

**SOCIETE LIBANAISE DES CIMENTS
BLANCS SAL
Board of Directors Report
for the General Assembly of 10 July 2018
ESTABLISHED ACCORDING TO ARTICLE 158
OF THE LEBANESE CODE OF COMMERCE**

Ladies and Gentlemen,

Pursuant to Article 158 of the Code of Commerce, the Board of Directors presents this report to inform you and ask for your approval for the conventions concluded in 2017 between the company and its directors or with companies in which members of the Board would be owners, partners in name, managers, directors or administrators .

1. Holcim (Liban) S.A.L

The Company benefits from technical services provided by Holcim Liban SAL against fees computed on the fixed basis of 4% of gross sales. These services amounted to LL (000) 751,857 during the year 2017.

The Company purchased raw materials and combustibles from Holcim Liban SAL amounting to LL (000) 3,485,098 during 2017.

Other services, consisting of staff costs and other costs charged by Holcim Liban SAL amounted to LL (000) 611,092 for the year 2017.

The company sold white clinker to Holcim Liban SAL for the amount of LL (000) 1,480,543.

Dividends paid to Holcim Liban SAL amounted to LL (000) 4,119,020 during 2017.

During 2008, the Company granted a loan to Holcim Liban SAL amounting to US\$ 5,000,000 which was increased to US\$ 8,000,000 during 2009. No maturity date was determined for this loan. Interest charged during 2017 amounted to LL (000) 697,072. Accrued interest receivable amounted to LL (000) 5,935,401 as at 31 December 2017.

The balance due to and from Holcim Liban SAL respectively amounted to LL (000) 2,712,235 and LL (000) 5,935,401 as at 31 December 2017.

2. Holcim Béton S.A.L.

The balance due from Holcim Béton SAL amounted to LL (000) 346,002 as at 31 December 2017.

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

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

**31 May 2018
For the Board of Directors
Chairman**