

United Cement Group Plc

**Consolidated Financial Statements
for the year ended 31 December 2012**

UNITED CEMENT GROUP PLC

BOARD OF DIRECTORS AND PROFESSIONAL ADVISORS

Board of Directors	Mohamed Amersi, British Marie Helen Barard Genstein, French Adal Issabekov, Kazakhstani (resigned 10 May 2012) Michael Sauer, Danish (resigned 10 May 2012) Stella Kammitzi, Cypriot Michalis Kramvis, Cypriot Vladislav Kim, Kazakhstani (appointed 10 May 2012) Aibar Burkitbayev, Kazakhstani (appointed 10 May 2012)
Secretary	Savinaco Ventures Limited
Independent Auditor	PricewaterhouseCoopers Limited
Legal advisors	Chryssafinis&Polyviou
Banker	Bank of Cyprus Public Company Ltd JSCKazkommertsbank
Registered Office	58 Ifigenias Street 53 CITY Home, Office 201, Strovolos, 2003 Nicosia, Cyprus
Registration number	195948

BOARD OF DIRECTORS' REPORT

The Board of Directors of United Cement Group Plc (the "Company") presents to the members their report together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2012.

PRINCIPAL ACTIVITY

The Group is primarily involved in the production and sale of cement and cement-related products. Changes in the Group structure are disclosed in Note 6.

FINANCIAL RESULTS

The Group's financial results for the year ended 31 December 2012 are set out on page 6 of the financial statements. The loss for the current year is USD 123,120 thousand (loss for 2011: USD 32,822 thousand).

FUTURE DEVELOPMENTS

The Board of Directors is evaluating various options on the future developments of the Group but no formal decision has been reached as at the date of this report.

GOING CONCERN

Directors have access to all information necessary to exercise their duties. The Directors continue to adopt the going concern basis in preparing the consolidated financial statements based on the fact that, after making enquiries and following a review of the Group's actual results for 2013 and budget for 2014, including cash flows and borrowing facilities, the Directors consider that the Group has adequate resources to continue in operation for the foreseeable future. Refer also to Note 4 of the financial statements for more information.

DIVIDENDS

The Board of Directors does not recommend the payment of a dividend.

MAIN RISKS AND UNCERTAINTIES

The main risks and uncertainties faced by the Group and the steps taken to manage these risks are described in Notes 27, 31 and 32 of the financial statements.

BOARD OF DIRECTORS

The members of the Company's Board of Directors as at 31 December 2012 and at the date of this report are presented on page 1. All of them were members of the Board throughout the year. Mr. Adal Issabekov and Mr. Michael Sauer who held office at 1 January 2012 resigned on 10 May 2012 and Mr. Vladislav Kim and Mr. Aibar Burkitbayev were appointed as a Director on the same date. There were no significant changes in the assignment of responsibilities and remuneration of the members of the Board of Directors.

EVENTS AFTER THE BALANCE SHEET DATE

Material post balance sheet events, which have a bearing on the understanding of the financial statements, are presented in detail in Note 32 of the financial statements.

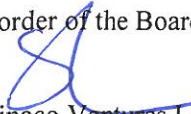
BRANCHES

The Company did not operate through any branches during the year.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers Limited has expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to determine their remuneration was proposed at the Annual General Meeting.

By order of the Board of Directors



Savinaco Ventures Limited
Secretary
Nicosia, 27 June 2014



Independent auditor's report

To the Members of United Cement Group Plc

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of United Cement Group Plc (the "Company"), and its subsidiaries (together with the Company, the "Group") which comprise the consolidated balance sheet as at 31 December 2012, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers Ltd, City House, 6 Karaiskakis Street, CY-3032 Limassol, Cyprus
P O Box 53034, CY-3300 Limassol, Cyprus
T: +357 25 - 555 000, F: +357 - 25 555 001, www.pwc.com/cy



Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Emphasis of matter

We draw attention to Note 4 to the consolidated financial statements, which states that the Group incurred a net loss of US\$ 123,120 thousand during the year ended 31 December 2012 and, as of that date, the Group's current liabilities exceeded its current assets by US\$ 492,306 thousand. This, along with other matters as described in Note 4, indicates the existence of a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern. Our opinion is not qualified in respect of this matter.

Report on other legal requirements

Pursuant to the requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The consolidated financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the consolidated financial statements.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Yiannos Kaponides
Certified Public Accountant and Registered Auditor
for and on behalf of

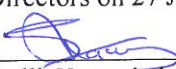
PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

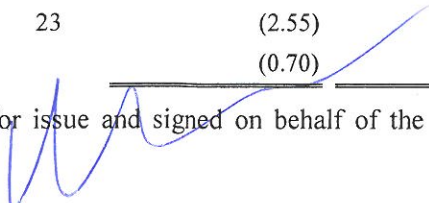
Limassol, 27 June 2014

United Cement Group Plc and subsidiaries
Consolidated Statement of Comprehensive Income for the year ended 31 December

	Note	2012 '000 USD	2011 '000 USD
Revenue	7	309,288	310,138
Cost of sales	8	(260,545)	(243,485)
Gross profit		48,743	66,653
Other income		2,572	3,827
Distribution expenses	9	(4,286)	(4,602)
Administrative expenses	10	(88,901)	(25,990)
Other expenses		(785)	(106)
Impairment loss on goodwill	12,17	(61,388)	-
Loss on disposal of subsidiary	13,31	(6,528)	-
Operating (loss)/profit		(110,573)	39,782
Finance income	14	1,275	864
Finance costs	14	(49,685)	(63,154)
Share of (loss)/profit of associates	18	(291)	801
Loss before income tax		(159,274)	(21,707)
Income tax credit/(expense)	15	1,755	(4,727)
Loss for the year from continuing operations		(157,519)	(26,434)
Profit/(loss) for the year from discontinued operations	31	34,399	(6,388)
Loss for the year		(123,120)	(32,822)
Other comprehensive income			
Exchange differences on translation to presentation currency	14	(1,705)	(5,992)
Other comprehensive loss for the year		(1,705)	(5,992)
Total comprehensive loss for the year		(124,825)	(38,814)
Loss attributable to:			
Owners of the Company		(130,213)	(35,465)
Non-controlling interests		7,093	2,643
Loss for the year		(123,120)	(32,822)
Total comprehensive loss attributable to:			
Owners of the Company		(131,339)	(40,646)
Non-controlling interests		6,514	1,832
Total comprehensive loss for the year		(124,825)	(38,814)
Total comprehensive loss for the year attributed to owners of the parent company arises from:			
- Continuing operations		(109,992)	(48,598)
- Discontinued operations		(21,347)	7,952
Earnings per share			
- Continuing operations	23	(2.55)	(1.02)
- Discontinued operations		(0.70)	0.13

These consolidated financial statements were approved for issue and signed on behalf of the Board of Directors on 27 June 2014:


 Stella Kammitzi
 Director


 Michalis Kramvis
 Director

United Cement Group Plc and subsidiaries
Consolidated Statement of Financial Position as at 31 December


	Note	2012 '000 USD	2011 '000 USD
ASSETS			
Non-current assets			
Property, plant and equipment	16	158,833	223,705
Intangible assets	17	61,313	118,663
Investments in associates	18	1,435	2,922
Deferred tax assets	15	2,548	80
Trade and other receivables	20	228	1,765
Long term bank deposits	21	166	168
Total non-current assets		224,523	347,303
Current assets			
Inventories	19	44,897	52,045
Income tax prepayment		2,480	4,855
Trade and other receivables	20	16,008	20,356
Prepayments for current assets		6,486	8,444
Cash and cash equivalents	21	14,013	26,410
Total current assets		83,884	112,110
Total assets		308,407	459,413

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 13 to 73.

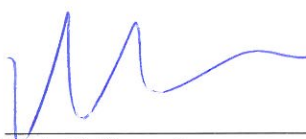
United Cement Group Plc and subsidiaries
Consolidated Statement of Financial Position as at 31 December

	Note	2012 '000 USD	2011 '000 USD
EQUITY AND LIABILITIES			
Equity			
Share capital	22	400	400
Additional paid-in capital		4,308	4,308
Foreign currency translation reserve		(60,569)	(59,443)
Accumulated deficit		(231,551)	(95,998)
Total equity attributable to owners of the Company		(287,412)	(150,733)
Non-controlling interests		14,382	14,891
Total equity		(273,030)	(135,842)
Non-current liabilities			
Loans and borrowings	24	-	464,269
Provisions for asset retirement obligations	25	244	238
Deferred tax liabilities	15	5,003	9,113
Other payables	26	-	29,969
Total non-current liabilities		5,247	503,589
Current liabilities			
Loans and borrowings	24	529,712	20,354
Advances received		4,779	4,618
Trade and other payables	26	36,170	55,176
Income tax payable		5,529	11,518
Total current liabilities		576,190	91,666
Total liabilities		581,437	595,255
Total equity and liabilities		308,407	459,413

These consolidated financial statements were approved for issue and signed on behalf of the Board of Directors on 27 June 2014:



 Stella Kammitisi
 Director



 Michalis Kramvis
 Director

United Cement Group Plc and subsidiaries
Consolidated Statement of Cash Flows for the year ended 31 December

	Note	2012 '000 USD	2011 '000 USD
Cash flows from operating activities			
Loss for the year		(123,120)	(32,822)
<i>Adjustments for:</i>			
Depreciation and amortisation	8,9,10	21,364	23,117
Net finance costs	14	48,410	62,290
Share of (loss)/profit of associate	18	291	(801)
Net gain on disposal of property, plant and equipment	16	682	79
Loss on disposal of subsidiaries	13	6,528	-
Impairment losses on inventory	8	2,453	-
Impairment losses on property, plant and equipment	8	13,041	-
Impairment losses on goodwill	12	61,388	-
Impairment losses on trade and other receivables	10	33,607	1,697
Income tax (credit)/expense	15	(1,755)	4,727
Operating cash flows before changes in working capital		62,889	58,287
Change in inventories		(84)	(11,883)
Change in trade and other receivables		(38,339)	(1,042)
Change in prepayments for current assets		(1,048)	2,715
Change in asset retirement obligations		92	(87)
Change in advances received		756	563
Change in trade and other payables		17,173	(11,314)
Cash flows from operations before income taxes and interest paid		41,439	37,239
Income taxes paid		(9,292)	(7,431)
Interest paid		(4,572)	(8,958)
Net cash from continued operating activities		27,575	20,850
Net cash from discontinued operating activities		(16,044)	24,683

United Cement Group Plc and subsidiaries
Consolidated Statement of Cash Flows for the year ended 31 December
(continued)

	2012	2011
Note	'000 USD	'000 USD
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(17,935)	(20,117)
Proceeds from disposal of property, plant and equipment	1,608	1,044
Acquisition of intangible assets	(199)	(10)
Acquisition of subsidiaries, net of cash acquired	-	6
Disposal of subsidiaries, net of cash disposed	(415)	-
Long term bank deposits repaid	-	3,055
Interest received	1,114	864
Net cash used in continued investing activities	(15,827)	(15,158)
Net cash used in discontinued investing activities	(1,198)	(4,996)
FINANCING ACTIVITIES		
Distribution to owners (Note 22)	-	(17,109)
Distribution to non-controlling interest	(4,171)	(4,294)
Proceeds from borrowings	10,756	38,028
Repayment of borrowings	(13,654)	(42,742)
Net cash from continued financing activities	(7,069)	(26,117)
Net cash from discontinued financing activities	-	-
Effect of exchange rate fluctuations on cash and cash equivalents	166	(804)
Net decrease in cash and cash equivalents	(12,397)	(1,542)
Cash and cash equivalents at beginning of year	26,410	27,952
Cash and cash equivalents at end of year	14,013	26,410

United Cement Group Plc and subsidiaries
Consolidated Statement of Changes in Equity for the year ended 31 December

	Attributable to owners of the Company					Total equity
	Share capital	Additional paid-in capital	Translation reserve	Accumulated deficit	Total	
Balance at 1 January 2011	400	4,308	(54,262)	(43,424)	(92,978)	(75,683)
Total comprehensive income for the year	-	-	-	(35,465)	(35,465)	(32,822)
Profit/(loss) for the year	-	-	-	-	-	2,643
Other comprehensive income	-	-	-	-	-	(811)
Foreign currency translation differences	-	-	(5,181)	-	(5,181)	(5,992)
Total comprehensive income/(loss) for the year	-	-	(5,181)	(35,465)	(40,646)	(38,814)
Transactions with owners, recorded directly in equity	-	-	-	-	-	1,832
Dividends declared	22	-	-	-	-	(4,236)
Distributions to owners other than dividends	22	-	-	(17,109)	(17,109)	(17,109)
Total transactions with owners	-	-	-	(17,109)	(17,109)	(4,236)
Balance at 31 December 2011	400	4,308	(59,443)	(95,998)	(150,733)	(135,842)

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 13 to 73.

United Cement Group Plc and subsidiaries
Consolidated Statement of Changes in Equity for the year ended 31 December
(continued)

	Attributable to owners of the Company						
	Share capital	Additional paid-in capital	Translation reserve	Accumulated deficit	Total	Non-controlling interests	Total equity
*'000USD							
Balance at 1 January 2012	400	4,308	(59,443)	(95,998)	(150,733)	14,891	(135,842)
Total comprehensive income for the year							
Profit/(loss) for the year	-	-	-	(130,213)	(130,213)	7,093	(123,120)
Other comprehensive income							
Foreign currency translation differences	-	-	(1,126)	-	(1,126)	(579)	(1,705)
Total comprehensive income/(loss) for the year	-	-	(1,126)	(130,213)	(131,339)	6,514	(124,825)
Transactions with owners, recorded directly in equity							
Dividends declared	22	-	-	-	-	(6,302)	(6,302)
Distributions to owners other than dividends	22	-	-	(5,340)	(5,340)	-	(5,340)
Disposal of non-controlling interest in subsidiaries	-	-	-	-	-	(1,247)	(1,247)
Acquisition of Sandin	6	-	-	-	-	526	526
Total transactions with owners	-	-	-	(5,340)	(5,340)	(7,023)	(12,363)
Balance at 31 December 2012	400	4,308	(60,569)	(231,551)	(287,412)	14,382	(273,030)

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 13 to 73.