GULF CEMENT COMPANY P.S.C.

Review report and interim financial information for the period ended 30 September 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 30 September 2013 and the related condensed statements of income, comprehensive income, changes in equity and cash flows for the nine month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard IAS 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
13 November 2013

Condensed statement of financial position at 30 September 2013

	Notes	30 September 2013 AED unaudited	31 December 2012 AED audited
ASSETS			
Non-current assets			
Property, plant and equipment	4	726,081,212	547,783,011
Investment property		8,253,725	8,253,725
Trade and other receivables	5	9,500,000	13,000,000
Investments carried at fair value through other comprehensive income (FVTOCI)	6 (a)	80,328,405	107,635,225
Total non-current assets		824,163,342	676,671,961
Current assets			
Inventories	7	247,043,394	238,533,307
Trade and other receivables	5	170,694,357	209,618,048
Investments carried at fair value through profit or loss (FVTPL)	6 (b)	168,160,192	121,767,283
Cash and cash equivalents	8	59,904,952	125,330,953
Total current assets		645,802,895	695,249,591
Total assets		1,469,966,237	1,371,921,552
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	9	821,096,820	821,096,820
Reserves	10	471,968,655	471,968,655
Cumulative change in fair value		(115,596,912)	(117,257,133)
Retained earnings		36,477,463	41,927,886
Total equity		1,213,946,026	1,217,736,228
Non-current liabilities			
Provision for employees' end of service indemnity		11,336,355	11,527,790
Borrowings	11	110,547,444	28,207,451
Total non-current liabilities		121,883,799	39,735,241
Current liabilities			
Borrowings	11	10,424,493	-
Trade and other payables	12	123,711,919	114,450,083
Total current liabilities		134,136,412	114,450,083
Total liabilities		256,020,211	154,185,324
Total equity and liabilities		1,469,966,237	1,371,921,552

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 30 September 2013

	Notes	Three month period ended 30 September 2013 AED	2012 AED	Nine month period ended 30 September 2013 AED	2012 AED
Revenue	13	**130,836,545**	160,904,525	**460,393,622**	463,770,725
Cost of sales		**(118,931,579)**	(165,208,935)	**(431,745,626)**	(463,446,901)
Gross profit/(loss)		**11,904,966**	(4,304,410)	**28,647,996**	323,824
Other operating income		**347,842**	209,142	**801,071**	568,288
Selling, general and administrative expenses		**(9,789,680)**	(9,366,597)	**(37,158,112)**	(19,750,354)
Investment income	14	**16,470,518**	14,768,573	**52,974,329**	20,638,635
Other income/(loss)		**722,254**	(35,187)	**205,198**	(443,889)
Profit for the period		**19,655,900**	1,271,521	**45,470,482**	1,336,504
Basic earnings per share	15	**0.02**	--	**0.06**	--

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 30 September 2013

	Three month period ended 30 September		Nine month period ended 30 September	
	2013	2012	**2013**	2012
	AED	AED	**AED**	AED
Profit for the period	**19,655,900**	1,271,521	**45,470,482**	1,336,504
Other comprehensive income/(loss):				
Items that will not be reclassified subsequently to profit or loss				
Loss on disposal of investments carried at FVTOCI	**(565)**	(4,601,580)	**(9,866,064)**	(33,664,575)
Increase in fair value of investments carried at FVTOCI	**1,126,659**	3,631,004	**1,660,221**	15,078,198
Other comprehensive income/(loss) for the period	**1,126,094**	(970,576)	**(8,205,843)**	(18,586,377)
Total comprehensive income/(loss) for the period	**20,781,994**	300,945	**37,264,639**	(17,249,873)

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 30 September 2013

	Share capital AED	Reserves AED	Cumulative change in fair value AED	Retained earnings AED	Total AED
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	-	-	-	1,336,504	1,336,504
Other comprehensive loss for the period	-	-	15,078,198	(33,664,575)	(18,586,377)
Total comprehensive loss for the period	-	-	15,078,198	(32,328,071)	(17,249,873)
Balance at 30 September 2012 (unaudited)	821,096,820	471,968,655	(148,806,092)	75,714,873	1,219,974,256
Balance at 31 December 2012 (audited)	821,096,820	471,968,655	(117,257,133)	41,927,886	1,217,736,228
Profit for the period	-	-	-	45,470,482	45,470,482
Other comprehensive loss for the period	-	-	1,660,221	(9,866,064)	(8,205,843)
Total comprehensive income for the period	-	-	1,660,221	35,604,418	37,264,639
Dividends paid (Note 16)	-	-	-	(41,054,841)	(41,054,841)
Balance at 30 September 2013 (unaudited)	**821,096,820**	**471,968,655**	**(115,596,912)**	**36,477,463**	**1,213,946,026**

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 30 September 2013

	Nine month period ended 30 September	
	2013	2012
	AED	AED
Cash flows from operating activities		
Profit for the period	**45,470,482**	1,336,504
Adjustments for:		
Depreciation of property, plant and equipment	**30,000,691**	26,954,897
Loss on disposal of property, plant and equipment	**89,266**	1,411,628
Provision for employees' end of service indemnity	**963,391**	1,074,215
Share of profit of an associate	**-**	(705,198)
Unrealised gain on investments at FVTPL	**(47,418,666)**	(60,207,656)
Loss on disposal of investments in securities	**2,255,647**	69,657,556
Share of profit from sales of an associate	**-**	(17,260,319)
Interest and dividend income	**(7,811,310)**	(12,123,018)
Operating cash flows before changes in operating assets and liabilities	**23,549,501**	10,138,609
Decrease/ (increase) in trade and other receivables	**38,923,691**	(44,497,592)
(Increase)/ decrease in inventories	**(8,510,087)**	9,626,515
Increase in trade and other payables	**6,038,504**	8,678,134
Decrease in due to a related party	**-**	(307,755)
Cash generated from/ (used in) operating activities	**60,001,609**	(16,362,089)
Employees' end of service indemnity paid	**(1,154,826)**	(1,006,887)
Net cash generated from/ (used in) operating activities	**58,846,783**	(17,368,976)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(208,388,158)**	(48,720,859)
Proceeds from disposal of property, plant and equipment	**-**	2,772,491
Purchase of investments at FVTPL	**(20,236,341)**	(27,349,236)
Purchase of investments carried at FVTOCI	**-**	(2,171,377)
Proceeds from disposal of investment an associate	**3,500,000**	13,237,190
Proceeds from disposal of investments in securities	**38,107,428**	99,878,075
Dividends received	**7,686,602**	11,953,916
Interest received	**124,708**	169,102
Net cash (used in)/ generated from investing activities	**(179,205,761)**	49,769,302
Cash flows from financing activities		
Net movement in borrowings	**92,764,486**	5,626,559
Dividends paid	**(37,831,509)**	(1,021,219)
Net cash generated from financing activities	**54,932,977**	4,605,340
Net (decrease)/increase in cash and cash equivalents	**(65,426,001)**	37,005,666
Cash and cash equivalents at the beginning of the period	**125,330,953**	64,973,119
Cash and cash equivalents at the end of the period	**59,904,952**	101,978,785

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

1. General

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. Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 Amendments to IFRSs affecting presentation and disclosure only

The following amendment to IFRSs has been adopted in these condensed financial statements and has affected presentation and disclosures in these condensed financial statements.

- Amendments to IAS 1 *Presentation of items of other comprehensive income*

The Company has adopted the amendments to IAS 1 presentation of items of other comprehensive income effective from annual periods beginning on or after 1 January 2013. The amendment to IAS 1 retains the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendment to IAS 1 requires items of other comprehensive income to be grouped into two categories in other comprehensive income section:

a. Items that will not be subsequently reclassified to profit or loss and

b. Items that may be reclassified to profit or loss when specific conditions are met.

Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendment does not change the option to present items either before tax or net of tax.

- IFRS 13 *Fair Value Measurement*

IFRS 13 issued in May 2011 establishes a single framework for measuring fair value and is applicable for both financial and non-financial items. Application of IFRS 13 from 1 January 2013 resulted in additional disclosures of fair value measurements in these condensed financial statements.

Other than the above mentioned presentation and disclosure changes, the application of the amendments to IAS 1 and IFRS 13 do not have any impact on profit or loss, other comprehensive income and total comprehensive income.

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised IFRSs applied with no material effect on the condensed financial statements

The following revised IFRSs have been adopted in these condensed financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

- IFRS 11 Joint Arrangements and IAS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*

IFRS 11 and IAS 28 (as revised in 2011) replace IAS 31 *Interests in Joint Ventures and SIC 13 Jointly Controlled Entities – Non-monetary Contributions by Venturers*. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

- IFRS 10 *Consolidated Financial Statements and* IAS 27 (as revised in 2011) *Separate Financial Statements*

IFRS 10 and IAS 27 (as revised in 2011) replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and SIC 12 Consolidation – Special Purpose Entities. Under IFRS 10, there is only one basis for consolidation, which is control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

2.3 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**
• Amendments to IFRS 7 *Financial Instruments*: Disclosures relating to disclosures about the initial application of IFRS.	1 January 2015

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.3 New and revised International Financial Reporting Standards (IFRSs) in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
• Amendments to IAS 32 *Financial Instruments: Presentation* relating to application guidance on the offsetting of financial assets and financial liabilities.	1 January 2014
• Amendments to IFRS 10, IFRS 12 and IAS 27 – Guidance on Investment Entities 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.	1 January 2014
• Amendments to IAS 36 – *recoverable amount disclosures* The amendments restrict the requirements to disclose the recoverable amount of an asset or CGU to period in which an impairment loss has been recognized or reversed. They also expand and clarify the disclosure requirements applicable when an asset or CGU's recoverable amount has been determined on the basis of fair value less costs of disposal.	1 January 2014
• Amendments to IAS 39 – Financial Instruments: Recognition and Measurement The amendments restrict the requirements to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.	1 January 2014
• IFRIC 21 – Levies Interpretation was developed to address the concerns about how to account for levies that are based on financial data of a period that is different from that in which the activity that give rise to the payment of the levy occurs.	1 January 2014

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 nine month period ended 30 September 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 property, plant and equipment, investments in securities 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.

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. Summary of significant accounting policies (continued)

3.2 Property, plant and equipment (continued)

The following useful lives are used in the calculation of depreciation:

	Years
Building and roads	27 – 35
Plant and machinery	5 – 15
Power station	10
Vehicles and equipment	2 – 5
New clinker production line	20 – 30
IT computer & hardware	3

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 end of 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

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.

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.

3. Summary of significant accounting policies (continued)

3.4 Investments in securities (continued)

Financial assets at FVTOCI (continued)

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

Additions to property, plant and equipment during the nine month period ended 30 September 2013 amounted to AED 208,388,158 (nine month period ended 30 September 2012: AED 48,720,859). Depreciation charges for the nine month ended 30 September 2013 amounted to AED 30,000,691 (nine month period ended 30 September 2012: AED 26,954,897).

At 30 September 2013, the cost of fully depreciated property, plant and equipment that was still in use amounted to AED 252,385,587 (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.

5. Trade and other receivables

	30 September 2013 AED Unaudited	31 December 2012 AED Audited
Trade receivables	**131,041,008**	174,689,950
Other receivables	**36,153,349**	31,928,098
Receivable from sale of an associate	**13,000,000**	16,000,000
	180,194,357	222,618,048
Receivable from sale of an associate due after one year	**(9,500,000)**	(13,000,000)
	170,694,357	209,618,048

5. Trade and other receivables (continued)

The credit risk associated with the Company's trade receivable is considered limited as the Company holds receivables amounting to AED 117,764,367 (31 December 2012: AED 134,263,633) fully covered by unconditional bank guarantees from the customers to secure the collectability of these trade receivables.

6. Investments in securities

a) Investments carried at fair value through other comprehensive income (FVTOCI)

	30 September 2013 AED Unaudited	31 December 2012 AED Audited
Quoted	**26,627,326**	47,934,160
Unquoted	**53,701,079**	59,701,065
	80,328,405	107,635,225
In U.A.E.	**49,623,360**	55,623,363
In other GCC countries	**30,705,045**	52,011,862
	80,328,405	107,635,225

b) Investments carried at fair value through profit or loss (FVTPL)

	30 September 2013 AED Unaudited	31 December 2012 AED Audited
Quoted	**168,160,192**	121,767,283
In U.A.E.	**95,173,328**	55,490,482
In other GCC countries	**72,986,864**	66,276,801
	168,160,192	121,767,283

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Notes to the condensed financial statements
for the period ended 30 September 2013 (continued)

7. Inventories

	30 September 2013 AED Unaudited	31 December 2012 AED Audited
Finished goods	**9,317,123**	7,331,767
Raw materials	**13,958,770**	8,140,309
Work in progress	**43,584,697**	28,917,410
Bags, fuel and lubricants	**13,042,622**	40,460,965
	79,903,212	84,850,451
Spare parts - maintenance department	**158,163,798**	149,760,095
Consumable items	**26,872,454**	21,834,564
Tools	**305,751**	290,018
	185,342,003	171,884,677
Allowance for slow-moving inventories	**(18,201,821)**	(18,201,821)
	167,140,182	153,682,856
	247,043,394	238,533,307

8. Cash and cash equivalents

	30 September 2013 AED Unaudited	31 December 2012 AED Audited
Cash on hand	**183,505**	210,521
Bank balances:		
Current accounts	**27,613,511**	33,718,333
Call deposits	**23,107,936**	31,053,586
Short term deposits	**9,000,000**	60,348,513
	59,721,447	125,120,432
	59,904,952	125,330,953
Bank balances		
In U.A.E.	**57,477,270**	116,420,679
In other GCC countries	**2,244,177**	8,699,753
	59,721,447	125,120,432

9. Share capital

	30 September 2013 AED Unaudited	31 December 2012 AED Audited
Issued and fully paid:		
821,096,820 ordinary shares of AED 1 each	**821,096,820**	821,096,820

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 annual net profit 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.

	Statutory reserve AED	**Voluntary reserve AED**	**Total AED**
Balance at 31 December 2011 (Audited)	335,332,153	136,636,502	471,968,655
Movement during the period	-	-	-
Balance at 30 September 2012 (Unaudited)	335,332,153	136,636,502	471,968,655
Balance at 31 December 2012 (Audited)	335,332,153	136,636,502	471,968,655
Movement during the period	-	-	-
Balance 30 September 2013 (Unaudited)	**335,332,153**	**136,636,502**	**471,968,655**

11. Borrowings

	30 September 2013 AED Unaudited	31 December 2012 AED Audited
Term loan	**120,971,937**	28,207,451
The borrowings are repayable as follows:		
Within one year	**10,424,493**	-
In the second year	**41,697,972**	20,848,986
In third to fifth year	**68,849,472**	7,358,465
	120,971,937	28,207,451
Less: Instalments due within twelve months from the reporting date (shown as current liabilities)	**(10,424,493)**	-
Instalments due after twelve months from the reporting date (shown as non-current liabilities)	**110,547,444**	28,207,451

11. Borrowings (continued)

During 2012, the Company entered into a finance lease agreement for AED 190 million with a 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 against the lease agreement at the reporting date was AED 120.97 million (31 December 2012: AED 28.2 million).

12. Trade and other payables

	30 September 2013 AED Unaudited	31 December 2012 AED Audited
Trade payables	**60,469,048**	67,120,022
Dividend payable	**20,466,357**	17,243,025
Accrued expenses	**38,192,528**	28,980,415
Other payables	**4,583,986**	1,106,621
	123,711,919	114,450,083

13. Revenue

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

	Three month period ended 30 September		**Nine month period ended 30 September**	
	2013 AED Unaudited	2012 AED Unaudited	**2013 AED Unaudited**	2012 AED Unaudited
Local sales	**35,241,017**	55,996,991	**138,241,145**	191,155,423
Export sales	**95,595,528**	104,907,534	**322,152,477**	272,615,302
	130,836,545	160,904,525	**460,393,622**	463,770,725

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Notes to the condensed financial statements for the period ended 30 September 2013 (continued)

14. Investment income

	Three month period ended 30 September		Nine month period ended 30 September	
	2013	2012	**2013**	2012
	AED	AED	**AED**	AED
	Unaudited	Unaudited	**Unaudited**	Unaudited
Unrealised gain on investments carried at FVTPL	**16,142,976**	9,737	**47,418, 666**	60,207,656
Gain/ (loss) on disposal of investments in securities	**286,636**	(3,239,197)	**(2,255,647)**	(69,657,556)
Dividends income	-	693,143	**7,686,602**	11,953,916
Interest income	**40,906**	44,571	**124,708**	169,102
Share of profit of an associate	**-**	-	**-**	705,198
Gain on disposal of investment in an Associate	**-**	17,260,319	**-**	17,260,319
	16,470,518	14,768,573	**52,974,329**	20,638,635

15. Basic earnings per share

	Three month period ended 30 September		Nine month period ended 30 September	
	2013	2012	**2013**	2012
	Unaudited	Unaudited	**Unaudited**	Unaudited
Profit for the period (in AED)	**19,655,900**	1,271,521	**45,470,482**	1,336,504
Number of shares	**821,096,820**	821,096,820	**821,096,820**	821,096,820
Basic earnings per share (in AED)	**0.02**	--	**0.06**	--

16. Dividends

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

17. Related party transactions

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

	Three month period ended 30 September		Nine month period ended 30 September	
	2013	2012	**2013**	2012
	AED	AED	**AED**	AED
	Unaudited	Unaudited	**Unaudited**	Unaudited
Board of Directors' fee and allowances	**339,000**	150,000	**1,140,920**	676,220
Rent expenses	**-**	88,000	**-**	264,000
Purchase of water	**-**	-	**-**	1,073,392

18. Commitments and contingent liabilities

	30 September	31 December
	2013	2012
	AED	AED
	Unaudited	Audited
Letters of credit	**2,338,435**	104,832,798
Letters of guarantee	**200,000**	200,000
Commitments for the acquisition of property, plant and equipment	**-**	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 30 September 2013 (continued)

19. Segment information (continued)

	Nine month period ended 30 September 2013			Nine month period ended 30 September 2012		
	Manufacturing	**Investments**	**Total**	Manufacturing	Investments	Total
	AED	**AED**	**AED**	AED	AED	AED
	Unaudited	**Unaudited**	**Unaudited**	Unaudited	Unaudited	Unaudited
Segment revenue	**460,393,622**	**-**	**460,393,622**	463,770,725	-	463,770,725
Segment result	**(7,503,847)**	**52,974,329**	**45,470,482**	(19,302,131)	20,638,635	1,336,504

	30 September 2013			31 December 2012		
	Manufacturing	**Investments**	**Total**	Manufacturing	Investments	Total
	AED	**AED**	**AED**	AED	AED	AED
	Unaudited	**Unaudited**	**Unaudited**	Audited	Audited	Audited
Segment assets	**1,143,818,963**	**298,350,258**	**1,442,169,221**	995,934,366	342,058,332	1,337,992,698
Unallocated assets			**27,797,016**			33,928,854
Total assets	**1,143,818,963**	**298,350,258**	**1,469,966,237**	995,934,366	342,058,332	1,371,921,552
Segment liabilities	**256,020,211**	**-**	**256,020,211**	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 30 September 2013 (continued)

20. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

Fair value of financial instruments carried at amortised cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed financial statements approximate their fair values.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended 31 December 2012.

Fair value measurements recognised in the condensed statement of financial position

The following table provides an analysis of financial and non-financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30 September 2013 (unaudited)

	Level 1	Level 2	Level 3	Total
	AED	AED	AED	AED
Investments carried at fair value through profit or loss	**168,160,192**	**–**	**–**	**168,160,192**
Investments carried at fair value through other comprehensive income				
Quoted equities	**26,627,326**	**-**	**-**	**26,627,326**
Unquoted equities	**-**	**-**	**53,701,079**	**53,701,079**
Investment property	**-**	**8,253,725**	**-**	**8,253,725**
	194,787,518	**8,253,725**	**53,701,079**	**256,742,322**

20. Fair value measurement (continued)

There were no transfers between the levels during the period. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

The disclosure of comparative information in respect of the above is not made in these condensed financial statements as IFRS 13 does not require to provide comparative information for periods before initial application.

21. Comparative amounts

The following balances in the condensed statement of income for the nine month period ended 30 September 2012 have been reclassified to conform to the nine month period ended 30 September 2013 presentation:

	As previously reported for the nine month period ended 30 September 2012 AED Unaudited	Reclassification AED	As restated for the nine month period ended 30 September 2012 AED Unaudited
Cost of sales	470,272,649	(6,825,748)	463,446,901
Selling, general and administrative expenses	12,924,606	6,825,748	19,750,354

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

22. Seasonality of results

Investment income for the nine month period ended 30 September 2013 included dividend income of AED 7,686,602 (Nine month period ended 30 September 2012: AED 11,953,916) which is considered of a seasonal nature.

23. Approval of condensed financial statements

The condensed financial statements were approved by the Chairman of the Board of Directors and authorised for issue on 13 November 2013.