

**Arabian Cement Company**  
**An Egyptian Joint Stock Company**  
**Condensed Separate Interim Financial Statements**  
**For the Nine Months Ended September 30, 2016**  
**And the Limited Review Report**

**Limited Review Report**  
**For the Condensed Separate 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 separate interim balance sheet of Arabian Cement Company - An Egyptian Joint Stock Company - as of September 30, 2016 and the related condensed separate 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 separate interim financial statements in accordance with the Egyptian Accounting Standard No. (30) - Interim Financial Reporting. Our responsibility is to express a conclusion on these condensed separate 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) – Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of condensed separate 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 matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these condensed separate interim financial statements.

**Conclusion**

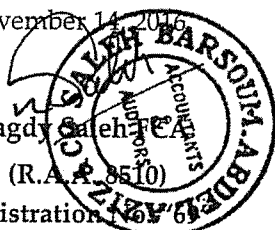
Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements are not prepared, in all material respects, in accordance with Egyptian Accounting Standard No. (30) - Interim Financial Reporting.

Cairo, November 14, 2016

Kamel Magdy Saleh

F.E.S.A.A. (R.A.A. 8510)

CMA Registration 176/61



**Arabian Cement Company**  
**An Egyptian Joint Stock Company**  
**Condensed Separate Statement of Financial Position**  
**As of September 30, 2016**

	<u>Note</u>	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>No.</u>	<u>EGP</u>	<u>EGP</u>
<b><u>Non-current assets</u></b>			
Fixed assets (net)	(4)	2 447 051 142	2 534 078 675
Projects under construction	(5)	121 860 593	124 756 807
Intangible assets (net)	(6)	92 283 023	109 142 259
Investments in subsidiaries	(7)	21 226 057	20 976 307
Investments in joint ventures	(8)	125 000	125 000
<b>Total non-current assets</b>		<b>2 682 545 815</b>	<b>2 789 079 048</b>
<b><u>Current assets</u></b>			
Inventory	(9)	164 886 268	196 042 634
Debtors and other debit balances	(10)	87 506 896	58 596 676
Due from subsidiaries and related parties	(11)	10 493 109	14 926 897
Cash and bank balances	(12)	245 118 610	364 838 686
<b>Total current assets</b>		<b>508 004 883</b>	<b>634 404 893</b>
<b>Total Assets</b>		<b>3 190 550 698</b>	<b>3 423 483 941</b>
<b><u>Shareholders' equity</u></b>			
Issued and paid-up capital	(17)	757 479 400	757 479 400
Legal reserve	(18)	185 037 371	156 093 042
Retained earnings		234 223 182	178 626 876
Net profits for the period / year		159 005 455	289 443 293
<b>Total shareholders' equity</b>		<b>1 335 745 408</b>	<b>1 381 642 611</b>
<b><u>Non-current liabilities</u></b>			
Loans	(15)	281 000 008	357 584 237
Deferred income tax liability	(19)	332 265 421	329 208 375
Other liabilities	(16)	348 311 500	400 390 000
<b>Total non-current liabilities</b>		<b>961 576 929</b>	<b>1 087 182 612</b>
<b><u>Current liabilities</u></b>			
Provisions	(13)	30 589 109	15 843 923
Current income tax liability		52 158 820	71 556 188
Creditors and other credit balances	(14)	406 937 191	522 312 004
Dividends payable	(29)	75 747 940	--
Due to subsidiaries and related parties	(11)	4 050 559	52 219 203
Current portion of long-term loans	(15)	237 314 742	206 297 400
Current portion of long-term other liabilities	(16)	86 430 000	86 430 000
<b>Total current liabilities</b>		<b>893 228 361</b>	<b>954 658 718</b>
<b>Total shareholders' equity and liabilities</b>		<b>3 190 550 698</b>	<b>3 423 483 941</b>

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

Chief Financial Officer  
Allan Hestbech

Chief Executive Officer  
Sergio Alcantarilla Rodrigues

- Limited review report attached.




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

	Note No.	Three months ended		Nine Months ended	
		September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
		EGP	EGP	EGP	EGP
Net sales	(20)	518 765 752	575 146 278	1 612 541 657	1 710 553 899
<b>Less</b>					
Cost of sales	(21)	(386 339 764)	(420 355 461)	(1118 406 906)	( 1 252 205 907)
Gross operating profits		132 425 988	154 790 817	494 134 751	458 347 992
<b>(Less) / Add</b>					
General and administration expenses	(22)	(26 667 820)	(21 311 493)	(65 341 652)	(67 949 283)
Provisions	(13)	(15 045 186)	(3 175 842)	(15 745 186)	(3 175 842)
Other income		6 615	509 376	552 597	1 315 775
Credit interest		200 224	524 952	6 833 753	1 691 106
Net operating profits		90 919 821	131 337 810	420 434 263	390 229 748
<b>(Less) / Add</b>					
Financing expenses	(23)	(24 648 410)	(23 914 149)	(64 795 188)	(67 773 332)
Losses on foreign currency revaluation	(24)	(41 772 776)	(13 259 321)	(145 051 607)	(44 209 545)
Dividends from joint venture		--	--	--	104 167
Capital gain		2 076 439	10 000	2 076 439	190 000
Net profits for the period before income tax		26 575 074	94 174 340	212 663 907	278 541 038
Income tax	(25)	(10 392 367)	27 264 983	(53 658 452)	(34 542 557)
Net profits for the period after income tax		16 182 707	121 439 323	159 005 455	243 998 481
Earnings per share for the period	(26)	0.04	0.32	0.41	0.64

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

Chief Financial Officer  
Allan Hestbech



Chief Executive Officer  
Sergio Alcantarilla Rodrigues



**Arabian Cement Company**  
**An Egyptian Joint Stock Company**  
**Condensed Separate Statement of Comprehensive Income**  
**For the Nine Months Ended September 30, 2016**

	<u>Three months ended</u>		<u>Nine Months ended</u>	
	<u>September 30, 2016</u>	<u>September 30, 2015</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>
Net profits for the period after income tax	16 182 707	121 439 323	159 005 455	243 998 481
Other comprehensive income	---	---	---	---
<b>Total comprehensive income for the period</b>	<b>16 182 707</b>	<b>121 439 323</b>	<b>159 005 455</b>	<b>243 998 481</b>

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

Chief Financial Officer  
Allan Hestbech

Chief Executive Officer  
Sergio Alcantarilla Rodrigues

Arabian Cement Company  
An Egyptian Joint Stock Company  
Condensed Separate Statement of Changes in Equity  
For the Nine Months Ended September 30, 2016

<u>Description</u>	<u>Note</u>	<u>Capital</u>		<u>Legal reserve</u>		<u>Retained earnings</u>		<u>Net profits for the period</u>		<u>Total</u>	
		<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Balance as of January 1, 2015		757 479 400	--	129 447 589	35 058 993	373 130 564	373 130 564	1 295 116 546			
Transferred to retained earnings		--	--	--	373 130 564	--	(373 130 564)	--			
Transferred to legal reserve		--	26 645 453	--	(26 645 453)	--	--	--			
Dividends distributed		--	--	--	(202 917 228)	--	--	--			( 202 917 228)
Total comprehensive income for the period		--	--	--	--	243 998 481	--	243 998 481			243 998 481
<b>Balance as of September 30, 2015</b>		<b>757 479 400</b>	<b>156 093 042</b>	<b>178 626 876</b>	<b>243 998 481</b>	<b>243 998 481</b>	<b>1 336 197 799</b>				
Balance as of January 1, 2016		757 479 400	156 093 042	178 626 876	289 443 293	289 443 293	1 381 642 611				
Transferred to retained earnings		--	--	289 443 293	--	(289 443 293)	--				
Transferred to legal reserve	(29)	--	28 944 329	(28 944 329)	--	--	--				
Dividends distributed	(29)	--	--	(204 902 658)	--	--	--				(204 902 658)
Total comprehensive income for the period		--	--	--	159 005 455	--	159 005 455				159 005 455
<b>Balance as of September 30, 2016</b>		<b>757 479 400</b>	<b>185 037 371</b>	<b>234 223 182</b>	<b>159 005 455</b>	<b>159 005 455</b>	<b>1 335 745 408</b>				

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

Chief Financial Officer  
Allan Hestbech



Chief Executive Officer  
Sergio Alcantarilla Rodrigues





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

	Note No.	September 30, 2016 EGP	September 30, 2015 EGP
<b><u>Cash flows from operating activities</u></b>			
Net profits for the period before tax		212 663 907	278 541 038
<b><u>Adjusted by:</u></b>			
Depreciation of fixed assets	(4)	139 728 176	129 960 560
Amortization of intangible assets	(6)	16 859 236	16 843 728
Provisions	(13)	15 745 186	3 175 842
Used Provisions		(1 000 000)	( 365 379)
Credit interest		(6 833 753)	(1 691 106)
Finance costs	(23)	64 795 188	67 773 332
Dividends from joint venture		--	( 104 167)
Capital gain		(2 076 439)	( 190 000)
Losses from foreign exchange rate differences*		69 225 348	41 835 105
<b>Operating profit before changes in working capital</b>		<b>509 106 849</b>	<b>535 778 953</b>
Decrease / (increase) in inventory ***		4 980 678	(15 253 096)
(Increase) in debtors and other debit balances **		(31 473 561)	(5 449 295)
Decrease in due from subsidiaries and related parties		4 433 788	752 279
Decrease (increase) in creditors and other credit balances **		(113 579 904)	57 770 235
(Decrease) in due to subsidiaries and related parties		(2 168 644)	(2 828 400)
Income tax paid **		(67 435 433)	(131 525 949)
<b>Net cash flows generated from operating activities</b>		<b>303 863 773</b>	<b>439 244 727</b>
<b><u>Cash flows from investing activities</u></b>			
Proceeds on dividends from joint venture		--	104 167
Proceeds on disposal of fixed assets		5 731 761	190 000
Payments for investments in joint venture		--	(93 750)
Payments for investments in subsidiaries	(7)	(249 750)	--
Payments for fixed assets ***	(4)	(10 048 808)	(8 403 581)
Payments for projects under construction ****	(5)	(17 235 255)	(44 218 509)
Interest income		6 833 753	1 691 106
<b>Net cash flows (used in) investing activities</b>		<b>(14 968 299)</b>	<b>(50 730 567)</b>
<b><u>Cash flows from financing activities</u></b>			
Payments of operating licenses and electricity agreement		(74 558 118)	(76 926 842)
Interest paid		(44 110 479)	(45 002 441)
Dividends paid	(29)	(175 154 718)	(24 022 998)
Net change in the loans*		(114 792 235)	(109 615 238)
<b>Net cash flows (used in) financing activities</b>		<b>(408 615 550)</b>	<b>(255 567 519)</b>
<b>Net change in cash and cash equivalents during the period</b>		<b>(119 720 076)</b>	<b>132 946 641</b>
Cash and cash equivalents at the beginning of the period		364 838 686	156 060 447
<b>Cash and cash equivalents at the end of the period</b>	(12)	<b>245 118 610</b>	<b>289 007 088</b>

**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 separate financial statements and to be read therewith.

Chief Financial Officer  
Allan Hestbech



Chief Executive Officer  
Sergio Alcantarilla Rodrigues



**Arabian Cement Company**  
**An Egyptian Joint Stock Company**  
**Notes to the Condensed Separate Interim Financial Statements**  
**For the Nine Months Ended September 30, 2016**

**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 Chairman of General Authority for Investment and Free Zone (GAFI) under 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 share capital.
- The condensed separate interim financial statements were approved by the Board of Directors and authorized for issue on November 14, 2016.
- 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.

**Registration at the stock market**

***Registration of company shares at the stock market***

The shares of the company were registered at the Egyptian Stock Market according to the approval of the Registration Committee held on March 24, 2014. The company's shares were included in the database on March 25, 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 the 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 separate interim financial statements 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, 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 applied on the entities whose fiscal year starts on or after 1 January 2016, also 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 separate interim financial statements does not include all the information required in the preparation of the full set annual separate financial statements and must be read in conjunction with the annual separate financial statements as of December 31, 2015.

## 3. Significant policies

- The separate 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 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.

### Revised EAS (1) Presentation of Financial Statements

#### *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 carried out by the company. There are no retrospective adjustments that require presenting Statement of Financial Position which includes beginning balances of the first presented comparative period.

#### *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.

#### **Revised EAS (10) Property, Plant and Equipment**

- The amendments to EAS (10) eliminated the option of using the revaluation model in the subsequent measurement of property, plant and equipment. There is no impact for these amendments on the company's financial statements.
- The movement of property, plant and equipment and related depreciation should 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 company'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 company'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 company'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 financial statements.

#### **EAS (43) Joint Arrangements**

- The new EAS (43) Joint Arrangements has been issued to establish principles for financial reporting by entities that have an interest in joint arrangements. This new standard has 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 cost method in the separate financial statements of the company. 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 cost method, should be classified as a joint venture under EAS (43) and accounted for also using the cost method in the company's separate financial statements. There is no impact of this new standard on the company's separate financial statements.

**EAS (45) Fair Value Measurement**

- The new EAS (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.

4. Fixed assets (net)

	Lands		Buildings		Vehicles		Machinery and equipment		Other installations		Computer and software		Furniture, fixtures and office		Total	
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
<b>Cost:</b>																
Balance as of January 1, 2015	50 243 436	519 041 986	9 734 584	2 598 648 716	255 222 623	9 528 000	6 080 870	3 448 500 215								
Additions	--	5 429 348	61 525	--	1 737 217	742 425	433 066	8 403 581								
Disposals	--	--	( 617 026)	--	--	--	--	( 617 026)								
Transferred from projects under construction	--	6 248 392	--	10 455 152	9 796 406	--	--	--								
Cost as of September 30, 2015	50 243 436	530 719 726	9 179 083	2 609 103 868	266 756 246	10 270 425	6 513 936	3 482 786 720								
Balance as of January 1, 2016	50 243 436	530 986 938	10 514 236	2 609 346 376	271 783 312	10 365 258	7 373 549	3 490 613 105								
Additions	--	1 678 097	3 047 500	27 044 132	796 433	1 368 566	2 289 768	36 224 496								
Disposals	--	( 3 541 047)	( 2 282 105)	--	--	--	( 488 085)	( 6 311 237)								
Transferred from projects under construction	--	14 421 357	--	2 059 539	2 324 389	1 208 549	117 635	20 131 469								
Cost as of September 30, 2016	50 243 436	543 545 345	11 279 631	2 638 450 047	274 904 134	12 942 373	9 292 867	3 540 657 833								
<b>Accumulated depreciation:</b>																
Balances as of January 1, 2015	--	93 198 200	3 779 687	630 829 999	45 765 198	8 178 246	1 399 478	783 150 808								
Depreciation	--	20 830 897	987 431	97 256 389	9 881 815	610 185	393 843	129 960 560								
Accumulated depreciation Disposals	--	--	( 617 026)	--	--	--	--	( 617 026)								
Accumulated depreciation as of September 30, 2015	--	114 029 097	4 150 092	728 086 388	55 647 013	8 788 431	1 793 321	912 494 342								
Accumulated depreciation & Impairment losses as of January 1, 2016	--	121 085 440	4 440 402	760 974 089	59 077 447	9 020 225	1 936 827	956 534 430								
Depreciation	--	28 682 893	964 970	98 285 632	10 404 582	799 807	590 292	139 728 176								
Accumulated depreciation Disposals	--	( 1 077 865)	( 1 378 126)	--	--	--	( 199 924)	( 2 655 915)								
Accumulated depreciation as of September 30, 2016	--	148 690 468	4 027 246	859 259 721	69 482 029	9 820 032	2 327 195	1 093 606 691								
Net book value as of September 30, 2016	50 243 436	394 854 877	7 252 385	1 779 190 326	205 422 105	3 122 341	6 965 672	2 447 051 142								
Net book values of December 31, 2015	50 243 436	409 901 498	6 073 834	1 848 372 287	212 705 865	1 345 033	5 436 722	2 534 078 675								
Net book value as of September 30, 2015	50 243 436	416 690 629	5 028 991	1 881 017 480	211 109 233	1 481 994	4 720 615	2 570 292 378								

- There is a first-degree commercial and real estate mortgage 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 tangible and intangible elements of the company's factory as disclosed in details in (Note No. 15).

- 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 cars, and the Katamia Villa.

**Fixed assets, (net) - continued**

The company 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 Company's accounting policy.

<u>Five years contracts</u>	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Total contracted lease payments	9 000 861	50 176 916
Bargain purchase value	1	1
Average useful life	5 years	5 years

**Commitments for leasing arrangements**

The liabilities for financing lease contracts amounted to the following:

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Not later than 1 year	1 579 280	5 495 515
Later than 1 year and not later than 2 years	928 119	1 350 093
Later than 2 years	524 554	1 185 142
	<u>3 031 953</u>	<u>8 030 750</u>

**5. Projects under construction**

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Balance as of January 1	124 756 807	98 414 243
Additions	17 154 879	51 381 120
Advance to suppliers	193 189	1 319 012
Transferred to fixed assets	(20 244 282)	(26 357 568)
	<u>121 860 593</u>	<u>124 756 807</u>

- Projects under construction are represented in the following categories:

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

- Projects under construction are comprised of buildings, machinery and equipment, which are related to the installation of the alternative energy generation lines. And they are expected to be capitalized during the current year.

## 6. Intangible assets (net)

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>EGP</u>	<u>EGP</u>
<u>Cost</u>	225 200 000	225 200 000
<u>Accumulated amortization</u>		
Balance at beginning of the period/year	(116 057 741)	(93 537 741)
Amortization for the period/year	(16 859 236)	(22 520 000)
<b>Total accumulated amortization of the period / year</b>	<b>(132 916 977)</b>	<b>(116 057 741)</b>
<b>Balance at ending of the period/year</b>	<b>92 283 023</b>	<b>109 142 259</b>

\* 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 installments due on the first of every month from April 2010 amounting to EGP 1.220 million per each installment.
- 120 monthly installments due on the first of every month from February 2011 amounting to EGP 1.342 million per each installment.
- In addition to EGP 8 million for the allocation of two cells of the traditional type, to be paid over four quarterly installments and the last installment was due on February 1, 2011.

## 7. Investments in subsidiaries

<u>Company</u>	<u>Country of incorporation</u>	<u>Share %</u>	<u>September 30, 2016</u>	<u>December 31, 2015</u>
			<u>EGP</u>	<u>EGP</u>
Andalus Concrete Company	Egypt	99.99%	20 926 807	20 926 807
Evolve Investment & Projects Management Company	Egypt	99.90%	249 750	--
ACC for Management and Trading Company	Egypt	99.00%	49 500	49 500
			<u>21 226 057</u>	<u>20 976 307</u>

## 8. Investments in joint ventures

<u>Company</u>	<u>Country of incorporation</u>	<u>Share %</u>	<u>September 30, 2016</u>	<u>December 31, 2015</u>
			<u>EGP</u>	<u>EGP</u>
Andalus Reliance for Mining Company	Egypt	50%	125 000	125 000
			<u>125 000</u>	<u>125 000</u>

## 9. Inventory

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Raw materials	98 277 916	117 846 311
Packing materials	17 227 373	16 014 996
Spare parts *	9 861 571	30 060 008
Work in progress	2 144 226	1 397 426
Finished goods	37 375 182	30 723 893
	<u>164 886 268</u>	<u>196 042 634</u>

\* 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.

## 10. Debtors and other debit balances

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Advance to suppliers	53 380 206	25 293 949
Deposits with others	24 813 241	23 813 241
Withholding taxes	1 735 601	2 563 341
Letter of credit	532 986	532 986
Employees' dividends in advance	3 187 474	4 170 617
Imprest – employee's loan	3 627 073	1 880 796
Other debit balances	196 266	307 697
Letter of guarantee	34 049	34 049
	<u>87 506 896</u>	<u>58 596 676</u>

## 11. Related parties transactions

### - Due from subsidiaries and related parties

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Andalus Concrete Company	6 519 708	14 926 897
Evolve Investment & Projects Management Company	671 066	--
ACC for Management and Trading	2 739 299	--
Aridos Jativa Company	563 036	--
	<u>10 493 109</u>	<u>14 926 897</u>

### - Due to subsidiaries and related parties

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Cementos La Union – Spain Company	--	1 054 163
Aridos Jativa Company	--	46 534 200
Andalus Reliance for Mining Company	4 050 559	4 368 928
ACC for Management and Trading Company	--	261 912
	<u>4 050 559</u>	<u>52 219 203</u>



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

<u>Company</u>	<u>Relation type</u>	<u>Transaction nature</u>	<u>Volume of transactions</u>	
			<u>September 30, 2016</u>	<u>December 31, 2015</u>
			<u>EGP</u>	<u>EGP</u>
Andalus Concrete Company	Subsidiary	Sales	26 835 423	18 898 173
Aridos Jativa Company	Main	Services	1 014 242	1 250 658
ACC for Management and Trading Company	Subsidiary	Services	26 971 450	36 034 817
Cementos La Union-Spain company	Subsidiary of the parent	Services	--	1 054 163
Andalus Reliance for Mining Company	Joint Ventures	Purchases	43 084 107	32 087 263

- Andalus Concrete Company purchases cement materials and products from Arabian Cement Company which are used for manufacturing and trading concrete and construction materials.
- Aridos Jativa Company renders consulting services for Arabian Cement Company.
- ACC for Management and Trading Company renders managerial services for Arabian Cement Company.
- Cementos La Union – Spain renders technical support services for Arabian Cement Company.
- Andalus Reliance for Mining Company supplied the raw materials for Arabian Cement Company.

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

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Board of Directors allowance	13 685 919	17 066 608
Board of Directors salaries	6 401 708	7 708 884
	<u>20 087 627</u>	<u>24 775 492</u>

## 12. Cash and bank balances

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Cash on hand	6 643 129	4 088 046
Current account – local currency	230 664 887	354 561 257
Current account – foreign currency	5 731 025	4 200 915
Bank deposits	2 079 569	1 988 468
	<u>245 118 610</u>	<u>364 838 686</u>
	<u>September 30, 2016</u>	<u>December 31, 2015</u>
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 equivalents include restricted cash as follows:**

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Non-restricted cash at banks	88 732 392	181 835 680
Restricted cash at banks*	<u>156 386 218</u>	<u>183 003 006</u>
	<u>245 118 610</u>	<u>364 838 686</u>

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

**13. Provisions**

	<u>Balance at</u> <u>December 31, 2015</u>	<u>Additions</u> <u>during the</u>	<u>Used during</u> <u>the period</u>	<u>Balance at</u> <u>September 30,</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Provisions for claims	<u>15 843 923</u>	<u>15 745 186</u>	<u>(1 000 000)</u>	<u>30 589 109</u>
	<u>15 843 923</u>	<u>15 745 186</u>	<u>(1 000 000)</u>	<u>30 589 109</u>

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

**14. Creditors and other credit balances**

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Trade payable	241 417 461	284 169 387
Advance payment from customers	55 748 894	173 077 453
Accrued development fees	28 794 237	15 106 346
Accrued customers rebates	32 234 321	862 426
Accrued taxes	13 500 972	6 556 667
Accrued interest	24 879 296	27 174 026
Retention	4 020 191	4 602 524
Accrued expenses	<u>6 341 819</u>	<u>10 763 175</u>
	<u>406 937 191</u>	<u>522 312 004</u>

**15. Loans**

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

- These loans are represented in the following:

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

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 agreed to increase the loan to be USD 149 million, to cover the increase in the investment cost, in addition to financing 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) in addition to the related accrued 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 the National Bank of Egypt amounting to USD 142 million to finance the second production, and 25% of the second line's operating license cost. The loan included a portion in 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 become with a marginal profits 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) in addition to the related due accrued 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 amounting to EGP 70 million, to finance 70% of the total investment cost which amounted to EGP 100 million, which is needed for the company's new project 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 six years starting from the first withdrawal, at the rate of 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 for 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.

### 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 the company should 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 the 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.

### **16. Long-term liabilities**

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

### 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 of EGP 281.4 million for the first production line with the related liability on the company to pay 15% as an advance payment, and the residual amount will be paid over five equal annual installments after one year from the production date at a maximum of 18 months at an 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 the residual amount will be settled over a period of three years at 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 in court.
- As of September 30, 2016, the overdue installments and not paid amounted to EGP 32 million including the interest, and recorded in current liabilities.

### Electricity contract

- The 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 the 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 will start in April 2010.
- 120 monthly installments amounting to EGP 1.342 million per installment including interest, and the first installment will start in February 2011.
- In addition to EGP 8 million representing the amount of two ordinary cells, which will be paid over four quarterly installments and the last installment was due on February 1, 2011.

### 17. Capital

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
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	<u>757 479 400</u>	<u>757 479 400</u>

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

- In addition to the mentioned above, the Extraordinary General Assembly Meeting approved the updating of Article No. (6) of the Articles of Association, which stated that the capital of the company amounted to EGP 757 479 400 distributed among 7 574 794 shares, and the par value for each share is EGP 100, to be distributed among 378 739 700 shares, and the par value for each share would be EGP 2.
- 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 on September 10, 2015.

#### 18. Legal reserve

In accordance with the Companies' Law No. 159 of 1981, and the company's Articles of Association, 10% of annual net profit is transferred to legal reserve. Upon the recommendation of the Board of Directors, the company may cease such transfers when the legal reserve reaches 50% of the issued capital. The legal reserve is not eligible for distribution to shareholders.

#### 19. Deferred income tax generating an asset or a liability

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 separate financial statements.

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Fixed assets and intangible assets	332 265 421	329 208 375
	<u>332 265 421</u>	<u>329 208 375</u>

#### The movement of the deferred tax liability is as follows:

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>EGP</u>	<u>EGP</u>
Balance at the beginning of period/year	329 208 375	351 118 999
Deferred tax liability / (assets) charged to the income statement (Note 25)	3 057 046	(21 910 624)
Balance at the beginning of period/year	<u>332 265 421</u>	<u>329 208 375</u>

## 20. Net sales

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30, 2016</u>	<u>September 30, 2015</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Cement sales	609 761 307	703 254 613	1 852 149 240	2 090 935 008
Services	18 700 168	13 636 830	52 212 552	35 187 862
<b>Total sales</b>	<b>628 461 475</b>	<b>716 891 443</b>	<b>1 904 361 792</b>	<b>2 126 122 870</b>
<u>Less</u>				
Sales discount and returns	(109 695 723)	(141 745 165)	(291 820 135)	(415 568 971)
	<b>518 765 752</b>	<b>575 146 278</b>	<b>1 612 541 657</b>	<b>1 710 553 899</b>

## 21. Cost of sales

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30, 2016</u>	<u>September 30, 2015</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Raw material	306 706 826	364 415 125	882 715 326	1 065 876 602
Manufacturing depreciation	44 732 020	43 870 776	132 127 006	129 960 560
Electricity supply agreement amortization	5 660 765	5 676 275	16 859 235	16 843 727
Overhead cost	24 874 964	18 239 018	55 548 973	54 778 114
Change in inventory	4 365 189	(11 845 733)	31 156 366	(15 253 096)
	<b>386 339 764</b>	<b>420 355 461</b>	<b>1 118 406 906</b>	<b>1 252 205 907</b>

## 22. General and administrative expenses

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30, 2016</u>	<u>September 30, 2015</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Professional services	8 554 735	6 983 044	19 531 885	23 522 085
Salaries and wages	12 097 430	10 173 059	28 127 459	27 670 691
Security and cleaning services	1 624 311	1 128 983	3 334 935	2 979 449
Rentals	1 182 914	1 013 671	3 444 048	3 152 010
Transportation	814 215	442 840	1 966 998	1 630 843
Advertising and public relations	596 619	700 183	1 345 294	3 697 603
Real estate tax	--	--	--	1 000 674
Other expenses	1 797 596	869 713	7 591 033	4 295 928
	<b>26 667 820</b>	<b>21 311 493</b>	<b>65 341 652</b>	<b>67 949 283</b>



### 23. Finance costs

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30,2016</u>	<u>September 30,2015</u>	<u>September 30,2016</u>	<u>September 30,2015</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Loan interest expense	10 163 143	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	--	1 814 253	--	2 276 243
Long-term notes payable interest	158 767	1 676 007	974 722	3 128 382
	<u>24 648 410</u>	<u>23 914 149</u>	<u>64 795 188</u>	<u>67 773 332</u>

### 24. 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 demonstrates the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant.

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

## 25. Income tax

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30,2016</u>	<u>September 30,2015</u>	<u>September 30,2016</u>	<u>September 30,2015</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Deferred income tax (Note 19)	(1 457 274)	33 407 472	(3 057 046)	23 553 746
Current income tax	(8 935 093)	(6 142 489)	(50 601 406)	(58 096 302)
	<u>(10 392 367)</u>	<u>27 264 983</u>	<u>(53 658 452)</u>	<u>(34 542 557)</u>

## 26. Earnings per share

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30,2016</u>	<u>September 30,2015</u>	<u>September 30,2016</u>	<u>September 30,2015</u>
Net profit for period	16 182 707	121 439 323	159 005 455	243 998 481
Employees share in the dividends*	(1 128 186)	(1 024 910)	(3 187 474)	(3 271 570)
Distributable net profit for the period	<u>15 054 521</u>	<u>120 414 413</u>	<u>155 817 981</u>	<u>240 726 911</u>
Weighted average number of shares	<u>378 739 700</u>	<u>378 739 700</u>	<u>378 739 700</u>	<u>378 739 700</u>
Earnings per share of the period	<u>0.04</u>	<u>0.32</u>	<u>0.41</u>	<u>0.64</u>

\* Employees' share in the dividends for the period ended September 30, 2016, was estimated based on dividends paid to the employee during the period.

## 27. Capital commitment

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

## 28. 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.

## 29.Dividends 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 as at December 31, 2015 as analyzed below. The Ordinary General Assembly was approved by General Authority for Investment and Free Zones on April 14, 2016.

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

Chief Financial Officer  
Allan Hestbech



Chief Executive Officer  
Sergio Alcantarilla Rodrigues

