



**UNAUDITED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER, 2017**

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



**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2017**

SUMMARY

	3rd Quarter	Year to date
	N'000	N'000
Turnover	<u>35,757,000</u>	<u>105,485,000</u>
Profit before tax	26,780	81,562
Taxation	<u>(10,727)</u>	<u>(431,238)</u>
Profit/(loss) after tax	<u>16,053</u>	<u>(349,676)</u>

BY ORDER OF THE BOARD

MRS. CECILIA MADUEKE
COMPANY SECRETARY
October 27, 2017

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

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2017**

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**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2017**

					AUDITED	
		2017		2016		31/12/2016
		3 months Jul - Sep	9 months Jan - Sep	3 months Jul - Sep	9 months Jan - Sep	
Note		N'000	N'000	N'000	N'000	N'000
Revenue		35,757,000	105,485,000	46,485,500	94,321,500	138,993,752
Cost of sales		(26,692,601)	(78,744,553)	(34,399,270)	(69,797,910)	(84,767,291)
Gross profit		9,064,400	26,740,448	12,086,230	24,523,590	54,226,461
Other gains and losses		694,638	2,583,831	(561,687)	754,473	1,443,523
Marketing expenses		9,759,037	29,324,279	11,524,543	25,278,063	55,669,984
Administrative expenses		(11,945)	(29,508)	(3,333)	(42,653)	(53,327)
		(7,454,300)	(22,703,950)	(7,913,405)	(14,285,746)	(37,380,880)
<i>Operating profit</i>		<i>2,292,792</i>	<i>6,590,821</i>	<i>3,607,805</i>	<i>10,949,664</i>	<i>18,235,777</i>
Investment Income		-	-	-	-	284,681
Foreign exchange acquisition loss		(341,365)	(3,071,046)	(3,151,050)	(10,157,000)	(14,234,241)
Net financing income/(cost)	4	(1,924,647)	(3,438,213)	(2,369,824)	(2,433,569)	(5,784,246)
Profit/(loss) before tax		26,780	81,562	(1,913,069)	(1,640,905)	(1,498,029)
Income tax expenses		(10,727)	(431,238)	(1,544,928)	(1,681,010)	(2,318,763)
Profit/(loss) after taxation		16,053	(349,676)	(3,457,997)	(3,321,915)	(3,816,792)
Profit/(loss) for the year		16,053	(349,676)	(3,457,997)	(3,321,915)	(3,816,792)
Other comprehensive Income for the year net of taxes						
Actuarial gains on retirement benefits		-	-			122,845
Exchange difference on translation of foreign operations		80,629	408,500	(49,122)		6,699,307
Total comprehensive income		96,682	58,824	(3,507,119)	(3,321,915)	3,005,360
Attributable to:						
Owners of the Company		96,099	57,074	(3,507,344)	(3,322,590)	3,015,014
Non-controlling interests		583	1,750	225	675	(9,654)
		96,682	58,824	(3,507,119)	(3,321,915)	3,005,360
Earnings per share (Naira)		0.07	0.04	(2.66)	(2.52)	2.28
Diluted earnings per share		0.07	0.04	(2.66)	(2.52)	2.28

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 THIRD QUARTER ENDED SEPTEMBER 30, 2017**

		AUDITED		
		2017	2016	2016
		N'000	N'000	N'000
NON- CURRENT ASSETS	Notes			
Property, plant and equipment		43,738,879	51,950,753	49,712,834
Goodwill		8,348,748	6,049,421	8,348,748
Other intangible assets		2,075	14,990	2,766
Investment property		2,400,485	2,508,251	2,444,460
Contract and trade receivables	5	60,017,538	422,061	569,619
Tax receivable	7	16,058,042	24,085,113	26,026,032
Deferred tax assets		5,453,858	10,087,301	5,453,858
Total noncurrent assets		136,019,625	95,117,890	92,558,317
CURRENT ASSETS				
Inventories		9,181,981	8,505,333	11,699,526
Gross amount due from Customers	6	39,433,499	34,404,457	33,082,455
Contract and trade receivables	5	51,444,996	91,601,153	108,291,146
Current tax receivable	7	2,413,936	2,413,950	1,417,845
Non- current assets classified as held for sale		1,113,351	1,519,987	1,545,121
Cash and bank balances		4,338,768	11,037,595	10,584,522
Total current assets		107,926,531	149,482,475	166,620,615
CURRENT LIABILITIES				
Trade and other payables	8	(24,615,578)	(27,717,587)	(44,015,318)
Borrowings		(40,884,128)	(39,163,123)	(33,172,798)
Current tax payable		(1,434,650)	(1,544,928)	(1,423,923)
Retirement benefit liabilities	9	(102,739)	(98,320)	(39,133)
Gross amount due to customers		(23,665,542)	(35,987,460)	(24,009,265)
Total current liabilities		(90,702,637)	(104,511,418)	(102,660,437)
Net current assets/(liabilities)		17,223,894	44,971,057	63,960,178
TOTAL ASSETS LESS CURRENT LIABILITIES		153,243,518	140,088,946	156,518,495
NON- CURRENT LIABILITIES				
Borrowings		-	-	-
Retirement benefit liabilities		(1,774,319)	(2,415,816)	(2,463,491)
Deferred tax liabilities		(9,185,562)	(12,989,322)	(9,185,562)
Gross amount due to customers		(116,452,516)	(105,393,768)	(119,098,895)
Provisions		(454,232)	(300,000)	(454,232)
NET ASSETS		25,376,889	18,990,040	25,316,315
EQUITY				
Share capital		660,000	660,000	660,000
Share premium		425,440	425,440	425,440
Foreign currency translation reserve		7,527,562	419,755	7,119,062
Retained earnings		16,715,611	17,426,990	17,065,287
Attributable to owners of the company		25,328,613	18,932,185	25,269,789
Non-controlling interest		48,276	57,855	46,526
		25,376,889	18,990,040	25,316,315

These interim financial statements were approved by the Board on October 27, 2017 and signed on its behalf by:

WOLFGANG GOETSCH
FRC/2014/NSE/0000006484
MANAGING DIRECTOR

WOLFGANG KOLLERMANN
FRC/2012/ANAN/0000000396
FINANCIAL DIRECTOR

**STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2017**

	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 2017	660,000	425,440	7,119,062	17,065,287	25,269,789	46,526	25,316,315
Profit for the year	-	-	-	(349,676)	(349,676)	1,750	(347,926)
Other comprehensive income(net of tax)	-	-	408,500	-	408,500	-	408,500
Total comprehensive income for the year	-	-	408,500	(349,676)	58,824	1,750	60,574
Dividends to shareholders	-	-	-	-	-	-	-
Balance at 30 September 2017	660,000	425,440	7,527,562	16,715,611	25,328,613	48,276	25,376,889
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	-	-	-	(3,322,590)	(3,322,590)	675	(3,321,915)
Other comprehensive income(net of tax)	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(3,322,590)	(3,322,590)	675	(3,321,915)
Dividends to shareholders	-	-	-	(1,980,000)	(1,980,000)	-	(1,980,000)
Balance at 30 September 2016	660,000	425,440	419,755	17,426,990	18,932,185	57,855	18,990,040

**UNAUDITED CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2017**
Cashflows from operating activities

Cash receipts from customers
Cash paid to suppliers and employees

Cash flows (used in)/provided by operating activities

Interest paid
Foreign exchange acquisition loss
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 September 30

Cash and bank balances
Bank overdrafts

	2017	2016
	N'000	N'000
Cash receipts from customers	111,198,089	70,429,938
Cash paid to suppliers and employees	(119,439,391)	(68,809,045)
Cash flows (used in)/provided by operating activities	(8,241,302)	1,620,893
Interest paid	(4,962,184)	(3,413,902)
Foreign exchange acquisition loss	(3,071,046)	(10,157,000)
Tax paid	(110,212)	(268,962)
Net cash (used in)/provided by operating activities	(16,384,744)	(12,218,971)
Cashflows from investing activities:		
Interest received	14,913	63,153
Proceeds from sale of fixed assets	2,583,831	754,473
Purchase of fixed assets	(171,084)	-
Net cash (used in)/provided by investing activities:	2,427,661	817,626
Cashflows from financing activities:		
Loan received	-	-
Loan repayment	-	(3,296,286)
Dividend paid	-	(1,980,000)
Net cash used in financing activities:	-	(5,276,286)
Net increase in cash and cash equivalents	(13,957,083)	(16,677,630)
Cash and cash equivalent at 1 January	(22,588,276)	(11,447,898)
Cash and cash equivalent at September 30	(36,545,359)	(28,125,528)
Cash and bank balances	4,338,768	11,037,595
Bank overdrafts	(40,884,128)	(39,163,123)
	(36,545,359)	(28,125,528)

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 third Quarter ended September 30, 2017 (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, 2016 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)			
	2017		2016		2017		2016	
	3 months Jul - Sep	9 months Jan - Sep	3 months Jul - Sep	9 months Jan - Sep	3 months Jul - Sep	9 months Jan - Sep	3 months Jul - Sep	9 months Jan - Sep
Class of business:	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Civil works	20,381,490	60,126,450	26,496,735	53,763,255	1,306,891	3,756,768	2,056,449	6,241,308
Building works	12,157,380	35,864,900	15,805,070	32,069,310	779,549	2,240,879	1,226,654	3,722,886
Services	3,218,130	9,493,650	4,183,695	8,488,935	206,351	593,174	324,702	985,470
	35,757,000	105,485,000	46,485,500	94,321,500	2,292,792	6,590,821	3,607,805	10,949,664
Foreign exchange acquisition loss					(341,365)	(3,071,046)	(3,151,050)	(10,157,000)
Net financing costs					(1,924,647)	(3,438,213)	(2,369,824)	(2,433,569)
Profit before income tax					26,780	81,562	(1,913,069)	(1,640,905)

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 losses

Net financing (income)/costs

	2017		2016	
	3 months Jul - Sep	9 months Jan - Sep	3 months Jul - Sep	9 months Jan - Sep
Financial income	N'000	N'000	N'000	N'000
Interest on deposits	(199)	(14,913)	(27,955)	(63,153)
Other interest income	-	-	-	-
Foreign exchange gains	(1,495,174)	(4,094,037)	(2,525,008)	(4,115,786)
Financing costs				
Interest on overdraft	1,723,802	4,962,184	1,172,604	2,357,683
Interest on loan	-	-	881,628	1,056,218
Other finance charges	266,558	536,980		210,448
Foreign exchange losses	1,429,659	2,047,999	2,868,555	2,988,159
Net financing (income)/costs	1,924,647	3,438,213	2,369,824	2,433,569

5. Contract and trade receivables

Included in contract receivables are amounts due from contracts receivable **N89.43 billion**, trade receivables **N15.98 billion**, advances to suppliers **N0.99 billion** and advance payment to sub-contractors of about **N5.06 billion**. All debts considered doubtful of recovery have been considered in stating the figures above.

6. Gross amount due from customers

This represents the amount of revenue earned on contracts billed, however not yet certified and revenue that are yet to be billed otherwise known as percentage of completion receivables. Certified revenue is included in trade receivables as explained in note 5 above.

7. Tax receivable

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

	2017	2016
	N'000	N'000
Amounts expected to be recovered within one year	2,413,936	2,413,950
Amounts expected to be recovered after more than one year	16,058,042	24,085,113
Total	18,471,978	26,499,063

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

8. Trade and other payables

Included in trade and other payables are amounts due to suppliers and subcontractors amounting to **N23.4 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.

9. 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.

10. 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.

In accordance with the requirement of IAS 24 on related parties, the following directors are the key management personnel of the Company.

- | | |
|--|---------------------------------------|
| - Mr. Mutiu Sunmonu | - Chairman |
| - Engr. Heinz Stockhausen (German) | - Vice Chairman |
| - Engr. Wolfgang Goetsch (Austrian) | - Managing Director (Executive) |
| - Wolfgang Kollermann (German) | - Financial Director (Executive) |
| - Alhaji Zubairu Ibrahim Bayi | - Director Administration (Executive) |
| - HRH Igwe Peter Nwokike Anugwu, JP, OFR | - Independent Director |
| - Mr. George Marks (German) | - Director |
| - Engr. Jafaru Damulak | - Director |
| - Dr. Ernest Nnaemeka Azudialu-Obiejesi | - Director |
| - Mrs Belinda Ajoke Disu | - Director |
| - Mrs Gladys Olubusola Talabi | - Director |

Except for the short term benefits to include fees and other remunerations for Directors, there were no other transaction with the key management personnel.

11. Significant events

- Due to the scarcity of FOREX provided by the CBN, the Company had to source foreign currencies from the Nigerian Autonomous Foreign Exchange (NAFEX) 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.

- In the current financial year, the Company continued to have difficulties in converting receivables to cash or cash equivalent as result of delayed payments by most clients which invariably translated into slow performances on some project sites. However, costs have been managed in the same magnitude to ensure that a relatively similar profitability index is achieved.

12. 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 September 30, 2017 and the result for the period that has not been adequately provided for or recognised in the Financial Statements.