

**RAS AL-KHAIMAH CEMENT COMPANY - P.S.C.**  
**(PUBLIC SHAREHOLDING COMPANY)**  
**RAS AL KHAIMAH**  
**UNITED ARAB EMIRATES**

**CONDENSED INTERIM FINANCIAL**  
**STATEMENTS AND REVIEW REPORT**  
**FOR THE THREE MONTH**  
**PERIOD ENDED MARCH 31, 2009**

**RAS AL KHAIMAH CEMENT COMPANY-P.S.C.**

**RAS AL KHAIMAH**  
**UNITED ARAB EMIRATES**

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## **Report on Review of Condensed Interim Financial Information**

101480005

**Messrs Ras Al Khaimah Cement Company – P.S.C.  
Ras AL-Khaimah  
United Arab Emirates**

### *Introduction*

We have reviewed the accompanying condensed interim statement of financial position of **Ras Al Khaimah Cement Company (a public shareholding company) – Ras Al Khaimah**, as of March 31, 2009 and the related condensed interim statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended and selected explanatory notes. Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with International Accounting Standard No. 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### *Scope of 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.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respect in accordance with International Accounting Standard No. 34, "Interim Financial Reporting".

**TALAL ABU-GHAZALEH & CO. INTERNATIONAL  
TALAT FARES ZABEN  
LICENSED AUDITOR NO. 68**

Ras Al-Khaimah,  
April 11, 2009

**RAS AL KHAIMAH CEMENT COMPANY-P.S.C.**

**RAS AL KHAIMAH**  
**UNITED ARAB EMIRATES**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2009 (UNAUDITED)**

**EXHIBIT A**

<b><u>ASSETS</u></b>	<b><u>Note</u></b>	<b><u>March 31,</u></b> <b><u>2009</u></b> <b><u>(Unaudited)</u></b>	<b><u>December 31,</u></b> <b><u>2008</u></b> <b><u>(Audited)</u></b>
		<b><u>AED</u></b>	<b><u>AED</u></b>
<b><u>Non-Current Assets:</u></b>			
Property, plant and equipment	3	520,186,604	525,434,133
Capital spare parts		6,040,154	6,163,413
Available-for-sale investments	4	30,613,254	30,613,254
Investment in an associate	5	40,613,400	--
Investment in project	6	750,000	--
<b>Total Non-Current Assets</b>		<b><u>598,203,412</u></b>	<b><u>562,210,800</u></b>
<b><u>Current Assets:</u></b>			
Inventories		66,978,505	58,667,593
Trade and other receivables		161,552,525	188,761,735
Cash and cash equivalents	7	16,307,035	94,279,209
<b>Total Current Assets</b>		<b><u>244,838,065</u></b>	<b><u>341,708,537</u></b>
<b>TOTAL ASSETS</b>		<b><u>843,041,477</u></b>	<b><u>903,919,337</u></b>
<b><u>SHAREHOLDERS' EQUITY AND LIABILITIES</u></b>			
<b><u>Capital And Reserves:</u></b>			
Share capital		484,000,000	484,000,000
Reserves		110,906,454	110,906,454
Cumulative changes in investments in shares		(266,917)	(266,917)
Retained earnings		182,146,583	208,390,300
<b>Net Shareholders' Equity – Exhibit C</b>		<b><u>776,786,120</u></b>	<b><u>803,029,837</u></b>
<b><u>Non-Current Liabilities:</u></b>			
End of service benefits obligation		2,246,718	2,162,774
<b><u>Current Liabilities:</u></b>			
Trade and other payables		55,700,148	72,126,020
Short-term borrowings from bank		8,308,491	26,600,706
<b>Total Current Liabilities</b>		<b><u>64,008,639</u></b>	<b><u>98,726,726</u></b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b><u>843,041,477</u></b>	<b><u>903,919,337</u></b>

***THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF  
THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)***

These condensed interim financial statements have been  
approved and authorized for issue on April 11, 2009 by:

**CHAIRMAN**

**GENERAL MANAGER**

**RAS AL KHAIMAH CEMENT COMPANY-P.S.C.**  
**RAS AL KHAIMAH**  
**UNITED ARAB EMIRATES**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED**  
**MARCH 31, 2009 (UNAUDITED)**

**EXHIBIT B**

	<u>Note</u>	<u>March 31,</u> <u>2009</u> <u>(Unaudited)</u> <u>AED</u>	<u>March 31,</u> <u>2008</u> <u>(Unaudited)</u> <u>AED</u>
Sales revenue		97,725,882	81,225,447
Cost of sales		(66,256,999)	(68,233,912)
<b>Gross profit</b>		<u>31,468,883</u>	<u>12,991,535</u>
Other income		923,652	821,119
Marketing expenses		(234,128)	(406,013)
Administrative expenses		(3,203,703)	(3,141,720)
Finance costs		(171,821)	(22,343)
Share of profit of an associate	5	613,400	--
<b>Profit for the period - Exhibit C</b>		<u>29,396,283</u>	<u>10,242,578</u>
<b>Basic earnings per share</b>		<u>0.061</u>	<u>0.021</u>

***THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF  
THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)***

**RAS AL KHAIMAH CEMENT COMPANY-P.S.C.**

**RAS AL KHAIMAH**  
**UNITED ARAB EMIRATES**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED MARCH 31, 2009 (UNAUDITED)**

**EXHIBIT D**

	<b><u>March 31,</u></b> <b><u>2009</u></b> <b><u>(Unaudited)</u></b> <b><u>AED</u></b>	<b><u>March 31,</u></b> <b><u>2008</u></b> <b><u>(Unaudited)</u></b> <b><u>AED</u></b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Profit for the period – Exhibit B	29,396,283	10,242,578
<b>Adjustments for:</b>		
Depreciation	5,546,569	5,440,657
Provision for capital spare parts	61,222	62,983
End of service benefits	83,944	13,645
Interest income	(874,298)	(767,930)
Profit on sale of property and equipment	--	(53,189)
Share of profit of an associate	(613,400)	--
Finance costs	171,821	22,343
<b>Profit before working capital changes</b>	<b>33,772,141</b>	<b>14,961,087</b>
Inventories – (Increase)/Decrease	(8,310,912)	8,535,962
Trade and other receivables – Decrease	26,991,031	1,057,163
Trade and other payables – (Decrease)	(16,425,871)	(8,831,632)
<b><i>Net cash provided by operating activities</i></b>	<b><u>36,026,389</u></b>	<b><u>15,722,580</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Purchase of property and equipment	(299,040)	(1,958,507)
Disposal of capital spare parts	62,036	194,360
Proceeds from sale of property and equipment	--	137,060
Investment in an associate	(40,000,000)	--
Investment in project	(750,000)	--
Investment in fixed deposit with bank	--	(11,000,000)
Interest income received	1,092,477	937,885
<b><i>Net cash (used in) investing activities</i></b>	<b><u>(39,894,527)</u></b>	<b><u>(11,689,202)</u></b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Dividend paid	(53,240,000)	--
Board of directors' remuneration paid	(2,400,000)	--
Short term borrowings from bank	(18,292,215)	--
Finance costs paid	(171,821)	(22,343)
<b><i>Net cash (used in) financing activities</i></b>	<b><u>(74,104,036)</u></b>	<b><u>(22,343)</u></b>
<b><i>Net (Decrease)/Increase in cash and cash equivalents</i></b>	<b><u>(77,972,174)</u></b>	<b><u>4,011,035</u></b>
Cash and cash equivalents at beginning of the period	94,279,209	76,473,402
<b><i>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD – Note 7</i></b>	<b><u>16,307,035</u></b>	<b><u>80,484,437</u></b>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF  
THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

**RAS AL KHAIMAH CEMENT COMPANY-P.S.C.**

**RAS AL KHAIMAH**  
**UNITED ARAB EMIRATES**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2009 (UNAUDITED)**

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**1. COMPANY INCORPORATION AND ACTIVITIES:**

Ras Al Khaimah Cement Company, a public shareholding company (hereinafter referred to as "the Company") was incorporated in Ras Al Khaimah by Amiri Decree number 4 dated May 27, 1995 being issued by H.H. Sheikh Saqr Bin Mohammad Al Qassimi, Member of The Supreme Council and Ruler of the Emirate of Ras Al Khaimah. The Company was duly registered according to the law with the official competent authorities and Ministry of Economy and Commerce. The ministerial decision number 7 concerning approval of the Company's incorporation was issued on February 11, 1996.

The production plant and all other facilities of the Company are situated at Khor Khawair area of Ras Al Khaimah Emirate.

The main activity of the Company is producing and marketing portland cement and powercrete. The Company has started its commercial production in April 1, 2000.

**2. BASIS OF PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS:**

The condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") IAS 34 *Interim Financial Reporting*. They do not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended December 31, 2008.

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2008, except for the adoption of new standard and interpretation related to investment in an associate.. In addition, results for the three-month ended March 31, 2009 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2009.

**Adoption of new standard (IAS-28) for investment in an associate:**

Investment in an associate is initially stated at acquisition cost. Investment in an associate is accounted for using the equity method depending on the most recent available financial statements of the associated company. The carrying amount of investment in an associate is tested under IAS 36 for impairment, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, whenever application of the requirements in IAS 39 indicates that the investment may be impaired. In determining the value in use of the investment in an associate, the Company estimates its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and proceeds on the ultimate disposal of the investment.

Impairment loss (if any), and any gain or loss resulting from investment in the associated company is recognized in statement of comprehensive income for the current period.

**RAS AL KHAIMAH CEMENT COMPANY-P.S.C.**

**RAS AL KHAIMAH**  
**UNITED ARAB EMIRATES**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2009 (UNAUDITED)**

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**4. AVAILABLE-FOR-SALE INVESTMENTS:**

a) The movement over these investments are as follows:

	<b><u>March 31,</u></b> <b><u>2009</u></b> <b><u>(Unaudited)</u></b> <b><u>AED</u></b>	<b><u>December 31,</u></b> <b><u>2008</u></b> <b><u>(Audited)</u></b> <b><u>AED</u></b>
Balance January 1,	30,613,254	30,987,667
Difference resulting from re-measurement of investment in shares	--	(374,413)
<b>Net - Exhibit A</b>	<b><u>30,613,254</u></b> <b>=====</b>	<b><u>30,613,254</u></b> <b>=====</b>

b) The above investments are classified as follows:

	<b><u>March 31,</u></b> <b><u>2009</u></b> <b><u>(Unaudited)</u></b> <b><u>AED</u></b>	<b><u>December 31,</u></b> <b><u>2008</u></b> <b><u>(Audited)</u></b> <b><u>AED</u></b>
Unquoted investments	30,550,000	30,550,000
Quoted investment	63,254	63,254
<b>Total</b>	<b><u>30,613,254</u></b> <b>=====</b>	<b><u>30,613,254</u></b> <b>=====</b>

c) Available-for-sale investments are classified into the following business segments:

	<b><u>March 31,</u></b> <b><u>2009</u></b> <b><u>(Unaudited)</u></b> <b><u>AED</u></b>	<b><u>December 31,</u></b> <b><u>2008</u></b> <b><u>(Audited)</u></b> <b><u>AED</u></b>
Investment in airline company	15,300,000	15,300,000
Investment in petroleum company	5,050,000	5,050,000
Investment in financing company	10,263,254	10,263,254
<b>Total – Note 4 (a) above</b>	<b><u>30,613,254</u></b> <b>=====</b>	<b><u>30,613,254</u></b> <b>=====</b>

**RAS AL KHAIMAH CEMENT COMPANY-P.S.C.**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2009 (UNAUDITED)**

**5. INVESTMENT IN AN ASSOCIATE:**

Investment in an associate represents the Company's investment in Reem Ready Mix LLC, Abu Dhabi. The total number of shares acquired is 6,000 shares of AED 1,000/- each. The Company presently possesses 20% of the shareholders' capital of Reem Ready Mix LLC. Investment in an associate is accounted for using the equity method. The details are as under:

	<u>March 31,</u> <u>2009</u> <u>(Unaudited)</u> <u>AED</u>	<u>December 31,</u> <u>2008</u> <u>(Audited)</u> <u>AED</u>
Acquisition cost	40,000,000	--
Share of profit of an associate – Exhibit B	<u>613,400</u>	<u>--</u>
<b>Total – Exhibit A</b>	<u><u>40,613,400</u></u>	<u><u>--</u></u>

**6. INVESTMENT IN PROJECT:**

Investment in project shown in Exhibit A amounting to AED 750,000 represents investment in RAK Power Co. LLC as of March 31, 2009.

**7. CASH AND CASH EQUIVALENTS:**

This item consists of the following:

	<u>March 31,</u> <u>2009</u> <u>(Unaudited)</u> <u>AED</u>	<u>December 31,</u> <u>2008</u> <u>(Audited)</u> <u>AED</u>
Cash on hand	30,320	38,400
Petty cash account	34,500	34,500
Current account with bank	37,514	16,714,628
Call deposit with bank	5,000,000	20,063,194
Fixed deposits with maturity of three months or less	15,000,000	58,000,000
Overdrawn book balance of dividend payment deposit a/c	<u>(3,795,299)</u>	<u>(571,513)</u>
<b>Net – Exhibit A</b>	<u><u>16,307,035</u></u>	<u><u>94,279,209</u></u>

**8. CAPITAL COMMITMENTS:**

As at March 31, 2009, the Company has contractual capital commitments amounting to AED 13,363,910 related to the ongoing projects.

**9. GENERAL:**

The figures in these condensed interim financial statements are rounded to the nearest Dirham of United Arab Emirates.



**RAS AL KHAIMAH CEMENT COMPANY-P.S.C.**  
**RAS AL KHAIMAH**  
**UNITED ARAB EMIRATES**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2009 (UNAUDITED)**

**3. PROPERTY, PLANT AND EQUIPMENT:**

a) Property, plant and equipment have been stated at cost less accumulated depreciation up to the interim condensed financial statements' date, as follows:

<b><u>COST:</u></b>	<b><u>Factory Building AED</u></b>	<b><u>Plant &amp; Equipment AED</u></b>	<b><u>Mobile Equipment &amp; Passenger Cars AED</u></b>	<b><u>Office Furniture &amp; Equipment AED</u></b>	<b><u>Improvements AED</u></b>	<b><u>Specialized tools AED</u></b>	<b><u>Capital work-in progress AED</u></b>	<b><u>Total AED</u></b>
At January 1, 2009	24,117,628	617,674,939	3,556,839	2,426,568	806,190	497,472	77,451,300	726,530,936
Additions	--	264,824		34,216	--	--	--	299,040
<b>At March 31, 2009</b>	<b><u>24,117,628</u></b>	<b><u>617,939,763</u></b>	<b><u>3,556,839</u></b>	<b><u>2,460,784</u></b>	<b><u>806,190</u></b>	<b><u>497,472</u></b>	<b><u>77,451,300</u></b>	<b><u>726,829,976</u></b>
<b><u>ACCUMULATED DEPRECIATION:</u></b>								
At January 1, 2009	7,499,098	189,228,218	1,607,191	2,121,280	566,375	74,641	--	201,096,803
Charged for the period	192,152	5,124,680	155,213	43,289	31,235	--	--	5,546,569
<b>At March 31, 2009</b>	<b><u>7,691,250</u></b>	<b><u>194,352,898</u></b>	<b><u>1,762,404</u></b>	<b><u>2,164,569</u></b>	<b><u>597,610</u></b>	<b><u>74,641</u></b>	<b><u>--</u></b>	<b><u>206,643,372</u></b>
<b><u>CARRYING AMOUNT:</u></b>								
At December 31, 2008 (Audited)- Exhibit A	16,618,530	428,446,721	1,949,648	305,288	239,815	422,831	77,451,300	525,434,133
<b>At March 31, 2009 (Unaudited)-Exhibit A</b>	<b><u>16,426,378</u></b>	<b><u>423,586,865</u></b>	<b><u>1,794,435</u></b>	<b><u>296,215</u></b>	<b><u>208,580</u></b>	<b><u>422,831</u></b>	<b><u>77,451,300</u></b>	<b><u>520,186,604</u></b>

b) The Company's plant is constructed on a leased land renewable on annual basis.

**RAS AL KHAIMAH CEMENT COMPANY-P.S.C.**  
**RAS AL KHAIMAH**  
**UNITED ARAB EMIRATES**

**CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD ENDED MARCH 31, 2009 (UNAUDITED)**

**EXHIBIT C**

<b><u>Description</u></b>	<b><u>Share capital</u></b> <b><u>AED</u></b>	<b><u>Reserves</u></b> <b><u>AED</u></b>	<b><u>Cumulative changes in investments in shares</u></b> <b><u>AED</u></b>	<b><u>Retained earnings</u></b> <b><u>AED</u></b>	<b><u>Net</u></b> <b><u>AED</u></b>
Shareholders' Equity at December 31, 2007 (Audited)	484,000,000	94,898,396	107,496	144,358,071	723,363,963
Difference resulting from re-measurement of available-for-sale investments	--	--	(3,195)	--	(3,195)
Profit for the period – Exhibit B	--	--	--	10,242,578	10,242,578
Shareholders' Equity at March 31, 2008 (Unaudited)	<u>484,000,000</u>	<u>94,898,396</u>	<u>104,301</u>	<u>154,600,649</u>	<u>733,603,346</u>
<b>Shareholders' Equity at December 31, 2008 (Audited) – Exhibit A</b>	<b>484,000,000</b>	<b>110,906,454</b>	<b>(266,917)</b>	<b>208,390,300</b>	<b>803,029,837</b>
<b>Dividend paid</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(53,240,000)</b>	<b>(53,240,000)</b>
<b>Board of directors' remuneration paid</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(2,400,000)</b>	<b>(2,400,000)</b>
<b>Profit for the period – Exhibit B</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>29,396,283</b>	<b>29,396,283</b>
Shareholders' Equity at March 31, 2009 (Unaudited) – Exhibit A	<u>484,000,000</u>	<u>110,906,454</u>	<u>(266,917)</u>	<u>182,146,583</u>	<u>776,786,120</u>

***THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF  
THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)***