UNITED FOODS COMPANY (PSC)
Dubai - United Arab Emirates

BALANCE SHEET
As at 31 December 2008

	2008 AED	2007 AED
Assets		
Non-Current		
Property, plant and equipment	63,247,639	67,585,356
Current		
Available-for-sale investment	318,209	1,567,714
Inventories*	81,461,077	85,606,167
Accounts receivable and prepayments	67,724,853	81,640,532
Bank balances and cash	1,047,713	1,105,897
	150,551,852	169,920,310
Total assets	213,799,491	237,505,666
Equity		
Share capital	25,000,000	25,000,000
Statutory reserve	8,750,000	8,750,000
General reserve	15,314,983	58,500,000
Fair value reserve for available-for-sale investment	41,517	1,291,028
Retained earnings		3,724,898
Total equity	49,106,500	97,265,926
Liabilities		
Non-current		
Employees' end of service benefits	2,940,050	2,685,991
Long term loan	10,000,000	12,500,000
	12,940,050	15,185,991
Current		
Accounts payable and accruals	111,589,673	90,771,317
Bank overdrafts	40,163,268	34,282,432
	151,752,941	125,053,749
Total liabilities	164,692,991	140,239,740
Total equity and liabilities	213,799,491	237,505,666

Vice Chairman

*Inventories are valued down to the lower of cost and net realisable value by AED 33.4 million and the amount charged to profit and loss account.

UNITED FOODS COMPANY (PSC)
Dubai - United Arab Emirates

INCOME STATEMENT
For the year ended 31 December 2008

	2008 AED	2007 AED
Sales	618,851,485	434,732,127
Cost of sales*	623,632,284	388,121,160
GROSS PROFIT	(4,780,799)	46,610,967
Selling and distribution	24,243,157	21,331,885
Advertising	4,200,712	3,552,170
General and administration	8,635,222	7,569,544
Provision for doubtful debts	390,000	360,000
PROFIT FROM OPERATIONS	(42,249,890)	13,797,368
Other income	5,785,511	3,476,566
Finance charges	(7,945,539)	(4,344,579)
NET PROFIT FOR THE YEAR	(44,409,918)	12,929,355
Earnings per share - Basic	(1.78)	0.52

*Cost of sales has been increased by AED 33.4 million to reflect the write down in value of stocks to net realisable value at 31 December 2009.

UNITED FOODS COMPANY (PSC)
Dubai - United Arab Emirates
STATEMENT OF CASH FLOWS
for the year ended 31 December 2008

	2008 AED	2007 AED
OPERATING ACTIVITIES		
Net profit for the year	(44,409,918)	12,929,355
Adjustments for:		
Depreciation	8,487,511	9,796,889
Provision for employees' end of service benefits	2,017,279	629,768
Interest expense	7,945,539	3,915,184
Profit on sale of property, plant and equipment	(107,818)	(80,866)
Operating profit before working capital changes:	(26,067,407)	27,190,330
(Increase)/Decrease in inventories	4,145,090	(31,879,605)
(Increase)/Decrease in accounts receivables and prepayments	13,915,679	(26,397,731)
Increase in accounts payable and accruals	20,248,878	32,624,895
Cash from/(used in) operations	12,242,240	1,537,889
Interest paid	(8,005,301)	(3,915,184)
Employees' end of service benefits paid	(1,763,218)	(215,820)
Net cash used in by operating activities	2,473,721	(2,593,115)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,226,211)	(5,689,210)
Proceeds from sale of property, plant and equipment	163,470	82,150
Purchase of investment	-	(19,136)
Net cash used in investing activities	(3,062,741)	(5,626,196)
FINANCING ACTIVITIES		
Term loan (paid)/received	(2,500,000)	(2,500,000)
Dividend paid	(2,500,000)	(2,500,000)
Directors' fees	(350,000)	(350,000)
Cash (used in)/provided by financing activities	(5,350,000)	(5,350,000)
DECREASE IN CASH AND CASH EQUIVALENTS	(5,939,020)	(13,569,311)
Cash and cash equivalents at 1 January	(33,176,535)	(19,607,224)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	(39,115,555)	(33,176,535)

UNITED FOODS COMPANY (PSC)
Dubai - United Arab Emirates

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31 December 2008

	Share capital AED	Statutory reserve AED	General reserve AED	Assets replacement reserve AED	Fair value adjustment for available-for-sale investment AED	Retained earnings AED	Total AED
Balance at 1 January 2007	25,000,000	7,450,000	25,500,000	25,000,000	-	2,845,543	85,795,543
Dividend paid	-	-	-	-	-	(2,500,000)	(2,500,000)
Net profit for the year	-	-	-	-	-	12,929,355	12,929,355
Unrealised profit on investment	-	-	-	-	1,291,028	-	1,291,028
Directors' fees	-	-	-	-	-	(250,000)	(250,000)
Transfer	-	1,300,000	33,000,000	(25,000,000)	-	(9,300,000)	-
Balance at 31 December 2007	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)
Net profit for the year	-	-	-	-	-	(44,409,918)	(44,409,918)
Unrealised loss on investment	-	-	-	-	(1,249,511)	-	(1,249,511)
Directors' fees	-	-	-	-	-	-	-
Transfers	-	-	(43,185,020)		-	43,185,020	-
Balance at 31 December 2008	25,000,000	8,750,000	15,314,980	-	41,517	-	49,106,497