



**UNAUDITED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE FIRST QUARTER
ENDED MARCH 31, 2017**

Julius Berger Nigeria Plc
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RC No. 6852



**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDING MARCH 31, 2017**

SUMMARY

	1st Quarter	Year to date
	N'000	N'000
Turnover	<u>34,153,222</u>	<u>34,153,222</u>
Profit before tax	(17,109)	(17,109)
Taxation	<u>(409,839)</u>	<u>(409,839)</u>
Loss after tax	<u>(426,948)</u>	<u>(426,948)</u>

BY ORDER OF THE BOARD

**MRS. CECILIA MADUEKE
COMPANY SECRETARY
April 10, 2017**

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



**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDING MARCH 31, 2017**

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UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31

					AUDITED	
		2017		2016		31/12/2016
		3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	
		N'000	N'000	N'000	N'000	N'000
Note						
	Revenue	34,153,222	34,153,222	33,240,000	33,240,000	138,993,752
	Cost of sales	(25,614,917)	(25,614,917)	(25,067,128)	(25,067,128)	(84,767,291)
	Gross profit	8,538,306	8,538,306	8,172,872	8,172,872	54,226,461
	Other gains and losses	660,110	660,110	353,696	353,696	1,443,523
	Marketing expenses	9,198,416	9,198,416	8,526,568	8,526,568	55,669,984
	Administrative expenses	(6,462)	(6,462)	(16,061)	(16,061)	(53,327)
	<i>Operating profit</i>	<i>1,752,203</i>	<i>1,752,203</i>	<i>2,744,697</i>	<i>2,744,697</i>	<i>18,235,777</i>
	Investment Income	10,052	10,052	-	-	284,681
	Foreign exchange acquisition loss	(2,102,001)	(2,102,001)	-	-	(14,234,241)
	Net financing income/(cost)	322,637	322,637	(1,105,295)	(1,105,295)	(5,784,246)
	Profit before tax	(17,109)	(17,109)	1,639,402	1,639,402	(1,498,029)
	Income tax expenses	(409,839)	(409,839)	(688,549)	(688,549)	(2,318,763)
	(Loss)/Profit after taxation	(426,948)	(426,948)	950,853	950,853	(3,816,792)
	(Loss)/profit for the year	(426,948)	(426,948)	950,853	950,853	(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	327,871	327,871	(20,160)	(20,160)	6,699,307
	Total comprehensive income	(99,077)	(99,077)	930,693	930,693	3,005,360
	Attributable to:					
	Owners of the Company	(98,488)	(98,488)	930,318	930,318	3,015,014
	Non-controlling interests	(589)	(589)	375	375	(9,654)
		(99,077)	(99,077)	930,693	930,693	3,005,360
	Earnings per share (Naira)	(0.07)	(0.07)	0.70	0.70	2.28
	Diluted earnings per share	(0.07)	(0.07)	0.70	0.70	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 AS AT MARCH 31

				AUDITED
		2017	2016	31/12/2016
		N'000	N'000	N'000
NON- CURRENT ASSETS	Notes			
Property, plant and equipment		47,433,458	61,209,888	49,712,834
Goodwill		8,348,748	4,520,100	8,348,748
Other intangible assets		2,755	29,026	2,766
Investment property		2,432,882	2,552,395	2,444,460
Contract and trade receivables		512,657	3,186,630	569,619
Current tax receivable	6	28,467,835	30,237,117	26,026,032
Deferred tax assets		5,453,858	8,041,407	5,453,858
Total noncurrent assets		92,652,193	109,776,563	92,558,317
CURRENT ASSETS				
Inventories		10,463,129	8,347,638	11,699,526
Gross amount due from customers		30,582,455	7,840,069	33,082,455
Trade and other receivables	5	101,298,286	80,724,141	108,291,146
Current tax receivable	6	1,827,684	4,161,902	1,417,845
Non- current assets classified as held for sale		1,296,177	1,354,637	1,545,121
Cash and bank balances		6,948,812	10,073,594	10,584,522
Total current assets		152,416,542	112,501,981	166,620,615
CURRENT LIABILITIES				
Trade and other payables		(35,427,919)	(29,810,257)	(44,015,318)
Borrowings		(32,049,246)	(27,428,184)	(33,172,798)
Current tax payable		(409,839)	(688,549)	(1,423,923)
Retirement benefit liabilities		(139,716)	(90,765)	(39,133)
Gross amount due to customers		(25,509,265)	(25,906,313)	(24,009,265)
Total current liabilities		(93,535,985)	(83,924,068)	(102,660,437)
Net current assets/(liabilities)		58,880,558	28,577,913	63,960,178
TOTAL ASSETS LESS CURRENT LIABILITIES		151,532,751	138,354,476	156,518,495
NON- CURRENT LIABILITIES				
Borrowings		-	-	-
Retirement benefit liabilities		(2,456,297)	(2,080,067)	(2,463,491)
Deferred tax liabilities		(9,185,562)	(13,220,121)	(9,185,562)
Gross amount due to customers		(114,673,654)	(95,401,761)	(119,098,895)
Provisions		-	-	(454,232)
NET ASSETS		25,217,238	27,652,527	25,316,315
CAPITAL AND RESERVES				
Share capital		660,000	660,000	660,000
Share premium		425,440	425,440	425,440
Foreign currency translation reserve		7,446,933	985,861	7,119,062
Retained earnings		16,638,928	25,510,851	17,065,287
Attributable to owners of the company		25,171,301	27,582,152	25,269,789
Non-controlling interest		45,937	70,375	46,526
		25,217,238	27,652,527	25,316,315

STATEMENT OF CHANGES IN EQUITY

	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
Loss for the year	-	-	-	(426,359)	(426,359)	(589)	(426,948)
Other comprehensive income(net of tax)	-	-	327,871	-	327,871	-	327,871
Total comprehensive income for the year	-	-	327,871	(426,359)	(98,488)	(589)	(99,077)
Dividends to shareholders	-	-	-	-	-	-	-
Balance at 31 March 2017	660,000	425,440	7,446,933	16,638,928	25,171,301	45,937	25,217,238
Balance at 1 January 2016	660,000	425,440	1,006,021	24,560,373	26,651,834	70,000	26,721,834
Profit for the year	-	-	-	950,478	950,478	375	950,853
Other comprehensive income(net of tax)	-	-	(20,160)	-	(20,160)	-	(20,160)
Total comprehensive income for the year	-	-	(20,160)	950,478	930,318	375	930,693
Dividends to shareholders	-	-	-	-	-	-	-
Balance at 31 March 2016	660,000	425,440	985,861	25,510,851	27,582,152	70,375	27,652,527

**UNAUDITED CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED
MARCH 31**
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

Purchase of investment

Investment income

Proceeds from sale of fixed assets

Purchase of fixed assets

Net cash provided by/(used in) 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 March 31

Cash and bank balances

Bank overdrafts

	2017	2016
	N'000	N'000
Cash receipts from customers	34,389,700	36,601,183
Cash paid to suppliers and employees	(41,168,761)	(31,998,008)
Cash flows (used in)/provided by operating activities	(6,779,061)	4,603,175
Interest paid	(985,360)	(1,244,132)
Foreign exchange acquisition loss	(2,102,001)	-
Tax paid	(65,574)	(110,168)
Net cash (used in)/provided by operating activities	(9,931,995)	3,248,875
Cashflows from investing activities:		
Interest received	10,052	20,103
Purchase of investment	-	-
Investment income	-	-
Proceeds from sale of fixed assets	2,176,100	353,696
Purchase of fixed assets	-	(200,000)
Net cash provided by/(used in) investing activities:	2,186,151	173,799
Cashflows from financing activities:		
Loan received	-	-
Loan repayment	-	(1,773,640)
Dividend paid	-	-
Net cash used in financing activities:	-	(1,773,640)
Net increase in cash and cash equivalents	(7,745,844)	1,649,034
Cash and cash equivalent at 1 January	(17,354,590)	(19,003,624)
Cash and cash equivalent at March 31	(25,100,434)	(17,354,590)
Cash and bank balances	6,948,812	10,073,594
Bank overdrafts	(32,049,246)	(27,428,184)
	(25,100,434)	(17,354,590)

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. 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 First Quarter ended March 31, 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 divisions which offer construction, civil engineering, building and facility management services to third parties. Julius Berger Nigeria Plc is organised by division, 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 divisions are provided in the business and financial review in the Annual financial statements.

Revenue and results	Revenue				Profit/(loss)			
	2017		2016		2017		2016	
	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar
<i>Class of business:</i>	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Civil works	19,470,752	19,470,752	18,950,124	18,950,124	998,931	998,931	1,564,752	1,564,752
Building works	9,798,559	9,798,559	9,536,556	9,536,556	502,707	537,751	787,454	787,454
Services	4,883,911	4,883,911	4,753,320	4,753,320	250,565	215,521	392,492	392,492
	34,153,222	34,153,222	33,240,000	33,240,000	1,752,203	1,752,203	2,744,697	2,744,697
Net financing costs					(1,769,313)	(1,769,313)	(1,105,295)	(1,105,295)
Profit before income tax					(17,109)	(17,109)	1,639,402	1,639,402

4. Financial income and financing costs

Financial income

	2017		2016	
	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar	3 months Jan - Mar
Interest on deposits	(10,052)	(10,052)	(20,103)	(20,103)
Other interest income	-	-	-	-
Profit from sale of PPE	(660,110)	(660,110)	-	-
Foreign exchange gains	(1,433,602)	(1,433,602)	(531,471)	(531,471)

Financing costs

Interest on overdraft	953,174	953,174	999,037	999,037
Interest on loan	12,958	12,958	245,095	245,095
Other finance charges	19,228	19,228	132,715	132,715
Foreign exchange acquisition loss	2,102,001	2,102,001	-	-
Foreign exchange losses	125,606	125,606	280,022	280,022

Net financing (income)/costs

	1,109,203	1,109,203	1,105,295	1,105,295
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5. Contract and trade receivables

Included in contract receivables are amounts due from contracts receivable **N82.7 billion**, trade receivables **N14.11 billion**, advances to suppliers **N0.76 billion** and advance payment to sub-contractors of about **N6.21 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

2017	2016
N'000	N'000
1,827,684	4,161,902
28,467,835	30,237,117
30,295,519	34,399,019

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 N30.41 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 Information

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 Limited: 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 |

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

10. Significant events

- Due to scarcity of FOREX provided by 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.

- In the current financial year, the Company continued to face difficulties in converting receivables to cash or their equivalent as result of delayed payments by some clients which invariably translated into slow performances on project sites. Management is focused on project execution for clients who fulfil their payment obligations. This is in addition to proper cost management 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 March 31, 2017 and the profit for the year then ended date that has not been adequately provided for or recognised in the Financial Statements.