Arabian Cement Company

An Egyptian Joint Stock Company

Condensed Consolidated Interim Financial Statements

For the Nine Months Ended September 30, 2016

And the Limited Review Report

Deloitte.

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Limited Review Report
For the Condensed Consolidated Interim Financial Statements

To: The Board of Directors of Arabian Cement Company
An Egyptian Joint Stock Company

Introduction

We have conducted our limited review for the accompanying condensed consolidated interim balance sheet of Arabian Cement Company - An Egyptian Joint Stock Company - as of September 30, 2016 and the related condensed consolidated statements of income (profits or losses), comprehensive income, changes in equity and cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with Egyptian Accounting Standard No. (30) - Interim Financial Reporting. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We have conducted our limited review in accordance with the Egyptian 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 statements 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 the Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matter that might be identified in an audit. Accordingly, we do not express an audit opinion on these condensed consolidated interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial are not prepared, in all material respects, in accordance with Egyptian Accounting Standard No. (30) - Interim Financial Reporting.

Cairo, November 14, 2016

Saleh, Barsoum, Abdel Aziz & Accountants & Auditors

Kamel Magdy Saleh FCA
F.E.S.A.A. (R.A.A. 8510)
CMA Registration No. "69"

Arabian Cement Company

An Egyptian Joint Stock Company

Condensed Consolidated Statement of Financial Position

As of September 30, 2016

	Note No.	September 30, 2016 EGP	Restated (Notes 3) December 31, 2015 EGP
Non-current assets			
Fixed assets (net)	(4)	2 460 438 067	2 546 152 966
Projects under construction	(5)	121 860 593	124 756 807
Intangible assets (net)	(6)	92 283 023	109 142 259
Investments in joint ventures	(7)	1 386 255	958 364
Total non-current assets		2 675 967 938	2 781 010 396
Current assets			
Inventory	(8)	168 495 109	198 339 836
Debtors and other debit balances, (net)	(9)	97 116 338	66 047 729
Due from related parties	(10)	1 264 570	--
Cash and bank balances	(11)	250 558 113	378 286 894
Total current assets		517 434 130	642 674 459
Total Assets		3 193 402 068	3 423 684 855
Shareholders' equity			
Issued and paid-up capital	(16)	757 479 400	757 479 400
Legal reserve		185 113 715	156 109 072
Retained earnings		224 485 229	181 168 147
Net profits for the period / year		157 614 923	277 224 384
Total shareholders' equity		1 324 693 267	1 371 981 003
Non-controlling interests	(23)	19 876	13 702
Total shareholders' equity and non-controlling interests		1 324 713 143	1 371 994 705
Non-current liabilities			
Loans	(14)	281 000 008	357 584 237
Deferred income tax liability	(17)	333 772 696	330 621 736
Other liabilities	(15)	348 311 500	400 390 000
Total non-current liabilities		963 084 204	1 088 595 973
Current liabilities			
Provisions	(12)	30 589 109	15 843 923
Bank overdraft	(14)	1 499 139	1 714 317
Current income tax liability		52 915 697	71 556 188
Creditors and other credit balances	(13)	417 057 535	529 295 058
Dividends payable	(28)	75 747 940	--
Due to related parties	(10)	4 050 559	51 957 291
Current portion of long-term loans	(14)	237 314 742	206 297 400
Current portion of long-term other liabilities	(15)	86 430 000	86 430 000
Total current liabilities		905 604 721	963 094 177
Total shareholders' equity and liabilities		3 193 402 068	3 423 684 855

- The accompanying notes form an integral part of the condensed consolidated financial statements and to be read therewith.

Chief Financial Officer
Allan Hestbech

Chief Executive Officer
Sergio Alcantarilla Rodriguez

- Limited review report attached.

Arabian Cement Company
An Egyptian Joint Stock Company
Condensed Consolidated Statement of Income (Profits or Losses)
For the Nine Months Ended September 30, 2016

	Note	Three months ended		Nine Months ended	
			Restated (Note 3)		Restated (Note 3)
	Note No.	September 30, 2016 EGP	September 30, 2015 EGP	September 30, 2016 EGP	September 30, 2015 EGP
Net sales	(18)	531 480 712	578 529 735	1 657 868 153	1 722 949 587
Less					
Cost of sales	(19)	(404 475 722)	(428 234 330)	(1 172 869 537)	(1 279 286 574)
Gross operating profits		127 004 990	150 295 405	484 998 616	443 663 013
(Less) / Add					
General and administration expenses	(20)	(22 727 322)	(17 342 679)	(56 675 151)	(53 232 862)
Provisions	(12)	(15 045 186)	(3 175 842)	(15 745 186)	(3 175 842)
Impairment in other debit balances		--	--	(334 615)	--
Impairment no longer required		--	--	101 856	--
Other income		6 614	924 579	144 183	2 835 608
Credit interest		200 225	524 952	6 833 753	1 691 106
Net operating profits		89 439 321	131 226 415	419 323 456	391 781 023
(Less) / Add					
Financing expenses	(21)	(24 680 845)	(23 914 149)	(64 952 699)	(67 773 332)
Capital gain		2 076 439	10 000	2 076 439	190 000
Losses on foreign currency revaluation	(25)	(41 772 776)	(13 259 323)	(145 501 624)	(44 209 053)
Share of profit of joint ventures	(7)	106 197	264 708	427 891	624 615
Net profits for the period before income tax		25 168 336	94 327 651	211 373 463	280 613 253
Income tax	(22)	(10 621 162)	27 389 424	(53 752 366)	(34 472 144)
Net profits for the period after income tax		14 547 174	121 717 075	157 621 097	246 141 109
Attributable to:					
Shareholders of the parent company		14 545 054	121 715 282	157 614 923	246 135 783
Non-controlling interests	(23)	2 120	1 793	6 174	5 326
Net profits for the period after income tax		14 547 174	121 717 075	157 621 097	246 141 109
Earnings per share for the period	(24)	0.04	0.32	0.41	0.64

- The accompanying notes form an integral part of the condensed consolidated financial statements and to be read therewith.

Chief Financial Officer
Allan Hestbech

Chief Executive Officer
Sergio Alcantarilla Rodriguez

Arabian Cement Company

An Egyptian Joint Stock Company

Condensed Consolidated Statement of Comprehensive Income

For the Nine Months Ended September 30, 2016

	Three months ended		Nine Months ended	
		Restated (Note 3)		Restated (Note 3)
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
			EGP	EGP
Net profits for the period after income tax	14 547 174	121 717 075	157 621 097	246 141 109
Other comprehensive income	--	--	--	--
Total comprehensive income for the period	14 547 174	121 717 075	157 621 097	246 141 109

- The accompanying notes form an integral part of the condensed consolidated financial statements and to be read therewith.

Chief Financial Officer
Allan Hestbech

Chief Executive Officer
Sergio Alcantarilla Rodriguez

Arabian Cement Company

An Egyptian Joint Stock Company

Condensed Consolidated Statement of Changes in Equity

For the Nine Months Ended September 30, 2016

Description	Note	Capital	Legal reserve	Retained earnings	Net profits for the period	Total Equity	Non-controlling interests	Total Equity
	No.	EGP	EGP	EGP	EGP	EGP		
Balance as of January 1, 2015		757 479 400	129 463 619	36 037 640	374 717 936	1 297 698 595	9 159	1 297 707 754
Transferred to retained earnings		--	--	374 717 936	(374 717 936)	--	--	--
Transferred to legal reserve		--	26 658 467	(26 658 467)	--	--	--	--
Dividends distributed		--	--	(202 941 976)	--	(202 941 976)	--	(202 941 976)
Total comprehensive income for the period		--	--	--	246 135 783	246 135 783	5 326	246 141 109
Balance as of September 30, 2015		757 479 400	156 122 086	181 155 133	246 135 783	1 340 892 402	14 485	1 340 906 887
Balance as of January 1, 2016 - Restated	(3)	757 479 400	156 109 072	181 168 147	277 224 384	1 371 981 003	13 702	1 371 994 705
Re-class from retained earnings to legal reserve		--	22 124	(22 124)	--	--	--	--
Transferred to retained earnings		--	--	277 224 384	(277 224 384)	--	--	--
Transferred to legal reserve		--	28 982 519	(28 982 519)	--	--	--	--
Dividends distributed	(28)	--	--	(204 902 659)	--	(204 902 659)	--	(204 902 659)
Total comprehensive income for the period		--	--	--	157 614 923	157 614 923	6 174	157 621 097
Balance as of September 30, 2016		757 479 400	185 113 715	224 485 229	157 614 923	1 324 693 267	19 876	1 324 713 143

- The accompanying notes form an integral part of the condensed consolidated financial statements and to be read therewith.

Chief Financial Officer
Allan Hestbech

Chief Executive Officer
Sergio Alcantarilla Rodriguez

Arabian Cement Company
An Egyptian Joint Stock Company
Condensed Consolidated Statement of Cash Flows
For the Nine Months Ended September 30, 2016

	Note No.	September 30, 2016 EGP	Restated (Note 3) September 30, 2015 EGP
Cash flows from operating activities			
Net profits for the period before tax		211 373 463	280 613 253
Adjusted by:			
Depreciation of fixed assets	(4)	140 792 990	131 007 630
Amortization of intangible assets	(6)	16 859 236	16 843 728
Provisions	(12)	15 745 186	3 175 842
Used Provisions		(1 000 000)	(365 379)
Impairment in other debit balances		334 615	--
Credit interest		(6 833 753)	(1 691 106)
Finance costs	(21)	64 952 699	67 773 332
Impairment no longer required		(101 856)	--
Share of profit of a joint venture	(7)	(427 891)	624 615
Capital gain		(2 076 439)	(190 000)
Losses from foreign exchange rate differences*		69 225 348	41 835 105
Operating profit before changes in working capital		508 843 598	539 627 020
(Increase) in inventory ***		3 669 039	(16 530 814)
(Increase) in debtors and other debit balances **		(31 099 347)	(7 254 772)
(Increase) in due from subsidiaries and related parties		(1 264 570)	–
(Decrease) in creditors and other credit balances**		(112 451 100)	55 306 883
(Decrease) / increase in due to subsidiaries and related parties		(1 906 732)	(1 175 208)
Paid up tax**		(67 435 433)	(131 525 949)
Net cash flows generated from operating activities		298 355 455	438 447 160
Cash flows from investing activities			
Proceeds from sales of fixed assets		5 731 761	190 000
Payments for fixed assets ***	(4)	(12 426 256)	(8 680 315)
Payments for projects under construction	(5)	(17 235 255)	(44 218 509)
Interest income		6 833 753	1 691 106
Net cash flows (used in) investing activities		(17 095 997)	(51 017 718)
Cash flows from financing activities			
Payments of operating licenses and electricity agreement		(52 078 500)	(58 647 224)
Interest paid		(66 747 608)	(63 282 059)
Net change in the loans*		(114 792 235)	(109 615 238)
Dividends paid		(175 154 718)	(24 233 718)
Payments for bank overdraft		(215 178)	–
Net cash flows (used in) financing activities		(408 988 239)	(255 778 239)
Net change in cash and cash equivalents during the period		(127 728 781)	131 651 203
Cash and cash equivalents at the beginning of the period		378 286 894	159 262 559
Cash and cash equivalents at the end of the period	(11)	250 558 113	290 913 762

Non-cash transactions

* Non-cash transactions represented in the net changes in the loans and the unrealized foreign exchange rate differences of EGP 69 225 348 have been eliminated.

** Non-cash transactions represented in the net changes in the debtors and the income tax paid of EGP 2 563 341 have been eliminated.

*** Non-cash transactions represented in the net changes in the fixed assets and the inventory of EGP 26 175 688 have been eliminated.

**** Non-cash transactions represented in the net changes in the fixed assets and the projects under construction of EGP 20 131 469 have been eliminated.

- The accompanying notes form an integral part of the condensed consolidated financial statements and to be read therewith.

Chief Financial Officer	**Chief Executive Officer**
Allan Hestbech	**Sergio Alcantarilla Rodriguez**

1. Incorporation and purpose

- The Arabian Cement Company, an Egyptian Joint Stock Company was established as a joint stock company on March 5, 1997 under Law No. 230 of 1989 and Law No. 95 of 1992 according to the decision of the President of General Authority for Investment and Free Zone (GAFI) No. 167 of 1997.
- The company was registered at the Commercial Register under No. 13105 in Cairo on April 3, 2005, which was changed to No. 53445 on August 16, 2011 as the company changed its registered office from 72 Gameat El Dowal Street, Mohandiseen, Giza-Egypt to be Villa 56 El Gihaz Street, Fifth Settlement, New Cairo, Egypt.
- The main shareholder of the company is Aridos Jativa – Spanish Company, and it owns 60% of the company's capital.
- The company's term is 25 years starting from the date of its registration at the Commercial Register.
- Manufacturing and sale of clinker, cement and the other related products and usage of mines and extraction of all mining materials required for the production of construction materials and road transportation for all the company's product. The company may carry out other projects or amend its purpose according to the Investment Incentives and Guarantees Law.
- The condensed consolidated interim financial statements were approved by the Board of Directors and authorized for issue on November 14, 2016.

Registration in stock market

Registration of company shares in stock market

The shares of the company were registered at the Egyptian Stock Market through the approval of the Registration Committee held on March 24, 2014. The company's shares were included in data base on 25 March 2014. The company's shares registration data were adjusted after stock splitting by the par value on April 17, 2014.

Registering the company's shares in central security

The company's shares were registered according to central depository and registry system in Misr for Central Clearing on January 19, 2014 and were adjusted as a result of stock splitting share's par value on April 17, 2014.

2. **Basis of preparation**
   - The condensed consolidated interim financial statements for the period ended September 30, 2016 were prepared in accordance with the Egyptian Accounting Standard No. (30) - Interim Financial Reporting - issued by the Minister of Investment Decree No. 110 of 2015 issued on July 9, 2015 in relation to the issuance of the New Egyptian Accounting Standards which replace and supersede the former Egyptian Accounting Standards for the preparation and presentation of financial statements, and they are applicable to the entities whose fiscal year starts on or after 1 January 2016, In addition to the Minister of Investment issued Decree No.53 of 2016 whereby the New Accounting Standards include the addition of the Egyptian Accounting Standard (46) in the provisions of the transitional period for some standards of the New Egyptian Accounting Standards.
   - These condensed consolidated interim financial statements does not include all the information required in the preparation of the full set annual consolidated financial statements and must be read in conjunction with the annual consolidated financial statements as of December 31, 2015.
3. **Significant accounting policies**
   - The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.
   - The accompanying consolidated financial statements include the assets, liabilities and the results of Arabian Cement Company (the parent company) and all subsidiaries (thereafter referred to as "the Group") which are controlled by the company. The bases of the preparation of the consolidated financial statements are as follows:
     - All intra-group balances and transactions are eliminated.
     - Non-controlling interest in the equity and results of operations of the subsidiaries controlled by the company is shown as a separate line item in the consolidated financial statements and is calculated on their share in the assets and liabilities of the subsidiaries.
     - The consolidated financial statements include the following subsidiaries:

Company	**Ownership and voting as of September 30, 2016 and December 31, 2015**		**Nature of operation**
ACC for Management & Trading	99%	99%	Providing managerial restructuring services for the companies, transportation for goods, preparation of feasibility studies to projects, projects management and general trading
Andalus Concrete	99.99%	99.96%	Constructing and operating factory for manufacturing cement and concrete products along with trading in concrete and other constructions materials

- The accounting policies adopted this period are consistent with those of the previous year except for the amendments required by the New Accounting Standards, disclosed below the significant amendments which are applicable to the company and the effects of these amendments on financial statements, if any:

<u>Revised EAS (1) Presentation of Financial Statements</u>

Financial Position Statement

- The amendments to EAS (1) do not require the presentation of working capital. The company has prepared and presented the statement of financial position according to the revised standard.
- The amendments to EAS (1) require to present a statement of financial position as at the beginning of the preceding period (third statement of financial position) only when the retrospective application of an accounting policy or reclassification is implemented by the company.
- The company applied the new EAS (43) Joint Arrangements in accordance with the relevant transitional provisions set out in EAS (43), discussed below in details. Comparative amounts for 2015 have been restated to reflect the change in accounting for the company's investment in a joint arrangement. Such retrospective application of a new standard requires presenting a statement of financial position as at the beginning of the preceding period (1 January 2015). The company did not present the required third financial position as at 1 January 2015 and also did not disclose the effect of this retrospective application of change in accounting policies in accordance with EAS (5) Accounting Policies, Changes in Estimates and Errors, due to insignificant impact on the Group's financial statements (See Note 7 more detailed).

Income statement (Profit or Loss) / Statement of Comprehensive Income

- The amendments to EAS (1) require the company to disclose all items of income and expenses that were recognized in the period in two separate statements, statement of profit or loss (statement of income) which discloses all items of income and expenses, and statement of comprehensive income which starts with profit or loss and presents items of other comprehensive income (statement of comprehensive income). The company has prepared the statement of comprehensive income and presentation of financial statements according to the revised standard.

<u>Revised EAS (10) Property, Plant & Equipment</u>

- The amendments to EAS (10) eliminated the option of using the revaluation model in the subsequent measurement of property, plant & equipment. There is no impact for these amendments on the Group's financial statements.
- The movement of property, plant & equipment and related depreciation shall be disclosed in the notes to the financial statements for the current period and comparative period. The company has presented the movement of the required period.

Revised EAS (14) Borrowing Costs

- The amendments to EAS (14) eliminated the previous benchmark treatment that recognized the borrowing cost directly attributable to the acquisition, construction or production of a qualifying asset in the Statement of Income. The revised standard requires capitalization of this cost on qualifying assets. There is no impact for these amendments on the Group's financial statements.

Revised EAS (20) Finance Lease

- The leased passenger automobiles have become under the scope of the amendments to EAS (20). There is no impact for these amendments on the Group's financial statements.

Revised EAS (23) Intangible Assets

- The amendments to EAS (23) eliminated the option of using the revaluation model in the subsequent measurement of intangible assets. There is no impact for these amendments on the Group's financial statements.

EAS (40) Financial Instrument - Disclosures

- A new EAS (40) Financial Instrument – Disclosures has been issued to include all required disclosures for financial instruments. The company has disclosed required disclosures in the Group's financial statements.

EAS (43) Joint Arrangements

- The new Egyptian Accounting Standard (43) Joint Arrangements has been issued to establish principles for financial reporting by entities that have an interest in joint arrangements. This new standard superseded the EAS (27) Interests in Joint Ventures. In addition, this new standard requires classifying joint arrangements as either: joint operation or joint venture.
- A joint operation is defined as a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A party to a joint operation that has joint control of the joint operation is referred to as a "joint operator".
- A joint venture is defined as a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A party to a joint venture that has joint control of the joint operation is referred to as a "joint venture".
- The initial and subsequent accounting of joint ventures and joint operations are different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognizes its assets (including its share of any assets jointly held), liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of any revenue from sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities as well as revenue and expenses, relating to its interest in the joint operation in accordance with the Egyptian Accounting Standards applicable to those particular assets, liabilities, revenue and expenses.

- The company reviewed and assessed the classification of its investments in joint arrangements in accordance with the requirements of EAS (43). The company concluded that its investment in Andalus Reliance for Mining, which was classified as a jointly controlled entity under EAS (27) and was accounted for using the proportionate consolidation method, should be classified as a joint venture under EAS (43) and accounted for using the equity method in the Group's financial statements.
- The change in accounting of the company's investment in Andalus Reliance for Mining has been applied in accordance with the relevant transitional provisions set out in EAS (43). Comparative amounts for 2015 have been restated to reflect the change the change in accounting for the company's investments in joint arrangements (See Note 7 for details).

EAS (45) Fair Value Measurement

- The new Egyptian Accounting Standard (45) Fair Value Measurement has been issued and it is applied when other standard requires or permits to measure or disclose the fair value. This standard defines fair value, establishes the frame to measure fair value in on standard and determines the required disclosures for measurement of fair value.

6. Fixed assets (net) - (Restated Note 3)

Cost:	Land EGP	Building EGP	Vehicles EGP	Machinery and equipment EGP	Other installations EGP	Computer and software EGP	Furniture, fixtures and office equipment EGP	Total EGP
Balance at January 1, 2015	50 243 436	519 369 298	20 534 738	2 603 648 442	255 311 441	10 289 147	6 374 867	3 465 771 369
Adjustments	–	–	–	–	–	–	(936)	(936)
Balance at January 1, 2015	50 243 436	519 369 298	20 534 738	2 603 648 442	255 311 441	10 289 147	6 373 931	3 465 770 433
Additions	–	5 429 348	61 525	238 358	1 737 217	751 780	463 418	8 681 646
Disposals	–	–	(617 026)	–	–	–	–	(617 026)
Transfer from projects under construction	–	6 248 392	–	10 455 152	9 796 406	–	–	26 499 950
Adjustments	–	–	–	–	–	–	(453)	(453)
Cost as of September 30, 2015	50 243 436	531 047 038	19 979 237	2 614 341 952	266 845 064	11 040 927	6 836 896	3 500 334 550
Balance at January 1, 2016	50 243 436	531 314 250	21 314 390	2 616 043 243	272 085 413	11 137 860	7 848 820	3 509 987 412
Adjustments							(1 706)	(1 706)
Balance at January 1, 2016	50 243 436	531 314 250	21 314 390	2 616 043 243	272 085 413	11 137 860	7 847 114	3 509 985 706
Additions	–	1 765 797	4 454 701	27 280 632	1 354 235	1 398 721	2 347 858	38 601 944
Disposals	–	(3 541 047)	(2 282 105)	–	–	–	(488 085)	(6 311 237)
Transfer from projects under construction	–	14 421 357	–	2 059 539	2 324 389	1 208 549	117 635	20 131 469
Adjustments	–	–	–	–	–	–	–	–
Cost as of September 30, 2016	50 243 436	543 960 357	23 486 986	2 645 383 414	275 764 037	13 745 130	9 824 522	3 562 407 882
Accumulated depreciation:								
Balance at January 1, 2015	–	93 220 526	8 023 856	631 544 985	45 813 534	8 924 830	1 510 287	789 038 018
Adjustments	–	–	–	–	–	–	–	–
Balance at January 1, 2015	–	93 220 526	8 023 856	631 544 985	45 813 534	8 924 830	1 510 287	789 038 018
Depreciation	–	20 835 793	1 795 223	97 448 422	9 890 454	618 659	419 079	131 007 630
Accumulated depreciation disposals	–	–	(617 026)	–	–	–	–	(617 026)
Adjustments	–	–	–	–	–	–	(272)	(272)
Accumulated depreciation at September 30, 2015	–	114 056 319	9 202 053	728 993 407	55 703 988	9 543 489	1 929 094	919 428 350
Accumulated depreciation and impairment at January 1, 2016	–	121 114 312	9 764 611	761 953 346	59 140 348	9 778 188	2 082 388	963 833 193
Adjustments	–	–	–	–	–	–	(453)	(453)
Accumulated depreciation and impairment at January 1, 2016	–	121 114 312	9 764 611	761 953 346	59 140 348	9 778 188	2 081 935	963 832 740
Depreciation	–	21 087 544	1 629 619	98 542 769	10 486 728	810 312	634 847	133 191 819
Accumulated depreciation disposals	–	(1 077 865)	(1 378 126)	–	–	–	(199 924)	(2 655 915)
Impairment losses on fixed assets	–	7 601 171	–	–	–	–	–	7 601 171
Adjustments	–	–	–	–	–	–	–	–
Balance at September 30, 2015	–	148 725 162	10 016 104	860 496 115	69 627 076	10 588 500	2 516 858	1 101 969 815
Net book value as of September 30,2016	50 243 436	395 235 195	13 470 882	1 784 887 299	206 136 961	3 156 630	7 307 664	2 460 438 067
Net book value as of December 31,2015	50 243 436	410 199 938	11 549 803	1 854 089 897	212 945 064	1 359 671	5 765 157	2 546 152 966
Net book value at September 30,2015	50 243 436	416 990 719	10 777 184	1 885 348 545	211 141 076	1 497 438	4 907 802	2 580 906 200

* There is a commercial and real state mortgage with first-class rank for the benefit of the National Bank of Egypt as a guarantee for loans granted by the bank, to the company's land, all current and future buildings and constructions, and the material and moral elements of the company's factory as disclosed in details in (Note No.14).

** According to the loans contracts granted by the National Bank of Egypt, the company insured for the benefit of the bank an insurance policy against all potential risks on the company's factory and the production lines by 110% of the full amount of the loans and the bank is the first and only beneficiary of this policy.

*** The company has insured for its benefit on Silos, cars and Katamia Villa.

Fixed assets (net), continued

The group has assets related to finance lease based on contracts under Law No. 95 of 1995, which states that these assets should not be classified as fixed assets according to the accounting policies Note (3-17).

Five years contracts	September 30, 2016	December 31, 2015
	EGP	EGP
Total contracted lease payments	20 736 337	61 912 392
Bargain purchase value	1	1
Average useful life	5 years	5 years

Liabilities of financing lease contracts

The liabilities of financing lease contracts amounted to the following:

	September 30, 2016	December 31, 2015
	EGP	EGP
Not later than 1 year	4 551 669	10 562 915
Later than 1 year and not later than 2 years	2 525 335	3 845 968
Later than 2 years	1 930 984	3 702 584
	9 007 988	**18 111 467**

5. Projects under construction

	September 30, 2016	December 31, 2015
	EGP	EGP
Balance as of the beginning of the period / year	124 756 807	99 410 072
Additions	17 154 879	51 381 120
Advance to suppliers	193 189	1 319 012
Transferred to fixed assets	(20 244 282)	(27 353 397)
Balance as of the end of the period / year	**121 860 593**	**124 756 807**

- Projects under construction are represented in the following categories:

	September 30, 2016	December 31, 2015
	EGP	EGP
Buildings	6 847 815	11 462 495
Machinery and equipment	113 509 809	108 636 763
Technological installations	1 309 780	3 338 537
Advances to suppliers	193 189	1 319 012
	121 860 593	**124 756 807**

- Projects under construction include buildings, machinery, and equipment, which will be used in the installation of the alternative energy generation lines, which are expected to be finalized during the current year.

6. Intangible assets (net)

	September 30, 2016	December 31, 2015
Costs	EGP	EGP
Balance as of September 30, 2016	225 200 000	225 200 000
Amortization		
Balance as of beginning of the period / year	(116 057 741)	(93 537 741)
Period / year amortization	(16 859 236)	(22 520 000)
Total amortization as of ending of the period / year	(132 916 977)	(116 057 741)
Balance as of ending of the period / year	**92 283 023**	**109 142 259**

Intangible assets represent the value of the contract concluded with the Ministry of Electricity on March 11, 2010, where the Ministry of Electricity identifies the needs of heavy industrial projects and arranges their needs, either through the establishment of new stations or already established ones. The cost of investments will be paid by the company according to what has been determined by the Ministry, which amounted to EGP 217.2 million, where payment has been agreed to be paid as follows:

- 15% advance payment equivalent to EGP 32.58 million.
- 120 monthly instalments due on the first of every month from April 2010 amounted by EGP 1.220 million per each instalment.
- 120 monthly instalments due on the first of every month from February 2011 amounted by EGP 1.342 million per each instalment.
- In addition to EGP 8 million for the allocation of two cells of the traditional type, to be paid in four quarterly instalments and the last instalment was due on February 1, 2011.

7. Investments in joint ventures

Company	Country of incorporation	Percentage of ownership and voting rights %	September 30, 2016	December 31, 2015
			EGP	EGP
Andalus Reliance for Mining Company	Egypt	50%	1 386 255	958 364
			1 386 255	**958 364**

- The company reviewed and assessed the classification of its investments in joint arrangements in accordance with the requirements of EAS (43). The company concluded that its investment in Andalus Reliance for Mining, which was classified as a jointly controlled entity under EAS (27) and was accounted for using the proportionate consolidation method, should be classified as a joint venture under EAS (43) and accounted for using the equity method in the Group's financial statements. There is no effect on the total shareholders' equity of the Group's financial statements.
- The change in accounting of the company's investment in Andalus Reliance for Mining has been applied in accordance with the relevant transitional provisions set out in EAS (43). Comparative amounts for 2015 have been restated to reflect the change in accounting for the company's investments in joint arrangements.

- The following is the financial data, stated in the financial statements of Andalus Reliance Mining Company:

	September 30, 2016	December 31, 2015	December 31, 2014
	EGP	EGP	EGP
Current assets	6 986 058	6 612 436	3 777 633
Non-current assets	4 156	13 050	2 499
Current liabilities	(4 228 249)	(4 708 759)	(3 196 455)
		Nine months ended	
	September 30, 2016	September 30, 2015	September 30, 2014
	EGP	EGP	EGP
Net sales	43 084 107	24 413 392	14 189 751
Operation expenses	(42 088 700)	(22 797 203)	(13 775 942)
Net profits for the period after income tax	855 783	1 507 015	258 042

-Reconciliation of the above summarized financial information to the carrying amount of the interest in the joint venture recognized in equity method in the consolidated financial statements is represented as follows:

	September 30, 2016	December 31, 2015	December 31, 2014
	EGP	EGP	EGP
Net assets in joint venture	2 772 510	1 916 727	583 052
Share in joint venture	50%	50%	50%
Investment in joint venture	**1 386 255**	**958 364**	**291 526**

8. **Inventory**

	September 30, 2016	December 31, 2015
	EGP	EGP
Raw materials and fuels	99 757 635	118 690 391
Packing materials	17 227 373	16 014 996
Spare parts *	11 990 693	31 513 130
WIP	2 144 226	1 397 426
Finished goods	37 375 182	30 723 893
	168 495 109	**198 339 836**

* During the period, the company recorded an amount of EGP 26 175 688 in the fixed assets – machinery and equipment category, which related to strategic spare parts of inventory. The company started the depreciation in June 2016 with the same depreciation rate used for machinery and equipment category.

9. Debtors and other debit balances (net)

	September 30, 2016 EGP	December 31, 2015 EGP
Advance to suppliers	54 972 333	26 245 060
Deposits with others	24 813 241	23 813 241
Employees dividends in advance	8 120 213	8 420 566
Withholding tax	4 399 908	4 707 547
Trade debtors	5 811 171	5 500 032
Letter of credit	532 986	532 986
Imprest – employee's loan	3 997 868	2 265 488
Other debit balances	446 265	307 697
Letter of guarantee cover	34 049	34 049
	103 128 034	**71 826 666**
<u>Less</u>		
Impairment in debtors	(6 011 696)	(5 778 937)
	97 116 338	**66 047 729**

10. Related parties transactions

- <u>**Due from related parties**</u>

	September 30, 2016 EGP	December 31, 2015 EGP
Evolve Investment & Projects Management Company	671 066	--
Cementos La Union Company	30 468	--
Aridos Jativa Company	563 036	--
	1 264 570	--

- <u>**Due to related parties**</u>

	September 30, 2016 EGP	December 31, 2015 EGP
Andalus Reliance for Mining Company	4 050 559	--
	4 050 559	--

- **The following represents the nature and value of main transactions between related parties during the period / year:**

Company	Relation type	Transaction nature	Volume of transactions	
			September 30, 2016	December 31, 2015
			EGP	EGP
Aridos Jativa Company	Main shareholder	Services	1 014 242	1 250 658
Andalus Reliance for Mining Company	Joint Ventures	Purchase	43 084 107	32 087 263
Cementos La Union – Spain Company	Subsidiary of the parent	Purchase	--	1 054 163

- Aridos Jativa Company renders consulting services for Arabian Cement Company.
- Andalus Reliance for Mining Company supplies the raw materials to Arabian Cement Company.
- Cementos La Union – Spain renders technical support services to Arabian Cement Company.

- **Amounts paid for the Board of Directors members during the period / year:**

	September 30, 2016	December 31, 2015
	EGP	EGP
Board of Directors allowances	13 685 919	17 066 608
Board of Directors salaries and wages	6 401 708	7 708 884
	20 087 627	**24 775 492**

11. Cash and bank balances

	September 30, 2016	December 31, 2015
	EGP	EGP
Cash on hand	6 734 358	4 112 722
Current account – local currency	236 013 095	367 984 723
Current account – foreign currency	5 731 091	4 200 981
Bank deposits	2 079 569	1 988 468
	250 558 113	**378 286 894**

	September 30, 2016	December 31, 2015
Average interest rates for bank deposits – USD	0.70%	0.45%
Average interest rates for bank deposits – EGP	6.38%	5.71%
Maturity period for bank deposits	109 Days	214 Days

Cash and cash equivalent include restricted cash as follows:

	September 30, 2016 EGP	December 31, 2015 EGP
Cash at banks	94 171 895	195 283 888
Restricted cash at banks*	156 386 218	183 003 006
Total	**250 558 113**	**378 286 894**

* The restricted cash represents the amount of due instalments in foreign currency, accrued interests on these instalments, and a margin rate of the total due instalments in anticipation of increase in the exchange rate for the foreign currency. The bank has restricted such amount to cover the due foreign currency instalments, until the foreign currency is available.

12. Provisions

	Balance at December 31, 2015	Additions during the period	Used during the period	Balance at September 30, 2016
Provisions	15 843 923	15 745 186	(1 000 000)	30 589 109
	15 843 923	**15 745 186**	**(1 000 000)**	**30 589 109**

- The provisions related to expected claims from some parties relates to the activities of the group. The group's management reviews these provisions periodically and adjusts the amount allocated in accordance with the latest developments, discussions and agreements with these parties.

13. Creditors and other credit balances

	September 30, 2016 EGP	December 31, 2015 EGP
Trade payable	248 943 389	289 607 928
Advance payment from customers	55 748 894	173 377 453
Accrued development fees	28 794 237	15 106 346
Accrued customers rebates	32 234 321	862 426
Accrued taxes	14 345 576	7 793 994
Accrued interest	24 879 296	27 174 026
Retention	4 020 191	4 602 524
Accrued expenses	8 091 631	10 770 361
	417 057 535	**529 295 058**

14. Loans

	September 30, 2016 EGP	December 31, 2015 EGP
Current portion from loans	237 314 742	206 297 400
Non-current portion from loans	281 000 008	357 584 237
	518 314 750	**563 881 637**

- **These loans are represented in the following:**

	September 30, 2016	December 31, 2015
	EGP	EGP
Loan A	227 338 653	245 864 189
Loan B	235 319 997	253 237 593
Loan C	55 656 100	64 779 855
	518 314 750	**563 881 637**

Loan A

- On September 2006, the company obtained a loan from the National Bank of Egypt amounting to USD 103.9 million. On January 31, 2008, the bank approved to increase the loan to be USD 149 million to cover the increase in the investment cost, in addition to finance 15% of the operating license cost.
- The loan duration is 10 years including two years of grace period at an interest rate of 1.6% plus Libor during the first five years of the loan and an interest rate of 1.7% plus Libor during the following five years.
- On May 27, 2015, the National Bank of Egypt agreed to restructure the due installments, to be paid over 16 equal quarterly installments, in addition to the interest which will be added every three months, and paid with the installments. The applied interest rate will be amended to become with a marginal profits of 4%, above the Libor rate for six months.
- On March 21, 2016, the National Bank of Egypt agreed to postpone the payment of the installments due on the first of January 2016 as well as the installments due on the first of April 2016, with a total value of USD 8 million (4 installments) as well as the due interest, to be all paid with the installment dues on the first of April 2017.

Loan B

- On January 31, 2008, the company obtained a loan from National Bank of Egypt amounted to USD 142 million to finance the second production and 25% of the second line's operating license cost. The loan included a portion by Egyptian Pounds equivalent to USD 57 million.
- The loan duration is 10 years including two years of grace period at an interest rate of 1.5% plus Libor for the USD portion of the loan, and 11% for the Egyptian Pounds portion.
- On May 27, 2015, the National Bank of Egypt agreed to restructure the due installments for the USD portion only, to be paid over 16 equal quarterly installments, in addition to the interest which will be added every three months, and paid with the installments. The applied interest rate will be amended to be at a marginal profit of 4%, above the Libor rate for six months.
- On July 29, 2015, the Egyptian pound portion loan balance was fully paid.
- On March 21, 2016, the National Bank of Egypt agreed to postpone the payment of the installments due on the first of January 2016 as well as the installments due on the first of April 2016, with a total value of USD 8 million (4 installments) as well as the due interest, to be all paid with the installment dues on the first of April 2017.

Loan C

- On June 20, 2013, the company obtained a loan from the National bank of Egypt amounted to EGP 70 million to finance 70% of the total investment cost which amounted to EGP 100 million, which is needed for new project held by the company for the purpose of using the solid and agricultural wastes as an alternative fuel for the natural gas in the process of manufacturing. The financing shall be used in the payment of the suppliers and contractors accruals.
- The loan duration is 6 years starting from the first withdrawal, at the rate by 2% plus corridor at a minimum rate of 12%, in addition to a monthly commission.
- The company shall enjoy a grant amounting to 20% of the value of the financing amount from the bank, provided that the following conditions are met:
  - The utilization of the finance in its intended purpose.
  - Commitment to the financing conditions including the payments terms.
  - Issuing the required certificate from the Environmental Affairs Department, which indicates the pollution reduction according to the prepared study.

Bank overdraft

- On March 23, 2015, a credit facility contract was signed between National Bank of Egypt and Andalus Concrete Company (a subsidiary), to approve the granting of a credit facility of EGP 10 million for a period of one year, and may be renewed for the similar period or periods by mutual consent at an interest rate of 2% plus corridor borrowing rate. The utilized balance of the overdraft amounted to EGP 1 499 139 on September 30, 2016.

The loans guarantees

- There is a first degree real estate mortgage with excellence in favor of the National Bank of Egypt as a guarantee for all loans and facilities granted by the bank. The mortgage is on the company's land and all current and future buildings and constructions, and not sell, mortgage, waive, lease, or provide power of attorney to sell or mortgage unless there is a prior written consent from the bank
- There is a first degree commercial mortgage with excellence in favor of the National Bank of Egypt on the company's plant tangible and intangible assets.
- The company is committed not to allow exit of the major shareholders in the project (especially the Spanish Company) until the payment of the loans granted to the bank by the company, while allowing Egyptian side to increase the share capital through the purchase of the Spanish party however the Spanish party share should not be less, at any time, than 51% of company's capital, also the company should not perform any changes to the nature of its activities or its legal form or structure of ownership until obtaining the prior written consent from the bank.
- The company is committed to issue insurance policies against the dangers of fire, physical damage, business interruptions and machinery failures on all assets owned by the company subjected to this loan contract within 110 % of the full loan's amount, and concede these policies to the bank as first and sole beneficiary.

15. Long term liabilities

	September 30, 2016 EGP	December 31, 2015 EGP
Current portion		
Operating license	67 968 000	67 968 000
Electricity contract	18 462 000	18 462 000
	86 430 000	86 430 000
Long-term Portion		
Operating license	217 089 559	332 696 000
Electricity contract	53 847 500	67 694 000
Others	77 374 441	--
	348 311 500	400 390 000

Operating license

- As per the country's policies to obtain a license for the cement factory, the General Industrial Development Association approved the issuing of a license to the company on May 21, 2008 in the amount to EGP 281.4 million for the 1st production line with related liability on the company to pay 15% as an advance payment and the residual amount will be paid over 5 equal annual installments after 1 year from starting production with a maximum of 18 months according to interest rate determined by Central Bank of Egypt - CBE.
- The above mentioned value will be also applied for the second line and a 25% will be paid as an advance payment and residual amount will be settled over a period of 3 years according to the interest rate determined by Central Bank of Egypt - CBE.
- On January 22, 2015, the Industrial Development Authority accepted to receive EGP 8 million on a monthly basis until the legal dispute with the company is resolved, which is currently at the court.
- As of September 30, 2016, the overdue and not paid installment amounted to EGP 32 million including the interest, and recorded in current liabilities.

Electricity contract

- Arabian Cement Company operating license stipulates that the company should provide its own power generation facility. The Ministry of Electricity suggested that instead of building a separate plant, a fee of EGP 217.2 million should be paid to the Ministry to allow new cement plant to be connected to the national station.
- 15% down payment amounting to EGP 32.580 million was paid by the company and the remaining 85% will be paid as follows:
    - 120 monthly installments amounting to EGP 1.220 million per installment including interest and the first installment started in April 2010.
    - 120 monthly installments amounting to EGP 1.342 million per installment including interest and the first installment started in February 2011.
    - In addition to EGP 8 million, representing the amount of two ordinary cells, which will be paid over four quarterly, and the last installment was due on February 1, 2011.

16. Capital

	September 30, 2016	December 31, 2015
Authorized capital	757 479 400	757 479 400
Issued and paid up capital	757 479 400	757 479 400
Number of shares	378 739 700	378 739 700
Par value per share	2	2
Issued and paid-up capital	**757 479 400**	**757 479 400**

- On January 23, 2014, the company's management held an Extraordinary General Assembly Meeting in which a decision was approved for the stock split through modifying the par value of the company's share as a prelude for the listing of the company in the Egyptian Stock Exchange Market. The Extraordinary General Assembly approved the modification of the par value of the share to be 2 EGP instead of EGP 100.

- In addition to the mentioned above, the Extraordinary General Assembly Meeting approved updating Article No. (6) of the Articles of Association which states that the capital of the company amounted to EGP 757 479 400 distributed among 7 574 794 shares with a par value amounting to EGP 100 each, to be distributed among 378 739 700 shares with a par value amounting to EGP 2 each.

- On September 1, 2015, the Ordinary General Assembly agreed on selling all or part of the shares owned by shareholders whose shares are pledged according to the listing rules, provided that the sale is realized according to the seventh item of Article (7) of the rules of entry and the write-off of securities in the Egyptian Stock Exchange issued by the Decree of the Board of Directors of the Egyptian Financial Supervisory Authority No. 170 of 2014 dated December 21, 2014, to amend the Authority's Board of Directors Decree No. (11) of 2014, after the approval of the Egyptian Financial Supervisory Authority and provided that the buyer is a bank, or an insurance company or a direct investment fund or one of the specialized entities in investment or a juridical person who has previous experience in the field of the company's activity, and provided that the buyer undertakes to abide by the condition of retaining the pledged shares until the end of the prescribed period. The Ordinary General Assembly was approved by General Authority for Investment and Free Zones (GAFI) on September 10, 2015.

17. Deferred income tax

Deferred income tax represents tax expenses on the temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements

	September 30, 2016 EGP	December 31, 2015 EGP
Fixed assets and intangible assets	333 772 696	330 621 736
	333 772 696	**330 621 736**

The movement of the deferred tax liability is as follows:

	September 30, 2016	December 31, 2015
	EGP	EGP
Balance at the beginning of the period / year	330 621 736	352 418 333
Deferred tax liability/ (Asset) charged to the income statement (Note 24)	3 150 960	(21 796 597)
Balance at the end of the period / year	**333 772 696**	**330 621 736**

18. Net sales

	Three months ended		Nine months ended	
	September 30, 2016	September 30,2015	September 30, 2016	September 30,2015
	EGP	EGP	EGP	EGP
Cement sales	621 756 842	706 638 070	1 894 578 701	2 103 330 696
Services	19 419 593	13 636 830	55 109 587	35 187 862
Total sales	**641 176 435**	**720 274 900**	**1 949 688 288**	**2 138 518 558**
Less				
Sales discount and returns	(109 695 723)	(141 745 165)	(291 820 135)	(415 568 971)
	531 480 712	**578 529 735**	**1 657 868 153**	**1 722 949 587**

19. Cost of sales

	Three months ended		Nine months ended	
	September 30,2016	September 30, 2015	September 30,2016	September 30, 2015
	EGP	EGP	EGP	EGP
Raw material	313 910 331	368 669 157	906 155 401	1 089 192 095
Manufacturing depreciation	45 192 917	44 217 521	133 415 676	131 001 469
Electricity supply agreement amortization	5 660 765	5 676 275	16 859 235	16 843 727
Overhead cost	35 346 520	21 517 110	85 282 859	57 502 379
Change in inventory	4 365 189	(11 845 733)	31 156 366	(15 253 096)
	404 475 722	**428 234 330**	**1 172 869 537**	**1 279 286 574**

20. General and administrative expenses

	Three months ended		Nine months ended	
	September 30,2016	September 30,2015	September 30,2016	September 30,2015
	EGP	EGP	EGP	EGP
Professional services	2 202 179	2 905 090	3 988 332	8 580 940
Salaries and wages	14 480 886	10 173 059	34 573 354	27 670 691
Security and cleaning services	1 624 311	1 128 983	3 334 935	2 979 449
Rentals	1 182 914	1 087 399	3 576 720	3 294 667
Transportation	814 215	442 840	1 966 998	1 630 843
Advertising and public relations	596 619	700 183	1 346 686	3 697 603
Real estate tax	--	--	--	1 000 674
Other expenses	1 826 198	899 224	7 888 126	4 372 094
	22 727 322	**17 342 679**	**56 675 151**	**53 232 862**

21. Finance costs

	Three months ended		Nine months ended	
	September 30,2016	September 30,2015	September 30,2016	September 30,2015
	EGP	EGP	EGP	EGP
Loan interest expense	10 157 316	6 097 389	20 840 966	19 389 207
Operation license interest expense	11 256 000	11 256 000	33 768 000	33 768 000
Electricity agreement interest	3 070 500	3 070 500	9 211 500	9 211 500
Loan interest overdraft	38 262	1 814 253	157 511	2 276 243
Long-term notes payable interest	158 767	1 676 007	974 722	3 128 382
	24 680 845	**23 914 149**	**64 952 699**	**67 773 332**

22. Income tax

	Three months ended		Nine months ended	
	September 30,2016	September 30,2015	September 30,2016	September 30,2015
	EGP	EGP	EGP	EGP
Deferred income tax (Note 17)	(1 686 069)	33 531 913	(3 150 960)	23 624 159
Current income tax	(8 935 093)	(6 142 489)	(50 601 406)	(58 096 303)
	(10 621 162)	**27 389 424**	**(53 752 366)**	**(34 472 144)**

23. Non-controlling interests

Non-controlling interests amounted to EGP 19 876 as of September 30, 2016 which represent the percentage of 0.01% from Andalus Concrete Company and 1% from ACC for Management Company.

	Capital	Non-Controlling interest for acquired subsidiaries	Retained earnings	September 30, 2016	December 31, 2015
	EGP	EGP	EGP	EGP	EGP
Balance at January 1,	2 500	(1 672)	12 874	13 702	9 159
Net profits for the period	--	--	6 174	6 174	4 543
Ending balance	**2 500**	**(1 672)**	**19 048**	**19 876**	**13 702**

24. Earnings per share for the period

	Three months ended		Nine months ended	
	September 30,2016	September 30,2015	September 30,2016	September 30,2015
Net profit for period	14 545 054	121 715 282	157 614 923	246 135 783
Employees share in the dividends*	(1 128 186)	(1 024 910)	(3 187 474)	(3 271 570)
Distributable net profit for the period	**13 416 868**	**120 690 372**	**154 427 449**	**242 864 213**
Weighted average number of shares	**378 739 700**	**378 739 700**	**378 739 700**	**378 739 700**
Earnings per share of the period	**0.04**	**0.32**	**0.41**	**0.64**

* Employees' share in the dividends of the nine months ended September 30, 2016 was estimated based on dividends paid to the employee in advance during the period.

25. Losses on foreign currency revaluation

Losses on foreign currency revaluation has increased during the nine months 2016 comparing with the same period in 2015, the main reason is that the Egyptian pound has declined against both the US Dollar and Euro from 7.83 EGP and 8.86 EGP for US Dollar and EURO respectively as of September 30, 2015 to 8.88 EGP and 9.98 EGP for US Dollar and EURO respectively as of September 30, 2016.

Exposure to foreign currency risk

The following table demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant.

	September 30, 2016		December 31, 2015	
	Effect on profit before tax	Change in exchange rate	Effect on profit before tax	Change in exchange rate
	EGP		EGP	
USD	(383 649 444)	+69%	(81 600 033)	+15%
	383 649 444	-69%	81 600 033	-15%
EURO	(6 575 307)	+67%	(2 868 041)	+15%
	6 575 307	-67%	2 868 041	-15%

26. Contingent liabilities

On September 30, 2016, the company had contingent liabilities in respect to the banks and other guarantees arising from the company's ordinary course of business, and it is not anticipated that material liabilities will arise concerning this issue. The uncovered portion of letter of credit amounted to EGP 1 693 401

27. Capital commitment

The capital commitment as of September 30, 2016, related to fixed assets acquisition, amounted to EGP 681 320.

28. Profit distribution

On April 13, 2016, the company's Ordinary General Assembly meeting approved the profits distribution on the shareholders according to the distributable profits for the financial year ended December 31, 2015 as analysed below. The Ordinary General Assembly was approved by General Authority for Investment and Free Zones (GAFI) on April 14, 2016.

	EGP
Net profits for the year 2015	289 443 293
Retained earnings at beginning of the year	178 626 876
Distributable net profits	**468 070 169**
To be distributed as the follows:	
Legal reserve	(28 944 329)
Profit attributable to shareholders	(200 732 041)
Profit attributable to employees	(4 170 617)
Retained earnings at end of the year	**234 223 182**
Dividends paid	**129 154 718**
Dividends payable	**75 747 940**

Chief Financial Officer
Allan Hestbech

Chief Executive Officer
Sergio Alcantarilla Rodriguez