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التاريخ : ٧ / ٠٤ / 2006

السادة بورصة عمان المحترمين

الموضوع : الحسابات الربعية لعام 2006

Q.R - JOCM - 27/4 /2006

تحية وبعد ،،،

*بالإعلانية*

مرفق لكم طياً الحسابات الربعية للفترة 2006/01/01 - 2006/03/31 مراجعة من قبل مدققي حساباتنا  
الخارجيين السادة Deloitte & Touche.

واقبلوا فائق الاحترام ،،،

٢٧ نيسان ٢٠٠٦  
١٨٤٨  
٤١٤٤  
الإدارة العامة  
للمصانع

شركة مصانع الأسمنت الأردنية  
المساهمة المحدودة

## Review Report

AM/ 31136

To the Chairman and Members of the Board of Directors of  
Jordan Cement Factories Company  
(A Public Shareholding Company)  
Amman - Jordan

We have reviewed the accompanying condensed interim balance sheet of Jordan Cement Factories Company (A Public Shareholding Company) as of March 31, 2006 and the related condensed interim statements of income, changes in shareholders' equity and cash flows for the three-month period ended March 31, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a review report on these financial statements based on our review.

Except as stated in the following paragraph (1), we conducted our review in accordance with the International Standard Number (2400) applicable to review engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

1. As stated in Note (6) to the condensed interim financial statements, fixed assets as of March 31, 2006 include an amount of around JD 10.4 million, being the net book value of the Pet Coke Project assets. On July 22, 2001, the Company received a preliminary conditional approval from the General Corporation for Environment Protection to proceed with the Project. However, the Company has not been able so far to use the assets of this Project due to the objection of the Ministry of Environment to use pet coke fuel as an energy source for the Company's plant in Fuhais. Accordingly, it is not probable to date that the Company will use the assets of this project for the initial intended purpose. International Financial Reporting Standards (IFRS) require determining whether there is any indication of impairment in the value of an asset to arrive at the related recoverable amount of such assets. We have not been provided with a comprehensive and final study on whether there is impairment in the value of the above-mentioned assets and the recoverability of their value, and accordingly, we were unable to verify the related effect, if any, on the Company's condensed interim financial statements.

Furthermore, the Company informed us that they are currently using the assets of the project for the purpose of conducting an industrial experiment on the alternative use of the project's equipment to grind another source of energy (Oil Shale) of which the preliminary results showed positive outcome. The Company expects to receive the required approvals to use Oil Shale during the year 2006.

Based on our review, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to what is mentioned in paragraph (1) above, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not presented fairly, in all material respects, in accordance with International Accounting Standard IAS (34) relating to Interim Financial Reporting.

The Company's fiscal year ends on December 31, of each year. However, the condensed interim financial statements have been prepared for management purposes and for the purpose of Jordanian Securities Exchange Commission.

Amman – Jordan  
April 26, 2006

  
Deloitte & Touche (M.E.) – Jordan

JORDAN CEMENT FACTORIES COMPANY  
(A PUBLIC SHAREHOLDING COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM BALANCE SHEETS

	Note	March 31, 2006 JD	December 31, 2005 JD		Note	March 31, 2006 JD	December 31, 2005 JD
<u>ASSETS</u>				<u>LIABILITIES</u>			
Current Assets:				Current Liabilities:			
Cash on hand and at banks	4	95,163,782	87,672,346	Accounts payable	7	10,351,791	11,583,655
Accounts receivable - net		1,947,699	2,160,299	Provision for income tax		5,056,846	13,633,150
Inventory and spare parts - net		36,431,742	36,108,492	Other credit balances	8	114,467,734	18,778,214
Other debit balances		6,651,863	8,512,126	Total Current Liabilities		129,876,371	43,995,019
Total Current Assets		140,195,086	134,453,263	Staff Unity Fund		2,618,475	2,508,706
Deferred Tax Assets		1,269,350	1,188,964	Provisions:			
Employees' Housing Loans		6,582,143	6,583,122	Provision for post retirement health insurance		9,200,000	9,200,000
Investments:				Provision for employees vacations		1,026,034	693,997
Available-for-sale investments		376,658	248,328	Provision for end-of-service indemnity		33,773	31,926
Investment in associate company		470,400	477,358	Total Provisions		10,259,807	9,925,923
Investment in subsidiary company	5	27,191	27,191	SHAREHOLDERS' EQUITY			
Total Investments		874,249	752,877	Paid - up capital		60,444,460	60,444,460
Fixed Assets:	6			Statutory reserve		27,000,000	27,000,000
Fixed assets-at cost		345,163,164	344,067,878	Voluntary reserve		12,399,640	12,399,640
Less: Accumulated depreciation		231,405,349	229,642,936	Cumulative change in fair value		72,429	-
Net Book Value		113,757,815	114,424,942	Retained earnings		20,007,461	101,129,420
				Total Shareholders' Equity		119,923,990	200,973,520
TOTAL ASSETS		<u>262,678,643</u>	<u>257,403,168</u>	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>262,678,643</u>	<u>257,403,168</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM STATEMENTS.

**JORDAN CEMENT FACTORIES COMPANY**  
**(A PUBLIC SHAREHOLDING COMPANY)**  
**AMMAN - JORDAN**  
**CONDENSED INTERIM STATEMENTS OF INCOME**

	For the Three-Month Period Ended March 31,			
	2006		2005	
	Total Excluding		Total	
Note	Aqaba	Aqaba	JD	JD
	JD	JD		
Net sales	43,263,993	2,499,358	45,763,351	38,586,091
Cost of Sales:				
Finished goods and work in process, beginning of the period	4,068,840	919,458	4,988,298	6,288,039
Production cost	28,944,539	270,086	29,214,625	23,928,008
External cement purchases	16,500	1,290,171	1,306,671	-
Less: Finished goods and work in process, end of the period	3,162,891	513,501	3,676,392	4,504,533
Cost of Sales	29,866,988	1,966,214	31,833,202	25,711,514
Gross Income from Sales	13,397,005	533,144	13,930,149	12,874,577
Export, selling and distribution expenses	320,371	58,575	378,946	1,024,715
General and administrative expenses	2,585,468	11,948	2,597,416	2,185,358
Income from Operations before Provisions	10,491,166	462,621	10,953,787	9,664,504
Provision for rehabilitation of quarries and environment protection	81,215	-	81,215	-
Provision for employees vacations	348,065	-	348,065	1,435,398
Income from Operations	10,061,886	462,621	10,524,507	8,229,106
Other income	66,793	-	66,793	437
Fixed assets written-off	-	-	-	(1,319,590)
Company's share of the associate's net losses	(6,958)	-	(6,958)	-
Financial revenues	1,013,480	-	1,013,480	190,915
Income before Tax and other Fees	11,135,201	462,621	11,597,822	7,100,868
Governmental fees			327,489	199,243
Provision for income tax			1,725,602	1,220,655
Income for the Period			9,544,731	5,680,970
Earnings Per Share			0.158	0.094
Weighted Average Number of Shares			60,444,460	60,444,460

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JORDAN CEMENT FACTORIES COMPANY  
(A PUBLIC SHAREHOLDING COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Paid - up Capital	Statutory Reserve	Voluntary Reserve	Cumulative Change in		Retained Earnings	Total
	JD	JD	JD	Fair Value	JD	JD	JD
For the Three-Month Period Ended <u>March 31, 2006</u>							
Beginning balance	60,444,460	27,000,000	12,399,640	-	101,129,420	200,973,520	
Change in fair value	-	-	-	72,429	-	72,429	
Proposed dividends approved by the General Assembly	-	-	-	-	(90,666,690)	(90,666,690)	
Income for the period	-	-	-	-	9,544,731	9,544,731	
Ending Balance	60,444,460	27,000,000	12,399,640	72,429	20,007,461	119,923,990	
For the Three-Month Period Ended <u>March 31, 2005</u>							
Beginning balance	60,444,460	27,000,000	12,399,640	-	73,346,213	173,190,313	
Proposed dividends approved by the General Assembly	-	-	-	-	(39,288,899)	(39,288,899)	
Income for the period	-	-	-	-	5,680,970	5,680,970	
Ending Balance	60,444,460	27,000,000	12,399,640	-	39,738,284	139,582,384	

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JORDAN CEMENT FACTORIES COMPANY  
(A PUBLIC SHAREHOLDING COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENTS OF CASH FLOWS

	For the Three-Month Period Ended	
	March 31,	
	2006	2005
	JD	JD
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Income before tax and fees	11,597,822	7,100,868
Depreciation of fixed assets	1,781,105	2,357,950
(Gain) on disposal of fixed assets	-	(276,527)
Provision for employees' vacations	348,065	1,435,398
Fixed assets written-off	-	1,319,590
Amortization of intangible assets	-	174,566
Provision for rehabilitation of quarries and environment protection	81,215	-
(Gain) from available-for-sale investments	(55,901)	-
Loss from investment in associate	6,958	-
Loss on revaluation of forward contracts	25,595	-
Cash Flows from Operating Activities before Changes in Working Capital	13,784,859	12,111,845
Decrease (increase) in accounts receivable, other current assets, and employees loans	2,048,247	(2,527,304)
(Increase) decrease in inventory and spare parts	(323,250)	1,587,956
Increase in accounts payable and other credit balances	3,592,698	1,804,262
Increase in staff unity fund and provision for end-of-service indemnity	111,616	1,818
Cash Flows from Operating Activities before Income Tax	19,214,170	12,978,577
Income tax paid	(10,382,292)	(7,759,595)
Net Cash Flows from Operating Activities	8,831,878	5,218,982
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of fixed assets	(1,113,978)	(1,953,333)
Net Cash Flows (used in) Investing Activities	(1,113,978)	(1,953,333)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Dividends paid	(226,464)	(67,743)
Net Cash Flows (used in) Financing Activities	(226,464)	(67,743)
Net Increase in Cash	7,491,436	3,197,906
Cash on hand and at banks - beginning of the period	87,672,346	61,725,572
Cash on Hand and at Banks - End of the Period	95,163,782	64,923,478

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