



**UNAUDITED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE SECOND QUARTER
ENDED 30 JUNE, 2016**

Julius Berger Nigeria Plc
10 Shettima A. Munguno Crescent
Utako 900 108 | Abuja FCT
RC No. 6852



**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED JUNE 30, 2016**

SUMMARY

| | 2nd Quarter | Year to date |
|-------------------|-------------------------|-----------------------|
| | N'000 | N'000 |
| Turnover | <u>19,134,700</u> | <u>47,836,000</u> |
| Profit before tax | (286,200) | 272,164 |
| Taxation | <u>171,022</u> | <u>(136,082)</u> |
| Profit after tax | <u>(115,178)</u> | <u>136,082</u> |

BY ORDER OF THE BOARD

MRS. CECILIA MADUEKE
COMPANY SECRETARY
July 14, 2016

For more information please visit www.julius-berger.com.



**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED JUNE 30, 2016**

| CONTENTS | PAGE |
|--|-------------|
| Unaudited consolidated statement of comprehensive income | 1 |
| Unaudited consolidated statement of financial position | 2 |
| Unaudited consolidated statement of changes in equity | 3 |
| Unaudited consolidated statement of cash flows | 4 |
| Selected footnote disclosures | 5 |

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED JUNE 30, 2016**

| | | | AUDITED | | |
|-------------|---|--------------------------------|--------------------------------|--------------------------------|-------------------|
| | | | 31/12/2015 | | |
| | | 2016 | 2015 | | |
| | | 3 months Apr - June | 6 months Jan - June | 3 months Apr - June | |
| Note | N'000 | N'000 | N'000 | N'000 | |
| | Revenue | 19,134,700 | 47,836,000 | 34,344,946 | 133,807,574 |
| | Cost of sales | (13,872,665) | (35,398,640) | (25,392,419) | (100,473,106) |
| | Gross profit | 5,262,035 | 12,437,360 | 8,952,527 | 33,334,468 |
| | Other gains and losses | 457,964 | 1,316,160 | 274,196 | 835,151 |
| | Marketing expenses | 5,719,999 | 13,753,520 | 9,226,723 | 34,169,619 |
| | Administrative expenses | (11,104) | (39,320) | (21,687) | (75,140) |
| | <i>Operating profit</i> | <i>3,064,727</i> | <i>7,341,859</i> | <i>2,612,614</i> | <i>12,648,745</i> |
| | Net financing income/(cost) | (3,350,927) | (7,069,695) | (971,136) | (6,148,772) |
| | Profit before tax | (286,200) | 272,164 | 1,641,478 | 6,499,973 |
| | Income tax expenses | 171,022 | (136,082) | (656,591) | (4,059,833) |
| | Profit after taxation | (115,178) | 136,082 | 984,887 | 2,440,140 |
| | Profit for the year | (115,178) | 136,082 | 984,887 | 2,440,140 |
| | Other comprehensive Income for the year net of taxes | | | | |
| | Actuarial gains on retirement benefits | (22,110) | (58,185) | 31,621 | (180,372) |
| | Exchange difference on translation of foreign operations | 169,233 | 49,122 | - | (499,656) |
| | Total comprehensive income | 31,945 | 127,020 | 1,016,508 | 1,760,112 |
| | Attributable to: | | | | |
| | Owners of the Company | 31,553 | 126,570 | 996,178 | 1,759,887 |
| | Non-controlling interests | 393 | 450 | 20,330 | 225 |
| | | 31,945 | 127,020 | 1,016,508 | 1,760,112 |
| | Earnings per share (Naira) | 0.02 | 0.10 | 0.75 | 1.33 |
| | Diluted earnings per share | 0.02 | 0.10 | 0.75 | 1.33 |

The tax rate applied above is assumed based on the corporate tax rate of 30% payable by corporate entities in Nigeria on taxable profits under the Companies Income Tax Act, and 2% education tax based on the assessable profit of companies.

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SECOND QUARTER ENDED JUNE 30, 2016**

| | | | | AUDITED |
|---|--------------|---------------------|---------------------|---------------------|
| | | 2016 | 2015 | 2015 |
| | | N'000 | N'000 | N'000 |
| NON- CURRENT ASSETS | Notes | | | |
| Property, plant and equipment | | 53,175,370 | 65,143,237 | 58,376,513 |
| Goodwill | | 5,071,739 | 4,652,476 | 5,041,184 |
| Other intangible assets | | 17,991 | 58,632 | 32,712 |
| Investment property | | 2,533,745 | 2,605,721 | 2,546,436 |
| Contract and trade receivables | 5 | 569,782 | 1,464,977 | 844,122 |
| Tax receivable | 6 | 17,906,951 | 29,313,150 | 21,039,915 |
| Deferred tax assets | | 10,087,301 | 8,041,407 | 10,087,301 |
| Total noncurrent assets | | 89,362,880 | 111,279,600 | 97,968,183 |
| CURRENT ASSETS | | | | |
| Inventories | | 8,705,333 | 8,699,988 | 11,110,116 |
| Gross amount due from customers | | 31,803,343 | 19,122,120 | 27,228,427 |
| Trade and other receivables | 5 | 92,904,795 | 72,637,186 | 88,634,246 |
| Current tax receivable | 6 | 5,131,872 | 4,894,917 | 5,292,205 |
| Non- current assets classified as held for sale | | 978,639 | 1,357,012 | 1,493,055 |
| Cash and bank balances | | 13,989,340 | 15,108,651 | 13,360,038 |
| Total current assets | | 153,513,321 | 121,819,874 | 147,118,087 |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 7 | (26,138,085) | (36,562,048) | (34,596,825) |
| Borrowings | | (33,958,046) | (27,279,348) | (24,807,936) |
| Current tax payable | | (5,935,726) | (1,504,435) | (6,106,748) |
| Retirement benefit liabilities | 8 | (303,894) | (90,342) | (151,438) |
| Gross amount due to customers | | (31,487,461) | (34,129,161) | (32,912,602) |
| Total current liabilities | | (97,823,212) | (99,565,334) | (98,575,549) |
| Net current assets/(liabilities) | | 55,690,110 | 22,254,540 | 48,542,538 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 145,052,989 | 133,534,140 | 146,510,721 |
| NON- CURRENT LIABILITIES | | | | |
| Borrowings | | - | (1,620,345) | - |
| Retirement benefit liabilities | | (2,315,816) | (3,670,257) | (1,853,781) |
| Deferred tax liabilities | | (12,989,322) | (13,220,121) | (12,989,322) |
| Gross amount due to customers | | (107,008,877) | (90,113,836) | (106,971,355) |
| Provisions | | (300,000) | - | (404,308) |
| NET ASSETS | | 22,438,974 | 24,909,581 | 24,291,955 |
| EQUITY | | | | |
| Share capital | | 660,000 | 660,000 | 660,000 |
| Share premium | | 425,440 | 425,440 | 425,440 |
| Foreign currency translation reserve | | 468,877 | 919,411 | 419,755 |
| Retained earnings | | 20,827,028 | 22,186,515 | 22,729,580 |
| Attributable to owners of the company | | 22,381,345 | 24,191,366 | 24,234,775 |
| Non-controlling interest | | 57,630 | 718,215 | 57,180 |
| | | 22,438,974 | 24,909,581 | 24,291,955 |



**STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED JUNE 30, 2016**

| | Share capital | Share premium | Foreign currency translation reserve | Retained earnings | Attributable to owners of the Company | Attributable to non - controlling interest | Total equity |
|--|----------------|----------------|--------------------------------------|-------------------|---------------------------------------|--|-------------------|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Balance at 1 January 2016 | 660,000 | 425,440 | 419,755 | 22,729,580 | 24,234,775 | 57,180 | 24,291,955 |
| Profit for the year | - | - | - | 135,632 | 135,632 | 450 | 136,082 |
| Other comprehensive income(net of tax) | - | - | 49,122 | (58,185) | (9,063) | - | (9,063) |
| Total comprehensive income for the year | - | - | 49,122 | 77,448 | 126,570 | 450 | 127,020 |
| Dividends to shareholders | - | - | - | (1,980,000) | (1,980,000) | - | (1,980,000) |
| Balance at 30 June 2016 | 660,000 | 425,440 | 468,877 | 20,827,028 | 22,381,345 | 57,630 | 22,438,974 |
| Balance at 1 January 2015 | 660,000 | 425,440 | 919,411 | 23,420,332 | 25,425,183 | 670,660 | 26,095,843 |
| Profit for the year | - | - | - | 2,221,206 | 2,221,206 | 35,446 | 2,256,652 |
| Other comprehensive income(net of tax) | - | - | - | 108,977 | 108,977 | 12,109 | 121,086 |
| Total comprehensive income for the year | - | - | - | 2,330,183 | 2,330,183 | 47,555 | 2,377,738 |
| Dividends to shareholders | - | - | - | (3,564,000) | (3,564,000) | - | (3,564,000) |
| Balance at 30 June 2015 | 660,000 | 425,440 | 919,411 | 22,186,515 | 24,191,366 | 718,215 | 24,909,581 |

**UNAUDITED CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE SECOND QUARTER ENDED JUNE 30, 2016**
Cashflows from operating activities

Cash receipts from customers

Cash paid to suppliers and employees

Cash flows (used in)/provided by operating activities

Interest paid

Tax paid

Net cash (used in)/provided by operating activities
Cashflows from investing activities:

Interest received

Proceeds from sale of fixed assets

Purchase of fixed assets

Net cash (used in)/provided by investing activities:
Cashflows from financing activities:

Loan received

Loan repayment

Dividend paid

Net cash used in financing activities:

Net increase in cash and cash equivalents

Cash and cash equivalent at 1 January

Cash and cash equivalent at June 30

Cash and bank balances

Bank overdrafts

| | 2016 | 2015 |
|--|---------------------|---------------------|
| | N'000 | N'000 |
| Cash receipts from customers | 55,875,680 | 67,169,875 |
| Cash paid to suppliers and employees | (61,909,722) | (62,430,495) |
| Cash flows (used in)/provided by operating activities | (6,034,042) | 4,739,380 |
| Interest paid | (1,301,829) | (2,213,334) |
| Tax paid | (556,295) | (265,232) |
| Net cash (used in)/provided by operating activities | (7,892,166) | 2,260,814 |
| Cashflows from investing activities: | | |
| Interest received | 35,198 | 18,009 |
| Proceeds from sale of fixed assets | 1,316,160 | 632,200 |
| Purchase of fixed assets | - | (1,435,653) |
| Net cash (used in)/provided by investing activities: | 1,351,358 | (785,444) |
| Cashflows from financing activities: | | |
| Loan received | - | - |
| Loan repayment | - | (1,686,537) |
| Dividend paid | (1,980,000) | (3,564,000) |
| Net cash used in financing activities: | (1,980,000) | (5,250,537) |
| Net increase in cash and cash equivalents | (8,520,808) | (3,775,167) |
| Cash and cash equivalent at 1 January | (11,447,898) | (8,395,529) |
| Cash and cash equivalent at June 30 | (19,968,706) | (12,170,696) |
| Cash and bank balances | 13,989,340 | 15,108,651 |
| Bank overdrafts | (33,958,046) | (27,279,348) |
| | (19,968,706) | (12,170,696) |



1. GENERAL INFORMATION

Julius Berger Nigeria Plc (the Company) was incorporated as a private limited liability company in 1970 and was converted to a public liability company in 1979 and the company's shares are quoted on the Nigerian Stock Exchange. The principal activities of the Company cover planning, design and construction of civil engineering and building works. The subsidiaries, Abumet (Nigeria) Limited in which the Company owns 90%, is involved in the manufacturing and installation of building aluminium components while Julius Berger Services Nigeria Limited a wholly owned subsidiary, is involved in port management services. Other subsidiaries include Julius Berger Medical Services Nigeria limited which is wholly owned and is into the provision of medical services while Primetech Engineering and Design Nigeria limited also wholly owned is into architectural and engineering design. Julius Berger Investments Limited is a wholly owned subsidiary and was incorporated in June 2012 as an investment company to acquire securities and act as investment managers, while Julius Berger International GmbH Wiesbaden - Germany was acquired in May 2012 as Procurement and Supporting Unit of the JB Group. JBI is now a 100% owned subsidiary of Julius Berger Nigeria Plc. Julius Berger Free Zone Enterprise Calabar is a 100% owned subsidiary of the Company and has been granted licence to operate in Calabar free trade zone.

2. Basis of preparation of financial statements

These financial statements are the unaudited interim results (hereafter "the Interim Financial Statements") of Julius Berger Nigeria Plc for the Second Quarter ended June 30, 2016 (hereafter "the interim period"). They are prepared in accordance with International Accounting Standard 34 (IAS 34), Interim Financial Reporting. These Interim Financial Statements should be read in conjunction with the audited Financial Statements for the year ended December 31, 2015 prepared under IFRS (hereafter "the Annual Financial Statements"), as they provide an update of previously reported information. The Interim Financial Statements have been prepared in accordance with the accounting policies set out in the Annual Financial Statements. The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. Where necessary, comparative information has been reclassified or expanded from the previously reported Interim Financial Statements to take into account any presentational changes made in the Annual Financial Statements or in these Interim Financial Statements.

3. Segmental Analysis of Continuing operations

Julius Berger Nigeria Plc has three segment which offer construction, civil engineering, building and facility management services to third parties across Nigeria. Julius Berger Nigeria Plc is organised by segments, each of which is managed separately and considered to be a reportable segment. The Managing Director together with senior executive management constitute the chief operating decision maker and they regularly review the performance of these divisions. Details of the services offered by these segments are provided in the business and financial review in the Annual financial statement.

| Revenue and results | Revenue | | | Profit/(loss) | | |
|---------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2016 | | 2015 | 2016 | | 2015 |
| | 3 months Apr - June | 6 months Jan - June | 3 months Apr - June | 3 months Apr - June | 6 months Jan - June | 3 months Apr - June |
| Class of business: | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Civil works | 10,906,779 | 27,266,520 | 19,576,619 | 1,746,895 | 4,184,860 | 1,489,190 |
| Building works | 6,505,798 | 16,264,240 | 11,677,282 | 1,042,007 | 2,496,232 | 888,289 |
| Services | 1,722,123 | 4,305,240 | 3,091,045 | 275,825 | 660,767 | 235,135 |
| | 19,134,700 | 47,836,000 | 34,344,946 | 3,064,727 | 7,341,859 | 2,612,614 |
| Net financing costs | | | | (3,300,028) | (7,069,695) | (971,136) |
| Profit before income tax | | | | (235,300) | 272,164 | 1,641,478 |

The decline recorded on turnover and performance in the quarter when compare to prior year resulted from the slow pace work in the period under review. The last financial year witnessed a decline in clients payment to the company as evidence in the increase in receivables. Hence the drop in the Groups performance.

4. Financial income and financing costs

Financial income

Interest on deposits
Other interest income
Foreign exchange gains

Financing costs

Interest on overdraft
Interest on loan
Other finance charges
Foreign exchange acquisition
Foreign exchange losses

Net financing (income)/costs

| 2016 | | 2015 |
|------------------------|------------------------|------------------------|
| 3 months Apr - June | 6 months Jan - June | 3 months Apr - June |
| N'000 | N'000 | N'000 |
| (664) | (35,198) | (4,195) |
| - | - | - |
| (1,535,063) | (1,590,778) | (27,521) |
| 551,040 | 1,185,079 | 724,039 |
| 116,750 | 116,750 | 255,365 |
| 79,294 | 268,288 | - |
| 4,023,782 | 7,005,950 | - |
| 64,888 | 119,604 | 23,448 |
| 3,300,028 | 7,069,695 | 971,136 |

5. Contract and trade receivables

Included in contract receivables are amounts due from contracts receivable **N72.91 billion**, trade receivables **N10.59 billion**, advances to suppliers **N0.46 billion** and advance payment to sub-contractors of about **N17.16 billion**. All debts considered doubtful of recovery have been considered in stating the figures above.

6. Tax receivable

Amounts expected to be recovered within one year
Amounts expected to be recovered after more than one year

| 2016 | 2015 |
|-------------------|-------------------|
| N'000 | N'000 |
| 5,131,872 | 4,894,917 |
| 17,906,951 | 29,313,150 |
| 23,038,823 | 34,208,067 |

This represents withholding and value added taxes recoverable from clients and the Federal Inland Revenue Service.



7. Trade and other payables

Included in trade and other payables are amounts due to suppliers and subcontractors amounting to **N20.93 billion**

The remaining balance represents accruals, other deferred payments and provisions in the period under review.

Trade payables, amounts owed to joint ventures, other taxation and social security costs, other payables and dividends are classified as other financial liabilities.

8. Retirement benefit liabilities

Obligations under defined benefit plans are calculated separately for each plan by estimating the benefit amount that employees have earned in return for their service in the current and prior periods which represent employees' terminal gratuities based on qualifying years of service and applicable emoluments as per operating collective agreement. Management has decided to settle the obligations and it is probable that the amounts due will be paid. Consequently this had been incorporated in the preparation of these interim financial statements.

9. Related party transactions

The Company entered into various transactions with related parties ranging from purchase of goods or services, to expenses incurred by the related party on behalf of the Company. Related parties to the Company are as listed:

- Abumet (Nigeria) Limited: Subsidiary Company in which Julius Berger Nigeria PLC owns 90% stake.
- Julius Berger Services Nigeria Limited: This is a 100% owned subsidiary of Julius Berger Nigeria PLC.
- Julius Berger Medical Services Limited: This is a 100% owned subsidiary of Julius Berger Nigeria PLC.
- Julius Berger International GmbH: This is a 100% owned subsidiary of Julius Berger Nigeria PLC.
- Julius Berger Investments: This is a 100% owned subsidiary of Julius Berger Nigeria PLC.
- Primetech Design and Engineering Nigeria Limited: This is a 100% owned subsidiary of Julius Berger Nigeria PLC.
- Julius Berger Free Zone Enterprise: This is a 100% owned subsidiary of Julius Berger Nigeria PLC.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been completed at arms length.

10. Significant events

- The Company has continued with the repayment of the secured term loan from HSBC bank London in the period. The loan was to finance supply of capital goods and related services. The repayment of the loan has continued in the period and both principal and interest payments have been incorporated in these financial statements.

- Due to the non availability of FOREX from the CBN, the Company had to source foreign currencies from the inter bank or parallel markets. The weighted average of the different rates was used in converting FOREX transaction which results in significant exchange losses that is affecting profitability.

- During the quarter, the Company continued to have significant difficulties in converting receivables to cash or cash equivalent as result of delayed payments by most clients which invariably translated into slow performances on project sites. This culminated in significant decline in volume of activities and related turnover. However, costs have been managed in the same magnitude to ensure that a relatively similar profitability index is achieved.

11. Events after the reporting period

Except as disclosed above, there were no other material events after the reporting period which could have had material effect on the state of affairs of the Company as at June 30, 2016 and the profit for the year then ended date that has not been adequately provided for or recognised in the Financial Statements.