



**UNITED KAIPARA DAIRIES COMPANY (P.S.C.)
AND ITS SUBSIDIARY**

Condensed consolidated interim financial information and review report

For the nine-month period ended 30 September 2014

UNITED KAIPARA DAIRIES COMPANY (P.S.C.) AND ITS SUBSIDIARY

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For the nine-month period ended 30 September 2014

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

THE SHAREHOLDERS

UNITED KAIPARA DAIRIES COMPANY (P.S.C.)

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of **UNITED KAIPARA DAIRIES COMPANY (P.S.C.)** ("the Company") and its subsidiary **UNIKAI AND COMPANY LLC** ("the Subsidiary") (collectively referred to as "the Group"), which comprise the condensed consolidated interim statement of financial position as at 30 September 2014 and the related condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of comprehensive income for three-month and nine-month period then ended, condensed consolidated interim statement of changes in equity, condensed consolidated interim statement of cash flows for the nine-month period then ended and notes to the condensed consolidated interim financial information ("the condensed consolidated interim financial information"). Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated 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 condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.

continued...

**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION**

(continued)

Other matter

We draw attention to the fact that as at 30 September 2014, the Group has a general reserve of AED 83,300 ('000) created out of retained earnings in earlier years and has accumulated losses AED 92,117 ('000). These accumulated losses exceed 50% of the share capital. The provisions of Article 285 of the UAE Commercial Companies Law No. 8 of 1984 therefore apply and accordingly the shareholders called the extraordinary general meeting on 22 July 2014 and resolved to continue the company without any objection.



S.D. Pereira

Partner

Registration No. 552

Dubai, United Arab Emirates

8 November 2014

UNITED KAIPARA DAIRIES COMPANY (P.S.C.) AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

	Note	Three-month period ended 30 September		Nine-month period ended 30 September	
		2014	2013	2014	2013
		AED'000 (Unaudited)	(note 24) AED'000 (Unaudited)	AED'000 (Unaudited)	(note 24) AED'000 (Unaudited)
Revenue		81,346	91,364	251,402	239,325
Cost of sales	4	(62,439)	(70,093)	(197,885)	(176,950)
Gross profit		18,907	21,271	53,517	62,375
Administrative and distribution expenses	5	(28,624)	(28,617)	(85,478)	(82,450)
Finance costs		(432)	(122)	(971)	(334)
Other income		804	1,277	3,027	2,837
Loss for the period before tax		(9,345)	(6,191)	(29,905)	(17,572)
Provision for tax		(57)	(57)	(171)	(171)
Loss for the period		(9,402)	(6,248)	(30,076)	(17,743)
Earnings per share					
Basic earnings per share in AED	19	(31.08)	(20.65)	(99.42)	(58.65)

The accompanying notes form an integral part of this condensed consolidated interim financial information.
The review report of the independent auditor is set forth on pages 1 and 2.

UNITED KAIPARA DAIRIES COMPANY (P.S.C.) AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2014	2013	2014	2013
	AED'000	(note 24) AED'000	AED'000	(note 24) AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss for the period	(9,402)	(6,248)	(30,076)	(17,743)
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss in the subsequent period:</i>				
Net change in fair value of available- for-sale investments	188	86	224	261
Other comprehensive income for the period	188	86	224	261
Total comprehensive income for the period	(9,214)	(6,162)	(29,852)	(17,482)

The accompanying notes form an integral part of this condensed consolidated interim financial information.
The review report of the independent auditor is set forth on pages 1 and 2.

UNITED KAIPARA DAIRIES COMPANY (P.S.C.) AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014

	Note	30 September 2014 AED'000 (Unaudited)	31 December 2013 AED'000 (Audited)	30 September 2013 AED'000 (Unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment	6	50,494	55,659	57,296
Intangible assets		1,149	1,562	1,699
Available-for-sale investments	7	6,432	6,208	6,102
		<u>58,075</u>	<u>63,429</u>	<u>65,097</u>
Current assets				
Inventories	8	52,409	56,479	54,966
Trade and other receivables	9	43,401	47,778	66,536
Cash and cash equivalents	10	2,110	1,682	2,161
Other current financial assets	11	--	--	48
		<u>97,920</u>	<u>105,939</u>	<u>123,711</u>
Total assets		<u>155,995</u>	<u>169,368</u>	<u>188,808</u>
EQUITY AND LIABILITIES				
Equity funds				
Share capital		30,250	30,250	30,250
Legal reserve		13,965	13,965	13,965
Restricted reserve		576	576	576
General reserve		83,300	83,300	83,300
Fixed assets replacement reserve		15,000	15,000	15,000
Accumulated losses		(92,117)	(62,041)	(45,313)
Fair value reserve		586	362	256
		<u>51,560</u>	<u>81,412</u>	<u>98,034</u>
Non-current liability				
Employee end-of-service benefits		8,773	8,340	9,130
Current liabilities				
Short term borrowings	13	46,513	38,079	37,790
Trade and other payables	14	48,472	41,030	43,308
Amount due to a related party		--	--	96
Provision for taxation	15	677	507	450
		<u>95,662</u>	<u>79,616</u>	<u>81,644</u>
Total liabilities		<u>104,435</u>	<u>87,956</u>	<u>90,774</u>
Total equity and liabilities		<u>155,995</u>	<u>169,368</u>	<u>188,808</u>

The accompanying notes form an integral part of this condensed consolidated interim financial information.
The review report of the independent auditor is set forth on pages 1 and 2.

This condensed consolidated interim financial information was authorised for issue on behalf of the Board of Directors 8 November 2014.

Director

Chief Executive Officer

UNITED KAIPARA DAIRIES COMPANY (P.S.C.) AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

	Share capital AED'000	Legal reserve AED'000	Restricted reserve AED'000	General reserve AED'000	Fixed assets replacement reserve AED'000	Accumulated losses AED'000	Fair value reserve AED'000	Total AED'000
Balance at 1 January 2013 (Audited)	30,250	13,965	576	83,300	15,000	(27,570)	(5)	115,516
Comprehensive income								
- Loss for the period	(a)	--	--	--	--	(17,743)	--	(17,743)
Other comprehensive income								
- Net change in fair value of available-for-sale investments	(b)	--	--	--	--	--	261	261
Total comprehensive income for the period	(a+b)	--	--	--	--	(17,743)	261	(17,482)
Balance at 30 September 2013 (Unaudited)	30,250	13,965	576	83,300	15,000	(45,313)	256	98,034
Balance at 1 January 2014 (Audited)	30,250	13,965	576	83,300	15,000	(62,041)	362	81,412
Comprehensive income								
- Loss for the period	(c)	--	--	--	--	(30,076)	--	(30,076)
Other comprehensive income								
- Net change in fair value of available-for-sale investments	(d)	--	--	--	--	--	224	224
Total comprehensive income for the period	(c+d)	--	--	--	--	(30,076)	224	(29,852)
Balance at 30 September 2014 (Unaudited)	30,250	13,965	576	83,300	15,000	(92,117)	586	51,560

No allocation of profit has been made to the legal reserve, general reserve and fixed assets replacement reserve for the nine-month period ended 30 September 2014.

The accompanying notes form an integral part of this condensed consolidated interim financial information.

The review report of the independent auditor is set forth on pages 1 and 2.

UNITED KAIPARA DAIRIES COMPANY (P.S.C.) AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

	Nine-month period ended 30 September 2014 AED '000 (Unaudited)	Nine-month period ended 30 September 2013 AED '000 (Unaudited)
Cash flows from operating activities		
Loss for the period before tax	(29,905)	(17,572)
Adjustments for:		
Depreciation of property, plant and equipment	8,271	9,455
Amortisation of intangible assets	412	414
Dividend income	(341)	--
Finance costs	971	334
Provision for slow moving inventories	138	--
Credit balances written back	(430)	--
Other receivables written off	380	--
Provision for impairment of trade receivables	666	--
Profit on disposal of property, plant and equipment (net)	(924)	(552)
Provision for staff end-of-service gratuity	1,440	1,111
Operating loss before changes in operating assets and liabilities	(19,322)	(6,810)
Decrease in inventories	3,932	10,370
Decrease/(increase) in trade and other receivables	3,331	(21,791)
Increase in trade and other payables	7,882	4,612
Staff end-of service gratuity paid	(1,007)	(732)
Cash used in operations	(5,184)	(14,351)
Interest paid	(971)	(334)
Net cash used in operating activities	(6,155)	(14,685)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	1,034	883
Purchase of property, plant and equipment	(3,216)	(4,157)
Dividend received	341	--
Increase in other current financial assets	--	(48)
Net cash used in investing activities	(1,841)	(3,322)
Cash flows from financing activities		
Proceeds from trust receipts (net)	11,334	12,089
Payments of bills acceptance (net)	--	(1,684)
Dividend paid	(10)	--
Increase in amounts due to related party	--	96
Net cash generated from financing activities	11,324	10,501
Net increase/(decrease) in cash and cash equivalents	3,328	(7,506)
Cash and cash equivalents at the beginning of the period	(21,881)	(13,005)
Cash and cash equivalents at end of period	(18,553)	(20,511)
Cash and cash equivalents comprise		
Cash and cash equivalents (note 10)	2,110	2,161
Bank overdrafts (note 13)	(20,663)	(22,672)
	(18,553)	(20,511)

The accompanying notes form an integral part of this condensed consolidated interim financial information.
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UNITED KAIPARA DAIRIES COMPANY (P.S.C.) AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

1. LEGAL STATUS AND BUSINESS ACTIVITY

United Kaipara Dairies Company (P.S.C.) ("the Company") is a Public Shareholding Company, incorporated on 11 April 1977 by a Decree from His Highness, The Ruler of Dubai. On 8 June 1994, the Company amended its status to a public shareholding company to comply with the provisions of the UAE Federal Law No. 8 of 1984 (as amended). The Company holds 100% equity in Unikai and Company LLC ("the Subsidiary"), registered as a limited liability Company in the Sultanate of Oman under the Oman Commercial Register No. 3/74. The Company and its Subsidiary are collectively referred to as "the Group". The legal status of the Subsidiary is set out in note 18.

The Group is engaged in the manufacture of dairy, juice and ice cream products and import of various kinds of food products for distribution throughout the Gulf and other countries. The trading activities of the Group are carried on in the name of "Unikai International". The registered address of the Company is P.O. Box 6424, Dubai, UAE.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared in accordance with the International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34").

The condensed consolidated interim financial information does not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2013, except for the adoption of the following amended standards which are effective for accounting periods beginning on or after 1 January 2014 and applicable to the Group.

- Amendments to IAS 32 Financial instruments: Presentation – Amendments relating to the offsetting of assets and liabilities.

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting.

- Amendments to IAS 36 Impairment of Assets - Amendments arising from Recoverable Amount Disclosure for Non-Financial Asset.

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of recoverable amounts for the assets or cash generating units (CGUs) for which an impairment loss has been recognised or reversed during the period.

The above amended standards, however, did not have any significant impact on the condensed consolidated interim financial information during the period.

The Group has not early adopted any other standards, interpretations or amendments that has been issued but is not yet effective.

UNITED KAIPARA DAIRIES COMPANY (P.S.C.) AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

The accounting policies applied in the preparation of the condensed consolidated interim financial information are consistent with those applied in the annual consolidated financial statements of the Group for the year ended 31 December 2013.

Further, results for the three-month and nine-month period ended 30 September 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

Functional and presentation currency

Although the functional currency of Subsidiary is based on the primary economic environment in which it operates, the condensed consolidated interim financial information of the Group is presented in UAE Dirhams ("AED"), which is the Company's functional currency, rounded to the nearest thousand, have been prepared under the historical cost convention, except for financial instruments classified as available-for-sale and stated at fair value. Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed consolidated interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in preparation of the consolidated financial statements as at and for the year ended 31 December 2013.

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2014 AED'000 (Unaudited)	2013 (note 24) AED'000 (Unaudited)	2014 AED'000 (Unaudited)	2013 (note 24) AED'000 (Unaudited)
4. COST OF SALES				
Manufacturing:				
Raw material, packing materials and stores & spares consumed	39,271	48,022	131,108	116,453
Depreciation	1,643	1,719	4,986	5,032
Utilities	2,910	3,557	7,890	8,860
Staff salaries and benefits	2,156	2,950	7,988	8,076
Other direct costs	3,655	2,153	8,580	7,353
	49,635	58,401	160,552	145,774
Changes in inventories of semi-finished and finished goods	1,778	2,375	(245)	1,360
(A)	51,413	60,776	160,307	147,134

UNITED KAIPARA DAIRIES COMPANY (P.S.C.) AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

		Three-month period ended 30 September		Nine-month period ended 30 September	
		2014	2013	2014	2013
		AED'000	(note 24) AED'000	AED'000	(note 24) AED'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Trading:					
Inventories, beginning of the period		7,748	8,021	5,880	7,482
Purchases (including direct expenses)		12,912	4,670	41,332	25,708
Inventories, end of the period		(9,634)	(3,374)	(9,634)	(3,374)
(B)		11,026	9,317	37,578	29,816
(A)+(B)		62,439	70,093	197,885	176,950
5. ADMINISTRATIVE AND DISTRIBUTION EXPENSES					
Staff salaries and benefits		13,299	13,461	37,980	37,558
Depreciation		1,035	1,701	3,285	4,423
Amortisation of intangible assets		138	138	412	414
Provision for slow moving inventories		—	—	138	—
Provision for impairment of trade receivables		250	—	666	—
Commercial vehicle expenses		5,445	4,205	16,271	11,932
Advertisement and other selling expenses		2,239	4,184	9,355	10,843
Other receivables written off		380	—	380	—
Other expenses		5,838	4,928	16,991	17,280
		28,624	28,617	85,478	82,450
6. PROPERTY, PLANT AND EQUIPMENT					
Additions and disposals (Unaudited)					
During the nine-month period ended 30 September 2014, the Group acquired assets amounting AED 3.21 million and disposed off assets with a net book value of AED 0.11 million (nine-month period ended 30 September 2013: AED 4.16 million and 0.33 million respectively).					
		30 September 2014	31 December 2013	30 September 2013	
		AED'000	AED'000	AED'000	
		(Unaudited)	(Audited)	(Unaudited)	
7. AVAILABLE-FOR-SALE INVESTMENTS					
Opening balance		6,208	5,841	5,841	
Change in fair value		224	367	261	
Closing balance		6,432	6,208	6,102	

UNITED KAIPARA DAIRIES COMPANY (P.S.C.) AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

These include investments amounting to AED 5.6 million made in unquoted equity shares of Rawabi Emirates PJSC (year ended 31 December 2013: AED 5.6 million). Since the investments in Rawabi Emirates PJSC do not have a quoted market price in any active market, the fair value cannot be reliably measured and are stated at cost less impairment losses, if any. The balance of the investments represent investments in quoted shares of Dubai Financial Market PJSC and DP World amounting to AED 0.6 million, and are disclosed at their fair values.

	30 September 2014 AED'000 (Unaudited)	31 December 2013 AED'000 (Audited)	30 September 2013 AED'000 (Unaudited)
8. INVENTORIES			
Raw materials and packing materials	28,716	30,975	37,076
Semi-finished goods	1,883	2,412	387
Finished goods	6,554	6,270	6,506
Trading goods	9,634	5,880	3,374
Consumable stores and spare parts	8,827	9,036	9,069
	55,614	54,573	56,412
Less: Provision for slow-moving inventories	(5,224)	(5,407)	(4,980)
	50,390	49,166	51,432
Goods-in-transit	2,019	7,313	3,534
	52,409	56,479	54,966
9. TRADE AND OTHER RECEIVABLES			
Trade receivables	44,206	48,244	61,999
Less: Provision for impairment of trade receivables	(5,255)	(4,589)	(4,741)
	38,951	43,655	57,258
Advances, deposits and prepayments	4,450	4,123	9,278
	43,401	47,778	66,536
10. CASH AND CASH EQUIVALENTS			
Cash on hand	598	490	449
Bank balance in current accounts	1,512	1,192	1,712
	2,110	1,682	2,161
11. OTHER CURRENT FINANCIAL ASSETS			
Margin deposits	--	--	48

UNITED KAIPARA DAIRIES COMPANY (P.S.C.) AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

12. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise directors, key management personnel and other related parties.

At the reporting date significant transactions and balances with related parties were as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2014 AED'000 (Unaudited)	2013 AED'000 (Unaudited)	2014 AED'000 (Unaudited)	2013 AED'000 (Unaudited)
Purchases from a related party				
- United Cans Company LLC	6	42	205	148
Compensation to key management personnel				
- Staff salaries and benefits (including end-of service benefits)	450	438	1,350	899
Employee end-of-service benefits	82	46	34	
Trade and other payables				
- Key management personnel	139	93	84	
- United Cans Company LLC	14	37	96	
	153	130	180	
13. SHORT TERM BORROWINGS				
Bank overdrafts	20,663	23,563	22,672	
Trust receipts	25,850	14,516	15,118	
	46,513	38,079	37,790	
14. TRADE AND OTHER PAYABLES				
Trade payables	35,533	31,900	31,976	
Rent received in advance	248	700	--	
Advance received from customers	335	165	--	
Accruals and other payables	12,356	8,265	11,332	
	48,472	41,030	43,308	

UNITED KAIPARA DAIRIES COMPANY (P.S.C.) AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

15. PROVISION FOR TAXATION

Provision for taxation is in respect of Oman operations. The Subsidiary is liable to income tax in accordance with the income tax laws of the Sultanate of Oman depending on the level of its taxable profit. In the opinion of the management, provision for taxation of AED 677 ('000) as at the reporting date is adequate to meet the its tax liabilities.

	30 September 2014 AED'000 (Unaudited)	31 December 2013 AED'000 (Audited)	30 September 2013 AED'000 (Unaudited)
16. CAPITAL COMMITMENTS			
For acquisition, construction or enhancement of property, plant and equipment	257	660	696
17. CONTINGENT LIABILITIES			
Letters of credit	4,800	4,821	426
Unutilized balances of commercial letters of credit	3,403	8,344	4,848

Contingencies – legal cases

There are a few legal cases against the Group by ex-employees, as well as counter cases by the Group against ex-employees. All these cases are now pending before the Court for its hearings and decisions. On account of the uncertainty involved over the outcome of the pending Court's decisions on the amounts involved, the management has concluded that it is not appropriate at this stage to record any contingent liabilities and/or contingent assets.

18. SUBSIDIARY

The Company holds 100% of the shares (2% held by Directors for beneficial interest of the Company) of the Subsidiary, registered as a limited liability Company in the Sultanate of Oman under the Oman Commercial Register Law No. 3/74. Principal activity of the Subsidiary is trading and manufacturing of dairy products, juice, ice creams and other food products.

19. BASIC EARNINGS PER SHARE IN AED

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2014 (Unaudited)	2013 (Unaudited)	2014 (Unaudited)	2013 (Unaudited)
Net loss attributable to owners (AED'000)	(A) (9,402)	(6,248)	(30,076)	(17,743)
Weighted average number of shares outstanding	(B) 302,500	302,500	302,500	302,500
Basic earnings per share in AED (A)/(B)	(31.08)	(20.65)	(99.42)	(58.65)

UNITED KAIPARA DAIRIES COMPANY (P.S.C.) AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

The Group has not issued any instruments which would have a dilutive impact on earnings per share when exercised.

20. PROPOSED DIVIDEND

The Board of Directors do not propose any interim dividend for the nine-month period ended 30 September 2014 (nine-month period ended 30 September 2013: Nil).

21. SEGMENTAL REPORTING

The Group operates in the single reporting segment of dairy, juice, ice cream, and other food products. All the relevant information relating to this reporting/operating segment is disclosed in the condensed consolidated interim statement of financial position, condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of comprehensive income and notes to the condensed consolidated interim financial information.

IFRS also requires an entity to report its segment assets and revenue along geographical regions. All significant activities of the Group are performed on an integrated basis in the Gulf region and the Directors do not consider an analysis by individual country would be meaningful.

Additional information required by IFRS 8, "Segment reporting", is disclosed below:

Major customers

During the nine-month period ended 30 September 2014, there were no customers of the Group with revenues greater than 10% of the total revenue of the Group (nine-month period ended 30 September 2013: Nil).

22. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and cash equivalents, trade and other receivables and available-for-sale investments. Financial liabilities consist of short term borrowings and trade and other payables.

The fair values of financial instruments are not materially different from their carrying values.

Fair value hierarchy

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).

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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).

As at 30 September 2014, the Group held the following financial instruments measured at fair value:

	30 September 2014 AED'000 (Unaudited)	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
Available-for-sale investments	6,432	855	--	5,577

As at 31 December 2013, the Group held the following financial instruments measured at fair value:

	31 December 2013 AED'000 (Audited)	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
Available-for-sale investments	6,208	631	--	5,577

During the period ended 30 September 2014 and year ended 31 December 2013, there were no transfers between the various levels of fair value measurements.

23. SEASONALITY OF THE BUSINESS IMPACTING THE RESULTS FOR THE THREE-MONTH AND NINE-MONTH PERIOD

Due to seasonal nature of the business of the Group, the results of operations of certain quarters, which fall in off peak periods may be substantially different from other quarters, which fall in the peak season (i.e. during summer season). Therefore, revenue from operations may not be evenly distributed over the four quarters of the same year and thus the results of operations of each quarter may not be comparable to the other quarters of the same year.

24. COMPARATIVE FIGURES

- Previous period's amount with respect to advertisement and other selling expenses (gondola expenses) of AED 3,319 ('000) for the nine-month period ended 30 September 2013 and AED 759 ('000) for the three-month period ended 30 September 2013, which were earlier netted off against revenue have been regrouped/reclassified to advertisement expenses as it is considered that the revised grouping/classification, which has been adopted in the current accounting period, more fairly presents the state of affairs/results of operations.
- Previous period's amount with respect to freight outward of AED 2,765 ('000) for the nine-month period ended 30 September 2013 and AED 993 ('000) for the three-month period ended 30 September 2013 have been regrouped/reclassified from cost of sales to other expenses as it is considered that the revised grouping/classification, which has been adopted in the current accounting period, more fairly presents the state of affairs/results of operations.