

**Aluminium Bahrain B.S.C.**  
**INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2013 (UNAUDITED)**

## REPORT ON THE REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF ALUMINIUM BAHRAIN B.S.C.

### *Introduction*

We have reviewed the accompanying interim condensed financial statements of Aluminium Bahrain B.S.C. ('the Company') as at 30 June 2013, comprising of the interim statement of financial position as at 30 June 2013 and the related interim statements of comprehensive income, cash flows and changes in equity for the six month period then ended and explanatory notes. The Company's Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

### *Scope of review*

We conducted our review in accordance with the 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. Consequently, it 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 condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.



28 July 2013


Manama, Kingdom of Bahrain

# Aluminium Bahrain B.S.C.


## INTERIM STATEMENT OF FINANCIAL POSITION

At 30 June 2013

	Note	30 June 2013 Unaudited BD '000	31 December 2012 Audited BD '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		878,116	901,779
Long term receivable		8,595	10,314
		<b>886,711</b>	<b>912,093</b>
<b>Current assets</b>			
Inventories		153,490	143,564
Current portion of long term receivable		3,439	3,438
Accounts receivable and prepayments		97,248	91,139
Other asset		4,800	-
Derivative financial instruments		-	104
Bank balances and cash		53,148	61,605
		<b>312,125</b>	<b>299,850</b>
<b>TOTAL ASSETS</b>		<b>1,198,836</b>	<b>1,211,943</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		142,000	142,000
Treasury shares		(5,271)	(4,087)
Statutory reserve		71,000	71,000
Capital reserve		249	249
Retained earnings		642,081	600,683
Proposed dividend	8	19,729	19,773
<b>Total equity</b>		<b>869,788</b>	<b>829,618</b>
<b>Non-current liabilities</b>			
Borrowings		105,116	77,096
Derivative financial instruments	4	12,187	23,996
Employees' end of service benefits		1,065	915
		<b>118,368</b>	<b>102,007</b>
<b>Current liabilities</b>			
Borrowings		108,002	160,303
Accounts payable and accruals		98,917	106,585
Derivative financial instruments	4	3,761	13,430
		<b>210,680</b>	<b>280,318</b>
<b>Total liabilities</b>		<b>329,048</b>	<b>382,325</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,198,836</b>	<b>1,211,943</b>



Chairman



Director

The attached notes 1 to 9 form part of these interim condensed financial statements.

# Aluminium Bahrain B.S.C.

## INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013 (Unaudited)

	Note	<i>Three months ended</i>		<i>Six months ended</i>	
		<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
		<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
		<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Sales revenue		<b>195,520</b>	196,555	<b>382,606</b>	382,957
Cost of sales		<b>(166,719)</b>	(165,836)	<b>(311,593)</b>	(312,460)
<b>GROSS PROFIT</b>		<b>28,801</b>	30,719	<b>71,013</b>	70,497
Other income		<b>643</b>	643	<b>1,654</b>	2,214
Selling and distribution expenses		<b>(4,372)</b>	(5,032)	<b>(8,369)</b>	(8,984)
General and administrative expenses		<b>(7,910)</b>	(7,559)	<b>(15,634)</b>	(14,045)
(Loss)/gain on exchange		<b>(22)</b>	549	<b>312</b>	557
Finance costs		<b>(1,634)</b>	(1,914)	<b>(3,148)</b>	(3,772)
<b>PROFIT FOR THE PERIOD BEFORE DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>15,506</b>	17,406	<b>45,828</b>	46,467
Gain on revaluation/settlement of derivative financial instruments (net)	4	<b>5,186</b>	18,211	<b>15,368</b>	10,485
<b>PROFIT AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>20,692</b>	35,617	<b>61,196</b>	56,952
Basic and diluted earnings per share (fils)	3	<b>15</b>	25	<b>43</b>	40



Chairman



Director

The attached notes 1 to 9 form part of these interim condensed financial statements.

# Aluminium Bahrain B.S.C.

## INTERIM STATEMENT OF CASH FLOWS

For the six months ended 30 June 2013 (Unaudited)

	<i>Note</i>	<b>30 June 2013 BD '000</b>	<b>30 June 2012 BD '000</b>
<b>OPERATING ACTIVITIES</b>			
Profit for the period		<b>61,196</b>	56,952
Adjustments for:			
Depreciation		<b>38,859</b>	38,221
Provision for employees' end of service benefits		<b>441</b>	434
Gains on revaluation of derivative financial instruments	4	<b>(21,374)</b>	(23,217)
Loss on disposal of property, plant and equipment		<b>393</b>	44
Provision for slow moving inventories		<b>259</b>	88
Provision for doubtful debts		<b>(52)</b>	(157)
Interest income		<b>(135)</b>	(222)
Finance costs		<b>3,148</b>	3,772
Amortisation of treasury shares held for Employees' Stock Incentive Plan		<b>298</b>	442
		<b>83,033</b>	76,357
Working capital changes:			
Inventories		<b>(10,185)</b>	(5,930)
Accounts receivable and prepayments		<b>(6,057)</b>	(3,960)
Accounts payable and accruals		<b>(7,670)</b>	10,088
Cash from operations		<b>59,121</b>	76,555
Employees' end of service benefits paid		<b>(291)</b>	(494)
Net cash from operating activities		<b>58,830</b>	76,061
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		<b>(15,795)</b>	(6,512)
Disposal of property, plant and equipment		<b>206</b>	44
Other assets		<b>(4,800)</b>	-
Interest received		<b>135</b>	222
Net cash used in investing activities		<b>(20,254)</b>	(6,246)
<b>FINANCING ACTIVITIES</b>			
Amounts received from long term receivable		<b>1,719</b>	1,719
Borrowings availed		<b>183,864</b>	120,320
Borrowings repaid		<b>(208,145)</b>	(155,036)
Finance costs paid		<b>(3,146)</b>	(3,738)
Dividends paid	8	<b>(19,774)</b>	(56,495)
Purchase of treasury shares		<b>(1,608)</b>	(638)
Proceeds from resale of treasury shares		<b>57</b>	530
Net cash used in financing activities		<b>(47,033)</b>	(93,338)
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(8,457)</b>	(23,523)
Cash and cash equivalents at 1 January		<b>61,605</b>	99,487
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>		<b>53,148</b>	75,964

The attached notes 1 to 9 form part of these interim condensed financial statements.

Aluminium Bahrain B.S.C.

INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2013 (Unaudited)

	Share capital BD '000	Treasury shares BD '000	Statutory reserve BD '000	Capital reserve BD '000	Retained earnings BD '000	Proposed dividend BD '000	Total BD '000
Balance at 1 January 2013	142,000	(4,087)	71,000	249	600,683	19,773	829,618
Total comprehensive income for the period	-	-	-	-	61,196	-	61,196
Net movement in treasury shares	-	(1,482)	-	-	-	-	(1,482)
Amortisation of treasury shares held for Employees' Stock Incentive Plan	-	298	-	-	-	-	298
Loss on resale of treasury shares	-	-	-	-	(68)	-	(68)
Final dividend for 2012 approved and paid (note 8)	-	-	-	-	-	(19,774)	(19,774)
Shortfall of final dividend for 2012 provided	-	-	-	-	(1)	1	-
Dividend proposed (note 8)	-	-	-	-	(19,729)	19,729	-
<b>Balance at 30 June 2013</b>	<b>142,000</b>	<b>(5,271)</b>	<b>71,000</b>	<b>249</b>	<b>642,081</b>	<b>19,729</b>	<b>869,788</b>

	Share capital BD '000	Treasury shares BD '000	Statutory reserve BD '000	Capital reserve BD '000	Retained earnings BD '000	Proposed dividend BD '000	Total BD '000
Balance at 1 January 2012	142,000	(5,029)	71,000	249	544,064	56,509	808,793
Total comprehensive income for the period	-	-	-	-	56,952	-	56,952
Net movement in treasury shares	-	241	-	-	-	-	241
Amortisation of treasury shares held for Employees' Stock Incentive Plan	-	442	-	-	-	-	442
Loss on resale of treasury shares	-	-	-	-	(349)	-	(349)
Final dividend for 2011 approved and paid (note 8)	-	-	-	-	-	(56,495)	(56,495)
Excess of final dividend for 2011 reversed	-	-	-	-	14	(14)	-
Dividend proposed (note 8)	-	-	-	-	(19,776)	19,776	-
<b>Balance at 30 June 2012</b>	<b>142,000</b>	<b>(4,346)</b>	<b>71,000</b>	<b>249</b>	<b>580,905</b>	<b>19,776</b>	<b>809,584</b>

The attached notes 1 to 9 form part of these interim condensed financial statements.

At 30 June 2013

## 1 ACTIVITIES

Aluminium Bahrain B.S.C. ("the Company") was incorporated as a Bahrain Joint Stock Company in the Kingdom of Bahrain and registered with the Ministry of Industry and Commerce under commercial registration (CR) number 999.

Subsequent to the Initial Public Offering (IPO), the Company became a Bahrain Public Joint Stock Company effective 23 November 2010 and its shares were listed on the Bahrain Bourse and Global Depositary Receipts were listed on the London Stock Exchange. The Company has its registered office at 150 Askar Road, Askar 951, Kingdom of Bahrain.

As of 30 June 2013, the majority shareholder of the Company was Bahrain Mumtalakat Holding Company B.S.C. (c) (Mumtalakat), a company wholly owned by the Government of the Kingdom of Bahrain, which holds 69.38% (31 December 2012: 69.38%) of the Company's share capital.

The Company is engaged in manufacturing aluminium and aluminium related products. The Company owns and operates a primary aluminium smelter and the related infrastructure. The Company also has branch offices in Zurich and Hong Kong.

On 3 September 1990, the Company entered into a Quota Agreement between the Company, the Government of the Kingdom of Bahrain (GB), SABIC Industrial Investments Company (SIIC) and Breton Investments Limited (Breton). The Quota Agreement remains in full force and effect and was not amended with respect to the transfer of GB's shareholding in the Company to Mumtalakat. Consequent to the purchase of shares held by Breton in 2010, Breton ceased to be a shareholder of the Company, thereby revoking its entitlement to rights and obligations under the Quota Agreement, including the right to require the Company to sell the eligible quota of aluminium to Breton at a specified price.

On 25 May 2010, Mumtalakat provided a letter to the Company whereby it irrevocably and unconditionally waived its rights under the Quota Agreement requiring the Company to sell the eligible quota of aluminium to Mumtalakat. Consequently, as a result of this waiver the Company is no longer under an obligation to sell any part of its production to Mumtalakat. The Company is now free to sell 69.38% of its production to third-party customers on commercial terms. Mumtalakat has also acknowledged that it is under an obligation to purchase its quota of aluminium produced by the Company, should the Company decide to sell Mumtalakat's quota in accordance with the Quota Agreement. SIIC has not given a corresponding written waiver to the Company as at the date of approval of these interim condensed financial statements.

The interim condensed financial statements were authorised for issue by the Board of Directors on 28 July 2013.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### **Basis of preparation**

The interim condensed financial statements of the Company for the six months ended 30 June 2013 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

The interim condensed financial statements do not contain all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2012. In addition, results for the six month period ended 30 June 2013 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2013.

At 30 June 2013

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### **New and amended standards and interpretations**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2012, except for the adoption of new Standards and Interpretation, noted below, which did not have any impact on the accounting policies, financial position or performance of the Company:

#### *IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1*

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Company's financial position or performance.

#### *IFRS 7 Financial Instruments: Disclosures Offsetting Financial Assets and Financial Liabilities Amendments to IFRS 7*

The amendment requires an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with IAS 32. As the Company is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment does not have an impact on the Company.

#### *IFRS 13 Fair Value Measurement*

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Company.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required for financial instruments by IAS 34.16A(j), thereby affecting the interim condensed financial statements for the period. The Company provides these disclosures in note 5.

The Company has not early adopted any other standard, interpretation or amendment that have been issued but is not yet effective.



## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2013

**3 EARNINGS PER SHARE**

	<i>Six month period ended 30 June</i>	
	<b>2013</b>	<b>2012</b>
	<b>BD '000</b>	<b>BD '000</b>
Profit for the period	<b>61,196</b>	56,952
Weighted average number of shares outstanding	<b>1,411,968,739</b>	1,412,515,251
Basic and diluted earnings per share - fils	<b>43</b>	40

No separate figure for diluted earnings per share has been presented as the Company has not issued financial instruments which may have a dilutive effect.

**4 DERIVATIVE FINANCIAL INSTRUMENTS**

The Company does not engage in proprietary trading activities in derivatives. However, the Company enters into derivative transactions to hedge economic risks under its risk management guidelines that may not qualify for hedge accounting under IAS 39. Consequently, gains or losses resulting from the re-measurement to fair value of these derivatives are taken to the interim statement of comprehensive income.

The Company has a number of derivative financial instruments comprising interest rate collars, knockout swaps, forward foreign exchange contracts and commodity options. The fair values of the derivative financial instruments at 30 June 2013 are as follows:

	<b>30 June 2013</b>		<b>31 December 2012</b>	
	<b>Assets BD '000</b>	<b>Liabilities BD '000</b>	<b>Assets BD '000</b>	<b>Liabilities BD '000</b>
Commodity options	-	<b>13,591</b>	-	34,424
Commodity futures	-	<b>661</b>	104	-
Interest rate collars and knockout swaps	-	<b>1,696</b>	-	2,955
Forward foreign exchange contracts	-	-	-	47
<b>Total</b>	-	<b>15,948</b>	104	37,426

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2013

**4 DERIVATIVE FINANCIAL INSTRUMENTS (continued)**

These are classified in the interim statement of financial position as follows:

	<i>30 June</i>		<i>31 December</i>	
	<i>2013</i>		<i>2012</i>	
	<i>Assets</i>	<i>Liabilities</i>	<i>Assets</i>	<i>Liabilities</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Non-current portion:				
Commodity options	-	<b>11,660</b>	-	22,799
Interest rate collars and knockout swaps	-	<b>527</b>	-	1,197
	-	<b>12,187</b>	-	23,996
Current portion:				
Commodity options	-	<b>1,930</b>	-	11,625
Commodity futures	-	<b>661</b>	104	-
Interest rate collars and knockout swaps	-	<b>1,170</b>	-	1,758
Forward foreign exchange contracts	-	-	-	47
	-	<b>3,761</b>	104	13,430

The fair valuation of the derivative financial instruments resulted in the following gains (losses) to the interim statement of comprehensive income for the six month period ended 30 June 2013.

	<i>Six month period ended</i>	
	<i>30 June</i>	
	<i>2013</i>	<i>2012</i>
	<i>BD '000</i>	<i>BD '000</i>
<b>Revaluation:</b>		
Commodity futures and options	<b>20,069</b>	20,607
Interest rate collars and knockout swaps	<b>1,258</b>	2,546
Forward foreign exchange contracts	<b>47</b>	64
Unrealised gain on derivative financial instruments	<b>21,374</b>	23,217
<b>Realised:</b>		
Commodity futures and options	<b>(4,634)</b>	(10,035)
Interest rate collars and knockout swaps	<b>(1,372)</b>	(2,697)
Realised losses on derivatives	<b>(6,006)</b>	(12,732)
Net gain on fair valuation taken to interim statement of comprehensive income	<b>15,368</b>	10,485

At 30 June 2013

**5 FINANCIAL INSTRUMENTS****Fair values**

Financial instruments comprise of financial assets, financial liabilities and derivative financial instruments.

Financial assets consist of bank balances and cash and receivables. Financial liabilities consist of borrowings and payables. Derivative financial instruments consist of interest rate collars, knockout swaps, forward exchange contracts and commodity options.

Set out below is an overview of financial instruments, other than bank balances and cash, held by the Company as at 30 June 2013:

	<i>Loans and receivables BD '000</i>	<i>Fair value through profit or loss BD '000</i>
<b>Financial assets:</b>		
Trade and other receivables	94,490	-
<b>Financial liabilities:</b>		
Borrowings	213,118	-
Accounts payable and accruals	95,940	-
Derivative financial instruments	-	15,948
	<u>309,058</u>	<u>15,948</u>

**Fair value hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities;

Level 2 : Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable); and

Level 3 : Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

As at 30 June 2013, the Company's derivative financial instruments are measured at fair value. These are Level 2 as per the hierarchy above for the six months ended 30 June 2013. The Company does not have financial instruments qualifying for Level 1 or Level 3 classification.

During the six month period ended 30 June 2013, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements (30 June 2012: same).

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2013

**6 OPERATING SEGMENT INFORMATION**

For management purposes, the Company has a single operating segment which is the ownership and operation of a primary aluminium smelter and related infrastructure. Hence no separate disclosure of profit or loss, assets and liabilities is provided as this disclosure will be identical to the interim statement of financial position and interim statement of comprehensive income of the Company.

**a) Product**

An analysis of the sales revenue by product is as follows:

	<i>Six month period ended</i>	
	<i>30 June</i>	
	<b>2013</b>	<b>2012</b>
	<b>BD '000</b>	<b>BD '000</b>
Aluminium	<b>374,273</b>	379,487
Calcined coke	<b>2,014</b>	3,470
Alumina	<b>6,319</b>	-
<b>Total sales revenue</b>	<b>382,606</b>	382,957

**b) Geographic information**

An analysis of the sales revenue by geographic location is as follows:

	<i>Six month period ended</i>	
	<i>30 June</i>	
	<b>2013</b>	<b>2012</b>
	<b>BD '000</b>	<b>BD '000</b>
Kingdom of Bahrain	<b>176,197</b>	157,571
Asia	<b>40,941</b>	63,497
Rest of the Middle East North Africa	<b>99,759</b>	90,981
Europe	<b>54,181</b>	53,645
Americas	<b>11,528</b>	17,263
<b>Total sales revenue</b>	<b>382,606</b>	382,957

The revenue information above is based on the location of the customers.

**c) Customers**

Revenue from sale of metal from two of the major customers of the Company amounted to BD 138,076 thousand (30 June 2012: BD 113,986 thousand), each being more than 10% of the total sales revenue for the period.

**7 COMMITMENTS AND CONTINGENCIES**

As of 30 June 2013, there have been no significant changes to outstanding commitments and contingencies compared to 31 December 2012 (30 June 2012 - same).

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2013

**8 DIVIDEND PROPOSED AND PAID**

On 28 July 2013, the Board of Directors proposed an interim dividend of BD 0.014 per share (excluding treasury shares) totalling BD19,729 thousand (prior period: BD 0.014 per share totalling BD 19,776 thousand). This is subject to ratification by the Company's shareholders at the Annual General Meeting.

On 7 March 2013, the Company's shareholders approved the Board of Director's proposal to pay a final dividend of BD 0.014 per share (excluding treasury shares) totalling BD 19,774 thousand relating to 2012 which was fully paid as of 31 March 2013.

On 8 March 2012, the Company's shareholders approved the Board of Director's proposal to pay a final dividend of BD 0.040 per share (excluding treasury shares) totalling BD 56,509 thousand relating to 2011 from which BD 56,495 thousand was paid.

**9 RELATED PARTY TRANSACTIONS**

Related parties represent major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Board of Directors.

**Transactions with shareholders**

In the ordinary course of business, the Company purchases supplies and services from parties related to the Government of the Kingdom of Bahrain, principally natural gas and public utility services. A royalty, based on production, is also paid to the Government of the Kingdom of Bahrain.

Transactions with related parties included in the interim statement of comprehensive income are as follows:

	<i>Six month period ended</i>	
	<i>30 June</i>	
	<b>2013</b>	<b>2012</b>
	<b>BD '000</b>	<b>BD '000</b>
<b>Other related parties</b>		
<b>Revenue and other income</b>		
Sale of metal	<b>51,785</b>	48,021
Sale of water	<b>480</b>	519
Interest on long term receivable	<b>104</b>	157
	<b>52,369</b>	48,697
<b>Cost of sales and expenses</b>		
Purchase of natural gas and diesel	<b>49,486</b>	47,104
Purchase of electricity	<b>886</b>	1,273
Royalty	<b>1,876</b>	1,838
	<b>52,248</b>	50,215

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2013

**9 RELATED PARTY TRANSACTIONS (continued)**

Balances with related parties included in the interim statement of financial position are as follows:

	<b>30 June 2013 BD '000</b>	<b>31 December 2012 BD '000</b>
<b>Other related parties</b>		
<b>Assets</b>		
Long term receivable	<b>12,034</b>	13,752
Bank balances	<b>9,761</b>	17,652
Receivables	<b>8,291</b>	7,384
	<b>30,086</b>	<b>38,788</b>
<b>Liabilities</b>		
Borrowings	<b>7,520</b>	7,520
Payables	<b>18,094</b>	16,523
	<b>25,614</b>	<b>24,043</b>

Outstanding balances at period-end arise in the normal course of business. For the six months period ended 30 June 2013, the Company has not recorded any impairment on amounts due from related parties (2012: nil).

**Compensation of key management personnel**

The remuneration of members of key management during the period was as follows:

	<i>Six month period ended</i>	
	<i>30 June</i>	
	<b>2013</b>	<b>2012</b>
	<b>BD '000</b>	<b>BD '000</b>
Short term benefits	<b>645</b>	749
End of service benefits	<b>33</b>	45
Contributions to Alba Savings Benefit Scheme	<b>29</b>	22
Other benefits	<b>111</b>	-
	<b>818</b>	<b>816</b>