



JULIUS BERGER



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**UNAUDITED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE SECOND QUARTER
ENDED 30 JUNE, 2017**

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

Julius Berger Nigeria Plc • RC No. 6852 • TIN 1002185860

Registered Office: 10 Shettima A. Munguno Crescent | Utako 900 108 | FCT Abuja | Nigeria
Website: www.julius-berger.com • Email: info@julius-berger.com • Phone: +234 803 906 7000

Directors: Mr. M. Sunmonu, CON, Chairman • Engr. H. Stockhausen, Vice Chairman (German) • Engr. W. Goetsch, Managing Director (Austrian)
Mr. W. Kollermann, Financial Director (German) • Alh. Z. I. Bayi, Director Administration • HRH Igwe P.N. Anugwu, JP, OFR
Dr. E. N. Azudulu-Obejelesi • Engr. J. Damulak • Mrs. B. A. Disu • Mr. G. Marks (German) • Mrs. G. O. Talabi



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FOR THE SECOND QUARTER ENDED JUNE 30, 2017**

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FOR THE SECOND QUARTER ENDED JUNE 30, 2017**

SUMMARY

	2nd Quarter	Year to date
	N'000	N'000
Turnover	<u>35,574,778</u>	<u>69,728,000</u>
Profit before tax	82,943	55,782
Taxation	<u>(10,672)</u>	<u>(420,511)</u>
Profit/(loss) after tax	<u>72,270</u>	<u>(364,729)</u>

BY ORDER OF THE BOARD


MRS. CECILIA MADUEKE
COMPANY SECRETARY
July 12, 2017

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

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UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED JUNE 30, 2017

Note	2017		2016		31/12/2016
	3 months Apr - June	6 months Jan - June	3 months Apr - June	6 months Jan - June	
	N'000	N'000	N'000	N'000	
Revenue	35,574,778	69,728,000	19,134,700	47,836,000	138,993,752
Cost of sales	(26,437,035)	(52,051,952)	(13,872,665)	(35,398,640)	(84,767,291)
Gross profit	9,137,743	17,676,048	5,262,035	12,437,360	54,226,461
Other gains and losses	1,229,084	1,889,194	457,964	1,316,160	1,443,523
Marketing expenses	10,366,827	19,565,242	5,719,999	13,753,520	55,689,984
Administrative expenses	(11,101)	(17,563)	(11,104)	(39,320)	(53,327)
<i>Operating profit</i>	<i>(8,908,900)</i>	<i>(16,348,650)</i>	<i>(2,644,167)</i>	<i>(6,372,341)</i>	<i>(37,380,880)</i>
Investment Income	1,446,826	3,199,029	3,064,727	7,341,859	18,235,777
Foreign exchange acquisition loss	(627,680)	(2,729,681)	(4,023,782)	(7,005,950)	(14,234,241)
Net financing income/(cost)	(736,203)	(413,566)	672,854	(63,745)	(5,784,246)
Profit/(loss) before tax	82,943	55,782	(286,200)	272,164	(1,498,028)
Income tax expenses	(10,672)	(420,511)	171,022	(136,082)	(2,318,763)
Profit/(loss) after taxation	72,270	(364,729)	(115,178)	136,082	(3,816,792)
Profit/(loss) for the year	72,270	(364,729)	(115,178)	136,082	(3,816,792)
Other comprehensive Income for the year net of taxes					
Actuarial gains on retirement benefits	-	-	(22,110)	(58,185)	122,845
Exchange difference on translation of foreign operations	180,629	508,500	169,233	49,122	6,699,307
Total comprehensive income	252,899	143,771	31,945	127,020	3,005,360
Attributable to:					
Owners of the Company	240,509	142,021	31,553	126,570	3,016,014
Non-controlling interests	2,339	1,750	393	450	(9,654)
Total	242,848	143,771	31,945	127,020	3,005,360
Earnings per share (Naira)	0.18	0.11	0.02	0.10	2.28
Diluted earnings per share	0.18	0.11	0.02	0.10	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.



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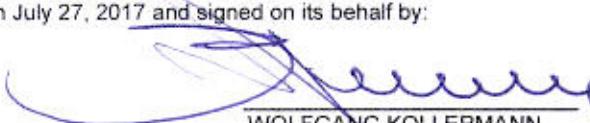
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**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SECOND QUARTER ENDED JUNE 30, 2017**

		AUDITED	
	Notes	2017 N'000	2016 N'000
NON- CURRENT ASSETS			2016 N'000
Property, plant and equipment		45,662,859	53,175,370
Goodwill		8,348,748	5,071,739
Other intangible assets		1,383	17,991
Investment property		2,393,472	2,533,745
Contract and trade receivables	5	427,214	569,782
Tax receivable	6	18,638,754	17,906,951
Deferred tax assets		5,453,858	10,087,301
Total noncurrent assets		80,926,288	89,362,879
CURRENT ASSETS			2016 N'000
Inventories		10,462,008	8,705,333
Gross amount due from customers		39,314,499	31,803,343
Trade and other receivables	5	98,257,063	92,904,795
Current tax receivable	6	5,427,850	5,131,872
Non- current assets classified as held for sale		1,200,041	978,639
Cash and bank balances		6,465,633	13,989,340
Total current assets		161,127,094	153,513,322
CURRENT LIABILITIES			2016 N'000
Trade and other payables	7	(27,873,210)	(26,138,086)
Borrowings		(35,551,737)	(33,958,046)
Current tax payable		(1,434,595)	(5,935,726)
Retirement benefit liabilities	8	(105,989)	(303,894)
Gross amount due to customers		(21,065,542)	(31,487,460)
Total current liabilities		(86,031,074)	(97,823,212)
Net current assets/(liabilities)		75,096,020	55,690,110
TOTAL ASSETS LESS CURRENT LIABILITIES		156,022,308	145,052,989
NON- CURRENT LIABILITIES			2016 N'000
Borrowings		-	-
Retirement benefit liabilities		(2,456,297)	(2,315,816)
Deferred tax liabilities		(9,185,562)	(12,989,321)
Gross amount due to customers		(118,466,132)	(107,008,877)
Provisions		(454,232)	(300,000)
NET ASSETS		25,460,086	22,438,975
EQUITY			2016 N'000
Share capital		660,000	660,000
Share premium		425,440	425,440
Foreign currency translation reserve		7,627,562	468,877
Retained earnings		16,698,808	20,827,028
Attributable to owners of the company		25,411,810	22,381,345
Non-controlling interest		48,276	57,630
		25,460,086	22,438,975
			2016 N'000

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


WOLFGANG GOETSCH
FRC/2014/NSE/00000006484
MANAGING DIRECTOR


WOLFGANG KOLLERMANN
FRC/2012/ANAN/0000000396
FINANCIAL DIRECTOR

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**STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED JUNE 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	-	-	-	-366,479	-366,479	1,750	-364,729
Other comprehensive income(net of tax)	-	-	508,500	-	508,500	-	508,500
Total comprehensive income for the year	-	-	508,500	-366,479	142,021	1,750	143,771
Dividends to shareholders	-	-	-	-	-	-	-
Balance at 30 June 2017	660,000	425,440	7,627,562	16,698,808	25,411,810	48,276	25,460,086
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	22,438,975

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**UNAUDITED CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE SECOND QUARTER ENDED JUNE 30, 2017**

	2017	2016
	N'000	N'000
Cash receipts from customers	75,597,490	55,875,680
Cash paid to suppliers and employees	(77,429,359)	(54,903,772)
Cash flows (used in)/provided by operating activities	(1,831,869)	(6,034,042)
Interest paid	(3,238,382)	(1,301,829)
Purchase of FOREX loss	(2,729,681)	(7,005,950)
Tax paid	(601,804)	(556,295)
Net cash (used in)/provided by operating activities	(8,401,736)	(7,892,166)
Cashflows from investing activities:		
Interest received	14,714	35,198
Proceeds from sale of fixed assets	1,889,194	1,316,160
Purchase of fixed assets	-	-
Net cash (used in)/provided by investing activities:	1,903,908	1,351,358
Cashflows from financing activities:		
Loan received	-	-
Loan repayment	-	-
Dividend paid	-	(1,980,000)
Net cash used in financing activities:	-	(1,980,000)
Net increase in cash and cash equivalents	(6,497,828)	(8,520,808)
Cash and cash equivalent at 1 January	(22,588,276)	(11,447,898)
Cash and cash equivalent at June 30	(29,086,104)	(19,968,706)
 Cash and bank balances	 6,465,633	 13,989,340
Bank overdrafts	(35,551,737)	(33,958,046)
 (29,086,104)	 (19,968,706)	

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, 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	
Class of business:	3 months	6 months	3 months	6 months	3 months	6 months	3 months	6 months
	Apr - June	Jan - June	Apr - June	Jan - June	Apr - June	Jan - June	N'000	N'000
Civil works	20,277,623	39,744,960	10,906,779	27,266,520	824,691	1,823,446	1,746,895	4,184,860
Building works	12,095,424	23,707,520	6,505,798	18,264,240	491,921	1,087,670	1,042,007	2,496,232
Services	3,201,730	6,275,520	1,722,123	4,305,240	130,214	287,913	275,825	660,767
	35,574,778	69,728,000	19,134,700	47,836,000	1,446,826	3,199,029	3,064,727	7,341,859
Foreign exchange acquisition loss					(627,680)	(2,729,681)	(4,023,782)	(7,005,950)
Net financing costs					(736,203)	(413,586)	672,854	(63,745)
Profit before income tax					82,943	55,782	(286,200)	272,164

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	6 months	3 months	6 months
Apr - June	Jan - June	Apr - June	Jan - June
N'000	N'000	N'000	N'000

(4,662)	(14,714)	(664)	(35,198)
(2,757,514)	(3,698,863)	(1,535,063)	(1,590,778)
2,830,682	3,238,382	551,040	1,185,079
-	-	116,750	116,750
251,193	270,421	79,294	268,288
418,504	618,340	115,788	119,604
736,203	413,566	(672,854)	63,745

5. Contract and trade receivables

Included in contract receivables are amounts due from contracts receivable N80.55 billion, trade receivables N11.12 billion, advances to suppliers N0.98 billion and advance payment to sub-contractors of about N6.8 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
5,427,850	5,131,872
18,838,754	17,906,951
24,066,604	23,038,823

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 **N27.8 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.

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.

10. 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 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 some project sites. 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, 2017 and the result for the period that has not been adequately provided for or recognised in the Financial Statements.