

Arabian Cement Company S.A.E.

**Condensed separate interim financial statements
Together with limited review report
For the three months ended March 31, 2017**

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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 financial position of Arabian Cement Company - An Egyptian Joint Stock Company - as of March 31, 2017 and the related condensed separate statements of profits or losses, comprehensive income, changes in equity and cash flows for the three 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, May 07, 2017

Kamel Magdy Saleh FCA, FESAA

RAA 8510

EFSA 69



Arabian Cement Company S.A.E.
 Separate statement of financial position at March 31, 2017

EGP	Notes	March 31, 2017	December 31, 2016
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	2 829 167 019	2 877 004 236
Assets under construction	11	59 786 965	17 670 237
Intangible assets	12	81 069 382	86 622 259
Investments in subsidiaries	13	21 226 057	21 226 057
Investments in a joint venture	14	125 000	125 000
TOTAL NON-CURRENT ASSETS		2 991 374 423	3 002 647 789
CURRENT ASSETS			
Inventories	15	289 938 861	276 298 105
Trade receivables	16	--	11 270 053
Debtors and other debit balances	17	115 129 317	91 510 565
Due from related parties	28	11 849 420	13 488 544
Cash and bank balances	18	184 292 839	130 477 594
TOTAL CURRENT ASSETS		601 210 437	523 044 861
TOTAL ASSETS		3 592 584 860	3 525 692 650

Arabian Cement Company S.A.E.
 Separate statement of financial position at March 31, 2017

EGP	Notes	March 31, 2017	December 31, 2016
EQUITY			
CAPITAL AND RESERVES			
Issued and paid-up capital	19	757 479 400	757 479 400
Legal reserve	20	185 037 371	185 037 371
Retained earnings		408 900 565	349 798 741
TOTAL EQUITY		1 351 417 336	1 292 315 512
NON-CURRENT LIABILITIES			
Notes payables	21	10 500 000	--
Borrowings	22	513 260 129	463 562 238
Deferred tax liabilities	8.3	338 388 787	338 733 747
Other liabilities	25	173 945 412	196 249 919
TOTAL NON-CURRENT LIABILITIES		1 026 094 328	998 445 904
CURRENT LIABILITIES			
Trade payables	23	347 087 101	343 566 759
Credit facilities	22	182 503 111	64 417 675
Current income tax payable	8.2	131 927 238	116 414 725
Current portion of long-term notes payables	21	15 500 000	--
Current portion of long-term borrowings	22	268 460 584	371 986 732
Current portion of long-term other liabilities	25	122 462 000	146 462 000
Creditors and other credit balances	27	123 047 624	174 444 914
Due to related parties	28	5 994 169	8 455 289
Provisions	24	8 091 369	9 183 140
TOTAL CURRENT LIABILITIES		1 205 073 196	1 234 931 234
TOTAL LIABILITIES		2 241 167 524	2 233 377 138
TOTAL EQUITY AND LIABILITIES		3 592 584 860	3 525 692 650

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

Sergio Alcantarilla Rodriguez
 Chief Executive Officer



Allan Hestbech
 Chief Financial Officer



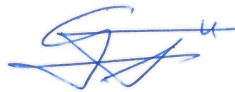
Arabian Cement Company S.A.E.

Separate statement of profit or loss for the three months ended March 31, 2017

EGP	Notes	March 31, 2017	March 31, 2016
Sales revenue	3	667 510 254	536 275 749
Cost of sales	4	(550 013 771)	(376 094 435)
GROSS PROFIT		117 496 483	160 181 314
General and administration expenses	5	(27 926 467)	(18 683 254)
Provisions	24	(2 240 757)	(350 000)
Interest income		213 695	694 323
Other income		484 903	186 595
Finance costs	6	(23 686 373)	(20 236 659)
Foreign exchange gain / (losses) differences		9 927 893	(75 898 561)
PROFIT FOR THE PERIOD BEFORE TAX		74 269 377	45 893 758
Income tax expense	8.1	(15 167 553)	(12 569 424)
PROFIT FOR THE PERIOD AFTER TAX		59 101 824	33 324 334
Earnings per share (Basic and diluted)			
Basic and diluted (EGP / Share)	9	0.15	0.09

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

Sergio Alcantarilla Rodriguez
Chief Executive Officer



Allan Hestbech
Chief Financial Officer



Arabian Cement Company S.A.E.

Separate statement of comprehensive income for the three months ended March 31, 2017

EGP	March 31, 2017	March 31, 2016
PROFIT FOR THE PERIOD, NET OF INCOME TAX	59 101 824	33 324 334
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX	--	--
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	59 101 824	33 324 334

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

Sergio Alcantarilla Rodriguez
Chief Executive Officer



Allan Hestbech
Chief Financial Officer



Arabian Cement Company S.A.E.

Separate statement of changes in equity for the three months ended March 31, 2017

EGP	Issued and Paid-up capital	Legal reserve	Retained earnings	Total
Balance at January 1, 2016	757 479 400	156 093 042	468 070 169	1 381 642 611
Total comprehensive Income, net of income tax	--	--	33 324 334	33 324 334
Balance at March 31, 2016	757 479 400	156 093 042	501 394 503	1 414 966 945
Balance at January 1, 2017	757 479 400	185 037 371	349 798 741	1 292 315 512
Total comprehensive income, net of Income tax	--	--	59 101 824	59 101 824
Balance at March 31, 2017	757 479 400	185 037 371	408 900 565	1 351 417 336

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

Sergio Alcantarilla Rodriguez
Chief Executive Officer



Allan Hestbech
Chief Financial Officer



Arabian Cement Company S.A.E.
 Separate statement of cash flows for the three months ended March 31, 2017

EGP	Notes	March 31, 2017	March 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		59 101 824	33 324 334
Adjusted by:			
Income tax expense recognized in profit or loss	8.1	15 167 553	12 569 424
Finance costs recognized in profit or loss	6	23 686 373	20 236 659
Interest income		(213 695)	(694 323)
Depreciation of property, plant and equipment	10	52 180 824	43 606 465
Amortization of intangible assets	12	5 552 877	5 599 235
Foreign exchange (gain) / losses differences		(9 406 972)	69 225 348
(Increase) / decrease in inventories		(13 640 756)	17 838 789
(Increase) in debtors and other debit balances		(23 618 752)	(22 102 180)
Decrease in due from related parties		1 639 124	7 855 199
Decrease in trade receivables		11 270 053	--
Increase / (decrease) in trade payables		3 520 342	(74 630 212)
(Decrease) / Increase in due to related parties		(2 461 120)	991 940
(Decrease) in creditors and other credit balances		(51 397 290)	(43 349 678)
Provisions formed	24	2 240 757	350 000
Provisions used	24	(3 332 528)	--
Cash generated by operations		70 288 614	70 821 000
Interest paid		(23 686 373)	(16 674 179)
Net cash generated by operating activities		46 602 241	54 146 821

Arabian Cement Company S.A.E.

Separate cash flow statement for the three months ended March 31, 2017

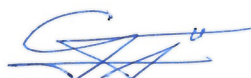
EGP	Notes	March 31, 2017	March 31, 2016
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	10	(4 343 607)	(3 323 250)
Payments for assets under construction *	11	(16 116 728)	(3 614 142)
Payments for acquiring investments in subsidiaries		--	(249 750)
Interest income		213 695	694 323
Cash (used in) investing activities		(20 246 640)	(6 492 819)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans		(44 421 285)	(6 528 359)
Repayment of other liabilities		(46 204 507)	(21 607 500)
Proceeds from credit facilities	22	118 085 436	--
Payment of dividends		--	(46 000 000)
Cash generated by (used in) financing activities		27 459 644	(74 135 859)
Increase/ (decrease) in cash and cash equivalents		53 815 245	(26 481 857)
Cash and cash equivalents at the beginning of the period		130 477 594	364 838 686
Cash and cash equivalents at the end of the period	18	184 292 839	338 356 829

Non-cash transaction from investment activities

* Non-cash transactions represented in the net changes in the projects under constructions and the notes payables of EGP 26 000 000 have been eliminated.

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

Sergio Alcantarilla Rodriguez
Chief Executive Officer



Allan Hestbech
Chief Financial Officer



1. The Company's general information

Arabian Cement Company S.A.E. (ACC or the Company), a joint stock Company incorporated in Cairo, Egypt, is a public company whose shares are traded at the EGX Egyptian Exchange. The Company was established 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 Company's objective is the 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 Company produces cement with a clinker capacity of 4.2 million tonne per annum that can produce 5 million tonne per annum of cement.

The main shareholder of the Company is Aridos Jatva – Spanish Company, and it owns 60% of the Company's capital.

The condensed separate interim financial statements were approved by the Board of Directors and authorized for issue on May 07, 2017.

The Company's term is 25 years starting from the date of its registration at the commercial register.

2. Significant accounting policies

2.1 Statement of compliance

The condensed separate interim financial statements have been prepared in accordance with Egyptian Accounting Standards (EASs) No. (30) Interim financial reporting. 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, 2016.

2.2 Basis of preparation

The separate financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value or amortized cost, as appropriate.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. Sales revenue

An analysis of the Company's revenue for the period is as follows:

EGP	March 31, 2017	March 31, 2016
Local sales	572 699 111	518 016 767
Export sales	70 803 933	--
Services	24 007 210	18 258 982
TOTAL	667 510 254	536 275 749

4. Cost of sales

An analysis of the Company's cost of sales for the period is as follows:

EGP	March 31, 2017	March 31, 2016
Raw material	456 215 355	293 275 585
Manufacturing depreciation	52 180 823	43 606 464
Electricity supply agreement amortization	5 552 877	5 599 235
Transportation cost	16 595 224	15 979 348
Overhead cost	19 469 492	17 633 803
TOTAL	550 013 771	376 094 435

5. General and administration expenses

An analysis of the Company's general and administration expenses for the period is as follows:

EGP	March 31, 2017	March 31, 2016
Professional services	4 998 420	6 466 653
Salaries and wages	15 095 808	7 171 963
Security and cleaning services	119 216	767 227
Rentals	2 708 997	1 122 585
Transportation	827 093	332 621
Advertising	49 404	604 936
Other	4 127 529	2 217 269
TOTAL	27 926 467	18 683 254

6. Finance costs

An analysis of the Company's finance costs for the period is as follows:

EGP	March 31, 2017	March 31, 2016
Loan interest expense	12 694 120	5 637 672
Operation license interest expense	2 678 031	11 256 000
Electricity agreement interest expense	3 070 500	3 070 500
Credit facilities interest expense	5 243 722	--
Long-term notes payable interest expense	--	272 487
TOTAL	23 686 373	20 236 659

7. Compensation of key management personnel

An analysis of the Company's Compensation of key management personnel for the period is as follows:

EGP	March 31, 2017	March 31, 2016
Board of Directors allowance	8 490 195	4 226 894
Board of Directors salaries	4 032 000	1 926 188
TOTAL	12 522 195	6 153 082

8. Income taxes

8.1 Income tax recognised in profit or loss

EGP	March 31, 2017	March 31, 2016
CURRENT TAX		
Current tax expense for the current period	15 512 513	10 569 424
DEFERRED TAX		
Deferred tax (income) / expense recognized in the current period	(344 960)	2 000 000
TOTAL INCOME TAX EXPENSE RECOGNIZED IN THE CURRENT PERIOD	15 167 553	12 569 424

8.2 Current tax liabilities

EGP	March 31, 2017	December 31, 2016
Current tax expense (note 8.1)	15 512 513	114 857 311
Current tax liability for the year ended December 31, 2016	116 414 725	--
Adjustments recognized in the current year in relation to the current tax of prior year	--	1 557 414
CURRENT TAX LIABILITIES	131 927 238	116 414 725

8.3 Deferred tax balances

Deferred tax liabilities arise from the following:

March 31, 2017	Opening balance	Recognized in profit or loss	Closing balance
EGP			
(LIABILITIES)			
<i>Temporary differences</i>			
Property, plant & equipment	338 733 747	(344 960)	338 388 787
NET DEFERRED TAX LIABILITY	338 733 747	(344 960)	338 388 787
December 31, 2016			
EGP			
(LIABILITIES)			
<i>Temporary differences</i>			
Property, plant & equipment	329 208 375	9 525 372	338 733 747
NET DEFERRED TAX LIABILITY	329 208 375	9 525 372	338 733 747

9. Earnings per share

Basic earnings per share is calculated by dividing the earnings from continuing operations attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. As the company does not have any dilutive potential, the basic and diluted earnings per share are the same.

The earnings from continuing operations and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

EGP	March 31, 2017	March 31, 2016
EARNINGS (for basic and diluted earnings per share)		
Profit for the period	59 101 824	33 324 334
Employees' share in distributable profits (note 17)	(1 550 461)	(958 571)
Distributable profit	57 551 363	32 365 763
NUMBER OF SHARES (for basic and diluted earnings per share)		
Weighted average number of ordinary shares for the purposes of EPS	378 739 700	378 739 700
EARNINGS PER SHARE	0.15	0.09

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10. Property, plant and equipment

EGP	Freehold land	Buildings	Vehicles	Machinery and Equipment	Furniture and fixtures	Other installations	Computers and software	Total
COST								
Balance at January 1, 2016	50 243 436	530 986 938	10 514 236	2 609 346 376	7 373 549	274 783 312	10 365 258	3 490 643 105
Additions	--	1 496 838	555 000	189 651	265 011	330 000	526 750	3 323 250
Balance at March 31, 2016	50 243 436	532 483 776	11 029 236	2 609 536 027	7 638 560	272 113 312	10 892 008	3 493 936 355
Balance at January 1, 2017	50 243 436	559 425 208	13 187 587	3 088 138 131	9 400 617	277 114 991	13 424 066	4 010 931 036
Additions	--	1 653 431	166 372	--	37 557	890 271	1 645 976	4 343 607
Balance at March 31, 2017	50 243 436	561 078 639	13 353 959	3 088 138 131	9 448 174	278 002 262	15 040 042	4 015 274 643
ACCUMULATED DEPRECIATION								
Balance at January 1, 2016	--	121 085 440	4 440 402	760 974 089	1 936 827	59 077 447	9 020 225	956 534 430
Depreciation expense	--	6 977 659	313 903	32 444 890	183 165	3 436 386	250 462	43 606 465
Balance at March 31, 2016	--	128 063 099	4 754 305	793 418 979	2 119 992	62 513 833	9 270 687	1 000 140 895
Balance at January 1, 2017	--	147 891 546	4 527 179	895 626 803	2 580 183	73 097 548	10 273 541	1 133 926 800
Depreciation expense	--	7 124 731	453 070	40 201 929	248 561	3 649 825	502 708	51 180 824
Balance at March 31, 2017	--	154 956 277	4 970 249	935 828 732	2 828 744	76 747 373	10 776 249	1 186 107 624
CARRYING AMOUNT								
At March 31, 2017	50 243 436	406 122 362	8 383 710	2 152 309 399	6 589 430	201 254 889	4 263 793	2 829 167 019
At March 31, 2016	50 243 436	404 420 677	6 274 931	1 816 117 048	5 518 568	209 599 479	1 621 321	2 493 795 460
At December 31, 2016	50 243 436	411 593 662	8 670 408	2 192 511 348	6 820 434	204 014 443	3 150 525	2 877 004 236

- 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.
- 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 benefits) on cars and silos.

11. Assets under construction

EGP	March 31, 2017	December 31, 2016
Balance as of January 1	17 670 237	124 756 807
Additions	44 202 308	22 111 253
Advance to suppliers	(2 085 580)	5 441 250
Transfer to fixed assets	--	(118 463 015)
Transfer to debtors and other debit balances	--	(15 988 871)
Others	--	(187 187)
TOTAL	59 786 965	17 670 237
Assets under construction are represented in the following categories:		
Buildings	44 683 880	2 040 710
Machinery and equipment	8 540 087	6 980 949
Other installations	1 888 316	1 888 316
Advance to suppliers	4 674 682	5 760 262
TOTAL	59 786 965	17 670 237

12. Intangible assets

EGP	March 31, 2017	December 31, 2016
Cost	225 200 000	225 200 000
Accumulated amortization		
Balance at beginning of the period / year	(138 577 741)	(116 057 741)
Amortization for the period / year	(5 552 877)	(22 520 000)
Total accumulated amortization of the period / year	(144 130 618)	(138 577 741)
TOTAL	81 069 382	86 622 259

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 1 February 2011.

13. Investments in subsidiaries

The Company has control over all the subsidiaries as listed below:

Company name	Domicile	Share/ paid-in capital	March 31, 2017	December 31, 2016	Principal activities	Proportion of ownership interest and voting power held by the Company
EGP						
Andalus Concrete Company	Egypt	%99.99	20 926 807	20 926 807	Concert products, mainly ready mix	99.99%
Evolve Investment & Projects Management Company	Egypt	%99.99	249 750	249 750	Alternative fuel and recycling	99.99%
ACC for Management and Trading Company	Egypt	%99.99	49 500	49 500	Providing managerial services	99%
TOTAL			21 226 057	21 226 057		

14. Investments in joint venture

Details of the Company's joint venture at the end of the reporting period are as follows:

Name of joint venture	Place of incorporation	Proportion of ownership interest and voting power held by the company	2016	
			March 31, 2017	December 31, 2016
EGP				
Andalus Reliance for Mining Company	Egypt	50%	125 000	125 000
TOTAL			125 000	125 000

15. Inventories

EGP	March 31, 2017	December 31, 2016
Raw materials	213 159 085	151 491 724
Packing materials	30 044 789	16 286 445
Spare parts	8 825 033	5 992 009
Work in progress	3 218 155	1 630 552
Finished goods	34 453 880	58 649 456
Advance to suppliers	247 919	42 247 919
TOTAL	289 938 861	276 298 105

16. Trade receivables

EGP	March 31, 2017	December 31, 2016
Trade receivables, export sales	--	11 270 053
TOTAL	--	11 270 053

17. Debtors and other debit balances

EGP	March 31, 2017	December 31, 2016
Advance to suppliers	75 977 925	53 656 261
Withholding tax	3 019 625	2 207 582
Deposit with others	26 831 204	26 831 204
Employees' dividends in advance	6 024 351	4 473 890
Letter of credit	241 487	1 605 353
Letters of guarantee – cash margin	34 049	34 049
Cash imprest	2 753 738	2 505 960
Other debit balances	246 948	196 266
TOTAL	115 129 327	91 510 565

18. Cash and bank balances

EGP	March 31, 2017	December 31, 2016
Cash on hand	3 914 884	4 66 380
Current account – local currency	158 145 117	112 286 191
Current account – foreign currency	20 039 621	15 533 906
Bank deposits	2 193 217	2 191 117
Total	184 292 839	130 477 594
Average interest rates for bank deposits – USD	%0.70	%0.70
Average interest rates for bank deposits – EGP	%8.94	%8.94
Maturity period for bank deposits	104 Days	112 Days
Cash and cash equivalents include restricted cash as follows:		
Restricted cash at banks (due loans instalments in U.D. Dollar)	20 357 322	357 382

19. Capital

EGP	March 31, 2017	December 31, 2016
Par value per share	2	2
Number of ordinary shares authorized, issued and fully paid	378 739 700	378 739 700
Issued capital	757 479 400	757 479 400

20. Legal reserve

In accordance with the Companies' Law No.159 of 1981 and the Company's Articles of Incorporation, 10% of annual net profit is transferred to legal reserve. The entity shall cease such transfer when the legal reserve reaches 50% of the issued capital. The legal reserve is not eligible for distribution to shareholders.

21. Notes payables

EGP	Current		Non-current	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Notes payables *	15 500 000	--	10 500 000	--
TOTAL	15 500 000	--	10 500 000	--

* Represent the remaining due instalments for the company's new office at Gamal Abdel Nasser square, Fifth Settlement, fifth floor, New Cairo, Egypt which will be handed over on November 1, 2017 as per the contract and the last instalment will be paid on August 1, 2019.

22. Borrowings

EGP	Current		Non-current	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Credit facilities	182 503 111	64 417 675	--	--
Bank loans	268 460 584	371 986 732	513 260 129	463 562 238
TOTAL	450 963 695	436 404 407	513 260 129	463 562 238

23. Trade payables

EGP	March 31, 2017	December 31, 2016
Local trade payables	190 056 086	158 484 236
Foreign trade payables	157 031 015	185 082 523
TOTAL	347 087 101	343 566 759

24. Provisions

EGP	Provision for claims
Balance at January 1, 2017	9 183 140
Additional provisions recognized	2 240 757
Used during the period	(3 332 528)
Balance at March 31, 2017	8 091 369

Management annually reviews and adjusts these provisions based on the latest developments, discussions and agreements with the involved parties.

25. Other liabilities

EGP	Current		Non-current	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Operating license	104 000 000	128 000 000	129 328 912	146 927 919
Electricity contract	18 462 000	18 462 000	44 616 500	49 232 000
TOTAL	122 462 000	146 462 000	173 945 412	196 149 919

26. Dividends distribution

On April 5, 2017, 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, 2016. The Ordinary General Assembly was approved by General Authority for Investment and Free Zones (GAFI) on April 11, 2017.

EGP	December 31, 2016
Profit for the year	245 852 109
Retained earnings at beginning of the year	103 946 632
Distributable profits	349 798 741
<i>To be distributed as follows:</i>	
Legal reserve	(24 585 211)
Profit attributable to shareholders	(200 732 041)
Profit attributable to employees	(4 473 890)
Retained earnings at end of the year	120 007 599

27. Creditors and other credit balances

EGP	March 31, 2017	December 31, 2016
Advances from customers	60 332 536	57 887 461
Accrued expenses	4 791 327	1 953 970
Accrued development fees	11 948 177	16 038 783
Accrued customers rebates	14 114 496	44 778 227
Accrued taxes	26 381 729	32 861 701
Accrued interest	1 459 168	16 904 581
Retention	4 020 191	4 020 191
TOTAL	123 047 624	174 444 914

28. Related party transactions

During the period, entity entities entered into the following transactions with related parties:

EGP	Relation type	Transaction nature	Volume of the transactions	
			March 31, 2017	March 31, 2016
Andalus Concrete Company	Subsidiary	Sales	7 270 952	8 783 831
Aridos Jativa Company	Main shareholder	Services	--	315 872
ACC for Management and Trading Company	Subsidiary	Services	7 731 490	8 186 425
Andalus Reliance for Mining Company	Joint Venture	Purchases	17 430 005	15 408 157
Evolve Investment & Projects Management Company	Subsidiary	Payments on behalf	569 310	--

The following balances were outstanding at the end of the reporting period / year:

EGP	Due from related parties		Due to related parties	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Andalus Concrete Company	6 495 887	6 601 841	--	--
Evolve Investment & Projects Management Company	2 702 971	2 133 661	--	--
ACC for Management and Trading Company	2 347 146	2 842 794	--	--
Cementos La Union – Spain Company	--	--	--	2 638 435
Andalus Reliance for Mining Company	--	--	5 994 169	5 816 854
Aridos Jativa Company	303 416	1 910 248	--	--
TOTAL	11 849 420	13 488 544	5 994 169	8 455 289

- 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.

29. Operating lease arrangements

29.1. The entity as lessee

29.1.1 Leasing arrangements

Operating leases relates to car lease with lease terms of between 2 to 4 years. The entity (as a lessee) does have an option to purchase these leased assets at the expiry of the lease periods.

29.1.2 Payments recognised as an expense in the period

EGP	March 31, 2017	March 31, 2016
Minimum lease payments	458 530	2 090 294
TOTAL	458 530	2 090 294

29.1.3 Non-cancellable operating lease commitments

EGP	Total of future minimum lease payments	
	March 31, 2017	December 31, 2016
Not longer than 1 year	1 143 782	1 469 273
Longer than 1 year and not longer than 2 years	699 156	823 880
Longer than 2 years	248 621	361 262
TOTAL	2 091 559	2 654 415

30. Commitments for expenditure

The capital commitment as of March 31, 2017 amounted to EGP 96 310 623 related to fixed assets acquisitions.

Sergio Alcantarilla Rodriguez
 Chief Executive Officer



Allan Hestbech
 Chief Financial Officer

