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HOLCIM (LIBAN) S.A.L.

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders
Holcim (Liban) S.A.L.
Beirut, Lebanon

Opinion

We have audited the accompanying financial statements of Holcim (Liban) S.A.L. (the "Company"), which comprise the statement of financial position as at December 31, 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)* together with *the Code of Ethics of the Lebanese Association of Certified Public Accountants* that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of a Matter

As indicated in Note 3 to the financial statements, the Company opted not to present consolidated financial statements with its subsidiaries and affiliates as at December 31, 2017 even though not all exemptions for non-consolidating as required by IFRS 10 "Consolidated Financial Statements" are met.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters?
<u>*Provision for doubtful debts of trade receivables*</u> As at December 31, 2017 the Company's trade receivables gross balance amounted to LBP71billion and the related provision for doubtful debts amounted to LBP25billion as discussed in Note 6. The provision for doubtful debts in respect of trade receivables represents management's best estimate at the financial position date. This provision is calculated for individual clients or for homogeneous groups of clients with similar credit risk characteristics by individual or collective assessment of impairment. Due to the inherently judgmental nature of the computation of provision for doubtful debts of trade receivables, there is a risk that the amount of provision may be misstated. The provision for doubtful debts of trade receivables is estimated by management through the application of judgment and the use of subjective assumptions. Due to the significance of trade receivables and related estimation uncertainty associated with provision determination, this is considered a key audit matter.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis. We evaluated the appropriateness of management's key assumptions used in the provision calculations for trade receivables. We tested the accuracy and completeness of the provision calculation by testing an extraction of source data from the client sub-ledger system, recalculating the provision, and testing the timely identification of impaired accounts. We also tested the methodology applied in the provision calculation by comparing it to the requirements of International Financial Reporting Standards (IFRSs), and we tested the mathematical accuracy of management's model used to calculate impairment provision.

Key audit matters (continued)

Raw materials inventory

At December 31 2017, the carrying amount of raw materials was LBP20.9billion as described in Note 7 which is significant in the context of the statement of financial position and requires significant levels of judgement and technical expertise for the determination of the quantities of raw materials.

How our audit addressed the key audit matters?

External experts were used by the Company to determine the physical quantities of raw materials held, as a basis for determining the carrying amount of raw materials. We attended and observed the measurement of quantities by the experts. For measurements conducted at a date other than the financial position date, roll-forward reconciliation procedures were tested on a sample basis taking into account details of extractive production data and sales in the roll-forward period. We also assessed, on a sample basis, the reasonableness of the density assumptions used by the expert in the calculation of the final quantities by benchmarking to other local cement companies as well as publicly available information on density by type of raw material.

Other matter

The financial statements of the Company for the year ended December 31, 2016 were audited by another auditor, whose report, dated May 26, 2017, expressed an unqualified opinion on these financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Nada Maalouf.

Beirut, Lebanon
June 7, 2018

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HOLCIM (LIBAN) S.A.L.
STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	December 31, 2017 LBP'000	December 31, 2016 LBP'000
Current Assets:			
Accounts and cash equivalents	5	19,372,969	12,357,603
Accounts and notes receivable	6	60,584,628	53,160,176
Inventories	7	46,060,999	42,394,901
Dividends receivable	15	4,187,787	820,419
Other assets	8	16,368,725	11,813,941
Total current assets		146,575,108	120,547,040
Non-Current Assets:			
Notes receivable	6	11,770,424	16,022,254
Property, plant and equipment	9	178,609,123	187,608,061
Intangible assets	10	20,147,667	21,205,396
Investment properties	11	12,077,167	12,077,167
Investment in subsidiaries and affiliates	12	29,249,163	29,249,163
Total non-current assets		251,853,544	266,162,041
Total Assets		398,428,652	386,709,081
LIABILITIES			
Current Liabilities:			
Bank overdrafts	13	26,576,476	9,319,554
Accounts payable	14	32,346,115	31,288,989
Notes payable	16	450,380	501,068
Accrued expenses and other liabilities	17	25,101,715	25,488,042
Dividends payable	23	1,968,543	2,867,575
Deferred income		2,110,227	820,702
Current income tax liability	18	12,455,374	13,209,899
Provision for risk and charges	19	5,111,061	2,664,172
Total current liabilities		106,119,891	86,160,001
Non-current Liabilities:			
Loan from a subsidiary	15	12,060,000	12,060,000
Notes payable	16	2,852,403	3,300,821
Deferred tax liability	18	1,224,619	1,082,487
Provision for risk and charges	19	4,627,819	3,740,468
Retirement benefit obligations	20	6,126,692	5,761,255
Total non-current liabilities		26,891,533	25,945,031
Total Liabilities		133,011,424	112,105,032
EQUITY			
Capital	21	97,580,200	97,580,200
Legal reserve	22	52,300,812	52,300,812
Revaluation surplus	22	50,613,023	50,613,023
Retained earnings		64,923,193	74,110,014
Total Equity		265,417,228	274,604,049
Total Liabilities and Equity		398,428,652	386,709,081

The accompanying financial statements were approved for issue by the Board of Directors on June 1, 2018 and were signed on its behalf by:

Mr. Toufic Tabbara
Chief Executive Officer

Mr. Markus Herbst
Chief Financial Officer

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

HOLCIM (LIBAN) S.A.L.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year Ended December 31, 2017 LBP'000	2016 LBP'000
Net sales	24	240,907,693	246,543,642
Cost of sales	25	(117,334,898)	(121,307,065)
Gross profit		123,572,795	125,236,577
Distribution expenses	25	(17,804,205)	(21,524,462)
General and administrative expenses	25	(25,689,750)	(20,262,681)
(Provision)/write-back of provision for doubtful debts	6	(855,770)	8,020
Provision for obsolete inventory	7	(1,195,350)	(937,742)
Provision for risk and charges	19	(5,315,216)	(650,096)
Impairment for due from related parties	15	(988,889)	-
Finance cost, net	26	(1,788,347)	(349,867)
Net foreign exchange (loss)/gain		(494,484)	448,623
Dividend income	15	8,689,760	5,653,458
Other income		3,455	12,676
		(45,438,796)	(37,602,071)
Profit before income tax		78,133,999	87,634,506
Income tax expense	18	(12,879,334)	(13,435,265)
Profit for the year		65,254,665	74,199,241
Other comprehensive income/(loss) for the year:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligations	20	(485,966)	(118,352)
Total other comprehensive loss for the year		(485,966)	(118,352)
Total comprehensive income for the year		64,768,699	74,080,889
Profit for the year (LBP)		65,254,665	74,199,241
Number of ordinary shares in issue		19,516,040	19,516,040
Basic/diluted earnings per share from profit attributable to the equity holders of the Company during the year (LBP)		3,344	3,802

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

HOLCIM (LIBAN) S.A.L.
STATEMENT OF CHANGES IN EQUITY

	Capital LBP'000	Legal Reserve LBP'000	Revaluation Surplus LBP'000	Retained Earnings LBP'000	Total LBP'000
Balance at January 1, 2016	195,160,400	49,548,302	50,613,023	27,823,796	323,145,521
Profit for the year	-	-	-	74,199,241	74,199,241
Other comprehensive loss for the year	-	-	-	(118,352)	(118,352)
Transfer to legal reserve (Note 22)	-	2,752,510	-	(2,752,510)	-
Decrease in capital (Note 21)	(97,580,200)	-	-	-	(97,580,200)
Dividend declared (Note 23)	-	-	-	(25,042,161)	(25,042,161)
Balance at December 31, 2016	97,580,200	52,300,812	50,613,023	74,110,014	274,604,049
Profit for the year	-	-	-	65,254,665	65,254,665
Other comprehensive loss for the year	-	-	-	(485,966)	(485,966)
Dividend declared (Note 23)	-	-	-	(73,955,520)	(73,955,520)
Balance at December 31, 2017	97,580,200	52,300,812	50,613,023	64,923,193	265,417,228

HOLCIM (LIBAN) S.A.L.
STATEMENT OF CASH FLOWS

	Notes	Year Ended December 31, 2017 LBP'000	2016 LBP'000
Cash flows from operating activities:			
Profit for the year		65,254,665	74,199,241
Adjustments for:			
Depreciation	9	17,622,067	17,218,994
Amortization	10	1,057,729	1,163,197
Provision for income tax expense	18	12,879,334	13,435,265
Dividend income		(8,689,760)	(5,653,458)
Provision/(write-back of provision) for doubtful debts	6	855,770	(8,020)
Provision for obsolete inventory	7	1,195,350	937,742
Impairment for due from related parties	15	988,889	-
Provision for risk and charges	19	5,315,216	650,096
Net transfer to retirement benefit obligations	20	354,714	359,078
Gain on disposal of property, plant and equipment		-	(12,675)
Operating cash flows before changes in working capital			
Increase in trade and notes receivables		(1,982,177)	(5,532,603)
(Increase)/decrease in inventories		(4,784,000)	11,830,971
Increase in other assets		(4,554,784)	(2,164,540)
Net change in related parties balances		(805,376)	4,987,906
Decrease in trade payables		(1,172,601)	(3,343,877)
(Decrease)/increase in accrued expenses and other liabilities		(386,328)	1,074,095
Increase in deferred income		1,289,525	32,290
Decrease in notes payable		(499,106)	(478,536)
Benefit payments related to restructuring provision	19	(2,058,424)	(2,286,458)
Income tax paid	18	(13,491,727)	(6,762,158)
Benefit payments related to retirement benefit obligations	20	(475,243)	(591,472)
Net cash generated from operating activities		67,913,733	99,055,078
Cash flows from investing activities:			
Acquisition of property, plant and equipment	9	(8,623,129)	(10,104,946)
Proceeds from disposal of property, plant and equipment		-	12,675
Dividend received from subsidiaries		5,322,392	4,833,040
Net cash used in investing activities		(3,300,737)	(5,259,231)
Cash flows from financing activities:			
Increase in bank overdrafts	28	17,256,922	9,319,554
Dividends paid to shareholders		(74,854,552)	(24,798,035)
Return of capital to shareholders		-	(95,855,874)
Net cash used in financing activities		(57,597,630)	(111,334,355)
Net increase/(decrease) in cash and cash equivalents		7,015,366	(17,538,508)
Cash and cash equivalents - Beginning of year		12,357,603	29,896,111
Cash and cash equivalents - End of year	5	19,372,969	12,357,603

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Holcim (Liban) S.A.L. ("the Company") is a joint stock company registered at the Beirut Commercial Court in 1929 under commercial register number 140. The Company's head office is in Dbayeh, Metn and the plant is located on plots that are situated within the municipalities of Chekka, Hery and Kefraya in the North of Lebanon.

The shares of the Company are listed on the Beirut Stock Exchange.

The principal activity of the Company consists of producing, selling and exporting Portland cement and related products.

The parent company is Holcibel S.A., Belgium. The ultimate parent company is LafargeHolcim Ltd. and the address of its registered office is Zürcherstrasse 156, Jona, Switzerland.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

2.1 New and revised IFRSs applied with no material effect on the financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2017, have been adopted in these financial statements.

Amendments to IAS 12 *Income Taxes* Recognition of Deferred Tax Assets for Unrealised Losses

The Company has applied these amendments for the first time in the current year. The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilise a deductible temporary difference.

The application of these amendments has had no impact on the Company's financial statements.

Amendments to IAS 7 *Disclosure Initiative*

The Company has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes.

The application of these amendments has had no impact on the Company's financial statements except the additional disclosure requirement of IAS 7.

2.2 New and revised IFRS in issue but not yet effective

The Company has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Annual Improvements to IFRS Standards 2014 – 2016 Cycle amending IFRS 1 and IAS 28.	January 1, 2018
Annual Improvements to IFRS Standards 2015–2017 Cycle amending IFRS 3, IFRS 11, IAS 12 and IAS 23.	January 1, 2019
IFRIC 22 *Foreign Currency Transactions and Advance Consideration* The interpretation addresses foreign currency transactions or parts of transactions where: • there is consideration that is denominated or priced in a foreign currency; • the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and • the prepayment asset or deferred income liability is non-monetary.	January 1, 2018
IFRIC 23 *Uncertainty over Income Tax Treatments* The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers: • Whether tax treatments should be considered collectively; • Assumptions for taxation authorities' examinations; • The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and • The effect of changes in facts and circumstances.	January 1, 2019
Amendments to IFRS 2 *Share Based Payment* regarding classification and measurement of share based payment transactions.	January 1, 2018
Amendments to IFRS 4 *Insurance Contracts*: Relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard.	January 1, 2018
Amendments to IAS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	January 1, 2018

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 9 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014) IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments. A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement* was issued in July 2014. The standard contains requirements in the following areas: • **Classification and measurement**: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. • **Impairment**: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised • **Hedge accounting**: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. • **Derecognition**: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.	January 1, 2018
Amendments to IFRS 9 *Financial Instruments*: Relating to prepayment features with negative compensation. This amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.	January 1, 2019

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 15 *Revenue from Contracts with Customers* In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition: • Step 1: Identify the contract(s) with a customer. • Step 2: Identify the performance obligations in the contract. • Step 3: Determine the transaction price. • Step 4: Allocate the transaction price to the performance obligations in the contract. • Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.	January 1, 2018
Amendments to IFRS 15 *Revenue from Contracts* with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	January 1, 2018
IFRS 16 *Leases* IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	January 1, 2019
Amendments to IAS 28 *Investment in Associates and Joint Ventures*: Relating to long-term interests in associates and joint ventures. These amendments clarify that an entity applies IFRS 9 *Financial Instruments* to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 1, 2019
Amendments to IFRS 7 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IFRS 9.	When IFRS 9 is first applied

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 7 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9.	When IFRS 9 is first applied
IFRS 17 *Insurance Contracts*	January 1, 2021
IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 *Insurance Contracts* as of January 1, 2021.	
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely. Adoption is still permitted.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9 and IFRS 16, may have no material impact on the financial statements of the Company in the period of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Company's financial statements for the annual period beginning January 1, 2018 and that IFRS 16 will be adopted in the Company's financial statements for the annual period beginning January 1, 2019.

Management is in the process of evaluating the impact IFRS 9 and IFRS 16 may have on the Company's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Statement of Compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

B. Basis of Preparation:

The financial statements have been prepared on the historical cost basis.

These financial statements represent the separate financial statements of the Company as required by law.

The Company has opted not to present consolidated financial statements as at December 31, 2017 as required by IFRS, on the basis that the accounts are consolidated at the level of the ultimate parent company Lafarge Holcim Ltd., Switzerland.

The principal accounting policies are set out below.

C. Inventories:

Inventories of materials of products, and consumables are stated at the lower of cost or net realizable value. Cost has been determined following the weighted average cost method. The cost of finished and semi-finished products includes cost of materials, direct labor and manufacturing overheads. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

D. Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss. Costs incurred subsequent to initial acquisition are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss when incurred.

Depreciation is charged so as to write off the cost of assets, other than work-in-progress, over their estimated useful lives, using the straight-line method, as follows:

	Rate
	%
Buildings	6
Industrial machinery and equipment	8
Vehicles	25
Furniture, fixtures and office equipment	8

E. Investment Properties:

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. All of the Company's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties. Investment properties comprise plots of land which are not subject to depreciation.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

F. Retirement Benefit Obligations:

The Company is subscribed to the compulsory defined benefit plan in accordance with the national social security fund regulations. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The liability recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the financial position date less contributions to the fund, together with adjustments for actuarial gains/losses and past service cost. The defined benefit obligation is calculated annually by the Company using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities that have terms of maturity approximating the terms of the related liability.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

G. Intangible Assets:

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Extraction rights are amortized over the period of the lease, client list is amortized over 10 years and computer software are amortized over their estimated useful lives between 5 to 10 years.

H. Taxation:

Provision for income tax is computed based on the taxable profits for the year, as adjusted for items of income and expenses that never taxable or deductible.

Income tax law allows companies taxable on real profits to carry forward taxable losses for the year, for three consecutive years to reduce taxable profits in those years, if any.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

I. Investment in Subsidiaries and Affiliates:

Investment in subsidiaries and affiliates is carried in the financial statements at cost, net of impairment losses when necessary. The Company determines at each reporting date whether there is any objective evidence that the investments in subsidiaries are impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount in the statement of profit or loss and other comprehensive income.

Gain or loss arising from transactions between entities under common control is accounted for under equity.

J. Provisions:

Provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

K. Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably.

Rendering of services

Revenue to provide services is recognized when the services are rendered.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Dividend Income

Dividend income is recognized when the Company's right to receive the payment is established.

L. Borrowing Cost:

Borrowing cost on bank overdrafts and loan are recognized in the statement of profit or loss in the period in which they are incurred.

M. Impairment of Tangible and Intangible Assets:

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately, unless the relevant asset is land or buildings carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

N. Foreign Currencies:

The financial statements are presented in Lebanese Pound which is the reporting currency of the Company, whereas the primary currency of the economic environment in which the Company operates (functional currency) is the U.S. Dollar ("USD"). The exchange rate of U.S. Dollar against Lebanese Pound has been constant since many years.

Transactions in currencies other than the entity's reporting currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

O. Financial Instruments – Recognition and Measurement:

Financial assets and financial liabilities are recognized on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents comprise short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade and other receivables are measured at their amortized cost, less any impairment. Appropriate allowances for estimated irrecoverable amounts are recognized in the statement of profit or loss when there is objective evidence that the asset is impaired.

Due from related parties

Due from related parties are measured at their amortized cost.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

Financial liabilities

Financial liabilities instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Trade and other payables

Trade and other payables are measured at their amortized cost.

Due to related parties

Due to related parties are stated at their nominal value.

Bank overdrafts

Interest-bearing on bank overdrafts are initially measured at fair value, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

P. Leasing:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Q. Offsetting of Financial Assets and Financial Liabilities:

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

R. Provision for Environmental Restoration:

The Company provides for the aggregate estimated provision for environmental restoration expected to be incurred until its closure, over the period of the capacity life of the quarry. These costs are determined on the basis of studies made using judgments and estimates for these costs which are revised annually at the reporting date.

S. Fair value measurement:

The Company measures financial instruments at fair value at each statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4. CRITICAL ACCOUNTING JUDGMENTS AND USE OF ESTIMATES

In the application of the accounting policies described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Property, plant and equipment

The cost of property, plant and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset, which depends on operational factors. Management has not considered any residual value for property, plant and equipment as it is deemed immaterial.

Allowance for doubtful debts

Allowance for doubtful debts is determined using a combination of factors to ensure that the trade receivables are not overstated due to uncollectibility. The allowance for irrecoverable debts for all customers is based on a variety of factors, including the overall quality and aging of receivables, and continuing credit evaluation of the customers' financial conditions.

Provision for obsolete inventories

Inventories are stated at the lower of cost and net realizable value. Adjustments to reduce the cost of inventory to its realizable value, if required, are made at the product level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, technological changes, physical deterioration and quality issues.

Impairment of property, plant and equipment

Management reviews the value of the property, plant and equipment to assess, if there is an indication of impairment. In determining whether impairment losses should be reported in the statement of profit or loss and other comprehensive income, the Company makes judgements as to whether there is any observable data indicating that there is a reduction in the carrying value of property, plant and equipment. Accordingly, an allowance for impairment is made where there is an identified loss, event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property and equipment.

Intangible assets

Management determines the estimated useful lives of its intangible assets for calculating amortization. This estimate is determined after considering the expected usage of the asset. Management reviews the residual value and useful lives annually and future amortization charge would be adjusted where the management believes the useful lives differ from previous estimates.

Impairment of investment properties

Management reviews the value of the investment properties to assess, if there is an indication of impairment. In determining whether impairment losses should be reported in the statement of profit or loss, the Company makes judgements as to whether there is any observable data indicating that there is a reduction in the carrying value of property and equipment. Accordingly, an allowance for impairment is made where there is an identified loss, event or condition which, based on previous experience, is evidence of a reduction in the carrying value of investment properties.

Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of government securities that have terms to maturity approximating the terms of the related liability.

Other key assumptions for pension obligations are based in part on current market conditions and on the Company's historical trend. Additional information is disclosed in Note 20.

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is disclosed in Note 20.

Environmental restoration

As disclosed in Note 3, environmental restoration provision is determined based on studies made using judgments and estimates which are revised at each reporting date.

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

5. CASH AND CASH EQUIVALENTS

This caption consists of the following:

	December 31,	
	2017	2016
	LBP'000	LBP'000
Banks' current accounts	14,104,103	4,791,706
Cheques under collection	5,268,866	7,565,897
	19,372,969	12,357,603

Banks' current accounts are segregated into the following currencies:

	December 31,	
	2017	2016
	LBP'000	LBP'000
Lebanese Pounds	10,624,672	2,295,687
U.S. Dollar	3,212,013	2,493,346
Euro	267,418	2,673
	14,104,103	4,791,706

Cheques under collection represent cheques held by the Company at year-end and collected in the subsequent period to the financial statements.

6. ACCOUNTS AND NOTES RECEIVABLE

This caption consists of the following:

	December 31,	
	2017	2016
	LBP'000	LBP'000
Trade receivables	70,940,217	64,766,440
Notes receivable	14,436,775	18,638,876
Due from related parties (Note 15)	11,965,387	9,919,172
	97,342,379	93,324,488
Less: Non-current portion of notes receivables	(11,770,424)	(16,022,254)
	85,571,955	77,302,234
Less: Provision for doubtful debts	(24,987,327)	(24,142,058)
	60,584,625	53,160,176

Trade receivables are distributed as follows by brackets of outstanding balance:

	December 31, 2017		
	Balance	Number of clients	Percentage
	LBP'000		%
Above LBP600million	47,832,528	33	67
Between LBP300million and LBP600million	4,728,209	11	7
Between LBP200million and LBP300million	1,386,821	6	2
Between LBP100million and LBP200million	1,242,535	8	2
Between LBP50million and LBP100million	974,405	13	1
Between LBP10million and LBP50million	680,751	28	1
Below LBP10million	195,639	57	1
Checks under collection	13,899,329	-	19
	70,940,217	156	100

	December 31, 2016		
	Balance	Number of clients	Percentage
	LBP'000		%
Above LBP600million	52,859,566	33	82
Between LBP300million and LBP600million	7,714,893	18	12
Between LBP200million and LBP300million	1,216,290	5	2
Between LBP100million and LBP200million	956,833	7	1
Between LBP50million and LBP100million	1,171,005	16	1
Between LBP10million and LBP50million	657,304	28	1
Below LBP10million	190,549	52	1
	64,766,440	159	100

The aging of trade receivables as at December 31, 2017 and 2016 is detailed as follows:

	December 31,	
	2017	2016
	LBP'000	LBP'000
Not due	10,604,725	17,599,037
Up to 3 months	17,834,722	8,587,877
Over 3 months – overdue	42,500,770	38,579,526
	70,940,217	64,766,440

The credit limit granted to customers is between 30 days and 90 days. No interest is charged on past due trade receivables. The Company reviews its trade receivable portfolio on monthly basis and provisions are made accordingly.

The movement of the provision for doubtful debts is summarized as follows:

	2017	2016
	LBP'000	LBP'000
Balance at Januray 1	24,142,058	24,150,078
Provision set up during the year	855,770	-
Write-back	-	(8,020)
Write-off	(10,501)	-
Balance at December 31	24,987,327	24,142,058

Trade and notes receivable are mainly denominated in U.S. Dollars and Lebanese Pound. Trade receivables are secured by bank guarantees of LBP25billion (LBP25.65billion as at December 31, 2016).

The maturity of the notes receivable is as follow:

	December 31,	
	2017	2016
	LBP'000	LBP'000
Within 1 year	2,666,351	2,616,622
Between 1 year and 5 years	7,840,935	10,447,585
Over 5 years and up to 10 years	3,929,489	5,574,669
	14,436,775	18,638,876

The effective interest rates on the notes receivable ranges between 4% and 6%. Notes receivable are recoverable and no related impairment as at December 31, 2017 and 2016.

Refer also to Note 15 regarding notes receivables.

7. INVENTORIES

This caption consists of the following:

	December 31,	
	2017	2016
	LBP'000	LBP'000
Raw materials and combustibles	20,892,668	19,910,633
Spare parts	17,071,782	23,176,466
Finished goods - cement	6,375,436	5,948,328
Work-in-progress	7,416,432	2,810,862
	51,756,318	51,846,289
Goods in transit	2,356,223	2,152,933
Less: Provision for obsolete inventory	(8,051,542)	(11,604,321)
	46,060,999	42,394,901

The movement of the provision for obsolete inventory during the year was as follows:

	2017 LBP'000	2016 LBP'000
Balance at January 1	11,604,321	10,864,087
Provision set up during the year	1,195,350	937,742
Write-off	(4,748,129)	(197,508)
Balance at December 31	8,051,542	11,604,321

Inventory write-offs during 2017 represent provision for spare parts as at December 31, 2016 that were used during the year.

Provision for obsolete inventory is determined according to the Group policy defined as follows:

- 30% for inventory with ages between 365 and 729 days
- 50% for inventory aging between 730 and 1,095 days
- 80% for inventory aging more than 1,095 days

8. OTHER ASSETS

This caption consists of the following:

	December 31,	
	2017 LBP'000	2016 LBP'000
Advances to suppliers	3,138,920	1,988,083
Prepayments	7,083,273	5,915,066
Advances to employees	1,422,252	1,120,949
National Social Security Fund receivables	2,418,175	2,659,754
Other receivables	2,306,105	130,089
	16,368,725	11,813,941

National Social Security Fund receivables represent medications reimbursements paid to employees by the Company to be collected from NSSF.

Refer also to Note 15 regarding prepayments.

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are summarized as follows:

	Land	Buildings	Industrial Machinery and Equipment	Vehicles	Furniture, Fixtures and Office Equipment	Total
	LBP'000	LBP'000	LBP'000	LBP'000	LBP'000	LBP'000
Cost:						
Balance at January 1, 2016	66,873,553	159,174,886	433,055,937	3,736,016	8,113,616	670,954,008
Additions	-	-	9,917,605	187,341	-	10,104,946
Balance at December 31, 2016	66,873,553	159,174,886	442,973,542	3,923,357	8,113,616	681,058,954
Additions	-	387,729	8,134,879	100,521	-	8,623,129
Disposals	-	-	-	(120,052)	-	(120,052)
Balance at December 31, 2017	66,873,553	159,562,615	451,108,421	3,903,826	8,113,616	689,562,031
Accumulated Depreciation:						
Balance at January 1, 2016	-	(151,680,381)	(312,880,007)	(3,585,204)	(8,086,307)	(476,231,899)
Charge for the year	-	(696,111)	(16,389,216)	(126,837)	(6,830)	(17,218,994)
Balance at December 31, 2016	-	(152,376,492)	(329,269,223)	(3,712,041)	(8,093,137)	(493,450,893)
Charge for the year	-	(669,289)	(16,873,968)	(73,096)	(5,714)	(17,622,067)
Disposals	-	-	-	120,052	-	120,052
Balance at December 31, 2017	-	(153,045,781)	(346,143,191)	(3,665,085)	(8,098,851)	(510,952,908)
Net Book Value:						
December 31, 2017	66,873,553	6,516,834	104,965,230	238,741	14,765	178,609,123
December 31, 2016	66,873,553	6,798,394	113,704,319	211,316	20,479	187,608,061

The Company's property, plant and equipment are stated at "deemed cost" which represents the revaluation amount as determined by an independent revaluation carried out in 1997 based on market values at December 31, 1993. The revaluation resulted in an increase in the value of property, plant and equipment of LLBP56.24billion over their carrying amount (Note 22).

Depreciation expense is included in cost of sales in the amount of LBP16.39billion (2016: LBP15.82billion), distribution expenses in the amount of LBP1.19billion (2016: LBP1.34billion) and general and administrative expenses in the amount of LBP41million (2016: LBP49million).

10. INTANGIBLE ASSETS

	Extraction Rights LBP'000	Client List LBP'000	Software LBP'000	Total LBP'000
Cost:				
Balance at December 31, 2016 and December 31, 2017	33,520,569	58,340,250	570,473	92,431,292
Accumulated Amortization:				
Balance at January 1, 2016	(11,167,066)	(58,340,250)	(555,383)	(70,062,699)
Charge for the year	(1,163,197)	-	-	(1,163,197)
Balance at December 31, 2016	(12,330,263)	(58,340,250)	(555,383)	(71,225,896)
Charge for the year	(1,057,729)	-	-	(1,057,729)
Balance at December 31, 2017	(13,387,992)	(58,340,250)	(555,383)	(72,283,725)
Net Book Value:				
December 31, 2017	20,132,577	-	15,090	20,147,667
December 31, 2016	21,190,306	-	15,090	21,205,396

The Company acquired a client list from a previous competitor under a non-compete agreement.

Refer also to Note 15 regarding extraction rights.

11. INVESTMENT PROPERTIES

Investment properties consist of 42 plots of land not used in the Company's operations segregated by location as follows:

	December 31, 2017 LBP'000	December 31, 2016 LBP'000
Property Location		
Hery	9,216,735	9,216,735
Kefraya	1,711,916	1,711,916
Hamat	1,148,516	1,148,516
	12,077,167	12,077,167

An independent valuation of the Company's investment properties was performed by an independent expert to determine the fair value of the investment properties at December 31, 2015.

The valuation technique used by the independent expert was that of level 2 and was derived using the sales comparison approach.

The fair value was estimated to be LBP37billion and has not fluctuated materially since then.

12. INVESTMENT IN SUBSIDIARIES AND AFFILIATES

This caption comprises the following as at December 31, 2017 and 2016:

	Country of incorporation	Percentage of Legal Ownership %	Cost of Investment LBP'000	Provision for Impairment of Investment LBP'000	Net Investment LBP'000
Boğaz Endũtrive Madencilik	Turkish republic Limited of North Cyprus	100	19,342,709	-	19,342,709
Société Libanaise des Ciments Blancs S.A.L.	Lebanon	65.99	9,867,454	-	9,867,454
Holcim Beton S.A.L.	Lebanon	97.82	5,604,406	(5,604,406)	-
Energis Liban S.A.L.	Lebanon	100	352,441	(313,441)	39,000
EDP Centre S.A.R.L. (under liquidation)	Lebanon	91.8	151	(151)	-
Other affiliate (SCI)	Lebanon	-	-	-	-
			35,167,161	(5,917,998)	29,249,163

13. BANK OVERDRAFTS

Bank overdrafts as at December 31, 2017 and 2016 are short-term in nature, subject to commercial rates and denominated in U.S. Dollar.

Interest expense incurred on bank overdrafts amounted to LBP1.2billion during 2017 (LBP323million during 2016) (Note 26).

14. ACCOUNTS PAYABLE

This caption consists of the following:

	December 31, 2017 LBP'000	December 31, 2016 LBP'000
Trade payables	18,314,747	19,487,348
Due to related parties (Note 15)	14,031,368	11,801,641
	32,346,115	31,288,989

Trade payables consist of trading suppliers' balances, mostly denominated in U.S. Dollars, Lebanese Pounds and Euro amounting to LBP6.7billion, LBP4.6billion and LBP7billion respectively. These accounts are current and non-interest bearing.

15. RELATED PARTY BALANCES AND TRANSACTIONS

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard No. 24: Related Party Disclosures. Related parties comprise companies under common ownership and/or common management and control and key management personnel.

Balances with related parties are as follows:

	December 31, 2017		December 31, 2016	
	Due From LBP'000	Due To LBP'000	Due From LBP'000	Due To LBP'000
Subsidiaries and affiliates:				
Société Libanaise des Ciments Blancs S.A.L.	2,712,235	5,935,404	-	4,444,208
Holcim Beton S.A.L.	15,467,616	-	15,166,346	-
Boğaz Endűtri ve Madencilik Limited	2,850	-	-	-
Energis Liban S.A.L.	97,513	-	94,777	-
EDP Centre S.A.R.L. (Under liquidation)	1,600,660	-	1,600,660	-
Other affiliate	-	660,934	-	445,362
	19,880,874	6,596,338	16,861,783	4,889,570
Entities associated with the company:				
LafargeHolcim Energy Solutions S.A.S.	-	3,379,302	-	3,794,962
LafargeHolcim Middle East & Africa IT Service Center	-	32,246	10,157	-
Egypt Sack S.A.E	-	336,534	-	-
Holcim Group Services Ltd	-	608,980	-	103,663
LafargeHolcim Trading Ltd	-	296,161	-	167,140
Holcim Technology Ltd	-	2,449,410	-	2,488,314
Carriere Jieh S.A.L.	418,192	-	418,192	-
Other related parties	217,795	332,397	191,625	357,992
	635,987	7,435,030	619,974	6,912,071
Less: allowance for impairment:				
Holcim Beton S.A.L.	(6,532,622)	-	(5,543,733)	-
EDP Centre S.A.R.L. (under liquidation)	(1,600,660)	-	(1,600,660)	-
Carriere Jieh S.A.L.	(418,192)	-	(418,192)	-
	(8,551,474)	-	(7,562,585)	-
	11,965,387	14,031,368	9,919,172	11,801,641

Additional impairment for due from related parties amounting to LBP989million, related to Holcim Beton S.A.L., a subsidiary, was recorded in the statement of profit or loss and other comprehensive income for the year ended December 31, 2017.

Above related party balances are current in nature, do not carry any interest and are mainly denominated in U.S. Dollar and Lebanese Pounds.

	December 31,	
	2017	2016
	LBP'000	LBP'000
Loan from a subsidiary:		
Société Libanaise des Ciments Blancs S.A.L.	12,060,000	12,060,000
Accrued interest payable	5,935,401	5,301,699
	17,995,401	17,361,699

The subsidiary has no intention to demand repayment of the principal amount of LBP12billion for at least 12 months from the financial position date and, accordingly, it was classified as non-current. The loan was granted in 2012 and subject to an effective interest rate of 3.6% during the year. Accrued interest payable was classified as current.

Interest expense for the year amounted to LBP697million (LBP692million during 2016) and was recorded under "Finance cost, net" in the statement of profit or loss (Note 26).

During the year, the Company carried out the following major transactions with related parties:

	2017	2016
	LBP'000	LBP'000
Transactions with subsidiaries and affiliates:		
Sale of goods	1,023,695	4,013,906
Sale of clinker	-	999,473
Income from services	1,261,226	1,926,604
Interest expense on loan (Note 26)	697,072	692,256
Service fees	173,812	80,135
Purchase of clinker	1,130,954	-
Recharged costs to subsidiaries	4,376,617	1,045,177
Interest income on notes receivable	514,558	559,424
Rent expense	467,865	477,663
Transactions with entities associated with the Company:		
Purchase of goods	35,360,665	19,808,365
Service fees, franchise and administrative support (Note 25)	14,606,640	14,128,243
Income from services	495,655	314,777

The above related party transactions were carried out on commercial terms and conditions.

Recharged costs to subsidiaries represent salaries, rent, combustibles and other charges recharged to the Company's subsidiaries.

	2017	2016
	LBP'000	LBP'000
Key management remuneration:		
Key management personnel	2,192,014	1,777,100
Dividend income from subsidiaries:		
Boğaz Endütri ve Madencilik Limited	4,570,740	3,081,669
Société Libanaise des Ciments Blancs S.A.L.	4,119,020	2,571,789
	8,689,760	5,653,458

An amount of LBP4.1billion (2016: LBP820million) was outstanding as dividend receivable at the financial position date.

Notes receivable as at December 31, 2017 (Note 6) include an aggregate amount of LBP9.3billion (LBP10.5billion as at December 31, 2016) from an affiliate, split between LBP989million as current and LBP8.4billion as non-current (LBP1.1billion and LBP9.3billion respectively as at December 31, 2016). Related interest income on these notes receivable amounted to LBP515million during 2017 (LBP559million during 2016) recorded under "Finance cost – net" in the statement of profit or loss.

Extraction rights under intangible assets in the net carrying value of LBP20.1billion as at December 31, 2017 (LBP21.2billion as at December 31, 2016) were acquired from an affiliate and paid for in advance and are being amortized over the life of the lease agreements (Refer to Note 10).

Advances to an affiliate in the amount of LBP6.7billion as at December 31, 2017 (LBP4.7billion as at December 31, 2016) represent prepaid rent for land and premises recorded as prepayments under "Other assets" in the statement of financial position (Note 8).

16. NOTES PAYABLE

During 2015, the Company reached an agreement with the National Social Security Fund ("NSSF") to schedule the settlement of a long outstanding disputed assessment of LBP4.74billion (Note 27). An amount of LBP237million was paid upfront while the remaining balance of LBP4.5billion is payable by 120 monthly instalments. The last instalment payment is due on 25 April 2025. The effective interest rate on these notes payable is 5%.

These notes payable are denominated in Lebanese Pounds and their maturity is as follows:

	December 31,	
	2017	2016
	LBP'000	LBP'000
Current	450,380	501,068
Non-current	2,852,403	3,300,821
	3,302,783	3,801,889

17. ACCRUED EXPENSES AND OTHER LIABILITIES

This caption comprises the following:

	December 31,	
	2017	2016
	LBP'000	LBP'000
Accrued rebates	13,864,256	14,939,893
Accrued expenses	4,782,417	4,253,993
Advances from customers	568,074	942,651
Value added tax payable	2,778,907	3,500,210
Tax on salaries payable	265,012	257,000
Other tax liabilities	2,843,049	1,594,295
	25,101,715	25,488,042

Other tax liabilities include mainly non-resident tax and tax on extraction rights and cement.

18. INCOME TAX EXPENSE

The income tax expense for the year is determined as follows:

	2017 LBP'000	2016 LBP'000
Profit before tax	78,133,999	87,634,506
Income tax expenses at statutory rate of 15.64% in 2017 (15% in 2016)	12,226,643	13,145,176
Tax effect of expenses not deductible for tax purposes:		
Provision for sales discounts	89,252	2,240,984
Provision for obsolete inventory	191,706	140,661
Provision for risk and charges	843,943	55,315
Provision for doubtdul debts	132,270	1,203
Provision for impairment on investment	154,662	-
Other non-deductible expenses	345,017	217,503
Tax effect of revenues not taxable for tax purposes:		
Dividend income	(1,359,800)	(848,019)
Reversal of sales discounts	(168,319)	(1,683,946)
Other income	-	(59,612)
Total current tax	12,455,374	13,209,265
Change in deferred income tax liability (see below)	142,132	226,000
Adjustment in respect of prior years' tax	281,828	-
Income tax expenses	12,879,334	13,435,265

The Company's tax returns for the years 2015 to 2017 and VAT declarations for the years 2013 to 2017 remain subject to examination and final assessment by the tax authorities and any additional tax liability depends on the outcome of such a review.

Movement in the current income tax liability is as follows:

	2017 LBP'000	2016 LBP'000
Balance brought forward	13,209,899	6,762,792
Provision for the year	12,455,374	13,209,265
Payments during the year	(13,209,899)	(6,762,158)
	12,455,374	13,209,899

Net deferred tax liability comprises the following:

	2017 LBP'000	2016 LBP'000
Deferred tax liability:		
Tax on land revaluation surplus (Note 22)	5,623,674	5,623,726
Deferred tax asset:		
Tax on provision for doubtful debts	(1,859,983)	(1,799,519)
Tax on provision for obsolete inventory	(1,626,570)	(1,740,648)
Tax on environmental restoration provision	(717,494)	(561,067)
Tax on restructuring provision	(88,429)	(357,246)
Others	(106,579)	(82,759)
	(4,399,055)	(4,541,239)
Net deferred tax liability	1,224,619	1,082,487

19. PROVISION FOR RISK AND CHARGES

Provision for risk and charges is split as follows:

	December 31,	
	2017 LBP'000	2016 LBP'000
Current:		
Restructuring (a)	683,196	2,664,172
Others (b)	4,427,865	-
	5,111,061	2,664,172
Non-current:		
Environmental restoration (c)	4,627,819	3,740,468
	4,627,819	3,740,468
	9,738,880	6,404,640

The movement of the provision for risk and charges is as follows:

	2017			
	Restructuring	Others	Environmental restoration	Total
	LBP'000	LBP'000	LBP'000	LBP'000
Balance at January 1	2,664,172	-	3,740,468	6,404,640
Additions	-	4,427,865	887,351	5,315,216
Settlements	(2,058,424)	-	-	(2,058,424)
Adjustments	77,448	-	-	77,448
Balance at December 31	683,196	4,427,865	4,627,819	9,738,880

	2016			
	Restructuring	Others	Environmental restoration	Total
	LBP'000	LBP'000	LBP'000	LBP'000
Balance at January 1	4,950,630	-	3,371,685	8,322,315
Additions	-	-	650,096	650,096
Unwinding of discount	-	-	(281,313)	(281,313)
Settlements	(2,286,458)	-	-	(2,286,458)
Balance at December 31	2,664,172	-	3,740,468	6,404,640

(a) Restructuring

Provision for restructuring costs relates to a restructuring programme where employees aged 60 and above were offered an early retirement plan. This programme was first introduced during the year ended December 31, 2015. The Company took a provision of LBP4.95billion in this respect during 2015.

(b) Other provisions

During 2017, the Company's records were subject to review by the income tax department in respect of the fiscal years 2012 to 2014. The preliminary tax assessment amounted to LBP5billion, out of which an amount of LBP4.5billion was paid by the Company during February 2018 after reduction of tax penalties. A provision of LBP4.4billion was recorded as at December 31, 2017 to cover for such an exposure.

(c) Environmental restoration

The Company extracts mineral resources from its quarries as part of its ongoing production. A provision is made for the present value of costs to be incurred for the restoration of the extraction sites.

20. RETIREMENT BENEFIT OBLIGATIONS

The Company is subject to the National Social Security Fund defined benefit plan which is in the nature of an end-of-service indemnity for the benefit of its employees.

	2017 LBP'000	2016 LBP'000
Balance at January 1	5,761,255	5,875,297
Current service cost	48,260	49,481
Interest expense	306,454	309,597
Total amount recognized in profit or loss	354,714	359,078
Remeasurements		
Experience losses	485,966	118,352
Total amount recognized in other comprehensive loss	485,966	118,352
Benefit payments during the year	(475,243)	(591,472)
Balance at December 31	6,126,692	5,761,255

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees, IAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the financial statements as at December 31, 2017, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective reporting rates have been calculated based on the following actuarial assumptions:

	2017	2016
Discount rate	5.5%	5.5%
Expected rate of return on contributions	5.0%	5.0%
Salary growth rate	4.0%	4.0%
Mortality rate	None	None
Turnover rate	None	None
Retirement age	Earliest of 64 or completion of 20 years of contribution	Earliest of 64 or or completion of 20 years of contribution

21. CAPITAL

At December 31, 2017 and 2016, the Company's capital amounting to LBP97.58billion consists of 19,516,040 shares with a nominal value of LBP5,000 each, fully paid.

A resolution was taken at the Extraordinary General Assembly dated December 14, 2010 to reduce the Company's capital from LBP195.16billion to LBP97.58billion (by an amount of LBP97.58billion). The decrease in capital was finalized and booked during 2016 when all legal formalities were completed. Accordingly, the nominal value per share was reduced from LBP10,000 to LBP5,000.

22. RESERVES

Legal reserve

As required by the Lebanese Code of Commerce and in accordance with the Company's Articles of Association, an annual appropriation of 10% of net profit for the year is made to legal reserve, until such reserve reaches one third of the Company's capital. The legal reserve is not available for distribution to the shareholders.

Legal reserve as at December 31, 2017 and 2016 exceeded one third of the Company's capital due to the decrease in capital during 2016 as mentioned under Note 21.

Revaluation Surplus

Revaluation surplus of LBP50.61billion represents the amount of the revaluation reserve net of tax of LBP5.62billion that arose on revaluation of property, plant and equipment in 1997. The revaluation surplus is subject to capital gains tax. Accordingly, a deferred tax liability of LBP5.62billion is carried in respect of this temporary difference (Note 18).

23. DIVIDENDS DISTRIBUTION

On July 27, 2017, the Ordinary General Assembly approved the distribution of dividends to Shareholders in the amount of LBP74billion (LBP3,600 per share).

On June 15, 2016, the Ordinary General Assembly approved the distribution of dividends to Shareholders in the amount of LBP25.04billion (LBP1,284 per share).

An amount of LBP2billion (2016: LBP2.9billion) was outstanding as dividend payable at the financial position date.

24. NET SALES

Sales are broken down as follows:

	Year Ended December 31, 2017 LBP'000	2016 LBP'000
Cement	255,419,204	266,822,436
Clinker (Note 15)	-	999,473
Discounts	(14,511,511)	(21,278,267)
	240,907,693	246,543,642

25. EXPENSES BY NATURE

This caption comprises the following for the year ended December 31:

	2017				2016
	Cost of Sales LBP'000	Distribution Expenses LBP'000	General and Administrative Expenses LBP'000	Total LBP'000	Total LBP'000
Combustibles	43,517,011	-	-	43,517,011	33,263,294
Raw materials	24,520,223	216,099	-	24,736,322	24,608,534
Salaries and related charges	12,732,157	1,669,510	8,015,459	22,417,126	21,811,127
Spare parts, consumables and maintenance expenses	15,062,798	527,053	92,684	15,682,535	17,999,212
Depreciation charge (Note 9)	16,390,999	1,190,277	40,791	17,622,067	17,218,994
Franchise and administrative support expenses (Note 15)	-	-	12,204,467	12,204,467	10,561,804
Transportation	-	8,125,233	-	8,125,233	8,778,151
Packing materials	-	5,295,032	-	5,295,032	5,285,796
Other taxes	5,449,422	4,266	587,763	6,041,451	3,951,866
Clinker	1,595,429	-	-	1,595,429	3,813,310
Contractual employees	1,393,445	457,275	19,003	1,869,723	1,884,404
Rent charges	626,654	88,867	362,459	1,077,980	1,231,912
Other third party services	995,731	195,532	82,078	1,273,341	1,472,922
Amortization charge (Note 10)	-	-	1,057,729	1,057,729	1,163,197
Professional fees	2,681	6,741	362,777	372,199	392,494
Changes in inventories of finished goods and work-in-progress	(5,032,678)	-	-	(5,032,678)	4,440,940
Other expenses	81,026	28,320	2,864,540	2,973,886	5,216,251
	117,334,898	17,804,205	25,689,750	160,828,853	163,094,208

Franchise fee paid to Holcim Group represents 3.5% of Holcim Liban S.A.L. and its subsidiaries net sales.

Salaries and related charges consist of the following:

	Year Ended December 31,	
	2017	2016
	LBP'000	LBP'000
Salaries	13,854,060	13,033,064
Costs recharged from a related party	1,898,985	2,142,065
Transportation	480,512	508,200
National Social Security contributions	2,025,429	1,921,146
Other benefits	4,158,140	4,206,652
	22,417,126	21,811,127

26. FINANCE COSTS - NET

	Year Ended December 31,	
	2017	2016
	LBP'000	LBP'000
Finance costs:		
Interest expense on a loan granted from a subsidiary (Note 15)	697,072	692,256
Bank overdrafts (Note 13)	1,215,900	323,205
Other charges	650,584	746,018
	2,563,556	1,761,479
Finance income:		
Interest Income on bank accounts	56,128	672,178
Interest Income on notes receivable	719,081	739,434
	775,209	1,411,612
Finance cost - net	1,788,347	349,867

27. COMMITMENTS AND CONTINGENCIES

The Company had the following commitments and contingent liabilities as at December 31, 2017 and 2016:

	Year Ended December 31,	
	2017	2016
	LBP'000	LBP'000
Letters of credit	43	43
Bank guarantees	5,588,804	5,588,804

Legal claims

The Company's accounting records were examined by the National Social Security Fund ("NSSF") for the period from January 1, 1982 to September 30, 2007. The review resulted in an assessment and in additional subscriptions due of LBP5.3billion. An objection was submitted in respect of the assessment which was rejected by the Labour Council of Beirut. The Company has since filed an appeal.

During 2015, the Company availed itself of the opportunity

(i) to settle the amount due by instalments (Note 16).

(ii) to benefit from an exemption from delay penalties whilst maintaining its appeal against the assessment.

The exemption from delay penalties is not considered final until the entire social security debt is settled.

The period up to April 2016 was cleared by the National Social Security Fund.

The Company is also defendant in some legal cases in front of the labor court, in addition to other civil and penal cases within the normal course of business, the outcome of which is still uncertain as these cases are still under follow up.

28. STATEMENT OF CASH FLOWS

The following non-cash transactions were excluded from the statement of cash flows during 2017:

- Dividends declared not yet paid amounting to LBP899million.
- Dividends income not yet received amounting to LBP3.4billion.
- Provision for risk and charges against inventory amounting to LBP77million.

Liabilities arising from financing liabilities for the year ended December 31, 2017 relates all to bank overdrafts and are cash changes.

The following non-cash transactions were excluded from the statement of cash flows during 2016:

- Dividends declared not yet paid amounting to LBP244million.
- Decrease in capital not yet paid to shareholders amounting to LBP1.72billion.
- Dividend income not yet received amounting to LBP820million.

29. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder's value.

The Company manages its capital structure and makes adjustments to it in the light of changes in business conditions. No changes were made in the objectives, policies or procedures during the years ended 2017 and 2016. Equity comprises capital, reserves and retained earnings, and is measured at LBP265billion as at December 31, 2017 (2016: LBP275billion).

30. FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

(a) Fair Values of Financial Assets and Liabilities:

The carrying book values of financial assets and liabilities are not materially different from their fair values applicable at the reporting date, except for investment properties as mentioned in Note 11.

(b) Credit Risk:

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Financial assets which potentially subject the Company to credit risk consist mainly of cash at banks and accounts receivable. The Company's liquid funds are placed with prime banks. As shown in Note 6, concentration of credit risk exists whereby 33 customers represent 84% of total trade receivables as at December 31, 2017 (33 customers represent 82% as at December 31, 2016).

Those accounts that are considered neither past due nor impaired are receivables without any default in payments and those accounts wherein the management has assessed that recoverability is high.

The carrying amount of financial assets recognized in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

(c) Liquidity Risk:

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to dry up immediately. The Company seeks to maintain a balance in the maturities of its assets and liabilities so as to secure timely liquidity at the least possible cost.

The table below summarizes the maturities of the Company's financial assets and liabilities at December 31, 2017 and 2016, based on contractual payment dates and current market interest rates.

	December 31, 2017			
	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
	LBP'000	LBP'000	LBP'000	LBP'000
Financial Assets				
Cash and cash equivalents	19,372,969	-	-	19,372,969
Accounts and notes receivable	60,584,628	7,840,935	3,929,489	72,355,052
Dividends receivable	4,187,787	-	-	4,187,787
Other assets	3,728,357	2,418,175	-	6,146,532
	87,873,741	10,259,110	3,929,489	102,062,340
Financial Liabilities				
Bank overdrafts	26,576,476	-	-	26,576,476
Accounts payable	32,346,115	-	-	32,346,115
Notes payable	450,380	2,251,897	600,506	3,302,783
Dividends payable	1,968,543	-	-	1,968,543
Loan from a subsidiary	-	12,060,000	-	12,060,000
Accrued expenses and other liabilities	13,864,256	-	-	13,864,256
	72,205,770	14,311,897	600,506	90,118,173

	December 31, 2016			
	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
	LBP'000	LBP'000	LBP'000	LBP'000
Financial Assets				
Cash and cash equivalents	12,357,603	-	-	12,357,603
Accounts and notes receivable	53,160,176	10,447,585	5,574,669	69,182,430
Dividends receivable	820,419	-	-	820,419
Other assets	1,251,038	2,659,754	-	3,910,792
	67,589,236	13,107,339	5,574,669	86,271,244
Financial Liabilities				
Bank overdrafts	9,319,554	-	-	9,319,554
Accounts payable	31,288,989	-	-	31,288,989
Notes payable	501,068	2,251,897	1,048,924	3,801,889
Dividends payable	2,867,575	-	-	2,867,575
Loan from a subsidiary	-	12,060,000	-	12,060,000
Accrued expenses and other liabilities	14,939,893	-	-	14,939,893
	58,917,079	14,311,897	1,048,924	74,277,900

(d) Market Risk:

Interest Rate Risk:

The Company's interest rate risk arises from the possibility that changes in market interest rates will affect the value of interest earning assets and interest bearing liabilities and related interest amounts. The Company's interest bearing assets are notes receivable which are subject to fixed interest rates. The Company's bank overdrafts are subject to floating interest rates whereas the loan from a subsidiary and notes payable are subject to fixed interest rates.

Currency Risk:

Currency risk arises from currency fluctuation effects on the monetary assets and liabilities denominated in foreign currencies.

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. Dollar, Swiss Franc ("CHF") and the Euro. Hence, exposures to exchange rate fluctuations arise. The exchange rate of the U.S. Dollar has been stable against the Lebanese Pounds since many years. The distribution of monetary assets and monetary liabilities among foreign currencies are shown in notes 5, 6, 13, 14, 15, 16 and 23.

31. COMPARATIVE FIGURES

During 2017, certain prior year information were reclassified to conform with current year presentation, in particular the presentation of the below:

Nature	Reclassification From	Reclassification To	LBP'000
Accrued rebates	Trade and notes receivable	Accrued expenses and other liabilities	14,939,893
Due to an affiliate	Other assets	Accounts payable	445,362

Such reclassifications do not affect previously reported result or equity.

32. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the year ended December 31, 2017 were approved and authorized for issue on June 1, 2018 by the Board of Directors.

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