



Grant Thornton

UNITED FOODS COMPANY (PSC)
DUBAI – UNITED ARAB EMIRATES

INTERIM CONDENSED FINANCIAL INFORMATION
31 MARCH 2009 (UNAUDITED)

UNITED FOODS COMPANY (PSC)
Dubai – United Arab Emirates

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31 March 2009

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Review Report of Independent Auditors

**To the shareholders of
United Foods Company (PSC)
Dubai, United Arab Emirates**

Public Accountants

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Introduction

We have reviewed the accompanying interim condensed financial information of United Foods Company (PSC) (the "Company") which comprise the interim condensed statement of financial position as at 31 March 2009 and the related interim condensed statement of comprehensive income, the interim condensed statement of changes in shareholders' equity and the interim condensed statement of cash flows for the three-months period then ended and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standards on Review Engagement 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 as that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respect in accordance with International Financial Reporting Standards.



Grant Thornton
Farouk Mohamed
(Registration no. 86)

Dubai, United Arab Emirates
Date: 25 April 2009

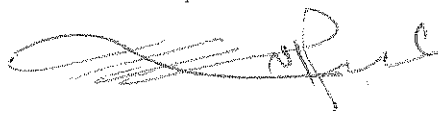
UNITED FOODS COMPANY (PSC)
Dubai, United Arab Emirates

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
as at 31 March 2009

	(Un-audited) 31 March 2009 AED	(Audited) 31 December 2008 AED
Assets		
Non-current		
Property, plant and equipment	61,911,286	63,247,639
Available-for-sale investments	311,014	318,209
	<u>62,222,300</u>	<u>63,565,848</u>
Current		
Inventories	78,853,646	81,461,077
Trade and other receivables	56,192,091	71,433,255
Cash and bank balances	1,186,711	1,047,713
	<u>136,232,448</u>	<u>153,942,045</u>
Total assets	<u>198,454,748</u>	<u>217,507,893</u>
Equity		
Share capital	25,000,000	25,000,000
Statutory reserve	8,750,000	8,750,000
General reserve	15,314,984	15,314,980
Fair value reserve for available-for-sale investments	34,321	41,517
Retained earnings	12,517,137	-
Total equity	<u>61,616,442</u>	<u>49,106,497</u>
Liabilities		
Non-current		
Employees' end of service benefits	2,548,992	2,940,052
Borrowings	10,000,000	10,000,000
	<u>12,548,992</u>	<u>12,940,052</u>
Current		
Borrowings	52,182,764	88,121,202
Bank overdrafts	28,987,707	40,163,268
Trade and other payables	43,118,843	27,176,874
	<u>124,289,314</u>	<u>155,461,344</u>
Total liabilities	<u>136,838,306</u>	<u>168,401,396</u>
Total equity and liabilities	<u>198,454,748</u>	<u>217,507,893</u>

These financial statements were approved by the Board of Directors on 25 April 2009
and signed on their behalf by:


Mr. Ali Bin Humaid AL Owais
Chairman


HE Abdulla Sultan AL Owais
Vice Chairman

The notes on pages 7 to 9 form an integral part of these financial statements.

UNITED FOODS COMPANY (PSC)
Dubai, United Arab Emirates
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
for the period ended 31 March 2009

	(Un-audited) 3-months ended 31 March 2009 AED	(Un-audited) 3-months ended 31 March 2008 AED
Sales	94,891,631	176,689,000
Cost of sales	(75,495,468)	(156,767,884)
Gross profit	<u>19,396,163</u>	<u>19,921,116</u>
Selling and distribution expenses	(4,053,014)	(7,767,010)
Advertising expenses	(43,843)	(1,155,623)
General and administration expenses	(2,108,880)	(2,911,587)
Profit from operations	<u>13,190,426</u>	<u>8,086,896</u>
Other income	500,544	760,949
Finance charges	(1,173,833)	(1,625,843)
Net profit for the period	<u>12,517,137</u>	<u>7,222,002</u>
Earnings per share - basic and diluted	<u>0.50</u>	<u>0.29</u>
Net profit for the period	<u>12,517,137</u>	<u>7,222,002</u>
Other comprehensive income		
Available-for-sale financial assets		
-current period fair value adjustment	(7,196)	(275,000)
Total comprehensive income for the period	<u><u>12,509,941</u></u>	<u><u>6,947,002</u></u>

The notes on pages 7 to 9 form an integral part of these financial statements.

UNITED FOODS COMPANY (PSC)
Dubai - United Arab Emirates

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
for the period ended 31 March 2009

	Share capital AED	Statutory reserve AED	General reserve AED	Fair value adjustment for available-for-sale investment AED	Retained earnings AED	Total AED
Balance at 1 January 2008 (audited)	25,000,000	8,750,000	58,500,000	1,291,028	3,724,898	97,265,926
Net profit for the period	-	-	-	-	7,222,902	7,222,902
Other comprehensive income:						
Fair value adjustment on available-for-sale investment	-	-	-	(275,000)	-	(275,000)
Balance at 31 March 2008 (un-audited)	25,000,000	8,750,000	58,500,000	1,016,028	10,946,900	104,212,928
Balance at 1 January 2009 (audited)	25,000,000	8,750,000	15,314,984	41,517	-	49,106,501
Net profit for the period	-	-	-	-	12,517,137	12,517,137
Other comprehensive income:						
Fair value adjustment on available-for-sale investment	-	-	-	(7,196)	-	(7,196)
Balance at 31 March 2009 (un-audited)	25,000,000	8,750,000	15,314,984	34,321	12,517,137	61,616,442

The notes on pages 7 to 9 form an integral part of these financial statements.

UNITED FOODS COMPANY (PSC)
Dubai, United Arab Emirates

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
for the period ended 31 March 2009

	Share capital AED	Statutory reserve AED	General reserve AED	Fair value adjustment for available-for-sale investments AED	Retained earnings AED	Total AED
Balance at 1 January 2008 (audited)	25,000,000	8,750,000	58,500,000	1,291,028	3,724,898	97,265,926
Dividend paid	-	-	-	-	(2,500,000)	(2,500,000)
Reserve transfers	-	-	(43,185,020)	-	43,185,020	-
Transactions within equity	25,000,000	8,750,000	15,314,980	1,291,028	44,409,918	94,765,926
Net loss for the year	-	-	-	-	(44,409,918)	(44,409,918)
Other comprehensive income:						
Fair value adjustment on available-for-sale investment	-	-	-	(1,249,511)	-	(1,249,511)
Balance at 31 December 2008 (audited)	25,000,000	8,750,000	15,314,980	41,517	-	49,106,497

The notes on pages 7 to 9 form an integral part of these financial statements.

UNITED FOODS COMPANY (PSC)
Dubai, United Arab Emirates

INTERIM CONDENSED STATEMENT OF CASH FLOWS
for the period ended 31 March 2009

	(Un-audited) 3-months ended 31 March 2009 AED	(Un-audited) 3-months ended 31 March 2008 AED
Operating activities		
Net profit for the period	12,517,137	7,222,002
Adjustments for:		
Depreciation	2,055,098	2,113,646
Interest expense	1,173,833	1,504,177
Provision for employees' end of service benefits	177,000	263,000
Profit on sale of property, plant and equipment	-	(16,000)
Operating profit before working capital changes:	15,923,068	11,086,825
Decrease in inventories	2,607,431	7,445,241
Decrease / (increase) in trade and other receivables	15,241,164	(28,047,127)
Increase / (decrease) in trade and other payables	15,604,508	(7,335,151)
Cash (used in) / generated from operations	49,376,171	(16,850,212)
Interest paid	(836,370)	(1,058,775)
Employees' end of service benefits paid	(568,060)	(204,513)
Cash (used in) / provided by operating activities	47,971,741	(18,113,500)
Investing activities		
Purchase of property, plant and equipment	(718,744)	(723,151)
Proceeds from sale of property, plant and equipment	-	16,000
Cash used in investing activities	(718,744)	(707,151)
Financing activities		
Net (outflow) / inflow on trust receipts	(26,059,251)	20,752,328
Net outflow on time loan	(9,879,187)	-
Cash (used in) / provided by financing activities	(35,938,438)	20,752,328
Net increase in cash and cash equivalents	11,314,559	1,931,677
Analysis of net increase in cash and cash equivalents:		
Cash and cash equivalents at 1 January	(39,115,555)	33,176,535
Cash and cash equivalents at 31 March	(27,800,996)	(31,244,858)
	11,314,559	1,931,677

The notes on pages 7 to 9 form an integral part of these financial statements.

UNITED FOODS COMPANY (PSC)
Notes to the interim condensed financial information (Un-audited)
31 March 2009

1. LEGAL STATUS AND ACTIVITIES

United Foods Company (PSC) (previously operating as United Foods Limited) (the "Company") was incorporated in Dubai under a decree issued by His Highness the Ruler of Dubai. On 27 June 1994 the company amended its status to comply with the provisions of the UAE Commercial Companies Law of 1984 (as amended) as a public shareholding company. The Company's registered office is in Al Quoz, Dubai and its address is PO Box 5836, Dubai, United Arab Emirates. The principal activities of the Company are the manufacture, processing and marketing of hydrogenated vegetable ghee, cooking oil, margarine and butter products.

The Company listed its shares on the Dubai Financial Market (DFM) in July 2006.

The Company had 373 employees as of 31 March 2009 (2008:422).

2 Basis of preparation

The condensed interim financial information of the Company is prepared in accordance with International Financial Reporting Standards including specific guidelines of International Accounting Standards (IAS) 34, "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed financial information are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2008.

3 Summary of significant accounting policies

This condensed interim financial information has been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 31 December 2008 except for the adoption of:

- IAS 1 Presentation of Financial Statements (Revised 2007)
- IFRS 8 Operating Segments
- IAS 23 Borrowing Costs (Revised 2007)

The adoption of IAS 1 (Revised 2007) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. The measurement and recognition of the Company's assets, liabilities, income and expenses is unchanged.

The IFRS 8 requires identification of reported segments based on internal management reporting information that is regularly reviewed by the chief operating decision maker. In the previous annual and interim financial statements, segments were identified by reference to the dominant source and nature of the Company's risks and returns. The adoption of IFRS 8 has not affected the identified operating segments for the Company.

UNITED FOODS COMPANY (PSC)
Notes to the interim condensed financial information (Un-audited)
31 March 2009

3 Summary of significant accounting policies (continued)

IAS 23 (Revised 2007) requires the capitalisation of borrowing costs to the extent they are directly attributable to the acquisition, production or construction of qualifying assets that need a substantial period of time to get ready for their intended use or sale. In accordance with the transitional provisions, no retrospective restatement of borrowing costs has been made. Borrowing costs have been capitalised only for qualifying assets with a commencement date after 1 January 2009. The adoption of this standard does not have an impact on the interim condensed financial information.

The accounting policies have been applied consistently throughout the Company for the purposes of preparation of this interim condensed financial information.

4 Critical accounting judgements and key sources of estimation uncertainty

Estimate that has a significant effect on the operating results and the carrying amounts of assets within the period ended 31 March 2009 relates to the valuation of inventories. Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made. The Company's core business is subject to fluctuations in commodity prices which may cause selling prices and the future realisation of the carrying amounts of inventory to change rapidly. During the year ended 31 December 2008 the Company had written down inventory to net realisable value and recognised loss of AED 52,298,820. However during the period ended 31 March 2009, the Company realised higher selling prices for its products which has resulted in improved gross profit for the quarter.

5 Segmental information

The management has considered the provisions of IFRS 8 in relation to segmental reporting and concluded that the Company's activities form a single segment under the standard. From a geographical perspective, the Company's substantial activities are focused in the Middle East region. Equally, in relation to business segmentation, the Company's products are predominantly focused in the manufacture and processing of butter and cooking oil and the management considers that the risk and rewards from various product lines of the Company are not materially different

UNITED FOODS COMPANY (PSC)
Notes to the interim condensed financial information (Un-audited)
31 March 2009

6 Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit for the year by the weighted average number of shares outstanding during the period as follows:

	31 March 2009 AED	31 March 2008 AED
Profit for the period	<u>12,515,137</u>	<u>7,222,002</u>
Weighted number of shares outstanding during the period	<u>25,000,000</u>	<u>25,000,000</u>
Earnings per share – Basic and diluted	<u>0.50</u>	<u>0.29</u>

7 CAPITAL COMMITMENTS

The capital commitments of the Company as at 31 March 2009 were AED 631,543 (31 December 2008: AED 986,238).

8 CONTINGENCIES AND OTHER COMMITMENTS

	31 March 2009 AED	31 December 2008 AED
Export Sales to be made through irrevocable letters of credit	<u>5,226,489</u>	<u>30,182,407</u>
Guarantees	<u>975,180</u>	<u>978,360</u>
Purchase commitments	<u>41,431,031</u>	<u>37,062,200</u>