CEMENTARNICA "USJE" AD SKOPJE

FINANCIAL STATEMENTS
FOR GROUP CONSOLIDATION REPORTING PURPOSES

For the year ended 31 December 2016

TITAN
CEMENTARNICA USJE

Contents

Independent auditor's report on the special purpose financial statements

To the Board of Directors of CEMENTARNICA "USJE" AD – Skopje

Opinion

We have audited the special purpose financial statements of Cementarnica Usje AD Skopje (the Company), which comprise the balance sheet as at December 31, 2016, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the special purpose accompanying financial statements-of the Company for the year ended December 31, 2016 are prepared, in all material respects in accordance with, in accordance with Titan Group Accounting Policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in R. Macedonia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements prepared to for the purposes of providing information to the Board of Directors. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Board of Directors of Cementarnica Usje AD Skopje and should not be distributed to or used by parties other than Board of Directors of Cementarnica Usje AD Skopje.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with Titan Group Accounting Policies and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

PricewaterhouseCoopers Revizija D.O.O

PricewaterhouseCoopers Revizija Doo
16 February 2017
Skopje

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2016

	Notes	2016 MKD '000	2015 MKD '000
Sales	3a	4,003,254	3,823,200
Other revenue	3b	103,164	116,071
Cost of sales	3c	(2,522,764)	(2,548,749)
Gross profit		**1,583,654**	**1,390,522**
Other operating income	3d	63,799	307,075
Other operating expenses	3e	(121,232)	(85,213)
Selling and marketing expenses	3f	(33,979)	(26,312)
Administrative expenses	3g	(177,851)	(182,997)
Operating profit		**1,314,391**	**1,403,075**
Foreign income		7,070	9,241
Finance costs		4,961	(17,780)
Net finance income	3h	12,031	(8,539)
Profit before tax		**1,326,422**	**1,394,536**
Income tax expense	4	(125,057)	(130,998)
Profit for the year		**1,201,365**	**1,263,538**
Earnings per share information:			
Basic, profit for the period attributable to ordinary equity holders	5	2.13	2.24
Net profit for the period attributable to:			
Equity holder of the ultimate parent		1,139,375	1,198,339
Non- controlling interest		61,990	65,199
		1,201,365	**1,263,538**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Investment Property revaluation surplus	7	35,468	-
Total comprehensive income for the year		**1,236,833**	**1,263,538**
Earnings per share information:			
Basic, total comprehensive income for the period attributable to ordinary equity holders	5	2.19	2.24
Total Comprehensive income for the period attributable to:			
Equity holder of the ultimate parent		1,173,012	1,198,339
Non - controlling interest		63,821	65,199
		1,236,833	**1,263,538**

STATEMENT OF FINANCIAL POSITION
As at 31 December 2016

	Notes	2016 MKD '000	2015 MKD '000
ASSETS			
Non-current assets			
Property, plant and equipment	6	2,179,433	2,174,937
Investment properties	7	166,349	123,919
Investment in subsidiary		157	157
Exploration and evaluation assets	8	19,352	19,352
		2,365,291	**2,318,365**
Current assets			
Inventories	9	665,543	615,688
Trade and other receivables	10	369,677	418,637
Short term loan		10	10
Income tax receivable		8,934	22,335
Cash and short term deposits	11	863,995	798,435
		1,908,159	**1,855,105**
TOTAL ASSETS		**4,273,450**	**4,173,470**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12	1,747,730	1,747,730
Additional paid in capital		(14,869)	(14,869)
Retained earnings		1,276,956	1,339,130
Revaluation reserves		207,829	207,829
Revaluation reserves - investment property	7	94,825	59,357
Legal reserves		174,771	174,771
Tax exempt reserves		308,761	152,494
		3,796,003	**3,666,442**
Non-current liabilities			
Provision for retirement benefits	13	54,198	57,148
Provision for rehabilitation of quarries		12,693	15,006
		66,891	**72,154**
Current liabilities			
Trade and other payables	14	384,704	413,877
Provision for unused holidays		9,865	-
Current portion of retirement benefit obligations	13	4,830	6,856
Income tax payable		10,916	13,910
Dividend payable		241	231
		410,556	**434,874**
TOTAL EQUITY AND LIABILITIES		**4,273,450**	**4,173,470**

Authorized on behalf of the Board of Directors

Hrisafov Boris
Chief Executive Director

Olivera Vasilkovska
Finance Manager

STATEMENT OF CASH FLOWS
For the year ended 31 December 2016

	Notes	2016 MKD'000	2015 MKD'000
Cash flows from operating activities			
Profit before income taxes		**1,326,422**	**1,394,536**
Adjustments for:			
(Gain)/Losses, net on disposal of property, plant and equipment		(1,149)	(67)
Depreciation of PPE and investment properties		173,993	196,194
Actuarial (gain)/losses, net		1,430	10,062
Interest income		(7,070)	(6,835)
Provision for obsolete inventory		9,998	10,921
Provision for unused holidays (net)		9,865	-
Fair value (gain)/losses, net		(6,275)	192
Interest expense and bank charges		2,642	5,308
Income from dividend		-	(2,406)
Write off trade receivables		-	853
NBV of disposed and written off PPE		39	140
Income from sale of participation of subsidiaries		-	(113,872)
Income from sold PPE		-	(159,655)
Operating profit before working capital changes		**1,509,895**	**1,335,371**
(Increase) / Decrease in trade and other receivables		48,959	(49,234)
(Increase) / Decrease in inventories		(59,852)	25,379
(Decrease) in trade and other payables		(38,210)	70,999
Cash generated from operations		**1,460,792**	**1,382,525**
Interest expense and bank charges paid		(2,644)	(5,308)
Income tax paid		(114,140)	(302,443)
Net cash flows generated from operations		**1,344,008**	**1,074,774**
Cash flows from investing activities			
Purchase of property, plant and equipment		(179,289)	(308,943)
Expenditures for exploration and evaluation assets		-	(3,265)
Proceeds from sale of property, plant and equipment		1,034	217,585
Proceeds from sale of participation in subsidiaries		-	430,942
Dividend received		-	2,406
Interest income received		7,070	6,835
Loan to associate		-	(10)
Net cash flows (used in) generated investing activities		**(171,185)**	**345,550**
Cash flows from financing activities			
Dividends paid to group shareholders		(1,050,086)	(1,403,501)
Dividends paid to minority shareholders		(57,176)	(78,712)
Net cash flows (used) in financing activities		**(1,107,262)**	**(1,482,213)**
Net increase/ (decrease) in cash and cash equivalents		**65,561**	**(61,889)**
Cash and cash equivalents at 1 January		798,435	860,323
Cash and cash equivalents at 31 December	11	**863,995**	**798,435**

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Share capital	*Additional paid in capital*	*Retained earnings*	*Legal reserves*	*Tax exempt reserves under special laws*	*Reva-luaton reserves*	*Total*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*	*MKD'000*	*MKD'000*	*MKD'000*
At 1 January 2016	**1,747,730**	**(14,869)**	**1,339,130**	**174,771**	**152,494**	**267,186**	**3,666,442**
Profit for the year	-	-	1,201,365	-	-	-	1,201,365
Other Comprehensive Income (See note 6)	-	-	-	-	-	35,468	35,468
Total Comprehensive income	-	-	1,201,365	-	-	35,468	1,236,833
Dividends, net	-	-	(1,107,272)	-	-	-	(1,107,272)
Transfer to retained earnings	-	-	16,327		(16,327)	-	-
Reinvested profit	-	-	(172,594)	-	172,594	-	-
At 31 December 2016	**1,747,730**	**(14,869)**	1,276,956	**174,771**	**308,761**	**302,654**	**3,796,003**

On 16 May 2016, the General Assemble brought a Decision for distribution of dividend for the year ended 2015 in accordance with the Company Law. The dividend declared was in amount of MKD 1,107,272 thousand which consists of MKD 1,090,945 thousand profit from 2015 and MKD 16,327 thousand unused reinvested profit from 2014. The remaining profit from 2015 in amount of 172,594 thousand was reinvested in order to benefit from the new tax incentives available for such activities.

For the year ended 31 December 2015

	Share capital	*Additional paid in capital*	*Retained earnings*	*Legal reserves*	*Tax exempt reserves under special laws*	*Reva-luaton reserves*	*Total*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*	*MKD'000*	*MKD'000*	*MKD'000*
At 1 January 2015	**1,747,730**	**(14,869)**	**1,533,170**	**349,620**	-	**267,186**	**3,882,837**
Profit for the year	-	-	1,263,538	-	-	-	1,263,538
Other Comprehensive Income (See note 6)	-	-	-	-	-	-	-
Total Comprehensive income	-	-	1,263,538	-	-	-	1,263,538
Dividends, net	-	-	(1,479,933)	-	-	-	(1,479,933)
Transfer to retained earnings	-	-	174,849	(174,849)	-	-	-
Reinvested profit	-	-	(152,494)	-	152,494	-	-
At 31 December 2015	**1,747,730**	**(14,869)**	**1,339,130**	**174,771**	**152,494**	**267,186**	**3,666,442**

1. Corporate information

Cementarnica "Usje" A.D. - Skopje ("the Company") is incorporated in the Republic of Macedonia with the registered address at Boris Trajkovski 94, Skopje.

The Company's main activity is production and trade with cement, masonry cement, ready mix concrete, clinker and other related products.

The Company is controlled by Titan Cement Netherlands B.V. registered in Netherlands, which has 94.84% shareholding in the Company. The Company's ultimate parent is Titan Cement Company S.A. - Greece.

The number of employees as of 31 December 2016 was 284 (31 December 2015: 294).

2. Basis of preparation and summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are in accordance with Titan Group accounting and reporting requirements and are set out below. Titan Group is preparing its financial statements according to the International Financial Reporting Standards as endorsed by EU.

a. Basis of preparation

The financial statements have been prepared under the historical cost convention except for investment properties that have been measured at fair value. The presentation currency is Denar (MKD) being also the functional currency and all values are rounded to the nearest thousand (000 MKD) except when otherwise stated.

The financial statements have been prepared in accordance to the Group accounting policies which are based on the International Financial Reporting Standards as endorsed by EU.

The purpose of the financial statements is to be used in connection and preparation of consolidated financial statements of Titan Cement Company S.A.

The Company as of 31 December 2016 has one foreign subsidiary, TROJAN CEM EOOD, Bulgaria with 100% holding. Furthermore, on 28 July 2015, the Company has opened a new warehouse in the village of Orovnik (near Ohrid) for strategic presence of its products in the South Western part of the country.

The Company does not prepare consolidated financial statements as the consolidation will be followed by the Titan Group. This subsidiary is accounted for in these financial statements at cost less any impairment in value.

2. Basis of preparation and summary of significant accounting policies (continued)

Standards, amendments and interpretations effective in 2016 but not relevant for the Company

IFRS 11 (amended). The amendment to IFRS 11 explicitly requires the acquirer of an interest in a joint operation in which the activity constitutes a business to apply all of the principles on business combinations accounting in IFRS 3. Since the Company does not have joint ventures and joint operations, the amendments will not have any impact on the Company's financial statements.

Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Company

IFRS 9 Financial Instruments. The standard addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2011, in November 2013 and in July 2014, the IASB amended the standard in order to make further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. The application of the new standard and its amendments is required for annual periods beginning on or after 1 January 2018. Earlier application is permitted. The adoption of the new standard and its amendments will likely result in changes in the financial statements of the Company, the exact extent of which we are currently analyzing.

IFRS 15 Revenue from Contracts with Customers. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and new guidance for multiple-element arrangements. At this time, it is not possible to make reasonable quantitative estimates of the effects of the new standard. The Company will make more detailed assessments of the impact over the next twelve months The application of the new standard is required for annual periods beginning on or after 1 January 2018. Earlier application is permitted.

IFRS 16 Leases. IFRS 16 requires entities when they are a lessee, to: recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments on the statement of financial position, initially measured at the present value of non-cancellable lease payments (including inflation-linked payments), and payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease; recognize amortization of right-of-use assets and interest on lease liabilities over the lease term; and separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows. The most significant effect of IFRS 16 will be an increase in right-of-use assets and lease liabilities, the extent of which will have to be determined after thorough analysis. The Company leases vehicles and, horizontal mill that will be affected by the new standard. Details of the Company lease commitments are disclosed in note 15. On the lessor (sell) side, Company will mainly have to analyze the extent of which multiple element arrangements with embedded leases may be affected by the revised definition of leases. Other than that, we do not expect a considerable impact on the financial statements of the Company at this time, as lessor accounting itself is not changing significantly through the introduction of IFRS 16. An entity is required to apply IFRS 16 for annual periods beginning on or after 1 January 2019 and permits to apply the new Leases Standard early, if the entity also applies IFRS 15 Revenue from Contracts with Customers at or before the date of early application.

2. Basis of preparation and summary of significant accounting policies (continued)

c. Investments in subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The cost of an acquisition is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

d. Operating segments

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the Management and for which discrete financial information is available. The Management is the person or group of persons who allocates resources and assesses the performance for the entity.

In the Company, the above described functions of the Management are performed by Board of the Directors of the the Company. The internal reporting within the Company presented to the Board of Directors is on a Company level and as one operating segment. The decisions brought by the Board of Directors are based on received reports presented as one operating segment.

e. Foreign currency translation

Transactions denominated in foreign currencies are recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Monetary items of assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences arising on the settlement of monetary items at rates different from those at which they were initially recorded in the period are recognised as income or expense for the period in which they arise.

2. Basis of preparation and summary of significant accounting policies (continued)

g. Foreign currency translation (continued)

The exchange rates used for translation at 31st December 2016 and 31st December 2015 were as follows:

Exchange rate:	31st December 2016 MKD	31st December 2015 MKD
EUR	61,48	61,59
USD	58,33	56,37

h. Property, plant and equipment

Property, plant and equipment are stated as follows:

- those assets acquired up to 31 December 1998, the revaluation under the previous GAAP at the date of transition of the Company to IFRS (1 January 2004) was accepted as deemed cost since the revaluation was broadly comparable to depreciated cost under IFRS adjusted to reflect changes in general price index.

- those assets acquired after 31 December 1998 are stated at historical cost, net of accumulated depreciation and / or accumulated impairment loss, if any.

Additions are recorded at cost. Cost represents the prices by suppliers together with all costs incurred in bringing new property, plant and equipment into use.

Items of property, plant and equipment that are retired or otherwise disposed of are eliminated from the statement of financial position, along with the corresponding accumulated depreciation. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss.

Depreciation of property, plant and equipment, with exception of quarries, is designed to write off the cost or valuation of property, plant and equipment on the straight-line basis over their estimated useful lives. The principal depreciation rates in use are:

Buildings	2,5 -10%
Equipment	5 - 25%

Land is stated in the statement of financial position at cost less impairment and is not depreciated as it is deemed to have an infinite life, except quarries which are depreciated on a depletion basis. This depletion is recorded as the material extraction process advances based on the unit of production method.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

2. Basis of preparation and summary of significant accounting policies (continued)

i. Investment property

Investment property, comprising of land, production premises with business offices and construction object - restaurant and cafeteria room, is held for long-term rental yields and is not occupied by the Company. The investment properties are stated at fair value, which reflects the market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on valuation performed by independent valuer using the income method and the market comparison method as primary valuation methods which are generally accepted in European valuation practice.

Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statement in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the cost for subsequent accounting is the fair value at the date of change in use.

If owner-occupied property becomes an investment property, the Company's accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. Any difference at that date between the carrying amount of the property in accordance with IAS 16 and its fair value was treated in the same way as a revaluation in accordance with IAS 16.

j. Exploration and evaluation assets

Exploration and evaluation expenditure for each area of interest (geographically specific to the concession, permit or mining license granted) is carried forward as an asset if a decision has been made that a mining operation is economically feasible and can be developed for commercial production. At the end of the reporting period, these costs include costs of acquisition of rights to explore. All other exploration and evaluation expenditures are charged to the profit or loss as incurred.

Administrative and general expenses relating to exploration and evaluation activities are expensed as incurred.

2. Basis of preparation and summary of significant accounting policies (continued)

k. Financial instruments - initial recognition and subsequent measurement

(i) Financial assets

Initial recognition

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and short-term deposits and trade and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments not designated as hedging instruments in hedge relationships as defined by IAS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognized in finance income or finance costs in the income statement. The Company has not designated any financial assets upon initial recognition as at fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are measured at amortized cost using the effective interest rate method (EIR). The gains and losses are recognized in the income statement in the moment when the loans and receivables are reversed or when the value is decreased due to impairment, and through the amortization process.

2. Basis of preparation and summary of significant accounting policies (continued)

k. Financial instruments - initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to maturity when the Company has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method. This method use effective interest rate which accurately discounts the estimated future cash follows thought the use full life of the financial asset to net financial value of the financial asset. The gains and losses are recognized in the income statement in the moment when the investments are reversed or when the value is decreased due to impairment, and through the amortization process. The Company did not have any investments held to maternity during the period ended 31 December 2016 and the year ended 31 December 2015.

Available-for-sale financial investments

Available-for-sale financial investments are non derivative financial assets which are determinate as available for sales or aren't classified in the previous three categories. After initial measurement, available-for-sale financial investments are measured at fair value with unrealized gains or losses recognized as other comprehensive income in the available-for-sale reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in other operating income, or determined to be impaired, at which time the cumulative gain or loss is reclassified to the income statement. The Company did not have any available-for-sale financial investments during the period ended 31 December 2016 and the year ended 31 December 2015.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. Basis of preparation and summary of significant accounting policies (continued)

k. Financial instruments - initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

An impairment loss in respect of financial assets measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in profit or loss.

(ii) Financial liabilities

Initial recognition
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

2. **Basis of preparation and summary of significant accounting policies (continued)**

k. **Financial instruments - initial recognition and subsequent measurement (continued)**

(ii) Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Gains or losses on liabilities held for trading are recognized in the income statement.

The Company has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the amortization process.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2. Basis of preparation and summary of significant accounting policies (continued)

l. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, excluding distribution costs and administrative expenses. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Tools and consumable stores are written-off 100% when consumed.

m. Cash and cash equivalents

Cash and cash equivalents include cash in hand, the giro account and deposits held at call with banks with original maturities of up to three months or less.

n. Share capital

Ordinary shares are classified as equity.

l. Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax
In 2014 a new tax regime had become effective according to which the base for income tax computation had been shifted from income "distribution" concept to the profit before taxes. The new CIT Law has been adopted and entered into force on 2 August 2014. It is applicable as of 1 January 2015 for the 2014 profit.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax
Starting from 1 January 2014 (as per the new CIT Law enacted on 2 August 2014), deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

2. **Basis of preparation and summary of significant accounting policies (continued)**

l. Taxation (continued)

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

m. Employee benefits

Pension

The Company, in the normal course of business, makes payments on behalf of its employees for pensions, health care, employment and personnel tax which are calculated according to the statutory rates in force during the year, based on gross salaries and wages. Food allowances travel expenses and holiday allowances are also calculated according to the local legislation. The Company makes these contributions to the Government's health and retirement funds. The cost of these payments is charged to the profit or loss in the same period as the related salary cost.

The Company does not operate any other pension scheme or post retirement benefits plan and consequently, has no obligation in respect of pensions.

Termination and retirement benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Pursuant to the Company's signed collective bargaining agreements the Company is obligated to pay retirement benefits in an amount equal to six average republic salaries and between one and three average republic salaries to be paid out as a jubilee anniversary award.

2. Basis of preparation and summary of significant accounting policies (continued)

m. Employee benefits (continued)

The number of average republic salaries for jubilee anniversary awards corresponds to the total number of years of service of the employee as presented in the table below:

Total number of service years	Number of wages
10	1
20	3
30	3
35 (women)	3
40 (men)	3

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the discount rate of the Central Bank of Republic of Macedonia due to the absence of the market of high quality corporate bond or government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Employee's children scholarships

Starting from 31 December 2009, included in the actuarial calculation of defined benefits are allowances for scholarships of Company employees children attending graduate or post graduate studies and for diseased employee children that are attending secondary school.

Additional benefits at retirement

Starting from 31 December 2013, the actuarial calculation of defined benefits has been supplement with calculation of the present value of the newly introduced long term benefit for certain category of employees - additional benefits at retirement. The calculation is made on the basis of the average parameters of the mentioned population and total expected amount for payment, delivered by the enterprise.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit or loss in the period in which they arise.

n. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provisions comprise of provision for retirement benefits, jubilee awards, scholarships and provision for rehabilitation of quarries. Provisions are not recognised for future operating losses.

2. Basis of preparation and summary of significant accounting policies (continued)

n. Provisions (continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

o. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and other sales taxes or duty. The following specific criteria must also be met before revenue is recognized:

Sales of goods

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Rendering of services

Fees from services provided are recognized over the period in which the services are rendered and accepted by the buyer.

Interest income

The interest relates to time deposit are accounted for at the expired date of time deposit.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the lease terms.

p. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

2. Basis of preparation and summary of significant accounting policies (continued)

q. Dividends distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

r. Subsequent events

Events after the reporting date, which provide evidence of conditions that exist as of the reporting date, are treated as adjustable events in these financial statements. Those that are indicative of conditions that arose after the reporting period have been treated as non-adjustable events.

s. Financial risk management

Accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Provisions for environmental restoration

Companies that operate quarries and processing sites are required to restore these quarries and processing sites at the end of their producing lives to a condition that is in line with the prevailing environmental legislation of the country in which the Company operates (to restore the land within 3 years after the closure of the mine site), to the level acceptable to the relevant authorities and to the level that is consistent with the Company's environmental policies and practices.

The provision for environmental restoration reflects the present value of the expected future restoration costs that are expected to be incurred for the areas that have been disturbed at the reporting date. The provision is determined as present value of expected future cash outflows to be incurred for sites rehabilitation. This includes determination of the amount based on rehabilitation project, discount rate and expected inflation rates. The provision is re-measured at every reporting date and is adjusted to reflect the present value of the future expenses required to fulfil the obligation.

The present value of estimated restoration costs (that is, original estimation as well as changes in the accounting estimates) are charged to the profit or loss unless they relate to property, plant and equipment that is on the site, in which case the costs are included within property, plant and equipment and depreciated over the useful life of the related item of property, plant and equipment. Any change in the net present value of the environmental provision due to the passing of time is included in finance costs in the profit or loss.

2. Basis of preparation and summary of significant accounting policies (continued)

s. Financial risk management (continued)

Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the discount rate of the Central Bank of Republic of Macedonia due to the absence of the market of high quality corporate bond or government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market.

Fair value of financial instruments

Cash and cash equivalents, trade receivables and other current financial assets mainly have short term maturity. The nominal value less estimated loss due to impairment of assets and payables with maternity less than one year is approximates their fair value.

t. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

3. Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a. Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The most critical estimates and assumptions are discussed below.

3. Critical accounting estimates and judgments (continued)

a. Critical accounting estimates and assumptions (continued)

(i) Useful lives of assets

The determination of the useful lives of assets is based on historical experience with similar assets as well as any anticipated technological development and changes in broad economic or industry factors. The appropriateness of the estimated useful lives is reviewed annually, or whenever there is an indication of significant changes in the underlying assumptions.

Further, due to the significant weight of depreciable assets in Company's total assets, the impact of any changes in these assumptions could be material to Company's financial position, and results of operations. If depreciation cost is decreased/increased by 5%, this would result in change of annual depreciation expense of approximately MKD 8,700 thousand (2015: MKD 9,810 thousand).

(ii) Potential impairment of property, plant and equipment and intangibles

The Company is assessing the impairment of identifiable property, plant, equipment and intangibles whenever there is a reason to believe that the carrying value may materially exceed the recoverable amount and where impairment in value is anticipated. The recoverable amounts are determined by value in use calculations, which use a broad range of estimates and factors affecting those.

Among others, the Company typically considers future revenues and expenses, macroeconomic indicators, technological obsolescence, discontinuance of operations and other changes in circumstances that may indicate impairment. If impairment is identified using the value in use calculations, the Company also determines the fair value less cost to sell (if determinable), to calculate the exact amount of impairment to be charged (if any). As this exercise is highly judgmental, the amount of potential impairment may be significantly different from that of the result of these calculations.

(iii) Impairment of trade and other receivables

The Company calculates impairment for doubtful accounts based on estimated losses resulting from the inability of its customers to make required payments as explained in section for financial assets.

(iv) Provisions

Provisions in general are highly judgmental, especially in the cases of legal disputes. The Company assesses the probability of an adverse event as a result of a past event to happen and if the probability is evaluated to be more than fifty percent, the Company fully provides for the total amount of the liability. The Company is rather prudent in these assessments, but due to the high level of uncertainty, in some cases the evaluation may not prove to be in line with the eventual outcome of the case.

3. Revenue and expenses

a) Sales

	2016 *MKD '000*	*2015* *MKD '000*
Gross sales		
Domestic market	2,997,117	2,781,954
Foreign market	1,006,137	1,041,246
	4,003,254	**3,823,200**
Domestic market		
Income from cement	2,678,189	2,327,779
Pet coke	141,522	225,894
Income from RMC	121,047	149,985
Income from white cement	81,697	70,736
Income from limestone	19,432	9,544
Sand	24	608
Discount	(44,794)	(2,592)
	2,997,117	**2,781,954**
Foreign market		
Income from cement	630,190	515,571
Pet coke - export	294,661	434,113
Income from clinker	84,680	64,599
Income from white cement	44,609	41,645
Income from limestone	-	10,496
Income from sand	45	685
Discount	(48,048)	(25,863)
	1,006,137	**1,041,246**

b) Other revenues

	2016 *MKD '000*	*2015* *MKD '000*
Third part freight	53,658	50,303
Transport of cement - intercompany	33,602	34,144
Freight of limestone - intercompany	-	23,429
Freight of clinker - intercompany	9,669	-
Services	5,523	7,568
Sand	-	-
Additives	712	627
	103,164	**116,071**

3. Revenue and expenses (continued)

c) Cost of sales

	2016	*2015*
	MKD'000	*MKD'000*
Distribution expenses	**104,204**	**104,482**
Variable costs		
Kiln fuel	529,581	488,927
Electricity	267,704	225,638
Raw materials	142,561	114,560
Other variable cost	148,148	107,609
Admixtures - additives	74,152	50,008
Refractory	43,701	39,943
Provision for rehabilitation of quarries	-	12,559
Grinding media	2,670	4,450
Fuel & oil	863	778
Total Variable costs	**1,209,380**	**1,044,472**
Fixed costs		
Salaries & other benefits	226,962	243,613
Third parties fees - contract labour	73,675	49,601
Maintenance & spare parts	58,949	46,170
Other plant utilities	22,237	26,510
Other fixed costs (quality, dispatch, etc.)	52,687	47,596
Lining	-	4,316
Insurance premium	4,185	4,816
Car related expenses	2,613	2,687
IT & Telecoms	2,061	2,522
Travelling & Entertainment	2,594	2,895
Total Fixed costs	**445,963**	**430,726**
Inventory change	(20,323)	25,960
Packing expenses	162,788	135,431
Depreciation	166,673	188,338
Cost of traded goods	454,080	619,340
	2,522,765	**2,548,749**

Other variable cost consist of cost of loading and transport of marl to crusher, cost of loading and transport of limestone to crusher, cost of drilling and blasting, concession fee, internal handling of materials, cost for loading of sand, internal transport of cement and other variable cost.

Other fixed costs consist of cost of security services, cost of arranging of green landscape in the plant, cost of attest and other examination, cost for quality test, outsource cleaning of streets, cost of laboratory materials, cost of HTZ and other variable cost such as cost for calibration, intellectual services, cleaning materials etc.

3. Revenue and expenses (continued)

d) Other operating income

	2016 MKD '000	*2015 MKD '000*
Surpluses	19,037	6,409
Rent income	13,659	11,661
Fair value gain	6,585	-
Actuarial gains and reversal of unused provision	6,563	68
Income from sold pallets in transit	5,571	3,068
Re-invoiced cost for business premises	3,328	4,339
Revenues from sold materials	3,345	1,591
Scrap	1,884	2,762
Gain from disposed fixed assets	1,149	67
Write off - trade creditors	384	112
Income from other services	25	295
Income from sold fixed assets	-	159,655
Income from sale of participation in subsidiaries	-	113,872
Income from re-exported equipment	-	2,262
Others	2,269	914
	63,799	**307,075**

Surplus of products in amount of MKD 19,037 thousand relates to semi-finished goods (marl, sand and limestone) and surplus of poozolana, fly-ash, gypsum and coal recognised during inventory count as of 31 December 2016.

Rent income in amount of MKD 13,659 thousand consist of rented business premises space in amount of MKD 7,015 thousand, lend in amount of MKD 2,220 thousand and silo trucks MKD 1,890 thousand, all to third parties and then lend in amount of MKD 2,534 thousand as intercompany.

Fair value gain in amount of MKD 6,585 thousand relates to fair value re-measurement of the Investment property (See Note 7) as of 31 December 2016 recognised in the Company's profit and loss.

The actuarial gains and reversal of unused provision for employee's benefits in amount of MKD 6,563 thousand relates to changes in actuarial assumptions calculated annually by independent actuaries using the projected unit credit method (See Note 13).

3. Revenue and expenses (continued)

e) Other operating expenses

	2016 *MKD'000*	*2015* *MKD'000*
Agency fee	45,627	4,976
Restructuring costs	25,449	17,237
Provision for unused vacation days	9,865	-
Provision for obsolete inventory	9,998	10,921
Actuarial losses and provision	7,993	10,130
Net book value of sold pallets in transit	5,571	3,068
Other non-mentioned losses	3,658	2,251
Business premises costs	3,465	4,426
Cost of sold materials	3,146	2,524
Promotion and advertisement	2,967	1,851
Waste, spoilage and obsolescence of goods in warehouse	596	-
Compensation for vehicles at standstill	503	-
Fair value losses	310	192
Penalties for non-fulfilment of obligations	221	46
Withholding tax	75	227
Net book value of disposed fixed assets	39	140
Net book value of re-exported equipment (silos)	-	2,262
Write off receivables	-	711
Expenses for excise according to decision from Custom Authority	-	23,212
Other	1,749	1,039
	121,232	**85,213**

Agency fee of MKD 45,627 thousand represents fee for Cement Plus - agent in middlemen for selling the products on Kosovo Market.

Restructuring costs in amount of MKD 25,449 thousand relates to employees who applied for the voluntary leaved scheme.

Provision for obsolete inventory of MKD 9,998 thousand is made based on regular annual inventory count and refers to write-off of aged and unused spare parts.

Provision for unused vacation days in amount of MKD 9,865 thousand relates to unused employees vacation days as of 31 December 2016 which has to be utilised up to 30 of June 2017.

The amount of MKD 7,993 thousand represents actuarial losses, additional finance costs and current service costs related to employees benefits which arise from experience adjustments and changes in actuarial assumptions calculated annually by independent actuaries using the projected unit credit (see Note 13).

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3. **Revenue and expenses (continued)**

f) Selling and marketing expenses

	2016 *MKD'000*	*2015* *MKD'000*
Salaries and related expenses	16,350	15,313
Depreciation	2,228	2,916
Car expenses	2,140	1,894
Accommodation	1,856	1,475
Promotion and advertisement	3,170	1,371
IT & Telecoms	1,005	884
Travel expenses	271	257
Other expenses	6,959	2,202
	33,979	**26,312**

g) Administrative expenses

	2016 *MKD'000*	*2015* *MKD'000*
Third Party fees	100,426	107,126
Salaries and related expenses	34,753	38,668
Promotion and advertisement	13,315	14,324
Depreciation	5,092	4,940
Accommodation	4,059	3,694
Car expenses	2,643	2,635
Travel expenses	4,926	2,211
IT & Telecoms	3,839	1,625
Other expenses	8,798	7,774
	177,851	**182,997**

h) Net finance income

	2016 *MKD'000*	*2015* *MKD'000*
Interest income	7,070	6,835
Dividend income	-	2,406
Bank charges	(2,554)	(3,871)
Interest expense	(90)	(1,437)
Net foreign exchange gain/ (losses)	7,605	(12,472)
	12,031	**(8,539)**

4. Income tax

The income tax comprises:

	2016 *MKD'000*	*2015* *MKD'000*
Current Income tax	125,057	130,998
	125,057	**130,998**

As of 31 December 2015, the current income tax is as follows:

	2015 *MKD'000*
Net profit before income tax	1,394,536
At statutory income tax rate of 10%	139,454
Tax on non-deductible expenses:	*5,160*
Other compensations to the employees	2,220
Expenses not related to the main activities	311
Entertainment	679
Penalties and WHT	161
Sponsorship and donations	208
Scholarship	390
Provision for bad debts	85
Other	1,106
Less	
Reinvested profit	(13,616)
	130,998

As of 31 December 2016, the current income tax is as follows:

	2016 *MKD'000*
Net profit before income tax	1,326,422
At statutory income tax rate of 10%	132,642
Tax on non-deductible expenses:	*6,451*
Other compensations to the employees	2,773
Expenses not related to the main activities	858
Entertainment	750
Penalties and WHT	45
Sponsorship and donations	611
Scholarship	410
Provision for bad debts	-
Other	1,004
Less	
Reinvested profit	(14,036)
	125,057

5. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary equity holders by the weighted average of ordinary shares outstanding during the year.

The following reflects the outcome and share data used in the basic EPS computations

	31 December 2016	*31 December 2015*
Profit attributable to ordinary equity holders:		
Continuing operations	1,201,365	1,263,538
Profit attributable to ordinary equity holders	**1,201,365**	**1,263,538**
Total comprehensive income attributable to ordinary equity holders:		
Continuing operations	1,236,833	1,263,538
Total comprehensive income attributable to ordinary equity holders	**1,236,833**	**1,263,538**
Weighted average number of ordinary shares for basic EPS	563,784	563,784

6. Property, plant and equipment

	Land and Buildings MKD'000	*Equipment MKD'000*	*Construction in progress MKD'000*	*Total MKD'000*
Cost				
At 1 January 2016	**3,306,735**	**4,374,207**	**144,643**	**7,825,585**
Additions	23,651	-	155,638	179,289
Transfers from CIP	16,754	47,422	(64,176)	-
Transfer to IP	(3,055)	-	-	(3,055)
Disposals and write offs	(76)	(9,991)	-	(10,067)
At 31 December 2016	**3,344,009**	**4,411,638**	**236,105**	**7,991,752**
Depreciation				
At 1 January 2016	**2,122,138**	**3,528,510**	-	**5,650,648**
Charge for the period	25,145	148,848	-	173,993
Transfer to IP	(2,369)	-	-	(2,369)
Disposals and write offs	-	(9,953)	-	(9,953)
At 31 December 2016	**2,144,914**	**3,667,405**	-	**5,812,319**
Net book value at 31 December 2016	1,199,095	744,233	236,105	2,179,433
Net book value at 1 January 2016	1,184,597	845,697	144,643	2,174,937

6. Property, plant and equipment (continued)

	Land and Buildings MKD'000	*Equipment MKD'000*	*Construction in progress MKD'000*	*Total MKD'000*
Cost				
At 1 January 2015	**3,231,897**	**4,704,417**	**229,317**	**8,165,631**
Additions	19,087	164,546	125,310	308,943
Transfers from CIP	49,140	160,844	(209,984)	-
Transfer to IP	6,611	-	-	6,611
Disposals and write offs	-	(655,600)	-	(655,600)
At 31 December 2015	**3,306,735**	**4,374,207**	**144,643**	**7,825,585**
Depreciation				
At 1 January 2015	**2,097,697**	**3,794,704**	-	**5,892,401**
Charge for the period	24,441	171,753	-	196,194
Disposals and write offs	-	(437,947)	-	(437,947)
At 31 December 2015	**2,122,138**	**3,528,510**	-	**5,650,648**
Net book value at 31 December 2015	**1,184,597**	**845,697**	**144,643**	**2,174,937**
Net book value at 1 January 2015	**1,134,200**	**909,713**	**229,317**	**2,273,230**

7. Investment property

	2016 MKD'000	*2015 MKD'000*
Opening balance at 1 January	123,919	124,111
Transfer from PPE (Note 6)	686	-
Gain/(losses), net from fair value adjustment	6,275	(192)
Revaluation reserves from fair value re-measurement	35,468	-
Closing balance at period/year end	**166,348**	**123,919**

The investment properties are stated at fair value, which reflects the market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on annual valuation performed by independent value using the income method and the market comparison method as primary valuation methods which are generally accepted in European valuation practice.

7. Investment property (continued)

Investment property principally comprise of land, production premises and construction object - restaurant, cafeteria room which is held for long-term rental yields and is not occupied by the Company.

	2016 *MKD'000*	*2015* *MKD'000*
Rental income derived from investment properties	11,769	9,568
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Profit arising from investment properties carried at fair value	**11,769**	**9,568**

During 2016, the Company has changed the use of certain properties, such as lend and part of building from owner-occupied to investment property. Prior to their reclassification, they were carried in the Company's statement of financial position at cost for land and at cost less any accumulated depreciation for building.

As of 31 December 2016 the Company revalued its investment property on the basis of a valuation performed by an independent valuer, Grant Thornton Consulting Doo Skopje, who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The valuation model in accordance with that recommended by International Valuation standards Committee has been applied.

The methodology used and key inputs to the valuation of the investment properties are as follows:

	Methodology	**Inputs**	**Ranges**
Buildings plot	Income method	Vacancy rate	5%
		Landlord costs	5%
		Capitalization rate	10,43%
Land plot	Market approach - sales comparison method	Asking prices of comparable land plots in the region of Municipality Kisela Voda - Skopje and similar other locations	30 to 94 euro/m2

Significant increases (decreases) in the estimated landlord costs would result in a significant lower (higher) fair value of properties. Significant increases (decreases) in the capitalization rate in isolation would result in a significant lower (higher) fair value of properties.

As a result of the valuation, as at 31 December 2016 the carrying value of the Company's investment property is adjusted / increased for the amount of MKD 41,743 thousand. Part of the gain in the amount of MKD 35,468 thousand resulting from fair value re-measurement at the moment of change of use during 2016 from owner-occupied to investment property as explained above, has been recognized in other comprehensive income and presented in the revaluation reserve (See: Statement of changes in equity).

Remaining fair value gains in amount of MKD 6,585 thousand and fair value losses in amount of MKD 310 thousand, or net, in the amount of MKD 6,275 thousand has been recognized in the Company's profit and loss for the year ended 31 December 2016 (See Notes 3d and 3e).

7. Investment property (continued)

The fair value measurement was made using valuation techniques for which the lowest level input that is significant to the fair measurement is unobservable (level 3).

There were no transfers between Levels 1, 2 and 3 during 2016 and there were no valuation as of 31 December 2016 considering that there are no significant changes in the circumstances and the main assumptions used in the last valuation.

8. Exploration and evaluation assets

	Exploration and evaluation of mineral recourses MKD'000	*Total MKD'000*
Cost		
At 1 January 2016	41,393	41,393
Additions	-	-
Transfer to PPE	-	-
At 31 December 2016	**41,393**	**41,393**
Depreciation		
At 1 January 2016	22,041	22,041
Charge for the period	-	-
At 31 December 2016	**22,041**	**22,041**
Net book value at 31 December 2016	**19,352**	**19,352**
Net book value at 1 January 2016	**19,352**	**19,352**

	Exploration and evaluation of mineral recourses MKD'000	*Total MKD'000*
Cost		
At 1 January 2015	**44,658**	**44,658**
Additions	3,346	3,346
Transfer to PPE	(6,611)	(6,611)
At 31 December 2015	**41,393**	**41,393**
Depreciation		
At 1 January 2015	**22,041**	**22,041**
Charge for the period	-	-
At 31 December 2015	**22,041**	**22,041**
Net book value at 31 December 2015	**19,352**	**19,352**
Net book value at 1 January 2015	**22,617**	**22,617**

9. Inventories

	2016 MKD'000	2015 MKD'000
Spare parts	254,297	245,809
Consumable stores	139,211	132,886
Raw materials and fuel	132,601	121,483
Semi-finished goods	82,675	51,989
Finished goods	46,314	51,349
Packing materials	9,119	11,853
Goods for resale	228	318
Prepayments for inventory purchase	1,098	1
	665,543	**615,688**

10. Trade and other receivables

	2016 MKD'000	2015 MKD'000
Trade debtors	318,261	333,310
Prepayments	18,631	11,446
Advances to suppliers	-	-
Other current assets	32,785	73,881
	369,677	**418,637**

Other current assets relates to receivables from rented land and PPE, receivables from re-invoiced costs for rented premises, then accruals for receivables from vehicle at a standstill, accruals for insurance premium, accruals for receivables for interest on forex bank deposit, receivables on disposal of tangible and intangible assets and other accruals and receivables.

Trade receivables are non-interest bearing and are generally on 0 - 75 days terms.

The aging analysis of trade receivables is as follows:

		Neither past due nor	Past due but not impaired				
	Total	impaired	< 30 days	30-60 days	60-90 days	90-120 days	>120 days
2016	318,261	190,924	77,261	18,100	12,600	3,369	16,007
2015	333,310	236,806	34,240	10,393	13,626	16,518	21,727

11. Cash and cash receivables

	2016 MKD'000	2015 MKD'000
Bank deposits	839,320	777,555
Cash at bank	24,658	20,875
Cash at hand	17	5
	863,995	**798,435**

Bank deposits are time deposits in different banks in the country with maturity less than 3 months.

12. Share capital

Authorized, issued and fully paid	*Number of shares*	*% holding*
Titan Cement Netherlands B.V. - ordinary shares of MKD 3.100 each	534,667	94.84%
Other shareholders - ordinary shares of MKD 3,100 each	29,117	5.16%
	563,784	**100%**

	Amount MKD '000
Share capital as registered	1,747,730
Less: Additional paid in capital	(14,869)
At 31 December 2016 and 31 December 2015	**1,732,861**

Dividends paid and proposed

	MKD'000
Declared and paid during the period ended 31 December 2015	
Final dividend for 2014:	
MKD 2,625,00 per share	
Declared:	1,479,933
Paid:	1,482,213
Declared and paid during the period ended 31 December 2016	
Final dividend for 2015:	
MKD 1,964,00 per share	
Declared:	1,107,272
Paid:	1,107,049

Dividends declared and paid for the year ended 31 December 2015 and year ended 31 December 2016 entirely relate to cash dividends on ordinary shares.

13. Provision for retirement benefits

	2016 *MKD '000*	*2015* *MKD '000*
Defined retirement benefit obligations	17,976	21,616
Defined jubilee anniversary award obligations	17,494	19,371
Defined scholarship obligations	20,394	19,731
Defined retirement benefit provision - other	3,164	3,286
	59,028	**64,004**
Analyzed as:		
Non-current portion	54,198	57,148
Current portion	4,830	6,856
	59,028	**64,004**

The movement in the defined benefit obligation over the year is as follows:

	2016 *MKD'000*	*2015* *MKD'000*
At 1 January	64,004	60,678
Current service costs	4,052	3,722
Interest cost	2,297	2,492
Recognised actuarial (gains)/losses, net	1,138	2,458
Reservation for retention plan	-	1,142
	71,491	70,492
Benefits paid during the year	(6,406)	(6,736)
(Gains)/losses,- net, from reconciling the actuarial calculation	(450)	248
Unused provision reversed	(5,607)	-
At 31 December	**59,028**	**64,004**

The amounts recognised in the profit and loss are as follows:

	2016 *MKD'000*	*2015* *MKD'000*
Current service costs	4,052	3,722
Interest cost	2,297	2,492
Recognised actuarial (gains)/losses, net	1,138	2,458
Reservation for retention plan	-	1,142
(Gains)/losses, net, from reconciling the actuarial calculation	(450)	248
Unused provision reversed	(5,607)	-
	1,430	**10,062**

13. Provision for retirement benefits (continued)

A quantitative sensitivity analysis for change in the discount rate and wage growth as at 31 December 2016 and 2015 is as shown below:

2016

Assumptions	**Discount rate**		**Wage growth**	
Sensitivity Level	*1% increase*	*1% decrease*	*1% increase*	*1% decrease*
	In %	*In %*	*In %*	*In %*
Retirement benefits				
Impact on the net defined benefit obligations	(7,01)	7,79	7,72	(6,83)
Jubilee awards				
Impact on the net defined benefit obligations	(5,00)	5,50	5,43	(4,85)

2015

Assumptions	**Discount rate**		**Wage growth**	
Sensitivity Level	*1% increase*	*1% decrease*	*1% increase*	*1% decrease*
	In %	*In %*	*In %*	*In %*
Retirement benefits				
Impact on the net defined benefit obligations	(6,60)	7,30	6,97	(6,20)
Jubilee awards				
Impact on the net defined benefit obligations	(4,88)	5,34	5,26	(4,73)

The following payments are expected contributions to be made in the future years:

	2016 *MKD'000*	*2015* *MKD'000*
Year 1	4,829	6,856
Year 2	8,214	9,272
Year 3	8,585	11,337
Year 4	6,498	8,739
Year 5	4,963	5,749
Years 6-10	23,989	24,104
Over 10 years	85,286	59,857

13. Provision for retirement benefits (continued)

The principal actuarial assumptions used in 2016 by the independent actuaries were as follows:

a) Live probability and mortality by age and sex are determined according to the Mortality Table for the population of Republic of Macedonia for the period 1980-1982;
b) The rate of fluctuation of employees is insignificant and it has not been taken into account in the calculation. On the basis of delivered information for leaving the company in the previous years, it can be determined that the influence of this category of employees is insignificant in relation to the total population of employees. Because of that, leaving the enterprise on this basis is not considered;
c) Employee's retirement in the future will be according to the current legislative (64 for male and 62 for female);
d) The calculation is prepared only for the current population of employees in the enterprise, excluding all employees that will be employed in the future. It is based on the assumption for continuity of service of employees in this enterprise (assumption for continuity of service);
e) The actuarial calculation also refers to the children that at the moment are provided scholarships according to the policy of the enterprise for payment of scholarships to the children of employees that are studying on regular graduate or postgraduate studies Also, the calculation takes into account the children that are not yet at age for beginning of studies, with adequate assumptions for enrolling at university in the following years, and
f) Starting from 31 December 2013, the actuarial calculation of defined benefits has been supplemented with calculation of the present value of the newly introduced long term benefit for certain category of employees - *additional benefits at retirement.* The calculation is made on the basis of the average parameters of the mentioned population and total expected amount for payment, delivered by the company. The present value of future benefits is calculated applying the abovementioned demographic, financial and other assumptions.

The used financial assumptions were as follows:
Nominal annual increase of the average republic net salary: 2,5%;
Discount rate: 4,3%
Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in the country.

14. Trade and other payables

	2016 *MKD'000*	*2015* *MKD'000*
Trade creditors	311,344	268,126
Customer prepayments	18,653	29,514
Tangible assets creditors	32,984	51,542
Other current liabilities	21,723	64,695
	384,704	**413,877**

Other current liabilities relate to liability for net payroll, payroll taxes and social securities, liabilities to employees from salaries, accrual for calculated obligation for concession fee and other sundry creditors.

15. Contingences and Commitments

Contingent liabilities

	2016 MKD'000	2015 MKD'000
Bank guarantees	66,516	321,881
Performance guarantees	307	107
Bill of exchange	4,600	4,600
	71,423	**326,588**

As of 31 December 2016, the Company has obtained a Bank payment guaranties from:

- Halk Banka in favour of Customs of MKD 15,000 thousand valid till 19 March 2017, in favour of MEPSO AD Macedonia of MKD 2,465 thousand for transmission of electricity valid till 31 January 2017, in favour of Makpetrol AD Skopje of MKD 5,000 thousand related to the purchase of natural gas valid till 31 January 2017;
- Ohridska Banka in favour of Makedonski Zeleznici for transport of coal in amount of MKD 1,000 thousand valid until 31 March 2017, in favour of OKD AD Czech Republic for purchase of coal in amount of MKD 15,384 thousand valid until 30 March 2017 and in favour of ABB Ltd Croatia for CAPEX in amount of MKD 27,666 thousand valid until 31 January 2017.

In addition, the Company has four Bills of Exchange with statement of rights and liabilities of the signatories (the Company and OKTA AD Skopje) of the Bills of exchange in the form of a notarized Act issued by the Company in amount of MKD 600 thousand for oil derivatives and in amount of MKD 4,000 thousand for crude oil.

Furthermore, the Company has obtained bank payment guarantees from Alpha Bank in total of MKD 307 thousand in favour of the Ministry of Economy for realisation of concession agreements.

Lease commitments - company as lessee

The Company leases motor vehicles under lease agreements. The leases have varying terms and clauses.

	2016 MKD'000	2015 MKD'000
Up to 1 year	4,552	3,978
Later than 1 year and not later than 5 year	9,438	4,574
	13,990	**8,552**

The Company leased Horizontal Mill from MILLKO under lease agreement.

	2016 MKD'000	2015 MKD'000
Up to 1 year	16,108	-
Later than 1 year and not later than 5 year	48,324	-
	64,432	-

15. Contingences and Commitments

Contingent liabilities

Purchase commitments

As at 31 December 2016, the Company has entered into contracts for the purchase of electricity amounting to MKD 36,896 thousand for the first three months of 2017.

Legal proceedings

From time to time and in the normal course of the business, claims against the Company may be received. On the basis of its own estimates and both internal and external professional advice, the management of the Company is of the opinion that no material losses will be incurred in respect of claims and accordingly no provision has been made in these financial statements.

16. Related party transactions

Titan Cement Netherlands B.V. owns 94.84% of the Company's share capital.

The following transactions were carried out with the related parties:

a) Sales of goods and services

	2016 *MKD'000*	*2015* *MKD'000*
Subsidiary:		
Trojan Cem EOOD Sofija - cement	2,964	4,618
Trojan Cem EOOD Sofija - freight	2,338	3,667
Entities under common control:		
Cement Plus Ltd - cement, sand and white cement	228,093	263,819
Cement Plus Ltd - freight revenue	31,264	23,654
Cement Plus Ltd - dividend	-	2,406
SHARRCEM SH.P.K-pet coke	288,453	434,113
SHARRCEM SH.P.K-clinker	84,680	64,599
SHARRCEM SH.P.K-white cement	6,156	15,754
SHARRCEM SH.P.K- freight revenue	9,669	6,823
SHARRCEM SH.P.K- silos	-	2,292
SHARRCEM SH.P.K- materials and services	3,219	923
SHARRCEM SH.P.K- cement	-	1,392
MILLKO - PCM Dooel Skopje - rent	2,534	-
Titan Cementara Kosjeric - limestone	-	10,496
Titan Cementara Kosjeric - freight revenue	-	23,429
	659,370	**857,985**

Outstanding balances arising from the transactions mentioned above are presented below:

Receivables from related parties

	2016 *MKD'000*	*2015* *MKD'000*
Subsidiary:		
Trojan Cem EOOD SOFIJA - grey cement	4,750	2,157
Entities under common control:		
Cement Plus Ltd - cement, sand and white cement	15,609	-
SHARRCEM SH.P.K-pet coke	90,135	82,894
Titan Cementara Kosjeric - limestone	-	19,100
SHARRCEM SH.P.K-white cement	892	1,400
SHARRCEM SH.P.K-clinker	11,054	-
SHARRCEM SH.P.K-other	2,093	-
MILLKO - PCM Dooel Skopje - VAT	-	38,745
MILLKO - PCM Dooel Skopje - short term loan	10	10
	124,543	**144,306**

16. Related party transactions (continued)

b) Purchases of goods and services

	2016 MKD'000	2015 MKD'000
Ultimate Parent:		
Titan Cement Company - white cement and pet coke	405,219	363,010
Titan Cement Company - management fee	97,510	103,430
Titan Cement Company-silos	2,250	4,805
Entities under common control:		
Cement Plus Ltd - agency fee	45,627	4,976
SHARRCEM SH.P.K - cost of traded goods	66	131
SHARRCEM SH.P.K-other	-	581
MILLKO - PCM Dooel Skopje - services	16,132	
Vesa Dooel Skopje - marl	-	376
Titan Zlatna Panega - cost of traded goods	3,126	1,867
	567,680	**479,176**

Outstanding balances arising from the transactions mentioned above are presented below:

Payables to related parties

	2016 MKD'000	2015 MKD'000
Ultimate Parent:		
Titan Cement Company - management fee	34,926	34,816
Titan Cement Company - WC, pet coke and services	9,515	15,759
Titan Cement Company-silos	2,250	1,879
Entities under common control:		
Cement Plus Ltd. - prepayments	-	7,398
SHARR CEM SH.P.K-grey cement	-	131
SHARR CEM SH.P.K-other	66	-
Cement Plus Ltd. - agency fee	12,145	-
MILLKO - PCM Dooel Skopje - services	6,459	-
Titan Zlatna Panega - grey cement	-	103
	65,361	**60,086**

The Company enter into these transactions with the above related parties at mutually agreed terms.

Key management compensation

	2016 MKD'000	2015 MKD'000
Salaries and other short-term benefits	93,039	88,193
	93,039	**88,193**

17. Financial risk management objectives and policies

The Company's principal financial instruments comprise of trade payables. The Company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The management reviews and agrees policies for managing each of these risks which are summarised below.

(i) Market risk

Market risk is defined as the 'risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices' and includes interest rate risk, currency risk and other price risk. The majority of the revenues of the Company are generated on domestic market and the remaining part mainly generated on foreign market.

Expenses of the Company that arise are mainly arising from purchases on domestic and foreign markets.

Management believes that is taking all the necessary measures to support the sustainability and growth of the Company's business in the current circumstances. Nevertheless, future market fluctuations cannot be predicted with accuracy.

a) Interest risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates.
Change in the interest rates and interest margins may influence financing costs and returns on financial investments.

Changes in market interest rates affect the interest income on time deposits with banks. As of 31st December 2016 the Company has time deposits in banks in amount of MKD 839,320 thousands (2015: MKD 777,555 thousands).

b) Foreign exchange risk

The Company's exposure to foreign currency risk is minimal due to the fact that the majority of foreign currency transactions relating to selling and purchases are denominated in EURO, which was stable during all 2016.

17. Financial risk management objectives and policies (continued)

For purposes of sensitivity analyses from foreign currency risk, Management used the assumption of 1% increase of Foreign exchange rate of EUR which is considered reasonable having in mind stable local currency against EUR during the past years. As of the 31st December 2016, if EUR would have been 1% (2015: 1%) weaker or stronger against MKD, profit would have been MKD 729 thousand (2015: MKD 765 thousand) after tax in net balance higher or lower, respectively.

The Company's outstanding balances was as follows:

2016	**Total**	**MKD**	**EUR**
Assets			
Cash and cash equivalents	863,995	174,502	689,493
Trade receivables and other current financial assets	369,677	200,965	168,712
Total assets	**1,233,672**	**375,467**	**858,205**
Liabilities			
Trade payables	311,344	190,954	120,390
Other payables and current liabilities	73,360	64,338	9,022
Total liabilities	**384,704**	**255,292**	**129,412**
Net balance sheet exposure	**848,968**	**120,175**	**728,793**

2015	**Total**	**MKD**	**EUR**
Assets			
Cash and cash equivalents	798,435	45,880	752,555
Trade receivables and other current financial assets	418,637	273,326	145,311
Total assets	**1,217,072**	**319,206**	**897,866**
Liabilities			
Trade payables	268,126	169,139	98,987
Other payables and current liabilities	145,751	111,552	34,199
Total liabilities	**413,877**	**280,691**	**133,186**
Net balance sheet exposure	**803,195**	**38,515**	**764,680**

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2016 and 31 December 2015 based on contractual undiscounted payments.

17. **Financial risk management objectives and policies (continued)**

Year ended 31 December 2016

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	-	245,983	-	-	-	245,983
Other payables	-	73,360	-	-	-	73,360
Payables to related parties	-	65,361	-	-	-	65,361

Year ended 31 December 2015

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	-	208,040	-	-	-	208,040
Other payables	-	145,751	-	-	-	145,751
Payables to related parties	-	60,086	-	-	-	60,086

d) Credit risk

The Company has no significant concentrations of credit risk. The Company has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The Company has policies that limit the amount of credit exposure to any one customer. In addition, to reduce this risk the Company has required as collateral: bank guaranties and deposits. Recognisable risks are accounted for by adequate provisions on receivables.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, available-for-sale financial investments and other financial assets (non-current), the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares, following shareholders' approval. No changes were made in the objectives, policies or processes during the periods ended 31 December 2016 and 31 December 2015.

17. Financial risk management objectives and policies (continued)

Capital management (continued)

The Company monitors its equity capital using earnings before interest, tax, depreciation and amortization (EBITDA) for the year.

	2016	*2015*
	MKD'000	*MKD'000*
EBITDA	**1,488,384**	**1,599,268**

The Company is not subject to any externally imposed capital requirements. The structure and management of debt capital is determined at TITAN Group level.

18. Events after the reporting period

There are no events after the reporting period that would have impact on the 2016 Statement of comprehensive income, Statement of financial position or Statement of cash flow.

Supplementary information concerning the calculation of EBITDA

		2016
		MKD'000
Sales		4,003,254
Other revenue		103,164
Cost of sales		(2,522,764)
Gross profit		**1,583,654**
Other operating income		63,799
Other operating expenses		(121,232)
Selling and marketing expenses		(33,979)
Administrative expenses		(177,851)
Profit from operating activities	**EBIT**	**1,314,391**
Foreign exchange gains		7,070
Finance income/ (expenses)		4,961
Net finance income		12,031
Profit before tax	**EBT**	**1,326,422**
Income tax expenses		(125,057)
Profit for the year		**1,201,365**
Other comprehensive income		35,468
Total comprehensive income for the year		**1,236,833**

EBIT	**1,314,391**
Depreciation and amortisation	173,993
EBITDA	**1,488,384**