

**GULF CEMENT COMPANY P.S.C.**

**Review report and interim financial information  
for the period ended 31 March 2013**

**GULF CEMENT COMPANY P.S.C.**

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## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

**The Board of Directors  
Gulf Cement Company P.S.C.  
Ras Al Khaimah  
United Arab Emirates**

### *Introduction*

We have reviewed the accompanying condensed statement of financial position of **Gulf Cement Company P.S.C. (a Public Shareholding Company) - Ras Al Khaimah, United Arab Emirates**, as at 31 March 2013 and the related condensed statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34: Interim Financial Reporting. 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 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 interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34: Interim Financial Reporting.

Deloitte & Touche (M.E.)



Samir Madbak  
Registration No. 386  
8 May 2013

## GULF CEMENT COMPANY P.S.C.

Condensed statement of financial position  
at 31 March 2013

	Notes	31 March 2013 (unaudited) AED	31 December 2012 (audited) AED
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	4	668,428,042	547,783,011
Investment property		8,253,725	8,253,725
Trade and other receivables	5	13,000,000	13,000,000
Investments carried at fair value through other comprehensive income (FVTOCI)	6 (a)	90,224,443	107,635,225
<b>Total non current assets</b>		<b>779,906,210</b>	<b>676,671,961</b>
<b>Current assets</b>			
Inventories	7	223,897,678	238,533,307
Trade and other receivables	5	245,454,243	209,618,048
Investments carried at fair value through profit or loss (FVTPL)	6 (b)	139,710,544	121,767,283
Cash and cash equivalents	8	56,191,752	125,330,953
<b>Total current assets</b>		<b>665,254,217</b>	<b>695,249,591</b>
<b>Total assets</b>		<b>1,445,160,427</b>	<b>1,371,921,552</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	9	821,096,820	821,096,820
Reserves	10	471,968,655	471,968,655
Cumulative change in fair value		(107,748,920)	(117,257,133)
Retained earnings		35,654,384	41,927,886
<b>Total equity</b>		<b>1,220,970,939</b>	<b>1,217,736,228</b>
<b>Non-current liabilities</b>			
Provision for employees' end of service indemnity		11,149,211	11,527,790
Borrowings	11	107,476,095	28,207,451
<b>Total non-current liabilities</b>		<b>118,625,306</b>	<b>39,735,241</b>
<b>Current liabilities</b>			
Trade and other payables	12	105,564,182	114,450,083
<b>Total liabilities</b>		<b>224,189,488</b>	<b>154,185,324</b>
<b>Total equity and liabilities</b>		<b>1,445,160,427</b>	<b>1,371,921,552</b>

Omar Saqr Al Qasimi  
Chairman

The accompanying notes form an integral part of these condensed financial statements.

**GULF CEMENT COMPANY P.S.C.****Condensed statement of income (unaudited)  
for the period ended 31 March 2013**

	Notes	Three month period ended 31 March	
		2013 AED	2012 AED
Revenue	13	151,954,370	153,365,681
Cost of sales		(152,644,623)	(151,617,026)
Gross (loss)/profit		(690,253)	1,748,655
Other operating income		80,352	313,452
Selling, general and administrative expenses		(10,705,914)	(6,001,932)
Investment income	14	14,207,266	7,716,249
Other loss		(170,599)	(840,663)
<b>Profit for the period</b>		<b>2,720,852</b>	<b>2,935,761</b>
<b>Basic earnings per share</b>	15	<b>0.003</b>	0.004

The accompanying notes form an integral part of these condensed financial statements.

**GULF CEMENT COMPANY P.S.C.****Condensed statement of comprehensive income (unaudited)  
for the period ended 31 March 2013**

	<b>Three month period ended 31 March</b>	
	<b>2013</b>	2012
	<b>AED</b>	AED
<b>Profit for the period</b>	<b>2,720,852</b>	2,935,761
	<hr/>	<hr/>
<b>Other comprehensive income/(loss)</b>		
Loss on disposal of investments carried at FVTOCI	<b>(8,994,354)</b>	(26,266,643)
Increase in fair value of investments carried at FVTOCI	<b>9,508,213</b>	22,450,444
	<hr/>	<hr/>
Total other comprehensive income/(loss)	<b>513,859</b>	(3,816,199)
	<hr/>	<hr/>
<b>Total comprehensive income/(loss) for the period</b>	<b>3,234,711</b>	(880,438)
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The accompanying notes form an integral part of these condensed financial statements.

**GULF CEMENT COMPANY P.S.C.**

**Condensed statement of changes in equity  
for the period ended 31 March 2013**

	<b>Share capital AED</b>	<b>Reserves AED</b>	<b>Cumulative change in fair value AED</b>	<b>Retained earnings AED</b>	<b>Total AED</b>
Balance at 31 December 2011 (audited)	821,096,820	471,968,655	(163,884,290)	108,042,944	1,237,224,129
Profit for the period	-	-	-	2,935,761	2,935,761
Other comprehensive loss for the period	-	-	22,450,444	(26,266,643)	(3,816,199)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	-	-	22,450,444	(23,330,882)	(880,438)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2012 (unaudited)	821,096,820	471,968,655	(141,433,846)	84,712,062	1,236,343,691
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2012 (audited)	821,096,820	471,968,655	(117,257,133)	41,927,886	1,217,736,228
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Profit for the period	-	-	-	2,720,852	2,720,852
Other comprehensive income for the period	-	-	9,508,213	(8,994,354)	513,859
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	9,508,213	(6,273,502)	3,234,711
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2013 (unaudited)</b>	<b>821,096,820</b>	<b>471,968,655</b>	<b>(107,748,920)</b>	<b>35,654,384</b>	<b>1,220,970,939</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes form an integral part of these condensed financial statements.

**GULF CEMENT COMPANY P.S.C.****Condensed statement of cash flows (unaudited)  
for the period ended 31 March 2013**

	<b>Three month period ended 31 March</b>	
	<b>2013</b>	<b>2012</b>
	<b>AED</b>	<b>AED</b>
<b>Cash flows from operating activities</b>		
Profit for the period	2,720,852	2,935,761
Adjustments for:		
Depreciation of property, plant and equipment	9,310,056	8,897,554
Loss on disposal of property plant and equipment	89,266	1,411,628
Provision for employees' end of service indemnity	362,000	375,000
Unrealised gain on investments at FVTPL	(14,429,566)	(72,175,757)
Loss on sale of investments in securities	948,371	66,097,053
Interest and dividend revenue	(726,071)	(1,637,545)
	<hr/>	<hr/>
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>(1,725,092)</b>	<b>5,903,694</b>
Increase in trade and other receivables	(35,836,195)	(1,575,788)
Decrease/(increase) in inventories	14,635,629	(486,286)
Decrease in due to a related party	-	(145,309)
(Decrease)/increase in trade and other payables	(8,883,681)	6,548,959
	<hr/>	<hr/>
<b>Cash (used in)/generated from operations</b>	<b>(31,809,339)</b>	<b>10,245,270</b>
Employees' end of service indemnity paid	(740,579)	(444,537)
	<hr/>	<hr/>
<b>Net cash (used in)/generated from operating activities</b>	<b>(32,549,918)</b>	<b>9,800,733</b>
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(130,044,353)	(7,175,667)
Proceeds from disposal of property, plant and equipment	-	2,772,491
Purchase of investments at FVTPL	(11,398,959)	(9,638,179)
Proceeds on disposal of investments in securities	24,861,534	74,019,434
Dividends received	706,465	1,600,463
Interest received	19,606	37,082
	<hr/>	<hr/>
<b>Net cash (used in)/generated from investing activities</b>	<b>(115,855,707)</b>	<b>61,615,624</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Net movement in the borrowings	79,268,644	-
Dividends paid	(2,220)	(11,581)
	<hr/>	<hr/>
<b>Net cash generated from/(used in) financing activities</b>	<b>79,266,424</b>	<b>(11,581)</b>
	<hr/>	<hr/>
<b>Net (decrease)/increase in cash and cash equivalents during the period</b>	<b>(69,139,201)</b>	<b>71,404,776</b>
Cash and cash equivalents at the beginning of the period	125,330,953	64,973,119
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>	<b>56,191,752</b>	<b>136,377,895</b>
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The accompanying notes form an integral part of these condensed financial statements.



## GULF CEMENT COMPANY P.S.C.

### Notes to the condensed financial statements for the period ended 31 March 2013

#### 1. General information

Gulf Cement Company P.S.C. (a Public Shareholding Company), Ras Al Khaimah (the "Company") is incorporated as a public shareholding company by Emiri decree number 24/77 issued by His Highness, The Ruler of Ras Al Khaimah, U.A.E., in 1977. The address of the Company's registered office is P. O. Box 5295 Ras Al Khaimah, United Arab Emirates.

The principal activities of the Company are production and marketing of all types of cement.

#### 2. New and revised International Financial Reporting Standards (IFRSs) in issue but not yet effective and not early adopted:

The Company has not early applied the following new standards, amendments and interpretations that have been issued but not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
<ul style="list-style-type: none"> <li>• Amendments to IFRS 7 <i>Financial Instruments</i>: Disclosures relating to disclosures about the initial application of IFRS.</li> </ul>	1 January 2015
<ul style="list-style-type: none"> <li>• Amendments to IAS 32 <i>Financial Instruments: Presentation</i> relating to application guidance on the offsetting of financial assets and financial liabilities.</li> </ul>	1 January 2014
<ul style="list-style-type: none"> <li>• Amendments to IFRS 10, IFRS 12 and IAS 27 – Guidance on Investment Entities</li> </ul>	1 January 2014

On 31 October 2012, the IASB published a standard on investment entities, which amends IFRS 10, IFRS 12, and IAS 27 and introduces the concept of an investment entity in IFRSs. The amendments establish an exception to IFRS 10's general consolidation principle for investment entities, requiring them to "measure particular subsidiaries at fair value through profit or loss, rather than consolidate them." In addition, the amendments outline required disclosures for reporting entities that meet the definition of an investment entity.

## **GULF CEMENT COMPANY P.S.C.**

### **Notes to the condensed financial statements for the period ended 31 March 2013 (continued)**

#### **2. New and revised International Financial Reporting Standards (IFRSs) in issue but not yet effective and not early adopted (continued):**

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements for the period beginning 1 January 2014 or as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

#### **3. Summary of significant accounting policies**

##### **3.1. Basis of preparation**

These condensed financial statements have been prepared in accordance with International Accounting Standard (IAS) No. 34, "*Interim Financial Reporting*" and also comply with the applicable requirements of the laws in the U.A.E.

The condensed financial statements are presented in U.A.E. Dirhams (AED) since that is the currency in which the majority of the Company's transactions are denominated.

These condensed financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments and investment property.

The accounting policies, presentation and methods in these condensed financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2012.

These condensed financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements as at and for the year ended 31 December 2012. In addition, results for the three month period ended 31 March 2013 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2013.

As required by the Securities and Commodities Authority ("SCA") notification dated 12 October 2008, accounting policies relating to investments in securities, property, plant and equipment and investment property have been disclosed in the condensed financial statements.

##### **3.2 Property, plant and equipment**

Property, plant and equipment, except properties under construction, are stated at their cost, less any subsequent accumulated depreciation and any subsequent identified impairment losses.

Properties in the course of construction for production, administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

**GULF CEMENT COMPANY P.S.C.****Notes to the condensed financial statements  
for the period ended 31 March 2013 (continued)****3. Summary of significant accounting policies (continued)****3.2 Property, plant and equipment (continued)**

Depreciation is charged so as to write off the cost of assets, other than properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each period end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**3.3 Investment property**

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss.

Investment property is located in U.A.E.

**3.4 Investments in securities**

Investments of the Company are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Investments of the Company are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL) and at fair value through other comprehensive income (FVTOCI) financial assets. The classification depends on the nature and purpose of the investment and is determined at the time of initial recognition.

***Financial assets at FVTPL***

Investments in equity instruments are mandatorily classified as at FVTPL, unless the Company designates an investment that is not held for trading as at fair value through other comprehensive income (FVTOCI) on initial recognition.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Dividend income on investments in equity instruments at FVTPL is recognised in profit or loss when the Company's right to receive the dividends is established in accordance with IAS 18 Revenue.

**GULF CEMENT COMPANY P.S.C.****Notes to the condensed financial statements  
for the period ended 31 March 2013 (continued)****3. Summary of significant accounting policies (continued)****3.4 Investments in securities (continued)*****Financial assets at FVTOCI***

At initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the cumulative changes in fair value reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments.

The Company has designated all investments in equity instruments that are not held for trading as at FVTOCI.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established in accordance with IAS 18 Revenue, unless the dividends clearly represent a recovery of part of the cost of the investment.

**4. Property, plant and equipment**

During the period, additions to property, plant and equipment amounted to AED 130,044,353 (3 months ended 31 March 2012: AED 7,175,667) and depreciation for the 3 months ended 31 March 2013 amounted to AED 9,310,056 (3 months ended 31 March 2012: AED 8,897,554).

At 31 March 2013 the cost of fully depreciated property, plant and equipment that was still in use amounted to AED 252,195,587 (31 December 2012: AED 246,214,252).

The factory and its related buildings are constructed on plots of land leased from the Government of Ras Al Khaimah renewable on annual basis.

All property, plant and equipment are located in U.A.E.

**GULF CEMENT COMPANY P.S.C.****Notes to the condensed financial statements  
for the period ended 31 March 2013 (continued)****5. Trade and other receivables**

	<b>31 March 2013 AED Unaudited</b>	31 December 2012 AED Audited
Trade receivables	<b>173,097,815</b>	174,689,950
Other receivables	<b>69,356,428</b>	31,928,098
Receivable from sale of an associate	<b>16,000,000</b>	16,000,000
	<hr/>	<hr/>
	<b>258,454,243</b>	222,618,048
Receivable from sale of an associate due after one year	<b>(13,000,000)</b>	(13,000,000)
	<hr/>	<hr/>
	<b>245,454,243</b>	209,618,048
	<hr/> <hr/>	<hr/> <hr/>

The credit risk associated with the Company's trade receivable is considered limited as the Company holds receivables amounting to AED 146,021,200 (31 December 2012: AED 134,263,633) fully covered by unconditional bank guarantees from the customers to secure the collectibility of these trade receivables.

**6. Investments in securities****a) Investments carried at fair value through  
other comprehensive income (FVTOCI)**

	<b>31 March 2013 AED Unaudited</b>	31 December 2012 AED Audited
Quoted – at fair value	<b>30,523,378</b>	47,934,160
Unquoted – at fair value	<b>59,701,065</b>	59,701,065
	<hr/>	<hr/>
	<b>90,224,443</b>	107,635,225
	<hr/> <hr/>	<hr/> <hr/>
In U.A.E.	<b>55,623,360</b>	55,623,363
In other GCC countries	<b>34,601,083</b>	52,011,862
	<hr/>	<hr/>
	<b>90,224,443</b>	107,635,225
	<hr/> <hr/>	<hr/> <hr/>

**GULF CEMENT COMPANY P.S.C.****Notes to the condensed financial statements  
for the period ended 31 March 2013 (continued)****6. Investments in securities (continued)****b) Investments carried at fair value through profit or loss (FVTPL)**

	<b>31 March 2013 AED Unaudited</b>	31 December 2012 AED Audited
Quoted	<b>139,710,544</b>	121,767,283
In U.A.E.	<b>65,291,832</b>	55,490,482
In other GCC countries	<b>74,418,712</b>	66,276,801
	<b>139,710,544</b>	121,767,283

**7. Inventories**

	<b>31 March 2013 AED Unaudited</b>	31 December 2012 AED Audited
Finished goods	<b>2,692,078</b>	7,331,767
Raw materials	<b>8,859,833</b>	8,140,309
Work in progress	<b>18,153,883</b>	28,917,410
Bags, fuel and lubricants	<b>43,524,398</b>	40,460,965
	<b>73,230,192</b>	84,850,451
Spare parts - maintenance department	<b>146,501,236</b>	149,760,095
Consumable items	<b>22,061,813</b>	21,834,564
Tools	<b>306,258</b>	290,018
	<b>168,869,307</b>	171,884,677
Allowance for slow-moving inventories	<b>(18,201,821)</b>	(18,201,821)
	<b>150,667,486</b>	153,682,856
	<b>223,897,678</b>	238,533,307

**GULF CEMENT COMPANY P.S.C.****Notes to the condensed financial statements  
for the period ended 31 March 2013 (continued)****8. Cash and cash equivalents**

	<b>31 March 2013 AED Unaudited</b>	31 December 2012 AED Audited
Cash on hand	<b>418,445</b>	210,521
Bank balances:		
Current accounts	<b>10,577,623</b>	33,718,333
Call deposits	<b>45,195,684</b>	31,053,586
Short term deposits	-	60,348,513
	<b>55,773,307</b>	125,120,432
	<b>56,191,752</b>	125,330,953
Bank balances		
In U.A.E.	<b>46,778,618</b>	116,420,679
In other GCC countries	<b>8,994,689</b>	8,699,753
	<b>55,773,307</b>	125,120,432

**9. Share capital**

	<b>31 March 2013 AED Unaudited</b>	31 December 2012 AED Audited
Issued and fully paid:		
821,096,820 ordinary shares of AED 1 each	<b>821,096,820</b>	821,096,820

**GULF CEMENT COMPANY P.S.C.****Notes to the condensed financial statements  
for the period ended 31 March 2013 (continued)****10. Reserves**

According to article 42 of the Company's Articles of Association and the requirements of the U.A.E. Federal Commercial Companies Law No 8 of 1984, as amended, 10% of the profit of each year is transferred to the statutory reserve and another 10% to the voluntary reserve. The transfer to statutory reserve may be suspended when it reaches 50% of the paid-up share capital. Statutory reserve is not available for distribution except as stipulated by the Law. The transfer to voluntary reserve may be suspended by the ordinary general assembly at the recommendation of the Board of Directors or when it reaches 20% of the Company's paid-up share capital.

	<b>Statutory reserve AED</b>	<b>Voluntary reserve AED</b>	<b>Total AED</b>
Balance at 31 December 2011 (Audited)	335,332,153	136,636,502	471,968,655
Movement during the period	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2012 (Unaudited)	335,332,153	136,636,502	471,968,655
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2012 (Audited)	335,332,153	136,636,502	471,968,655
Movement during the period	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2013 (Unaudited)</b>	<b>335,332,153</b>	<b>136,636,502</b>	<b>471,968,655</b>
	<hr/>	<hr/>	<hr/>

**11. Borrowings**

	<b>31 March 2013 AED Unaudited</b>	31 December 2012 AED Audited
Term loan	<b>107,476,095</b>	28,207,451
	<hr/>	<hr/>



**GULF CEMENT COMPANY P.S.C.****Notes to the condensed financial statements  
for the period ended 31 March 2013 (continued)****11. Borrowings (continued)**

The borrowings are repayable as follows:

	<b>31 March 2013 AED Unaudited</b>	31 December 2012 AED Audited
In the second year	<b>20,848,986</b>	20,848,986
In the third to fifth year	<b>86,627,109</b>	7,358,465
	<hr/> <b>107,476,095</b> <hr/>	<hr/> 28,207,451 <hr/>
Installments due after twelve months from the reporting date (shown as non current liabilities)	<hr/> <b>107,476,095</b> <hr/>	<hr/> 28,207,451 <hr/>

During 2012, the Company has entered into finance lease agreement for AED 190 million with leasing company registered in the United Arab Emirates to finance the purchase of property, plant and equipment. The repayment will commence from August 2014. The draw down amount against the lease agreement at the reporting date was AED 107.5 million (31 December 2012: AED 28.2 million).

**12. Trade and other payables**

	<b>31 March 2013 AED Unaudited</b>	31 December 2012 AED Audited
Trade payables	<b>58,133,203</b>	67,120,022
Dividend payable	<b>17,240,805</b>	17,243,025
Accrued expenses	<b>26,591,987</b>	28,980,415
Other payables	<b>3,598,187</b>	1,106,621
	<hr/> <b>105,564,182</b> <hr/>	<hr/> 114,450,083 <hr/>

**GULF CEMENT COMPANY P.S.C.****Notes to the condensed financial statements  
for the period ended 31 March 2013 (continued)****13. Revenue**

An analysis of the Company's revenue is as follows:

	<b>Three month period ended 31 March</b>	
	<b>2013</b>	<b>2012</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>AED</b>	<b>AED</b>
Local sales	<b>55,566,772</b>	67,174,949
Export sales	<b>96,387,598</b>	86,190,732
	<hr/>	<hr/>
	<b>151,954,370</b>	153,365,681
	<hr/> <hr/>	<hr/> <hr/>

**14. Investment income**

	<b>Three month period ended 31 March</b>	
	<b>2013</b>	<b>2012</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>AED</b>	<b>AED</b>
Unrealised gain on investments carried at FVTPL	<b>14,429,566</b>	72,175,757
Loss on disposal of investment in securities	<b>(948,371)</b>	(66,097,053)
Dividend income	<b>706,465</b>	1,600,463
Interest income	<b>19,606</b>	37,082
	<hr/>	<hr/>
	<b>14,207,266</b>	7,716,249
	<hr/> <hr/>	<hr/> <hr/>

**15. Basic earnings per share**

	<b>Three month period ended 31 March</b>	
	<b>2013</b>	<b>2012</b>
	<b>Unaudited</b>	<b>Unaudited</b>
Profit for the period (in AED)	<b>2,720,852</b>	2,935,761
	<hr/>	<hr/>
Number of shares	<b>821,096,820</b>	821,096,820
	<hr/> <hr/>	<hr/> <hr/>
Basic earnings per share (in AED)	<b>0.003</b>	0.004
	<hr/> <hr/>	<hr/> <hr/>

**GULF CEMENT COMPANY P.S.C.****Notes to the condensed financial statements  
for the period ended 31 March 2013 (continued)****16. Dividends**

At the annual general meeting held on 3 April 2013 the shareholders approved cash dividend at 5% of the Share capital amounting to AED 41 million for 2012 (2012: Nil for the year 2011)

The above dividend for 2012 was not reflected as a liability in these condensed financial statements.

**17. Related party transactions**

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

	<b>Three month period ended 31 March</b>	
	<b>2013</b>	2012
	<b>Unaudited</b>	Unaudited
	<b>AED</b>	AED
Board of Directors' fees and allowances	<b>347,400</b>	191,400
Rent expenses	<b>44,853</b>	88,000
Purchase of water	-	394,324

**18. Contingent liabilities and commitments**

	<b>31 March</b>	31 December
	<b>2013</b>	2012
	<b>AED</b>	AED
	<b>Unaudited</b>	Audited
Letters of credit	<b>2,484,625</b>	104,832,798
Letters of guarantee	<b>200,000</b>	200,000
Commitments for the acquisition of property, plant and equipment	<b>34,062,000</b>	41,142,643

**19. Segment information**

The Company is organised into two main business segments:

Manufacturing of all types of cement and investments incorporating investments in marketable equity securities, deposits with banks and investment properties.

Notes to the condensed financial statements  
for the period ended 31 March 2013 (continued)

19. Segment information (continued)

	<u>Three month period ended 31 March 2013</u>			<u>Three month period ended 31 March 2012</u>		
	<u>Manufacturing</u>	<u>Investments</u>	<u>Total</u>	<u>Manufacturing</u>	<u>Investments</u>	<u>Total</u>
	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED
Segment revenue	151,954,370	-	151,954,370	153,365,681	-	153,365,681
Segment result	(11,486,414)	14,207,266	2,720,852	(4,780,488)	7,716,249	2,935,761
	<u>31 March 2013</u>			<u>31 December 2012</u>		
	<u>Manufacturing</u>	<u>Investments</u>	<u>Total</u>	<u>Manufacturing</u>	<u>Investments</u>	<u>Total</u>
	Unaudited AED	Unaudited AED	Unaudited AED	Audited AED	Audited AED	Audited AED
Segment assets	1,137,779,963	296,384,396	1,434,164,359	995,934,366	342,058,332	1,337,992,698
Unallocated assets			10,996,068			33,928,854
Total assets	1,137,779,963	296,384,396	1,445,160,427	995,934,366	342,058,332	1,371,921,552
Segment liabilities	224,189,488	-	224,189,488	154,185,324	-	154,185,324

There are no transactions between the business segments.

**GULF CEMENT COMPANY P.S.C.****Notes to the condensed financial statements  
for the period ended 31 March 2013 (continued)****20. Comparative amounts**

The following balances in the condensed statement of income for the three month period ended 31 March 2012 have been reclassified to conform to the period ended 31 March 2013 presentation:

	As previously reported for the three month period ended 31 March 2012 AED	Reclassification AED	As restated for the three month period ended 31 March 2013 AED
Cost of sales	153,935,808	(2,318,782)	151,617,026
Selling, general and administrative expenses	3,683,150	2,318,782	6,001,932

There was no impact on the cash flows or reported profit for the comparative period due to the above reclassification.

**21. Approval of condensed financial statements**

The condensed financial statements were approved by the Chairman of the Board of Directors and authorised for issue on 8 May 2013.