GULF CEMENT COMPANY P.S.C.

Review report and interim financial information for the three months period ended 31 March 2015

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) "the Company" - Ras Al Khaimah, United Arab Emirates,** as at 31 March 2015 and the related condensed statements of income, comprehensive income, changes in equity and cash flows for the three months 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
13 May 2015

GULF CEMENT COMPANY P.S.C.

Condensed statement of financial position
at 31 March 2015

	Notes	31 March 2015 AED (Unaudited)	31 December 2014 AED (Audited)
ASSETS			
Non current assets			
Property, plant and equipment	4	**742,070,531**	746,560,039
Investment property		**8,253,725**	8,253,725
Trade and other receivables	5	**6,000,000**	6,000,000
Investments carried at fair value through other comprehensive income (FVTOCI)	6	**48,265,999**	45,977,001
Total non current assets		**804,590,255**	806,790,765
Current assets			
Inventories	7	**206,997,935**	249,348,502
Trade and other receivables	5	**158,781,961**	150,053,684
Investments carried at fair value through profit or loss (FVTPL)	6	**154,694,713**	193,591,658
Cash and cash equivalents	8	**183,317,477**	119,135,725
Total current assets		**703,792,086**	712,129,569
Total assets		**1,508,382,341**	1,518,920,334
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	9	**821,096,820**	821,096,820
Reserves	10	**497,786,567**	497,786,567
Cumulative change in fair value - FVTOCI		**(148,176,116)**	(150,465,114)
Retained earnings		**67,065,743**	51,923,788
Total equity		**1,237,773,014**	1,220,342,061
Non-current liabilities			
Provision for employees' end of service indemnity		**11,229,896**	11,174,228
Finance lease liability	11	**97,351,892**	104,489,917
Total non-current liabilities		**108,581,788**	115,664,145
Current liabilities			
Finance lease liability	11	**28,259,710**	28,065,887
Trade and other payables	12	**133,767,829**	154,848,241
Total current liabilities		**162,027,539**	182,914,128
Total liabilities		**270,609,327**	298,578,273
Total equity and liabilities		**1,508,382,341**	1,518,920,334

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 three months period ended 31 March 2015

	Notes	Three months period ended 31 March 2015 AED	2014 AED
Revenue	13	**171,952,679**	204,712,082
Cost of sales		**(147,103,236)**	(174,713,487)
Gross profit		**24,849,443**	29,998,595
Other operating income		**309,068**	822,137
Selling, general and administrative expenses		**(12,481,722)**	(19,505,225)
Investment income	14	**2,146,722**	41,685,513
Finance Cost		**(869,207)**	-
Other income		**1,187,651**	10,511
Profit for the period		**15,141,955**	53,011,531
Basic earnings per share	15	**0.018**	0.065

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 three months period ended 31 March 2015

	Three months period ended 31 March	
	2015	2014
	AED	AED
Profit for the period	**15,141,955**	53,011,531
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss		
Increase/(decrease) in fair value of investments carried at FVTOCI	**2,288,998**	(10,234,190)
Board of Directors remuneration	-	(1,300,000)
Total other comprehensive income /(loss)	**2,288,998**	(11,534,190)
Total comprehensive income for the period	**17,430,953**	41,477,341

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 three months period ended 31 March 2015

	Share capital AED	Reserves AED	Cumulative changes in fair value AED	Retained earnings AED	Total AED
Balance at 31 December 2013 (audited)	821,096,820	485,672,057	(119,273,945)	45,820,590	1,233,315,522
Profit for the period	-	-	-	53,011,531	53,011,531
Other comprehensive loss for the period	-	-	(10,234,190)	(1,300,000)	(11,534,190)
Total comprehensive income for the period	-	-	(10,234,190)	51,711,531	41,477,341
Approved dividends (Note 16)	-	-	-	(41,054,841)	(41,054,841)
Balance at 31 March 2014 (unaudited)	821,096,820	485,672,057	(129,508,135)	56,477,280	1,233,738,022
Balance at 31 December 2014 (audited)	821,096,820	497,786,567	(150,465,114)	51,923,788	1,220,342,061
Profit for the period	-	-	-	15,141,955	15,141,955
Other comprehensive income for the period	-	-	2,288,998	-	2,288,998
Total comprehensive income for the period	-	-	2,288,998	15,141,955	17,430,953
Balance at 31 March 2015 (unaudited)	**821,096,820**	**497,786,567**	**(148,176,116)**	**67,065,743**	**1,237,773,014**

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 three months period ended 31 March 2015

	Three months period ended 31 March 2015 AED	2014 AED
Cash flows from operating activities		
Profit for the period	**15,141,955**	53,011,531
Adjustments for:		
Depreciation of property, plant and equipment	**14,418,081**	11,994,293
Provision for employees' end of service indemnity	**225,000**	225,000
Unrealised loss/ (gain) on investments at FVTPL	**4,098,582**	(40,005,135)
(Profit)/loss on sale of investments in securities	**(3,592,476)**	578,349
Interest and dividend revenue	**(2,652,828)**	(2,258,727)
Operating cash flows before changes in operating assets and liabilities	**27,638,314**	23,545,311
(Increase)/decrease in trade and other receivables	**(8,728,277)**	9,541,692
Decrease in inventories	**42,350,567**	28,208,986
(Decrease)/increase in trade and other payables	**(20,579,127)**	22,439,260
Cash generated from operations	**40,681,477**	83,735,249
Employees' end of service indemnity paid	**(169,332)**	(90,662)
Net cash generated from operating activities	**40,512,145**	83,644,587
Cash flows from investing activities		
Purchase of property, plant and equipment	**(9,928,573)**	(19,328,948)
Purchase of investments at FVTPL	**(1,236,498)**	(19,152,440)
Proceeds on disposal of investments in securities	**39,627,337**	3,294,607
Dividends received	**2,393,450**	2,226,163
Interest received	**259,378**	32,564
Net cash generated from/(used in) investing activities	**31,115,094**	(32,928,054)
Cash flows from financing activities		
Board of Directors remuneration paid	-	(1,300,000)
Net movement in the finance lease liability	**(6,944,202)**	-
Dividends paid	**(501,285)**	(442,088)
Net cash used in financing activities	**(7,445,487)**	(1,742,088)
Net increase in cash and cash equivalents during the period	**64,181,752**	48,974,445
Cash and cash equivalents at the beginning of the period	**119,135,725**	68,780,023
Cash and cash equivalents at the end of the period	**183,317,477**	117,754,468

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

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

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

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2015, have been adopted in these condensed financial statements. The application of these revised and new IFRSs has not had any material impact on the amounts reported for the current period and prior year but may affect the accounting for future transactions or arrangements.

New and revised IFRSs	Effective for annual periods beginning on or after
• Annual Improvements to IFRSs 2010 - 2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 38 and IAS 24.	1 July 2014
• Annual Improvements to IFRSs 2011 - 2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.	1 July 2014
• Amendments to IAS 19 Employee Benefits clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.	1 July 2014

2.2 New and revised 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 are 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 9.	When IFRS 9 is first applied
• IFRS 7 *Financial Instruments*: Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9.	When IFRS 9 is first applied

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

2.2 New and revised IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
• IFRS 9 Financial Instruments (2009) issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 Financial Instruments (2010) revised in October 2010 includes the requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 Financial Instruments (2013) was revised in November 2013 to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the own credit gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9. Finalised version of IFRS 9 (IFRS 9 Financial Instruments (2014)) was issued in July 2014 incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition. IFRS 9 (2009) and IFRS 9 (2010) were superseded by IFRS 9 (2013) and IFRS 9 (2010) also superseded IFRS 9 (2009). IFRS 9 (2014) supersedes all previous versions of the standard. The various standards also permit various transitional options. Accordingly, entities can effectively choose which parts of IFRS 9 they apply, meaning they can choose to apply: (1) the classification and measurement requirements for financial assets: (2) the classification and measurement requirements for both financial assets and financial liabilities: (3) the classification and measurement requirements and the hedge accounting requirements provided that the relevant date of the initial application is before 1 February 2015.	1 January 2018
• IFRS 14 *Regulatory Deferral Accounts* issued in January 2014 specifies the financial reporting requirements for 'regulatory deferral account balance' that arise when an entity provides good or services to customers at a price or rate that is subject to rate regulation.	1 January 2016
• IFRS 15 *Revenue from Contracts with Customers*: IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.	1 January 2017
• Annual Improvements to IFRSs 2012 - 2014 Cycle that include amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34.	1 January 2016
• Amendments to IAS 16 and IAS 38 to clarify the acceptable methods of depreciation and amortisation.	1 January 2016

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

2.2 New and revised 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 IFRS 11 to clarify accounting for acquisitions of Interests in Joint Operations.	1 January 2016
• Amendments to IFRS 10 and IAS 28 clarify that the recognition of the gain or loss on the sale or contribution of assets between an investor and its associate or joint venture depends on whether the assets sold or contributed constitute a business.	1 January 2016
• Amendments to IAS 27 allow an entity to account for investments in subsidiaries, joint ventures and associates either at cost, in accordance with IAS 39/IFRS 9 or using the equity method in an entity's separate financial statements.	1 January 2016
• Amendments to IFRS 10, IFRS 12 and IAS 28 clarifying certain aspects of applying the consolidation exception for investment entities.	1 January 2016
• Amendments to IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports.	1 January 2016
• Amendments to IAS 16 and IAS 41 require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16.	1 January 2016

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements for the period of initial application and adoption of these new standards, interpretations and amendments, except for IFRS 9, may have no material impact on the financial statements of the Company in the period of initial application.

The application of IFRS 9 may have significant impact on amounts reported and disclosures made in the Company's financial statements in respect of Company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of effects of the application until the Company performs a detailed review.

3. Summary of significant accounting policies (continued)

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 2014.

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 2014. In addition, results for the three months period ended 31 March 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

As required by the Securities and Commodities Authority ("SCA") notification dated 12 October 2008, accounting policies relating to property, plant and equipment, investment property and investments in securities 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 stations	10 --30
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 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 Financial assets at FVTPL

Investments in equity instruments are 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.

3.5 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)

3.5 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

During the period, additions to property, plant and equipment amounted to AED 9,928,573 (three months period ended 31 March 2014: AED 19,328,948) and depreciation for the three months period ended 31 March 2015 amounted to AED 14,418,081 (three months period ended 31 March 2014: AED 11,994,293).

At 31 March 2015 the cost of fully depreciated property, plant and equipment that was still in use amounted to AED 262,227,224 (31 December 2014: AED 252,930,587).

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

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

5. Trade and other receivables

	31 March 2015 (unaudited) AED	31 December 2014 (audited) AED
Trade receivables	**111,597,767**	111,383,557
Other receivables	**43,684,194**	35,170,127
Receivable from sale of an associate	**9,500,000**	9,500,000
	164,781,961	156,053,684
Receivable from sale of an associate due after one year	**(6,000,000)**	(6,000,000)
	158,781,961	150,053,684

The credit risk associated with the Company's trade receivables is considered limited as the Company holds trade receivables amounting to AED 95 Million (31 December 2014: AED 85 Million) fully covered by unconditional bank guarantees from the customers to secure the collectibility of these trade receivables.

GULF CEMENT COMPANY P.S.C.

Notes to the condensed financial statements
for the three months period ended 31 March 2015 (continued)

6. Investments in securities

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

	31 March 2015 (unaudited) AED	31 December 2014 (audited) AED
Quoted – at fair value	**19,133,006**	21,275,923
Unquoted – at fair value	**29,132,993**	24,701,078
	48,265,999	45,977,001
In U.A.E.	**25,055,288**	20,623,360
In other GCC countries	**23,210,711**	25,353,641
	48,265,999	45,977,001

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

	31 March 2015 (unaudited) AED	31 December 2014 (audited) AED
Quoted	**154,694,713**	193,591,658
In U.A.E.	**109,080,542**	131,777,501
In other GCC countries	**45,614,171**	61,814,157
	154,694,713	193,591,658

GULF CEMENT COMPANY P.S.C.

Notes to the condensed financial statements
for the three months period ended 31 March 2015 (continued)

7. Inventories

	31 March 2015 (unaudited) AED	31 December 2014 (audited) AED
Finished goods	3,960,946	5,849,072
Raw materials	21,181,916	23,539,416
Work in progress	6,328,133	28,390,801
Bags, fuel and lubricants	29,312,577	31,083,757
	60,783,572	88,863,046
Spare parts - maintenance department	144,927,545	155,692,077
Consumable items	19,148,120	22,648,649
Tools	340,518	346,550
	164,416,183	178,687,276
Allowance for slow-moving inventories	(18,201,820)	(18,201,820)
	146,214,363	160,485,456
	206,997,935	249,348,502

8. Cash and cash equivalents

	31 March 2015 (unaudited) AED	31 December 2014 (audited) AED
Cash on hand	95,689	65,412
Bank balances:		
Current accounts	16,654,731	16,129,002
Call deposits	12,244,125	15,639,000
Short term deposits	154,322,932	87,302,311
	183,221,788	119,070,313
	183,317,477	119,135,725
Bank balances		
In U.A.E.	180,335,898	115,696,476
In other GCC countries	2,885,890	3,373,837
	183,221,788	119,070,313

9. Share capital

	31 March 2015 (unaudited) AED	31 December 2014 (audited) AED
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 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.

	Statutory Reserve AED	Voluntary reserve AED	Total AED
Balance at 31 December 2013 (audited)	342,183,854	143,488,203	485,672,057
Movement during the period	-	-	-
Balance at 31 March 2014 (unaudited)	342,183,854	143,488,203	485,672,057
Balance at 31 December 2014 (audited)	348,241,109	149,545,458	497,786,567
Movement during the period	-	-	-
Balance at 31 March 2015 (unaudited)	**348,241,109**	**149,545,458**	**497,786,567**

11. Finance lease liability

During 2012, The Company entered into a sale and lease back arrangement with a leasing company registered in the United Arab Emirates to finance the purchase and installation of a waste heat recovery plant. The finance charges are based on 3 months LIBOR plus a margin of 2.5% per annum. The lease is repayable on quarterly installments over the term of the lease of five years, the Company has utilized AED 146,301,950 (31 December 2014: AED 146,301,950) out of available lease facility of AED 192,500,000.

11. Finance lease liability (continued)

The payments due under leasing arrangement are as follows:

	Minimum lease payments		Present value of minimum lease payments	
	31 March 2015 (unaudited) AED	31 December 2014 (audited) AED	**31 March 2015 (unaudited) AED**	31 December 2014 (audited) AED
Due within one year	**39,298,258**	31,438,606	**28,259,710**	28,065,887
Due in the second through fifth year	**102,120,710**	109,980,361	**97,351,892**	104,489,917
	141,418,968	141,418,967	**125,611,602**	132,555,804
Less: Embedded future finance costs	**(15,807,366)**	(8,863,163)	-	-
	125,611,602	132,555,804	**125,611,602**	132,555,804

Included in the condensed financial statements as:

	31 March 2015 (unaudited) AED	31 December 2014 (audited) AED
Current portion of finance lease liability	**28,259,710**	28,065,887
Non-current portion of finance lease liability	**97,351,892**	104,489,917
	125,611,602	132,555,804

12. Trade and other payables

	31 March 2015 (unaudited) AED	31 December 2014 (audited) AED
Trade payables	**56,103,649**	81,890,570
Dividends payable	**20,452,880**	20,954,165
Accrued expenses	**53,928,179**	50,345,300
Other payables	**3,283,121**	1,658,206
	133,767,829	154,848,241

13. Revenue

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

	Three months period ended 31 March	
	2015	2014
	(unaudited)	(unaudited)
	AED	AED
Local sales	**29,308,065**	39,130,299
Export sales	**142,644,614**	165,581,783
	171,952,679	204,712,082

14. Investment income

	Three months period ended 31 March	
	2015	2014
	(unaudited)	(unaudited)
	AED	AED
Unrealised (loss)/ gain on investments carried at FVTPL	**(4,098,582)**	40,005,135
Profit/ (loss) on disposal of investment in securities	**3,592,476**	(578,349)
Dividends income	**2,393,450**	2,226,163
Interest income	**259,378**	32,564
	2,146,722	41,685,513

15. Basic earnings per share

	Three months period ended 31 March	
	2015	2014
	(unaudited)	(unaudited)
Profit for the period (in AED)	**15,141,955**	53,011,531
Number of shares	**821,096,820**	821,096,820
Basic earnings per share (in AED)	**0.018**	0.065

16. Dividends

At their annual general meeting held on 01 April 2015, the Shareholders approved the payment of cash dividend at 7% of the Share capital amounting to AED 57.5 million for the year 2014 (2014: approved cash dividend at 5% of share capital amounting to AED 41.1 million for the year 2013). The approved cash dividends for the year 2014 have not been reported as liabilities in these condensed financial statements as the same were approved after the end of the current period.

17. Related party transactions

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

	Three months period ended 31 March	
	2015 (unaudited) AED	2014 (unaudited) AED
Attendance expenses for Board of Directors and committees' meetings	**400,265**	370,450
Board of Directors' remuneration	-	1,300,000

18. Contingent liabilities and commitments

	31 March 2015 (unaudited) AED	31 December 2014 (audited) AED
Letters of credit	-	1,862,925
Letters of guarantee	**200,000**	200,000

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 three months period ended 31 March 2015 (continued)

19. Segment information (continued)

	Three months period ended 31 March 2015			Three months period ended 31 March 2014		
	Manufacturing (unaudited) AED	**Investments (unaudited) AED**	**Total (unaudited) AED**	Manufacturing (unaudited) AED	Investments (unaudited) AED	Total (unaudited) AED
Segment revenue	**171,952,679**		**171,952,679**	204,712,082	-	204,712,082
Segment result	**12,995,233**	**2,146,722**	**15,141,955**	11,326,018	41,685,513	53,011,531

	31 March 2015			31 December 2014		
	Manufacturing (unaudited) AED	**Investments (unaudited) AED**	**Total (unaudited) AED**	Manufacturing (audited) AED	Investments (audited) AED	Total (audited) AED
Segment assets	**1,107,850,427**	**383,781,494**	**1,491,631,921**	1,145,962,225	356,763,695	1,502,725,920
Unallocated assets	-	-	**16,750,420**	-	-	16,194,414
Total assets	**1,107,850,427**	**383,781,494**	**1,508,382,341**	1,145,962,225	356,763,695	1,518,920,334
Segment liabilities	**270,609,327**	-	**270,609,327**	298,578,273	-	298,578,273

There are no transactions between the business segments.

GULF CEMENT COMPANY P.S.C.

Notes to the condensed financial statements
for the three months period ended 31 March 2015 (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 2014.

Fair value of the Company's financial assets that are measured at fair value on recurring basis

Some of the Company's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined;

Financial assets	**Fair value as at**		**Fair value hierarchy**	**Valuation techniques and key inputs**	**Significant unobservable input**	**Relationship of unobservable inputs to fair value**
	31 March 2015 AED'000 (Unaudited)	31December 2014 AED'000 (Audited)				
Quoted equity investments – FVTOCI	**19,133**	21,276	Level 1	Quoted bid prices in an active market.	None.	NA
Unquoted equity investments – FVTOCI	**29,133**	24,701	Level 3	Net assets valuation method due to the unavailability of market and comparable financial information. Net assets values were determined based on the latest available audited/historical financial information.	Net assets value.	Higher the net assets value of the investees, higher the fair value.
Quoted equity instruments – FVTPL	**154,695**	193,592	Level 1	Quoted bid prices in an active market.	None.	NA

20. Fair value measurement (continued)

Fair value hierarchy

The following table provides an analysis of financial and nonfinancial 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).

31 March 2015 (unaudited):

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets at FVTPL	**154,694,713**	-	-	**154,694,713**
FVTOCI				
Quoted equities	**19,133,006**	-	-	**19,133,006**
Unquoted equities	-	-	**29,132,993**	**29,132,993**
Investment Property	-	-	**8,253,725**	**8,253,725**
	173,827,719	-	**37,386,718**	**211,214,437**

GULF CEMENT COMPANY P.S.C.

Notes to the condensed financial statements
for the three months period ended 31 March 2015 (continued)

20. Fair value measurement (continued)

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

31 December 2014 (audited)

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets at FVTPL	193,591,658	-	-	193,591,658
FVTOCI				
Quoted equities	21,275,923	-	-	21,275,923
Unquoted equities	-	-	24,701,078	24,701,078
Investment property	-	-	8,253,725	8,253,725
	214,867,581	-	32,954,803	247,822,384

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

21. Seasonality of results

Investment income includes dividend income of AED 2,393,450 for the three months period ended 31 March 2015 (Three months period ended 31 March 2014: AED 2,226,163), which is of a seasonal nature.

22. 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 May 2015.