,000,000 (AED Twenty five million only), while the balance is to be called in future dates to be determined by the Board of Director.

The details of share capital is as follow

	Number of shares	Share capital AED
Total subscribed as at March 31, 2009	**25,000,000**	**25,000,000**

GULFA MINERAL WATER AND PROCESSING INDUSTRIES CO. (PLC)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1, 2009 TO MARCH 31, 2009

14. Other income:

	Period from January 1, 2009 To March 31, 2009 AED (Reviewed)	Period from January 1, 2008 To March 31, 2008 AED (Reviewed)
Interest income	676	2,017
Gain on disposal of property, plant and equipments	13,388	---
Other miscellaneous income	583,488	89,247
	597,552	**91,264**

15. Profit for the period:

Profit for the period has been arrived after charging:

	Period from January 1, 2009 to March 31, 2009 AED (Reviewed)	Period from January 1, 2008 To March 31, 2008 AED (Reviewed)
Depreciation of property, plant and equipment	**902,210**	**667,507**
Provision for employees' end of service indemnity	**108,378**	**122,077**

16. Capital commitments and contingent liabilities:

Capital commitments

There are AED 1.4 million capital commitments as at March 31, 2009 (2008: AED 1.9 million).

Contingent liabilities

	March 31, 2009 AED (Reviewed)	December 31, 2008 AED (Audited)
Letters of guarantee	**206,000**	**206,000**

17. Financial instruments:

Fair value

Financial assets of **the Company** include trade receivable, due from related parties, cash and cash equivalents. Financial liabilities include trade payable, due to related parties and other payables and provisions.

The fair value of the above financial assets and liabilities are not materially different from their carrying amounts.

Currency risk

Sales are mainly executed in U.A.E. Dirham while major purchases are executed in both Dirhams and occasionally US Dollars to which Dirham rate is fixed.

Credit risk

The credit risk relating to the trade receivables appears to be limited. In this respect, the management periodically reviews the said balances to assess their recoverability and allowance for doubtful debts are made, when deemed necessary.

Interest rate risk

The Company's exposure to interest rate risk is related to its loan account which bears interest at a rate of 1% p.a. over three or six months BIBOR.

18. Comparative figures:

Comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in the current period.