

Annual Report 2016



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The 2030 Plan - LafargeHolcim Sustainability Strategy

In view of the increasing social and environmental challenges the world is facing, companies are required by their stakeholders to demonstrate that the growth of their businesses does not come at a cost to the natural environment and to society. The newly adopted United Nations Sustainable Development Goals (SDGs) and the Paris Agreement on Climate (COP21) have created a new framework for action for everyone – including regulators, companies and citizens.

With a long history of performance in sustainable development and as the global leader in the construction materials industry, LafargeHolcim has both the opportunity and responsibility to make a positive difference. As such, The LafargeHolcim Sustainability Strategy, i.e. “The 2030 Plan”, is developed to improve sustainability of our operations and come up with innovative, sustainable solutions for better building and infrastructure. The Plan covers 4 pillars or fields of action: Climate, Circular Economy, Water and Nature, and People and Communities.

What this means for Holcim Lebanon

Holcim Lebanon’s ongoing commitment to sustainable development aims to create shared value to society through improving environmental performance and quality of life of communities. Being a member of LafargeHolcim Group, Holcim Lebanon is committed to The 2030 Plan to contribute to achieving targets set for the year 2020 and for 2030. In this report, our objective is to share the LafargeHolcim sustainability strategy, and present Lebanon’s contribution by highlighting our local targets for 2020 and initiatives within the 4 pillars of the strategy.

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CLIMATE

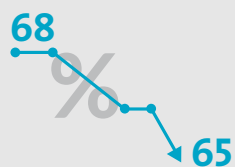
AMBITION

LafargeHolcim will continue its mission to cut its net CO₂ emissions per tonne of cement and will help its customers avoid CO₂ emissions released from buildings and infrastructure over the whole lifecycle thanks to its portfolio of sustainable products and services.

LafargeHolcim 2030 targets



Reduction in net specific CO₂
compared to 1990.



Clinker factor

What it means for Holcim Lebanon



Reduction in net specific CO₂
in 2020 compared to 1990.



Clinker factor





YEAR **2016**
Board of Directors Report

HOLCIM (LIBAN) S.A.L

Board of directors report for the general assembly of 7 july 2017

Dear Shareholders,

Market Update

After more than 30 months of vacancy, Presidential elections finally took place in November 2016 and put an end to institutional deadlock in the Country. A new cabinet was formed and Parliamentary elections overdue since June 2013 are in planning to take place in 2017/2018.

On the economic side, the resumption of Cabinet action would entail the potential launch of few infrastructure projects and boost investors and consumers' confidence.

Outlook of the construction market is sluggish despite internal political stability as of Q4 2016, fixed capital investments remain strongly tied to the evolution of the domestic and regional politico-security situation. This was reflected in the quasi stability of construction permits areas (-0.9% in 2016 v/s 2015). More specifically, the housing sector, which structurally stands for around 80% of the construction activity, is currently in oversupply in main central micro markets of Beirut and Mount Lebanon and being offset by some dynamism in more remote regions (South, Bekaa and North).

Grey cement total market volumes increased by 4% to 5.26 million tons in 2016 (2015: 5.04 million tons).

Holcim Liban sold 1.996 million tons of grey cement in 2016 which, compared to 2015, is an increase of 7% (0.133 million tons).

The local market of white cement declined by 3.5 % compared to 2015, impacted mainly by two white cement vessels imported in September 2016. Consequently, sales reached 57 259 tons against 59 409 tons in 2015.

Exports are limited to white cement

In order to concentrate on the supply of the local market and to maintain a certain stock level, the company decided not to export grey cement.

White cement exports have increased by 9.3% compared to the previous year due to the market demand in Syria.

Northern Cyprus (Bogaz Endüstri ve Madencilik Ltd – (BEM))

Sale volumes in Cyprus are stable in comparison with 2015, knowing that market demand increased by 23% compared to the previous year.

Ready mix

The ready mix market is facing many challenges, leading to both volume and price decrease. Holcim Beton has further optimized its cost structure and succeeded to maintain a steady volume compared to 2015.

Investments to improve productivity and environmental impact

- Go-live and commissioning of the automation system for the packing plant (last phase will be done in 2017)
- Installation of the turbine 427-FN1 and FN2
- Finalization of last phase of the upgrade project to renew the high & medium voltage lines
- Finalization of the rehabilitation works on silo 1
- Go-live of the hot gas system for the coal mill (last phase will be done in 2017)
- Replacement of all bag filters of the kiln circuit

Projects for 2017

- Silo 2 repair will be done in 2017 and 2018
- Cooling water planned for 2017
- Turbine Djoz planned for 2017
- Kiln foundation 3 and 4 repair at SLCB in 2017
- Firefighting fuel tanks for the power plant is planned for 2017 and 2018
- Clinker cooler overhaul to be done in 2017

Occupational Health & Safety

Health & Safety is our overarching value and embedded in everything we do. In 2016, Holcim Lebanon recorded zero fatality and zero lost time incidents in its operations. Strategic Health and Safety projects were initiated in 2016:

- Defensive driving training sessions to logistics and RMX drivers to enhance safe driving skills.
- A policy on Health & Safety Consequence Management and a Rewards and Recognition Program to address safety infractions and recognize people's efforts.
- Traffic and circulation plans to safeguard safety of pedestrians through defined walkways.

A "Health & Safety Culture Step-Change Roadmap" is developed to create behavioral and mindset transformation in all the levels of the organization. The roadmap consists of the following pillars: management commitment, a focus on key priorities and incident reporting.

Sustainable Development

Holcim Lebanon continues to monitor atmospheric emissions and maintains levels below the legal requirements. Average emissions of dust at stack in 2016 was 12 mg/Nm³ (legal limits are 150 mg/Nm³) and considered among the best results in the industry. Net specific CO₂ emissions slightly improved in 2016 with 692 Kg of CO₂ per ton of cement produced compared to 707 Kg per ton in 2015. Average levels of fugitive dust were 30 µg/m³, significantly below the legal limits of 120 µg/m³.

Biodiversity projects are ongoing. Experts from IUCN monitor the quarry rehabilitation pilot project in Chekka to follow up progress of fauna and flora on the site. Floral density in the orchids protected area in Kfarhazir is monitored through regular site visits. A long term management plan is identified, in collaboration with the expert, to develop the potential of the site from simple preservation to an open site with national and international recognition for its biodiversity significance.

Under Holcim Lebanon's commitment to social responsibility, we continue our support to the surrounding local communities of Chekka, Hery, Kfarhazir and Kefraya, within the focus areas of education, infrastructure and sustainable community development.

April 6 2017
For the Board of Directors
Grant Earnshaw
Chairman

Analysis

Volumes

Following the higher demand, especially for the local grey cement, the consolidated sales volumes increased by 6.4% compared to 2015 reaching 2.339 Mt versus 2.198 Mt in the previous year.

BEM volumes stayed stable compared to 2015 (0.239Mt), knowing that the market share has decreased from 70% in 2015 to 57% in 2016.

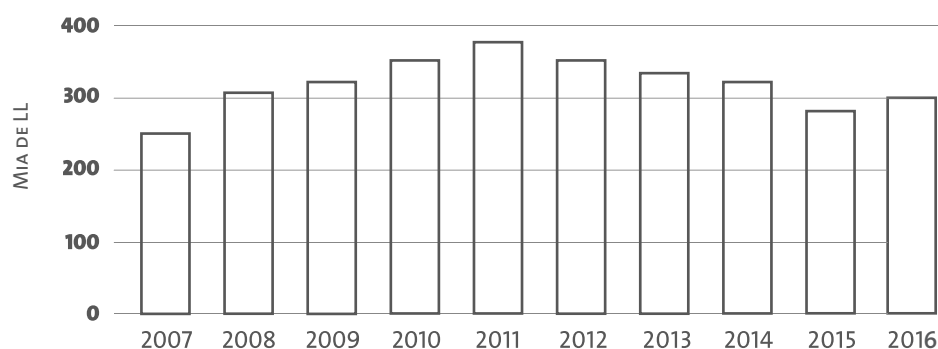
However, white cement volumes dropped by 3.5% due to the cement import.

In ready mix, lower volumes are due to the fierce competition in Beirut region, reaching 114 thousand cubic meters in 2016 (120 thousand cubic meters in 2015).

Consolidated net sales

The consolidated net sales show an increase of 6.09% (or 17 bn LL). They reached a level of 301.7 bn LL due to the increase in cement sale volumes and stable prices .

NET SALES

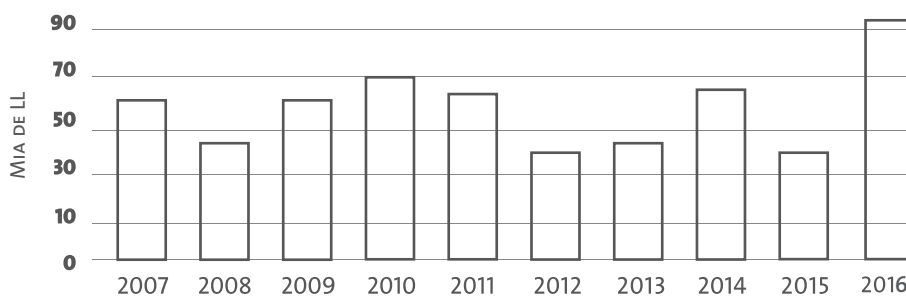


Consolidated operating profit

Impacted by the higher sales revenue, lower costs and lower provisions, the operating profit increased by 144% (56.4 bn LL) compared to 2015. The positive impact on the costs was due to lower variable cost driven especially by lower fuel and Petcoke prices and other cost measurements.

The operating profit margin increased to 31.65% compared to 13.7% in 2015.

OPERATING PROFIT

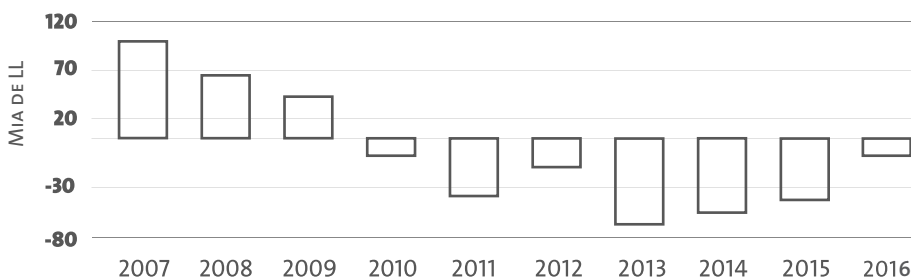


Financial expenses

The Net Financial expenses decreased mainly due to the Turkish lira devaluation in Cyprus which impacted BEM results during last year.

Net debt is still negative even though the capital has been decreased in 2016.

NET DEBT



Taxes

Books and company records for the years 2012, 2013 and 2014 are currently being examined by the Department of Income Tax. The ultimate outcome of this review cannot be pre-determined.

Books and company records for the years 2012, 2013, 2014, 2015 and 2016 have not been examined by the Department of VAT.

Moreover, years 2015 and 2016 have not been examined by the department of income tax.

The ultimate outcome of any potential review that may take place cannot be pre-determined.

Consolidated Cash-Flow

The operating cash flow for 2016 increased by 56.99 bn LL compared to 2015 essentially because of the higher Ebitda.

In addition, capital expenditure spending is lower by 3.5 bn LL compared to 2015.

Due to the capital decrease payment in 2016 amounting to 95.86 bn LL, the cash flow from financing activities has decreased by 65.44 bn LL.

Total cash and cash equivalents decreased by 17.632 bn LL.

Equity

The profit for the year of Holcim (Lebanon) increased from 26.07 bn LL to 74.19 bn L. L. in 2016

Moreover, the company distributed dividends amounting to 25.042 bn LL in 2016.

In addition, the capital has been decreased by 50% during 2016, reaching 97.58 bn LL

Consequently, the total equity of Holcim (Liban) decreased from 323.15 bn LL in 2015 to 274.6 bn LL in 2016.

Dividend distribution and capital reduction

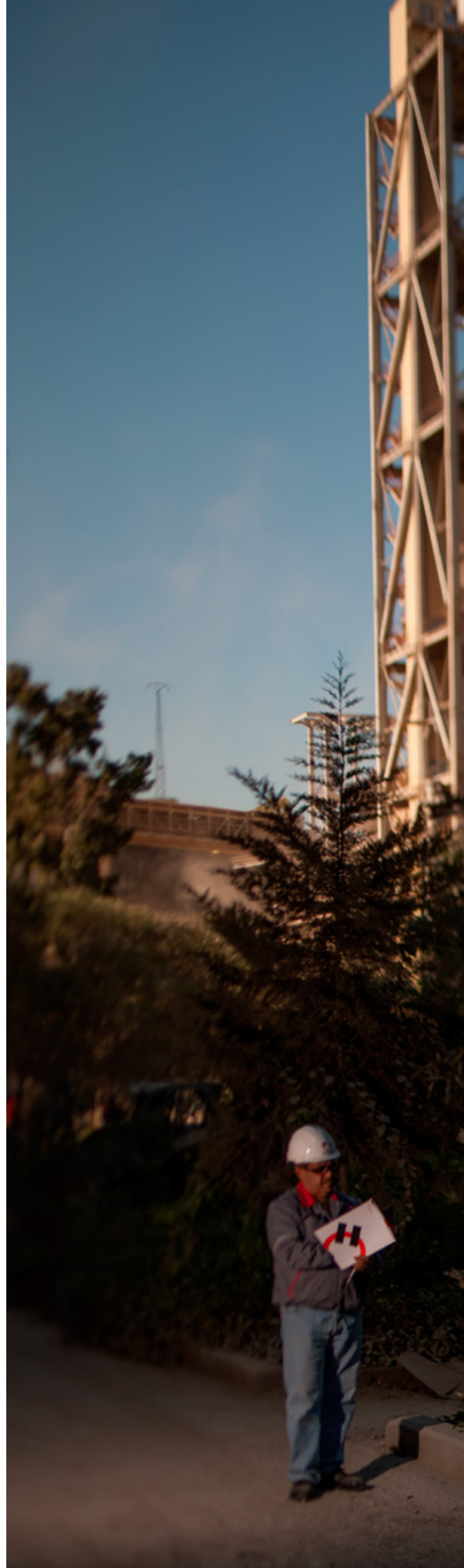
The Board of Directors proposes to distribute the maximum possible out of the profits for the year as dividends.

Therefore, the Board proposes a gross dividend distribution of 3 789 LL per share (net 3600 LL per share), subsequently a total of 73.955 bn LL (Seventy three billions nine hundred fifty five millions Lebanese pounds) .

The Extraordinary General Assembly of 14 December 2010 voted in favor of a capital reduction amounting to LL 97,580,200,000.

Concomitantly with the above, the National Social Security Fund (NSSF) performed a review of the books and records of the Company covering the period from 1 January 1982 to 30 September 2007 in order to provide the latter with the clearance needed for the capital decrease of 2006.

The review resulted in additional subscriptions amounting to LL 5,417,404, 000; out of which an amount of LL 125,861,000 was paid. On 18 December 2007, the Company filed an objection to the NSSF stating that, since the claims relate to the period prior to 2002, the rights to these amounts have extinguished due to the 5 years prescription. The above matter is currently under litigation. On 24 August 2010, the Labor Council of Beirut ruled against the Company, and considered all the amounts claimed by the NSSF correct and due for payment by the Company.



The Company filed an appeal on 14 September 2010. The Company is contingently liable in this respect in terms of a letter of guarantee issued in favor of the NSSF in the amount of LL 5,291,543, 000 until the final outcome of the lawsuit.

However, during 2015, while maintaining legal action against the NSSF, the Company decided to benefit from Law 269 dated 15 April 2014, which provides the ability for companies to pay their outstanding dues to the National Social Security Fund as at 31 December 2013, in 36 to 120 monthly installments with a 5% down payment and subject to 5% interest rate. In accordance with paragraph 4 of this law, such outstanding dues will be exempt from the penalty on delay payment outlined in Social Security Law. Accordingly, the Company settled an amount of LL 237,100,000 representing 5% of the total amounts due and signed a settlement schedule for the remaining balance of additional subscriptions amounting to LL 4,503,794,000 through 120 monthly installments, the last due on 25 April 2025.

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

Consequently, and in result of said settlement, the company was able to obtain the global discharge/ clearance required for the execution of the capital decrease process which was finalized and the decrease paid in November 2016.

Board of Directors

The mandate of Le Patriarcat Maronite d'Antioche et de Tout l'Orient, Seament S.A.L. and Holcibel S.A. as members of the Board, will expire at the General Assembly meeting that will look into the accounts of the year 2016.

The Board took note that all three members have presented their candidacy to renew their mandate at the next general assembly for a new period of three years.

Auditors

The Board of Directors proposes to nominate Deloitte as auditors for the accounts of the company for the year ending 31.12.2017.

Developments in 2016

2016 was a positive year. Higher net sales in combination with efficient cost management – also driven by lower petcoke and fuel prices – were the basis for a record year.

The targets set for 2017 are challenging in light of unstable market conditions and higher energy costs. Nevertheless, efforts on all levels are being made to achieve the objectives.

CIRCULAR ECONOMY

AMBITION

We will create more value from waste by transforming it into resources for all our production processes – providing sustainable waste treatment solutions.

In urban areas, we will develop the use of construction and demolition waste to produce recycled aggregates.

LafargeHolcim 2030 targets



Tons of waste-derived resources by 2030.



Recycled aggregates from construction and demolition waste and reclaimed asphalt pavement.

What it means for Holcim Lebanon

The absence of a legal framework and public acceptance of waste-derived resources remain the biggest challenges. Holcim Lebanon is committed to ongoing stakeholder dialogue to support development of adequate legal frameworks to ensure responsible and sustainable use of waste materials.



HOLCIM (LIBAN) S.A.L

Board of Directors Report for the General Assembly of 7 July 2017

Established according to article 158 of the lebanese code of commerce

Ladies and Gentlemen,

Pursuant to Article 158 of the Commercial Code , the Board of Directors presents this report to inform you and ask for your approval for the conventions concluded between the company and its directors or with companies in which members of the Board would be owners, partners in name, managers, directors or administrators .

Regarding the said conventions, no convention was made during the 2016 financial year either directly or via a third party, and no convention with a director will be concluded during fiscal year 2017.

Concerning ordinary business operations, studies and agreements between the Company and the companies in which members of the Board are owners, partners in name, managers, directors or managers are:

1. Holcim Béton S.A.L.

Holcim Béton SAL purchases cement from Holcim Liban SAL at market prices. Sales to this related party amounted to LL (ooo) 1,323,526. The Company provides technical assistance to Holcim Béton SAL against fees computed on the fixed basis of 1.8% of sales. These fees amounted to LL (ooo) 216,112 during the year 2016.

Other services, consisting of staff costs and rental income amounted to LL (ooo) 365,503. As for the services rendered by Holcim Béton SAL and related to staff services, these amounted to LL (ooo) 80,135.

Balances due from and due to Holcim Béton SAL amounted to LL (ooo) 16,152,065 and LL (ooo) 985,719 respectively as at 31 December 2016.

2. Société Libanaise des Ciments Blancs S.A.L..

The Company provides technical assistance to Société Libanaise des Ciments Blancs SAL against fees computed on the fixed basis of 4% of sales. These fees amounted to LL (ooo) 736,019 during the year 2016.

Other services, consisting of staff costs and other income amounted to LL (ooo) 608,970 for the year ending 31 December 2016.

In addition, the Company sold raw materials and combustibles to Société Libanaise des Ciments Blancs SAL amounting to LL (ooo) 2,690,380 during 2016.

Dividends received from Société Libanaise des Ciments Blancs SAL amounted to LL (ooo) 2,571,789 during 2016.

During 2008, the Company received a loan from the subsidiary Société Libanaise des Ciments Blancs SAL amounting to US\$ 5,000,000 which was increased to US\$ 8,000,000 during 2009. Interest charged during 2016 amounted to LL (000) 692,256. Accrued interest payable amounted to LL (000) 5,301,702 as at 31 December 2016.

The balance due from Société Libanaise des Ciments Blancs SAL amounted to LL (000) 857,494 as at 31 December 2016.

3. Bogaz Endustri Ve Madencilik Ltd.(BEM)

The balance due from BEM amounted to LL (000) 2,887,677 as at 31 December 2016.

The Company sold clinker to BEM amounting to LL (000) 999,473 during 2016.

4. Holcim Trading SA

Being a subsidiary of LafargeHolcim Ltd, Holcim Trading SA provides combustibles and other services to the Company. Purchases from this company amounted to LL (000) 1,690,086 during 2016.

Balances due from and due to Holcim Trading SA amounted to LL (000) 180,650 and LL (000) 167,140 respectively as at 31 December 2016.

5. Holcim Technology Ltd

Holcim Technology Ltd is a subsidiary of the ultimate parent company, LafargeHolcim Ltd. Starting 1 January 2014, Holcim Liban SAL has joined the Industrial Franchise Fee (IFF) mechanism, of the Holcim Group. The franchise fees are computed at 3.5% of consolidated net sales to third parties which amounted to LL (000) 10,561,804 during 2016.

In addition, the balance due to Holcim Technology Limited amounted to LL (000) 2,420,427 as at 31 December 2016.

The Board took note of the new Administrative Support Fee Agreement (ASA) amounting to 0.6% of consolidated net sales, and proposes to the General Assembly to approve it starting 01.01.2017.

6. Holcim Services EMEA S.L., Espagne

Balances due from and due to Holcim Services EMEA S.L., Espagne amounted to LL (000) 128,563 and LL (000) 118,406 respectively as at 31 December 2016.

The Company charged Holcim Services EMEA S.L, Espagne services amounting to LL (000) 314,777 during 2016.

7. Lafarge ITEO Shared Services S.A

Lafarge ITEO Shared Services S.A charges the Company for IT services and programs, which amounted to LL (000) 1,869,418 during 2016.

8. LafargeHolcim Energy Solutions S.A.S

LafargeHolcim Energy Solutions S.A.S provides combustibles to the Company. Purchases from this company amounted to LL (000) 18,118,279 during 2016.

Balances due to LafargeHolcim Energy Solutions S.A.S amounted to LL (000) 3,794,962 as at 31 December 2016.

9. LafargeHolcim North America

LafargeHolcim North America charges the Company salaries of foreign employees and related costs, which amounted to LL (ooo) 802,182 during 2016.

Balances due to Lafarge Holcim North America amounted to LL (ooo) 211,050 as at 31 December 2016.

10. Holcim Haut Rhin

Being a subsidiary of LafargeHolcim Ltd, Holcim Haut Rhin charges the Company salaries of foreign employees and related costs, which amounted to LL (ooo) 233,672 during 2016.

Balances due to Holcim Haut Rhin amounted to LL (ooo) 83,394 as at 31 December 2016.

11. Holcim Maroc

Being a subsidiary of LafargeHolcim Ltd, Holcim Maroc charges the Company salaries of foreign employees and related costs, which amounted to LL (ooo) 127,391 during 2016.

12. Holcim Group Services Ltd

Being a subsidiary of LafargeHolcim Ltd, Holcim Group Services Ltd charges the Company training costs and salaries of foreign employees and related costs, which amounted to LL (ooo) 533,776 during 2016.

The balance due to Holcim Group Services Limited amounted to LL (ooo) 103,663 as at 31 December 2016.

13. Remunerations of key management personnel

Remunerations of key management personnel amounted to LL (ooo) 1,531,577 during 2016.

It is noteworthy that all these agreements and transactions processed under their disposition were submitted to our auditors and will be subject of a separate and detailed report.

The Board of Directors submits the report for the approval of the General Assembly.

April 6 2017
For the Board of Directors
Grant Earnshaw
Chairman

WATER & NATURE

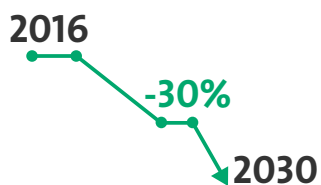
AMBITION

We will save freshwater in all business lines. We will give more water to communities and nature than we withdraw in water-scarce areas.

We will deliver a global positive change on biodiversity in our mining sites.

We will provide appropriate hygiene conditions of all workers on our sites.

LafargeHolcim 2030 targets

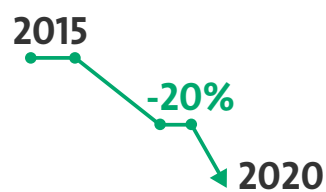


Specific freshwater
withdrawal



Positive change to biodiversity

What it means for Holcim Lebanon



Specific freshwater
withdrawal



Rehabilitation and management of
quarry sites
Management of orchids hotspot
as a unique model for biodiversity
conservation



Access to safe water, sanitation and
hygiene under the WASH pledge.





YEAR 2016

Financial statements

For the year ended 31 December 2016

STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	2016	2015
	LL (000)	LL (000)
Assets		
Non-current assets		
Property, plant and equipment	187,608,061	194,722,109
Investment properties	12,077,167	12,077,167
Intangible assets	21,205,393	22,368,593
Investments in subsidiaries	29,249,162	29,249,162
Trade and other receivables	16,930,888	17,324,343
	267,070,671	275,741,374
Current assets		
Inventories	42,394,901	55,163,614
Trade and other receivables	52,195,958	46,851,149
Cash and cash equivalents	12,357,603	29,896,111
	106,948,462	131,910,874
TOTAL ASSETS	374,019,133	407,652,248
EQUITY AND LIABILITIES		
Equity		
Share capital	97,580,200	195,160,400
Legal reserve	52,300,812	49,548,302
Other reserve	50,613,023	50,613,023
Retained earnings	74,110,014	27,823,796
Total equity	274,604,049	323,145,521
Liabilities		
Non-current liabilities		
Loan from a related party	12,060,000	12,060,000
Retirement benefit obligations	5,761,255	5,875,297
Notes payable	3,300,821	3,830,046
Provision for risks and charges	4,475,028	4,106,245
Deferred tax liabilities	1,082,487	856,487
	26,679,591	26,728,075
Current liabilities		
Borrowings	9,319,554	-
Trade and other payables	47,040,800	45,550,242
Current income tax liability	13,209,899	6,762,792
Notes payable	501,068	450,379
Provisions for risks and charges	2,664,172	5,015,239
	72,735,493	57,778,652
Total liabilities	99,415,084	84,506,727
TOTAL EQUITY AND LIABILITIES	374,019,133	407,652,248

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2016

	2016	2015
	LL (000)	LL (000)
Revenue	246,543,642	228,011,224
Cost of sales	(121,307,065)	(144,141,337)
GROSS PROFIT	125,236,577	83,869,887
Distribution costs	(21,524,462)	(23,453,278)
Administrative expenses	(11,280,694)	(21,007,708)
Dividend income	5,653,458	2,999,431
Other expenses - Net	(10,100,506)	(8,610,339)
Operating profit	87,984,373	33,797,993
Finance costs - Net	(349,867)	(1,133,368)
Profit before income tax	87,634,506	32,664,625
Income tax expenses	(13,435,265)	(6,589,394)
PROFIT FOR THE YEAR	74,199,241	26,075,231
Other comprehensive income (items that will not be reclassified to profit or loss)		
Remeasurements of post-employment benefit obligations	(118,352)	1,449,867
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	74,080,889	27,525,098
Earnings per share from profit attributable to the equity holders of the company during the year (expressed in LL per share)	3,802	1,336

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2016

	Share capital	Legal reserve	Revaluation reserve	Retained earnings	Total
	LL (000)	LL (000)	LL (000)	LL (000)	LL (000)
Balance at 1 January 2015	195,160,400	44,646,428	50,613,023	49,060,305	339,480,156
Profit for the year	-	-	-	26,075,231	26,075,231
Other comprehensive income	-	-	-	1,449,867	1,449,867
Transfer to legal reserve	-	4,901,874	-	(4,901,874)	-
Transaction with owners in their capacity as owners: Dividends paid	-	-	-	(43,859,733)	(43,859,733)
Balance at 1 January 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 income	-	-	-	(118,352)	(118,352)
Transfer to legal reserve	-	2,752,510	-	(2,752,510)	-
Transaction with owners in their capacity as owners: Dividends paid	-	-	-	(25,042,161)	(25,042,161)
Decrease in share capital	(97,580,200)	-	-	-	(97,580,200)
Balance as at 31 December 2016	97,580,200	52,300,812	50,613,023	74,110,014	274,604,049

STATEMENT OF CASH FLOWS

For the year ended 31 December 2016

	2016	2015
	LL (000)	LL (000)
OPERATING ACTIVITIES		
Profit before tax	87,634,506	32,664,625
Adjustments for:		
Depreciation and amortisation	18,382,194	17,457,868
Gain on disposal of investment properties	(12,675)	-
Interest income	(1,411,612)	(674,139)
Dividend income	(5,653,458)	(2,999,431)
Finance costs	1,761,479	1,807,507
Net movement in provision for employees' end of service benefits	(232,394)	10,450
Provision (write back of provision) for doubtful debts	8,201	662,281
Provision for risks and charges - Net	(1,700,971)	4,974,878
Provision for slow moving and obsolete inventory, net	937,742	1,621,468
	99,713,012	55,525,507
Working capital changes		
Inventories	11,830,971	3,912,380
Accounts receivable and prepayments and other financial assets	(4,866,659)	(8,661,146)
Accounts payable and accruals	(1,170,151)	(4,791,850)
Cash from operations	105,507,173	45,984,891
Interest paid / received	61,066	(394,870)
Taxes paid	(6,762,158)	(5,367,181)
Net cash from operating activities	98,806,091	40,222,840
INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(10,104,946)	(15,471,759)
Proceeds from sale of investment properties	740,198	-
Dividends and interest received	4,833,040	2,913,073
Net cash used in investing activities	(4,531,708)	(12,558,686)
FINANCING ACTIVITIES		
Repayment of loans	9,319,554	-
Return of capital to shareholders	(95,855,874)	-
Dividends paid	(24,798,035)	(43,600,733)
Notes payable	(478,536)	-
Net cash used in financing activities	(111,812,891)	(43,600,733)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(17,538,508)	(15,936,579)
Cash and cash equivalents at 1 January	29,896,111	45,832,690
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	12,357,603	29,896,111

PEOPLE & COMMUNITIES

AMBITION

We will further develop and deploy affordable housing solutions, targeting at the base of the social pyramid.

We will provide inclusive business models, education and health programs to support local communities' economic and social development.

We will take a stand against corruption and bribery.

We will promote and deploy responsible and sustainable business practices throughout our value chain. In particular, we will act for the universal respect of human rights.

We will champion diversity in our sector.

We put health and safety at the center of everything we do. Health and safety is our overarching value.

LafargeHolcim 2030 targets



People with better lives.

What it means for Holcim Lebanon



Beneficiaries from social investment programs.



Sustainable procurement initiative.



Zero fatality onsite and offsite.



Fight bribery and corruption.



YEAR **2016**

Consolidated financial statements

For the year ended 31 December 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2016

	2016	2015
	LL (000)	LL (000)
Assets		
Non-current assets		
Property, plant and equipment	202,652,689	211,142,330
Investment properties	12,077,167	12,077,167
Intangible assets	39,820,625	40,983,825
Trade and other receivables	19,330,657	19,898,009
Total non-current assets	273,881,138	284,101,331
Current assets		
Inventories	47,973,938	61,382,326
Accounts receivable and prepayments	51,050,224	44,756,427
Bank Balances and cash	23,087,824	40,720,224
Total current assets	122,111,986	146,858,977
TOTAL ASSETS	395,993,124	430,960,308
EQUITY AND LIABILITIES		
Equity		
Issued capital	97,580,200	195,160,400
Statutory reserve	56,800,812	53,684,277
Revaluation reserve	56,085,156	56,085,156
Retained earnings	78,017,311	29,538,756
Non-controlling interests	9,280,510	8,455,618
Currency translation reserve	3,965,676	6,036,601
Total equity	301,729,665	348,960,808
Non-current liabilities		
Employees' end of service benefits	6,970,004	7,141,606
Notes Payable	3,300,821	3,830,046
Provision for risks and charges	5,669,991	5,225,908
Deferred tax	1,528,119	1,302,119
Total non-current liabilities	17,468,935	17,499,679
Current liabilities		
Loans and borrowings	9,319,554	-
Accounts payable and accruals	48,333,552	50,631,735
Income Tax payable	15,776,178	8,402,468
Notes payable	501,068	450,379
Provision for risk and charges	2,864,172	5,015,239
Total current liabilities	76,794,524	64,499,821
Total liabilities	94,263,459	81,999,500
TOTAL EQUITY AND LIABILITIES	395,993,124	430,960,308

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2016

	2016	2015
	LL (000)	LL (000)
Revenue		
Net sales	301,760,240	284,421,724
Production cost of goods sold	(155,709,278)	(183,557,764)
GROSS PROFIT	146,050,962	100,863,960
Distribution and selling expenses	(26,510,045)	(28,299,417)
Administration expenses	(13,915,694)	(24,848,601)
Other income, expenses	(10,100,506)	(8,610,339)
Financial cost-Net	(230,386)	(1,985,702)
PROFIT BEFORE INCOME TAX	95,294,331	37,119,901
Income tax expense	(16,265,872)	(8,188,198)
PROFIT FOR THE YEAR	79,028,459	28,931,703
Other comprehensive income		
Items that will not be reclassified to profit or loss: Re-measurement gain on defined benefits plans	(164,588)	1,655,185
Items that will not be reclassified to profit or loss: Currency translation differences	(2,070,925)	(1,876,860)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	76,792,946	28,710,029
Attributable to:		
Equity holders of the parent	74,582,260	27,410,090
Minority interest	2,210,686	1,299,939
	76,792,946	28,710,029
Earnings per share	3,935	1,410

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	Share capital	Legal Reserve	Other reserve	Currency Translation reserve	Retained earnings	Total	Non-controlling Interests	Total Equity
	LL (000)	LL (000)	LL (000)	LL (000)	LL (000)	LL (000)	LL (000)	LL (000)
Balance as at 1 January 2015	195,160,400	48,242,784	56,085,156	7,913,461	49,672,451	357,074,252	8,663,174	365,737,426
Profit for the year	-	-	-	-	27,512,344	27,512,344	1,419,359	28,931,703
Other comprehensive income for the year	-	-	-	(1,876,860)	1,655,186	(221,674)	-	(221,674)
Transfer to legal reserve	-	5,441,493	-	-	(5,441,493)	-	-	-
Transactions with owners In their capacity as owners :								
Dividends declared	-	-	-	-	(43,859,732)	(43,859,732)	(1,626,915)	(45,486,647)
Balance as at 1 January 2016	195,160,400	53,684,277	56,085,156	6,036,601	29,538,756	340,505,190	8,455,618	348,960,808
Profit for the year	-	-	-	-	76,801,841	76,801,841	2,226,618	79,028,459
Other comprehensive income for the year	-	-	-	(2,070,925)	(164,588)	(2,235,513)	-	(2,235,513)
Transfer to legal reserve	-	3,116,535	-	-	(3,116,535)	-	-	-
Transactions with owners In their capacity as owners :								
Dividends declared	-	-	-	-	(25,042,163)	(25,042,163)	(1,401,726)	(26,443,889)
Decrease in share capital	(97,580,200)	-	-	-	-	(97,580,200)	-	(97,580,200)
Balance as at 31 December 2015	97,580,200	56,800,812	56,085,156	3,965,676	78,017,311	292,449,155	9,280,510	301,729,665

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2016

	2016	2015
	LL (000)	LL (000)
OPERATING ACTIVITIES		
Profit (loss) before tax	95,294,331	37,119,901
Adjustments for:		
Depreciation and amortization	19,573,636	18,584,430
Loss (gain) on disposal of property and equipment	(12,675)	-
Interest income	230,386	1,985,702
Net movement in employees' end of service benefits	(171,602)	(1,492,095)
Provision for risks and charges	(1,694,237)	7,266,740
Provision for doubtful debts	609,310	697,088
Provision for slow moving and obsolete inventory net	904,051	1,711,181
Working capital changes :		
Inventories	12,235,469	93,466
Accounts receivable and prepayments	(7,339,705)	(4,569,350)
Accounts payable and accruals	(4,266,401)	(5,547,526)
Notes receivables	(1,269,970)	-
Cash Generated from operations	114,092,593	55,849,537
Interest paid	(230,386)	(1,985,702)
Income tax paid	(8,377,407)	(5,373,682)
Net cash from operating activities	105,484,800	48,490,153
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10,495,092)	(14,004,676)
Acquisition of intangible assets	-	(495,968)
Proceed from sale of property, plant and equipment	12,675	-
Collection of notes and long-term receivables	727,523	899,978
Dividend and Interest received	-	-
Net cash used in investing activities	(9,754,894)	(13,600,666)
FINANCING ACTIVITIES		
Return Capital to shareholders	(95,855,874)	-
Borrowings/ Repayment of borrowings	9,319,554	(2,285,371)
Repayment of notes payable	(478,536)	-
Dividends paid to owners of the parent	(24,798,163)	(43,859,732)
Dividends paid to non-controlling interest	(1,401,726)	(1,626,915)
Net cash from financing activities	(113,214,745)	(47,772,018)
DECREASE IN CASH AND CASH EQUIVALENTS	(17,484,839)	(12,882,531)
Cash and cash equivalents at 1 January	40,720,224	54,044,739
Exchange losses on cash and cash equivalents	(147,561)	(441,984)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	23,087,824	40,720,224

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