

31. Contingencies and commitments

B. Other cases

1. An individual residing in the vicinity of the plant of Alexandria Portland has filed a claim before the Administrative Court of Alexandria against the Governor of Alexandria, the Head of El-Agamy District, the Minister of Trading and Industry, the Minister of Environment, the President of Alexandria Environmental Affairs Agency, the President of Industrial Development Authority and Alexandria Portland, seeking the abolition of the administrative decision of the competent Egyptian authority which issued the operating license for the Alexandria Portland plant in Alexandria, alleging violations of environmental and related regulation. On 25 May 2014 the court decided to refer this case to the Cairo Administrative Court due to lack of jurisdiction. The case has been repeatedly adjourned and on 24 October 2015 it was referred to another division of the Court for deliberation. The case has been again repeatedly adjourned and a new hearing has been scheduled on 3 May 2017. Alexandria Portland's view is that the plant's operating license has been issued lawfully and in full compliance with the relevant Egyptian laws and regulations.

2. In 2007, Beni Suef obtained the license for the construction of a second production line at the company's plant through a bidding process run by the Egyptian Trading and Industrial Authority for the amount of EGP 134.5 million. The Egyptian Industrial Development Authority subsequently raised the value of the license to EGP 251 million. In October 2008 Beni Suef filed a case before the Administrative Court against the Minister of Trade and Industry and the chairman of the Industrial Development Authority requesting an order obliging the Industrial Development Authority to grant the expansion license to Beni Suef for EGP 500. Alternatively, if the court rejects this request, Beni Suef is requesting the price to be the EGP134.5 million offered by Beni Suef in the bid. The case was referred to the State Commissioners in August 2014 and it has been postponed until 24 May 2017 for reviewing. The view of Beni Suef's lawyers is that the outcome of the case will be positive.

3. A non-governmental organisation, the Nile Agricultural Organization, has raised a court case against Beni Suef claiming that Beni Suef has illegally occupied the plaintiff's land and is seeking compensation to the amount of EGP 300 million. The contested land however had been legally allocated to Beni Suef many years ago by the relevant authority, the New Urban Communities Agency, and since 1988 Beni Suef has held the licenses for the exploitation of the quarries on this land. A new hearing of the case has been scheduled for 26 September 2016. The case was then postponed until 27 March 2017 for reporting. The view of Beni Suef's lawyers is that the case has a high probability of being won.

Put option in Antea

The Group had granted to non controlling interest shareholders, European Bank for Reconstruction and Development (EBRD) and International Finance Corporation (IFC) the option to sell their shares in ANTEA Cement SHA (Antea) at predetermined conditions.

On 5 February 2015, the Group acquired from EBRD the 20% of its share in Antea. Instead, IFC continues to have the aforementioned exercisable option to sell an equivalent percentage. On 31 December 2016, the option's fair value of €9,7 million (31.12.2015: €8,3 million) is recognized as a current liability in the statement of financial position.

Contingent tax liability

The financial years, referred to in note 35, have not been audited by the tax authorities and therefore the tax obligations of the Company and its subsidiaries for those years have not yet been finalized.

Contingent assets

	(all amounts in Euro thousands)			
	Group		Company	
	2016	2015	2016	2015
Bank guarantee letters for securing trade receivables (note 20)	20,904	19,486	10,390	8,569
Other collaterals against trade receivables (note 20)	6,385	8,333	354	2,147
	27,289	27,819	10,744	10,716
Collaterals against other receivables	1,421	2,348	1,421	2,348
	28,710	30,167	12,165	13,064

