DANGOTE CEMENT

2015 Annual Report

Building Prosperity Throughout Africa

Beating the drums in celebration

Drums hold a special place in the history and culture of Africa and are a significant part of our celebrations. That is why we chose the drum as the symbol of this year's Annual Report. In the pages that follow you will read about how we commissioned new plants across Africa, creating jobs and prosperity for thousands of Africans, while at the same time making high-quality cement more affordable and accessible to millions. Despite strong economic headwinds across Africa we increased revenues and profitability, improved our operational management and strengthened our corporate governance. Therefore, we believe it is appropriate for us to beat the drums in celebration of the milestones we achieved during the year.

Cover picture: The Kpanlogo drum
The Kpanlogo comes from the 'Ga' people of Accra, West Africa.
In the 'Ga' language, Kpanlogo it is translated to mean 'Turning Dance', to which the drum is played.

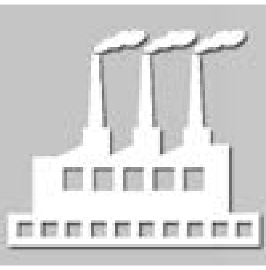
Contents

At a Glance

Operating in

8 countries

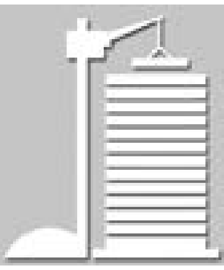
4 countries in 2014
17 countries by 2020



Capacity

43.6Mta

35.1Mta in 2014
77Mta by 2020



Presence

11sites

7 sites in 2014
24 sites by 2020

Employees

14,289

10,601 in 2014
29,000 by 2020

Year in Figures

	2015	2014	change
Capacity at end of year	Mta	Mta	
Nigeria	29.25	29.25	0.0%
West & Central Africa	4.0	2.5	60.0%
South & East Africa	10.3	3.3	212.1%
Total	**43.55**	**35.05**	**24.3%**
Sales volumes	Mt	Mt	
Nigeria	13.3	12.9	3.2%
West & Central Africa	2.1	0.3	597.0%
South & East Africa	3.5	0.8	340.4%
Total	**18.9**	**14.0**	**35.0%**

	2015	2014	
Revenues	₦B	₦B	
Nigeria	389.2	371.5	4.8%
West & Central Africa	42.3	6.2	582.3%
South & East Africa	61.2	13.9	340.0%
Total	**491.7**	**391.6**	**25.6%**
EBITDA	262.4	223.4	17.5%
EBITDA margin	*53.4%*	*57.0%*	
EBIT	207.8	187.1	11.1%
EBIT margin	*42.3%*	*47.8%*	
Profit before tax	188.3	184.7	2.0%

	₦	₦	
Earnings per share	10.86	9.42	15.2%
Dividend per share	8.0	6.0	33.3%

	₦B	₦B	
Cash flow from operations	299.5	215.3	39.1%
Capital expenditure	251.9	217.2	16.0%
Net debt	204.2	222.0	(8.0%)
Key ratios			
Net debt/EBITDA	0.78x	1.0x	
Net gearing	31.5%	37.5%	
Return on capital employed	24.1%	23.9%	

Vision, Mission, Values

Our vision

Our vision is to be Africa's leading cement company, respected for the quality of our products and services and for the way we conduct our business.

Our mission

Our mission is to deliver strong returns to shareholders by selling high-quality products at affordable prices, backed by excellent customer service.

To help Nigeria and other African countries towards self-reliance and self-sufficiency in the production of the world's most basic commodity, by establishing efficient production facilities in strategic locations close to key markets.

To provide economic benefits to local communities by way of direct and indirect employment in all countries in which we operate.

To lead the way in areas such as governance and sustainability and set a good example for other companies to follow.

Our values

Excellence

Customer service

Leadership

Entrepreneurship

"I am pleased to report that 2015 was a year of successful growth and transformation for Dangote Cement."

Aliko Dangote GCON

Chairman's Statement

Dear shareholders,

It is my pleasure to deliver this Annual Report at the 7th Annual General Meeting of Dangote Cement.

I am pleased to report that 2015 was a year of successful growth and transformation for Dangote Cement, not just in our geographical diversification but also in our operational management.

Plants that we had been building for three years were opening across Africa and quickly achieved outstanding success in their respective markets. You may have wondered whether we could successfully extend our business across the continent, I hope our success in 2015 has proved to your satisfaction that we can.

Group cement sales in 2015

18.9Mt (+35%)

The new factories that we opened in Senegal, Cameroon, Ethiopia and Zambia made their first contributions to the business in 2015 and as a result our volumes rose by 35.0% to 18.9Mt, driving Group revenues up 25.6% to ₦491.7B (2014: ₦391.6B). Group operating profit rose by 11.1% to ₦207.8B, helped by contributions from the new factories, all of which had positive operating profit in 2015.

In our home market we faced significant challenges from a falling oil price, the devaluation of the Naira, the delay to the General Election and a shortage of diesel fuel in April. Yet we responded by becoming more customer focused, improving our efficiency and establishing a lower, more sustainable price that has made cement more affordable for all Nigerians.

Because of our strong management of the business and quick actions in the face of these external challenges, our sales volumes in Nigeria grew by 3.2% to 13.3Mt, with revenues of ₦389.2B, up 4.8% on the ₦371.5B we achieved in 2014.

Achieving 3.2% sales volume growth in Nigeria was an excellent result for a year that was far more challenging for the entire market than 2014. Indeed, Nigeria's record performance in the final quarter of 2015 makes us confident that our core market will return to robust growth in the coming years, particularly as the new Federal Government is strongly committed to investment in infrastructure and housing and hopes to increase capital spending to 30% of its Budget, as opposed to the 15% allocated in previous years.

Our margins in Nigeria eased slightly from an operating margin of 51.4% in 2014, to 49.8% in 2015, due to a combination of gains from the more favourable fuel mix we used during the year, offset as we expected by the impact of the price reduction in the final quarter of the year.

Margins were protected to some degree by shifting production away from our LPFO-fuelled Gboko plant to the gas-fired plants at Ibese and Obajana, which sold almost all our cement in Nigeria during the year.

Devaluation was a factor in other African countries where we operate, with Ghana, South Africa, Cameroon and particularly Zambia all seeing their currencies fall against the dollar.

All of our pan-African operations had positive operating profit even though most of their capacities were still in the less-profitable ramp-up phase. Our West & Central Africa region contributed an operating profit of ₦4.7B (2014: ₦3.9B loss), while South & East Africa posted ₦8.6 (2014: ₦0.06B).

The result of our hard work throughout Africa is that earnings per share rose by 15.2%, from ₦9.42 to ₦10.86.

The Board has recommended for your approval a dividend of ₦8.0 per 50 kobo share (2014: ₦6.0).

The dividend will be payable on 21st April, 2016 to shareholders whose names appear in the Company's Register of Members at the close of business on 8th April 2016.

This is a total dividend payout ratio of 74% and is consistent with our aim to deliver good returns to shareholders whilst also managing our finances so that we can take advantage of the opportunities that Africa presents.

Africa is a rapidly developing continent. The United Nations estimates that its population will rise from about one billion today to 2.4 billion by 2050, with the urbanised poplation rising from 400 million to 1.4 billion; that is more than four times the current population of the United States.

Chairman's Statement

To support this growth, countries must invest in infrastructure and housing. The World Bank estimates that Africa needs to invest $38B a year on new infrastructure in power, roads, transport and water, and spend a further $37B on operations and maintenance, a total of $75B a year. However, it estimates that there is a funding shortfall of $35B a year right now, which illustrates both the scale of the problem and the size of the opportunity for a cement manufacturer operating in Africa.

Those market opportunities quickly became apparent to us when we opened our plants in Senegal, Cameroon, Ethiopia and Zambia. Although those markets already had well-established incumbents and the appearance of surplus capacity, the fact is that our plants were successful as soon as we opened them.

Inauguration of Zambia plant by H.E. President Edgar Lungu and Nigerian Vice President Yemi Osinbajo

Each enjoyed high levels of demand that we satisfied by selling superior-quality products at more than competitive prices, entering the market with a 'quality discount' instead of undercutting on price. In each market we set out to be the leader in quality, on costs and on service. I believe our entry will benefit consumers and industries in every one by improving quality and increasing competition.

It is clear that governments of these nations are pleased to welcome our presence. As Founder and Chairman of the Company, I am grateful to the leaders and dignitaries who made our inauguration ceremonies so special during the year.

The Board has recommended a dividend of ₦8 per share for 2015, which is a 74% payout ratio

On behalf Dangote Cement, I would like to express my gratitude to His Excellency President Edgar Lungu, of Zambia, His Excellency Jakaya Kikwete, the former President of the United Republic of Tanzania, Prime Minister Hailemariam Desalegn of Ethiopia and His Excellency President Paul Biya of Cameroon, as well as Vice President Yemi Osinbajo of Nigeria, who joined us for the commissioning of our plant in Ndola, Zambia.

We hope to make a very positive contribution in each of their countries and others as we continue to expand.

Indeed, I am pleased to tell you that we are already making plans to strengthen our presence in Senegal, Cameroon, Ethiopia and Zambia as part of the next wave of expansion we announced in early September 2015, and which we will pursue in the coming years to increase our size and scale across Sub-Saharan Africa.

With this next phase of building we will go from the 44Mta capacity we had at the end of 2015, to more than 70Mta by the middle of 2019, which is an unprecedented rate of growth.

In support of our plan, we were able to negotiate very favourable terms with Sinoma, our contractor. We agreed that much of the building cost will be paid after the new capacities have opened, from the cash flows they generate from sales.

I hope you will agree that this is a very good deal for the Company and one that will help us to improve returns for shareholders by allowing more favourable cash flows during the period in which our new production lines are being built.

Being able to negotiate such an attractive agreement with our main supplier is a good example of where our size and financial strength have delivered strong advantages for shareholders.

Chairman's Statement

No business can grow so quickly without good internal management and I am pleased to report a number of important initiatives during 2015 that have helped us to improve our governance.

Most notably, in August we were granted the status of one of only three founder members of the Premium Board of the Nigerian Stock Exchange. This is an achievement that involved a rigorous external audit of our corproate governance practices and even a fiduciary awareness examination for myself and my colleagues on the Board.


Inauguration of 3.0Mta plant in Tanzania by H.E. President Jakaya Kikwete and Aliko Dangote, GCON

We have proved that our Nigerian business is robust and that we can successfully enter new markets

I hope other companies in Nigeria will follow our example and improve their own governance in the interests of encouraging greater confidence and investment in this great country.

As part of the process of strengthening our governance we adopted 15 new corporate policies aimed at improving our internal processes and the way the company is managed.

In addition, we appointed our first ever Compliance Manager, whose role will be to see these new policies are enforced across the Company and all of its operations across Sub-Saharan Africa.

As I reported in last year's Annual Report, we were joined in February 2015 by Onne van der Weijde, our Chief Executive Officer, who has brought valuable skills and insights that have significantly helped the company transition from building factories to opening businesses and achieving rapid success in countries as far apart as Senegal and South Africa. Onne will give you his perspective later in this report.

In April 2015, we welcomed Douraid Zaghouani to our Board. Douraid is an experienced and senior industrial executive and he will represent the Investment Corporation of Dubai.

Looking back at 2015, we have shown that our core Nigerian business is adaptable and robust in the face of serious external challenges. Moreover, we have proved that we can enter new territories successfully and quickly achieve excellent market share.

While 2015 was a period of transformation for Dangote Cement, against a challenging economic backdrop, the fact is that we achieved something even more remarkable than our rapid and successful expansion across the continent.

Thanks to the dedication and hard work of our staff, we reduced the level of business risk we faced and reduced our overall net debt, while at the same time increasing our revenues and profitability. With oil and commodity prices falling across Africa, I think few of this great continent's major companies can claim to have matched these achievements.

In conclusion, I believe that Dangote Cement ended 2015 as a more robust and even higher quality company for you, its shareholders. I hope our success in 2015 has rewarded the confidence you have placed in us over the past few years and trust that you will continue to share in our success as we continue our expansion to become a global force in cement.

Aliko Dangote GCON
Chairman

Group Overview

44Mta capacity in 8 countries, with 14,289 staff and ₦491.7B in sales

We have invested billions of dollars building new capacity across Africa, creating thousands of jobs in factories, logistics, sales and support. We have single-handedly helped Nigeria to become self-sufficient in cement.

Dangote Cement is Africa's leading cement producer with nearly 44 million tonnes per annum (Mta) of capacity operational at the end of 2015 in Nigeria, Cameroon, Ethiopia, Senegal, South Africa, Tanzania and Zambia, as well as an import terminal in Ghana.

Headquartered in Lagos, the Group is managed by an executive team led by the Group Chief Executive Officer (GCEO), who reports to the Chairman and the Board of Directors.

Dangote Cement has three regions: Nigeria, West & Central Africa and South & East Africa, each with its own CEO and CFO reporting to the Group CEO and Group CFO respectively.

The Company that became Dangote Cement was founded at a time when Nigeria was almost entirely dependent on imports. Indeed, importation of cement was our main business for many years until the Federal Government launched its industrial policy of Backward Integration in 2002.

This bold initiative was designed to reduce Nigeria's dependence on imports by encouraging the industry to build enough capacity to serve Nigeria's needs, not just in that decade but long into the future.

Probably Africa's most attractive market for cement, Nigeria has substantial limestone and energy resources, a large and increasingly prosperous population, strong GDP growth and a pressing need to improve infrastructure and housing on a massive scale.

We have invested billions of dollars building new capacity that has single-handedly helped Nigeria to become self-sufficient in cement. In the process we have created thousands of jobs across the country in factories, logistics, sales and support.

At 13.25Mta, our Obajana Cement Plant in Kogi State, Nigeria, is the largest in Africa and one of the largest and most profitable cement factories in the world. Employing thousands of people directly and indirectly, it was opened in 2008 as a 5Mta plant and has twice been extended in size.

Although Obajana is primarily gas-fuelled, we recently commissioned coal facilities to fuel its kilns as well, being significantly cheaper as a back-

Dangote Cement headquaters, Ikoyi, Lagos

up fuel than the low-pour fuel oil (LPFO) we had originally used.

Our Ibese Cement Plant in Ogun State has four gas-fired cement lines with a combined capacity of 12Mta. Its first two lines were inaugurated in February 2012 and the second pair of lines came onstream in late 2014. Like Obajana, Ibese is abandoning the use of LPFO in favour of coal.

Our Gboko Cement Plant in Benue State has 4Mta of capacity. Acquired originally during the privatisation exercise in Nigeria, we refurbished and upgraded the plant to its present capacity. Originally designed to use LPFO, Gboko is being equipped with coal milling facilities so that its kilns can run more cost-effectively on the cheaper fuel. Gboko was mothballed throughout most of 2015 as we shifted production to cheaper gas-fired lines at Obajana and Ibese.

Over the past few years, the profitability and strong cash generation of our operations in Nigeria have helped us to expand our business across Sub-Saharan Africa with a mixture of integrated, grinding and import facilities.

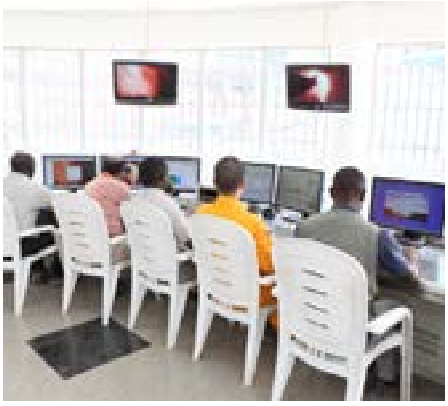
We began 2015 with approximately 35Mta of production and import capacity in Nigeria, Senegal, South Africa and Ghana and ended the year with nearly 44Mta of integrated, grinding and import capacity spanning Africa from Senegal to Ethiopia to South Africa.

The rapid success of plants that we have opened beyond Nigeria is testament to our strategy of competing on costs, quality and service, selling higher-quality cement at competitive prices for local needs.

This success has given us the confidence to continue expanding. By mid-2019, we plan to have at least 74Mta of capacity by augmenting our existing operations in Nigeria, Cameroon, Ethiopia, Senegal and Zambia and establishing new facilities in Nigeria, Congo, Kenya, Liberia, Mali, Niger and Zimbabwe.

In September 2015, we announced plans to venture beyond Africa for the first time and build a plant in Nepal to serve local and export markets.

Group Overview




With this expansion, Dangote Cement will truly be a global force in cement production, operating in some of the most exciting growth markets in the world.

We will take advantage of being able to operate within trading blocks that enable us to export our cement from one country and import it into our own facilities elsewhere. Such an export-to-import strategy makes great sense in West Africa, where many countries lack the limestone necessary to make cement.

Although the pace of our expansion is unprecedented in the history of the cement industry, we are investing for growth at a time when many of the world's largest cement companies are focusing more upon debt reduction than capacity expansion. However, as a result of our financial strength, we have an opportunity to enter these markets and gain share very quickly. This is our strategic advantage.

Our operational advantage in Sub-Saharan Africa is our ability to enter new markets and build modern, energy-efficient factories that will provide strong competition for many of the ageing cement plants that operate in the region at present.

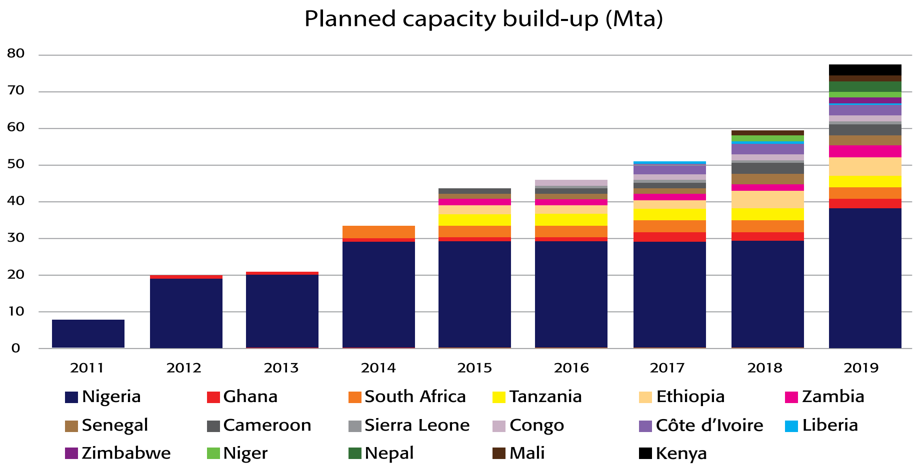
We will take high-quality limestone from newly mined quarries and produce higher-quality, stronger and quicker-setting cement at lower cost than other many producers can achieve in these markets.

We will support these facilities with strong logistics and the ability to buy resources in bulk across the Group, thereby reducing costs.

These strategic and operational advantages will fortify our position as the leading provider of cement in a rapidly growing continent that is embarking on a huge build-out of its infrastructure, housing and commercial space.

The experience of other emerging markets shows that this will take more than one generation of Africans to complete. We are confident that our strategy will ensure that Dangote Cement becomes and remains the partner of choice for those who are building a new African continent.

Our Strategy



Our strategy in every country is to be the market leader in quality, costs and service. We build large, modern plants that enable us to make higher-quality cement at lower costs.

Dangote Cement has the strategic goal of becoming one of the world's leading cement companies and certainly the largest in Sub-Saharan Africa, which we believe will be the next big growth market for cement.

Sub-Saharan Africa has nearly 1 billion people and a population growth rate of nearly 3% per year. By 2050, the UN estimates, the region will have a population of more than two billion. Furthermore, the region is experiencing greater stability, less conflict and good economic growth, well above global averages. The World Bank estimates Sub-Saharan Africa experienced GDP growth of 4.6% in 2014. Even accounting for recent falls in commodity and oil prices, it forecasts growth of around 4.2% to 5.0% from 2015 to 2017.

Growth in population and GDP will need considerable investment in infrastructure and housing as urbanisation increases and economies diversify from dependence on agriculture, minerals and oil towards manufacturing, retailing and services.

Increasing personal wealth and the ongoing shift towards younger, more affluent and more mobile populations will increase demand for property as household occupancy falls.

It is the combination of these drivers that will see Sub-Saharan Africa's demand for cement increase substantially in the coming years, from about 100Mt at present. Although the market has 130Mta of capacity at present, much of which is old and inefficient, we believe this will soon be overwhelmed by demand as population growth, increasing urbanisation and rising GDP continue to drive consumption upwards.

Our strategy to expand rapidly and serve this growing market began in 2007 when we took the first steps into manufacturing cement in our home country of Nigeria, which is perhaps Africa's most attractive and profitable market for cement.

Benefiting from competitive pricing, tight cost controls and investment incentives in the form of tax holidays, our strong cash generation in Nigeria has funded our expansion both inside our home country and beyond its borders into key African markets where we are building new capacity that will serve the needs of Africans for the coming decades

Our Strategy

At the end of 2015 we had 29.25Mta of capacity in Nigeria, giving us a strong position in our home market. Our entire production base now consists of about 44Mta of production and import capacity in a total of eight countries spanning Africa, from Senegal to Ethiopia and down to South Africa. Indeed, within months of opening our factories in these three countries, we achieved rapid gains in market share in each, despite the presence of strong incumbents.

To put this rapid success into context, we have invested more than $5B to build this capacity, but at the end of 2015 we had just $1.0B of net debt.

Furthermore, our business model is based upon rapid expansion at a time when the world's major cement companies are occupied by debt reduction, merger integration or both.

When we search for new opportunities we look for several key features in the market: the availability of good limestone from which to make cement; the availability of investment incentives, usually in the form of tax holidays; a large population with a growing economy; access to good transport infrastructure; access to low-cost fuel; a cement deficit; strong infrastructure and housing commitments; and an industry that is characterised by substantial imports, as well as older, less-efficient, more costly and sub-scale plants.

Our strategy in every country is to be the leader on costs, quality and service. We build large, modern, highly efficient plants that deploy the latest equipment from Europe, China and beyond to enable us to make higher-quality cement at lower costs.

In this way we can sell higher-grade cements at a price that will compete with lower-grade products already in the market. Furthermore, our plants are designed to make the higher-strength cements (such as 42.5 and 52.5 grades) that will increasingly be required as the size and height of buildings increase in Africa's growing economies. This is an inevitable shift in the market from which we will benefit.

The advantages accrued by our factories will be augmented by the advantages that we can achieve in logistics and procurement, where our size and financial strength enable us to invest in strong distribution capabilities at costs unattainable by competitors.

Our business is organised into three strategic regions: Nigeria, West & Central Africa and South & East Africa.

Each region pursues its business plan in line with the overall corporate strategy set out by the Group's Board and management, but mindful of the prevailing conditions in each market.

Dangote Cement's bulk tankers serve our larger customers on major building projects

Nigeria – domestic sales

Nigeria is Sub-Saharan Africa's largest market for cement, consuming more than 21Mt in 2015. Our strategy in this key market has been to invest heavily to become the leading manufacturer of cement for domestic consumption. From our three factories, all located south of the country's two main rivers, we can reach every local market in Nigeria with our extensive and market-leading fleet of distribution trucks.

We deliver more than half of the cement we manufacture directly to customers. This is a very popular strategy that has enabled us to build close relationships with them. We have also forged strong and long-term relationships with the third-party distributors who collect and sell the remaining volumes of cement we manufacture.

During 2015 we realigned our pricing in Nigeria, reducing it by ₦300 per 50Kg bag or ₦6,000 per tonne, to make it more affordable, especially for large infrastructure projects such as road building.

We were able to reduce our prices in part because of the strategy we have pursued to ensure security of our fuel supplies and to reduce the overall cost of the fuel we use in our kilns, which is our biggest operating cost.

In fact, many of the 15 countries in the Economic Community of West African States (ECOWAS), especially those on the coast, are obligatory importers of cement, reliant mainly on imports from outside ECOWAS.

Group Chief Executive Officer Onne van der Weijde launches a promotion to give away 150 trucks to distributors

Even when imported, coal is significantly cheaper than the LPFO we had previously used as a back-up fuel to natural gas. We have therefore invested to equip all our lines in Nigeria with coal milling facilities that we can rely on in the event that the gas supply is reduced.

Coal has already helped us to improve margins through savings achieved by not using LPFO. Soon we intend to mine coal in Nigeria and this locally produced fuel will be more competitive in costs when compared to gas.

Nigeria – export sales

Nigeria is blessed with substantial limestone deposits and is surrounded by countries that do not have sufficient limestone of their own to manufacture cement. Because of this deficiency they must import and bag bulk cement or import and grind its intermediate product, clinker.

This is a major reason we have so quickly built our size in Nigeria – because we have the opportunity to become the largest supplier to the surrounding countries, which have strong economic growth and a population of more than 300m.

In September 2015, we announced the start of our export drive using a fleet of more than a thousand trucks to take cement and clinker to neighbouring countries where we have bagging or grinding operations, for example Ghana and Cameroon.

By trading within the ECOWAS region we are able to offer a product that is free of import duties, compared to the non-ECOWAS products the region currently imports, which are liable for import duties.

Because we ourselves import bulk cement into Ghana and clinker into Cameroon, our first goal will be to substitute these imports for products we make in Nigeria. By manufacturing additional cement in Nigeria, we will increase the capacity utilisation of our plants, thereby increasing their efficiency and profitability, which is an obvious benefit to our Nigerian business. To help service these nearby export markets we plant to build two new factories in Nigeria: a 6.0Mta plant in Itori, Ogun State, and a 3.0Mta plant at Okpella, in Edo State.

West & Central Africa

Our West & Central Africa region encompasses our existing and planned operations in Senegal, Liberia, Sierra Leone, Togo, Ghana, Côte d'Ivoire, Niger, Mali, Cameroon and the Republic of Congo.

As previously mentioned, many of these countries lack native limestone and are therefore obligatory importers of cement or clinker. With integrated facilities in Senegal and the Republic of Congo, we can export cement or clinker to neighbouring countries such as Mali or the Democratic Republic of Congo.

We have a cement grinding factory in Cameroon and are building or plan to build similar facilities in Ghana, Côte d'Ivoire, Mali and Liberia. These will be supplied by our integrated factories in Nigeria and Senegal – by road at first, but in time by sea, which will reduce shipping costs and make our products even more competitive than products delivered overland.

In all of these countries we will compete by offering what we believe is a superior product at a more attractive price compared to what is currently available in the market.

Our Strategy

This strategy has already proved highly successful in Senegal, where we have achieved monthly market shares of more than 40% in our first year of operation, despite the presence of two incumbents.

South & East Africa

Our South & East Africa region encompasses existing and planned operations in South Africa, Ethiopia, Zambia, Tanzania, Kenya and Zimbabwe. All of these countries have ample native limestone and as such, all of our facilities in the region will be integrated factories, with the exception of the Delmas cement grinding plant in South Africa.

Countries in the South & East Africa region are to some degree exposed to cheap imports from Pakistan and the Far East. As a result, our strategy is in most cases to site our factories well inland, where pricing is higher and where imported cement would face additional shipping costs to reach the market.

We have demonstrated highly successful market entries in South Africa and Ethiopia because of our strategy to be the leader on costs, quality and service.

The markets we have entered have been characterised by competitors with older, less efficient and more costly factories to operate, many of which are sub-scale.

As a result, we will surely benefit from the numerous competitive advantages we have created for ourselves in South & East Africa's rapidly growing markets for high-quality cement.

Dangote Cement's factories use modern pre-heater towers to improve fuel efficiency and reduce costs

Creating Value

1 Favourable procurement of plants

Dangote Cement's process of creating shareholder value starts before our plants are even opened.

Our size and the scale of our ambition enables us to negotiate the building of not just one factory but several, using the same design from the same manufacturer. Furthermore, our plants are created with a high degree of standardisation and prefabrication to help reduce our construction costs.

The capacity expansion we announced in September 2015 was evidence that we were able to drive very attractive terms from our key contractor, Sinoma, of China.

As a result we will be able to build new capacities at significantly less than $200 per tonne, thus increasing the potential returns on our investments as soon as they begin operating. We were able to negotiate an attractive payment schedule that allows us to pay some of the building costs after the plants have opened.

In addition, some of the new projects we announced were expansions of existing factories, for example in Senegal and Ethiopia, where mines already exist and where little or no new infrastructure will be required. By adopting this 'brownfield' strategy we can increase the returns of these factories even beyond the savings we have achieved by our strategy of ordering several factories of a standard design from the same contractor.

2 Careful market selection

A key factor in our selection of potential markets is the competitive landscape, particularly the age and size of plants already operating in the market. In markets where incumbents are operating older, smaller plants, we have an advantage in deploying larger, more efficient and more modern plants.

This is noticeably true in South Africa and Ethiopia. In the former, the average age of plants is about 30 years old and so our more modern facilities will compete on lower costs of production. In Ethiopia, while there are some 16 operators in the country, the fact is that more than half operate sub-scale plants (<0.5Mta) that use last-generation vertical kilns, which cannot produce the highest quality types of cement. Moreover, a large proportion of these are distant from main demand centres. By comparison, our 2.5Mta factory at Mugher can produce higher quality cement in much larger, more efficient quantities and dispatch it to the main demand centre of Addis Ababa less than 90km away.

In practice, we can make a higher-quality, stronger brand of cement at lower cost that our competitors, and sell it at the same price as their own offerings, giving us an advantage in the market.

Another key focus of value creation through careful market selection is to open factories in countries that will incentivise us to be there. Indeed, most countries have welcomed us with generous tax incentives because they recognise our ability to create economic growth, increase employment and provide competition. In many countries we will be helping the local economy towards self-sufficiency in cement.

3 Larger, more efficient plants

Our smallest plant size is 1.5Mta, which would be considered relatively large by even global standards, where 1Mta would be considered an average-sized plant. In Nigeria we operate very large scale plants at Obajana (13.25Mta) and Ibese (12.0Mta), which deliver substantial economies of scale, when compared with operating the same capacity across different sites. Furthermore, a single 3Mta production line will operate much more efficiently than three lines of 1Mta each. As a result of building these larger-sized lines and plants, we achieve good economies of scale.

4 New quarries, easier mining

When we open a new plant we of course start with a new quarry and it is here that our competitive advantage begins in the cement production process at our integrated factories.

Creating Value

Mining new quarries enables us to extract high-quality limestone close to the surface, enabling savings on our mining costs compared with operators whose mines are often more than 20 years old and where good-quality limestone is more difficult and more costly to extract.

5 Larger, more efficient kilns

Our kilns are the heart of our production process and the place where the raw materials of limestone, laterite and other minerals are turned into clinker in a heat-intensive process known as sintering. That the sintering reaction takes place at 1,450C is an indication of how energy intensive the process is. In fact, a large proportion of our costs is spent on fuel for our kilns.

At Dangote Cement we use large, modern rotary kilns equipped with 'pre-heaters' that use exhaust gases from the kiln to heat raw materials as they pass down the pre-heater tower to the kiln.

Using these modern heat recycling systems in this way, we can heat the raw material to about 900C before it enters the kiln, thus reducing its time in the kiln itself and the amount of fuel used to convert it into clinker.

This is good for costs and also good for the environment because of the lower carbon emissions involved in the production of our cement.

Although horizontal dry rotary kilns are the norm on new plants nowadays, some older factories user vertical kilns, particularly in Ethiopia. The disadvantage of these older technologies is that they are more expensive to run, consume more energy per tonne of clinker created, require more staff and cannot produce the higher-quality load-bearing cements required by growth economies.

6 Cost-effective fuel strategy

Although most of our plants across Africa will use coal as the primary kiln fuel, in Nigeria we enjoy considerable advantages in using natural gas at our largest plants.

For the past few years, gas has been by far the cheapest source of fuel per tonne of clinker, when compared with the LPFO we had been using as a back-up at Obajana and Ibese, and as the primary fuel at Gboko.

Using gas in Nigeria is possible because the country, especially the South, has ample gas supplies. We therefore have advantages even in Nigeria where some plants (including Gboko) are too far from gas distribution pipelines.

Late in 2014 and through 2015 we built coal milling facilities at all our plants to eliminate their dependence on LPFO. As a result, although our gas supply was good in 2015, we were able to cut the cost of using back-up fuel during periods when the gas supply was reduced.

Whereas LPFO is about three times more expensive than gas per tonne of clinker produced, imported coal is currently only 10% more expensive.

In the medium term we plan to mine our own coal from sites near to our Obajana and Gboko plants. This locally mined coal will be cheaper than gas, enabling us to reduce the cost of a major input even further when we use coal as a primary kiln fuel across all our plants in Nigeria.

In almost all countries we have built our own power plants to ensure the security of our power supplies.

7 Strong focus on quality

Our plants are equipped with the latest quality control systems that ensure the excellence of the final product right from the quarry to the final cement grinders.

Our quality control begins after limestone has been crushed at the quarry, with the raw materials being scanned in real time by our gamma ray analysers to ensure a consistent and high quality mix that is then conveyed to mixing sheds at the main production line for homogenising.

In the process line itself, we have systems that take samples from many different points of the process, delivering them automatically to the on-site 'RoboLab' for analysis.

8 Good emissions control

Our factories are designed to perform at better than European requirements to restrict emission levels, in terms of dust, noise and other forms of pollution.

We believe that many African countries will tighten up their environmental legislation in a way that will force less environmentally friendly operators to either invest in improvements or to retire old and inefficient capacity that cannot comply with such strict environmental regulations on the control of dust and emissions from the plant.

9 Finer grinding, better cement

All our plants are designed with the latest vertical rolling mill (VRM) technology to grind clinker and other additives into the final product of cement.

Compared with legacy horizontal ball mills that are still common in Africa, VRMs enable us to grind a finer, stronger and more rapid-setting product than is achievable with the older technology. Stronger and more rapid-setting cements are increasingly in demand across Africa as building sizes increase and speed of construction becomes paramount.

10 Automated loading

Our factories are built with the latest automated cement bag loading systems, such as the one pictured (right). These enable trucks to be loaded quickly and efficiently and thereby increase the number of trucks we can load in any given period.

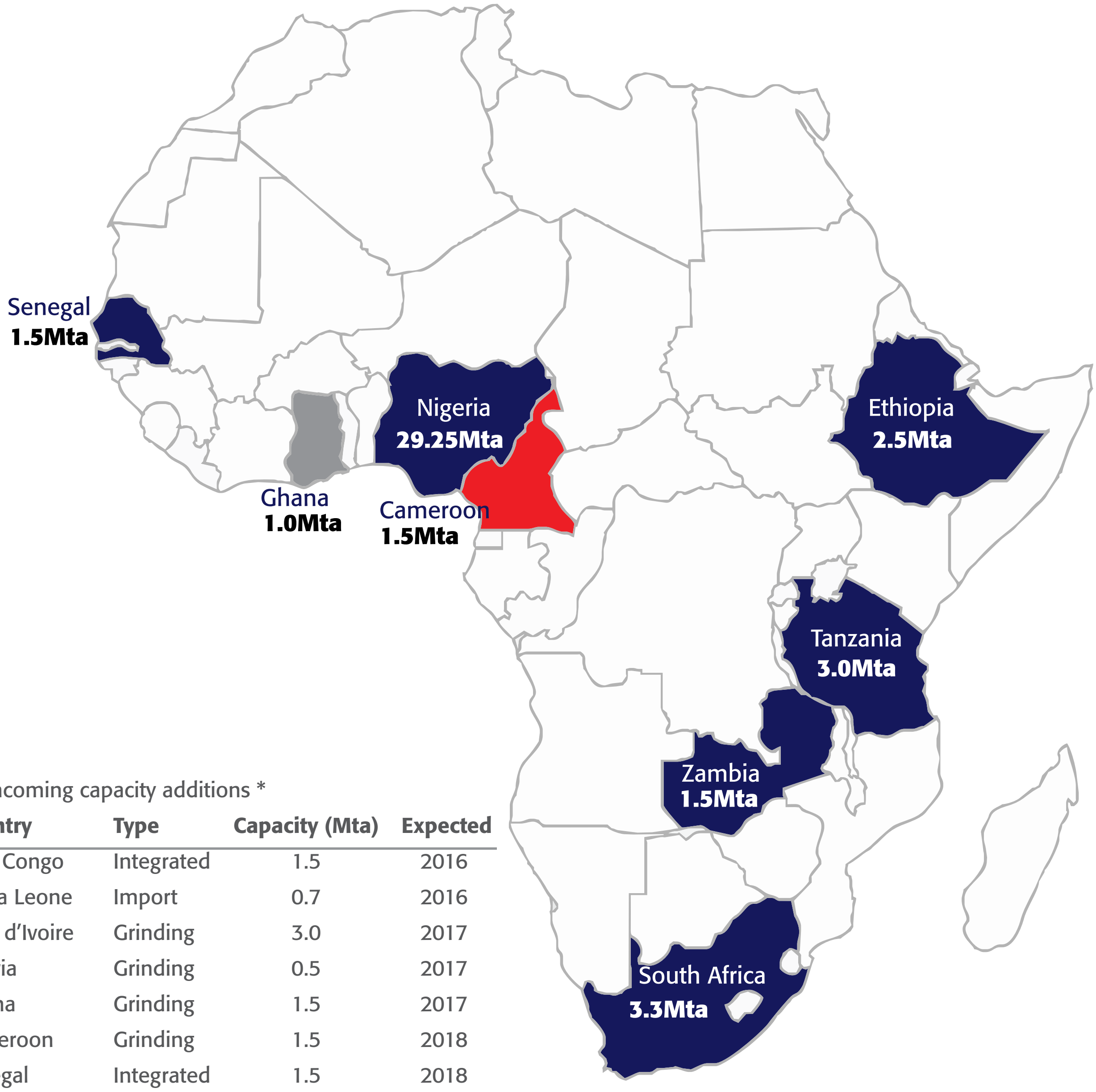
For obvious reasons, especially for customers who pick up our cement at the factory, automated bag loading is popular alternative to manual loading, in which up to eight hundred 50kg cement bags would have to be loaded by hand.

11 Superior distribution

Our size and financial strength enables us to procure large numbers of trucks to distribute our product to the market. In addition, we are equipping our trucks to use Liquid Petroleum Gas (LPG) as a cheaper and more secure alternative to diesel.

We believe that many customers will prefer the direct-delivery strategy model we already operate in Nigeria, for its convenience and competitive cost. Apart from our own distribution capabilities, we will also partner with key third-party distributors whose scale and reach are a beneficial addition to our own efforts.

Current Operations



Forthcoming capacity additions *

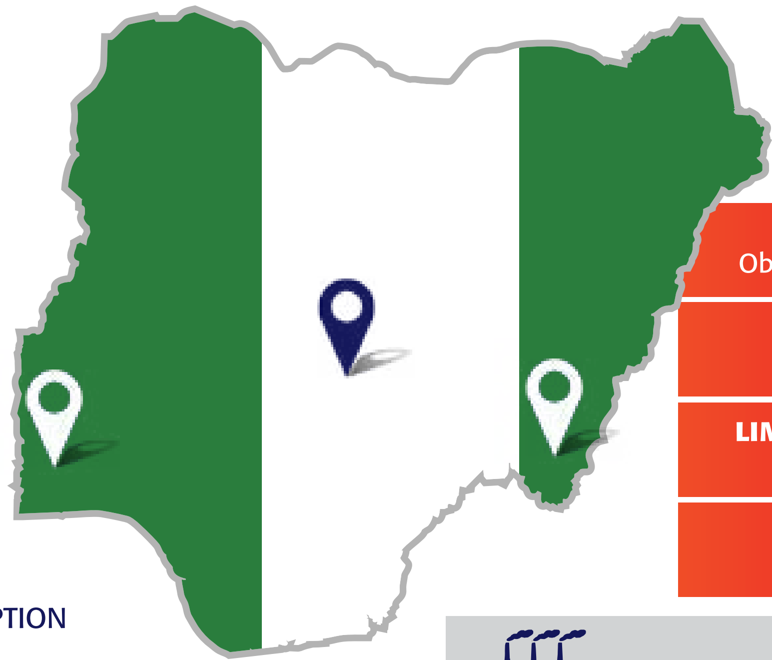
Country	Type	Capacity (Mta)	Expected
Rep. Congo	Integrated	1.5	2016
Sierra Leone	Import	0.7	2016
Côte d'Ivoire	Grinding	3.0	2017
Liberia	Grinding	0.5	2017
Ghana	Grinding	1.5	2017
Cameroon	Grinding	1.5	2018
Senegal	Integrated	1.5	2018
Ethiopia	Integrated	2.5	2018
Mali	Grinding	1.5	2018
Niger	Integrated	1.5	2018
Zambia	Integrated	1.5	2019
Nigeria, Itori	Integrated	6.0	2019
Nigeria, Okpella	Integrated	3.0	2019
Kenya	Integrated	3.0	2019
Zimbabwe	Integrated	1.5	2019
Nepal	Integrated	3.0	2019

* Provisional capacities and schedules, subject to change

Key

- Integrated
- Grinding
- Import

Nigeria



Our plant

LOCATION
Obajana, Ibese, Gboko

TYPE
Integrated

LIMESTONE RESERVE
133Mt - 1,140Mt

OPERATING DATE
Since 2007

Capacity
29.25Mta

GNI PER CAPITA
$5,600

POPULATION
178m
2050E: 398m

URBANISATION
47%

CEMENT CONSUMPTION PER CAPITA
121kg

Sources: Global Cement Report 2015, World Bank, UN Population Division.

Nigeria has great potential to be the production centre for much of West Africa's imported cement.

Our home country of Nigeria is the best market for cement in Sub-Saharan Africa. The country is blessed with large and high-quality limestone deposits, close to sources of low-cost natural gas and large centres of demand. Importation of cement is limited because the Federal Governent has made it a priority for Nigeria to become self-sufficient in key goods like cement, where raw materials are locally available.

Nigeria's per-capita consumption of cement is low by global standards, at 121kg, with more than 21.5Mt sold in 2015. However, there is strong potential for growth as both the population and Nigeria's economy increase in size.

Because many neighbouring countries lack limestone to make cement, Nigeria has great potential to be an export centre, supplying cement and its intermediate product, clinker, to meet demand.

Obajana, in Kogi State, is the largest of our three factories in Nigeria at 13.25Mta capacity. Opened in 2008 with two lines totalling 5Mta, it was even then the largest cement factory in Sub-Saharan Africa. We extended its capacity to 10.25Mta in 2012 with the opening of Line 3 and added a further 3.0Mta line in late 2014.

Obajana was initially designed to run on natural gas with LPFO as a back-up fuel, but we are upgrading it to equip all four lines to use coal as a back-up and even a primary fuel.

At 12.0Mta, Ibese in Ogun State, serves Lagos and the key South-West market.

National Arts Theatre, Lagos.

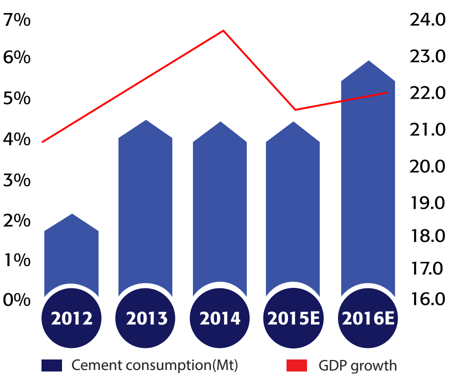
Commissioned with 6.0Mta of capacity in 2012, the plant was doubled in size in late 2014. Like Obajana, Ibese runs on natural gas and has undergone conversion to coal for back-up fuel. Ibese also produces cement for export to nearby countries in West Africa, such as Ghana and Niger.

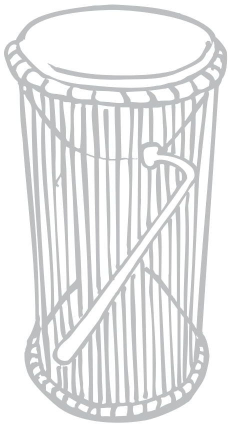
The 4.0Mta plant we have at Gboko, in Benue State, is our oldest factory in Nigeria, having been commissioned in 2007. The plant was originally designed to run solely on LPFO but during its mothballing period in 2015, we began equipping it to run on coal, which is much cheaper than LPFO and which will dramatically cut its cost of production.

Gboko serves local markets in the east of Nigeria and could potentially supply Cameroon with clinker when it reopens.

In addition, we have recently announced plans to build a new 6.0Mta plant at Itori, to the north of Lagos and a 3.0Mta plant at Okpella in Edo State.

We are confident the Nigerian market will rebound and that all of our capacity will achieve high levels of output in the coming years, as Nigeria invests in infrastructure, housing and new industries.





Gangan:
"The talking drum" is the most common description for the gangan. Unarguably the most popular among the Yoruba tribe in Nigeria, its usage cuts across all tribes. Due to its unique pitch, the Gangan can be made to mimic human speech.

Cameroon

GNI PER CAPITA
$2,660

POPULATION
22m
2050E: 48m

URBANISATION
54%

CEMENT CONSUMPTION PER CAPITA
83kg

Sources: Global Cement Report 2015, World Bank, UN Population Division.

Our plant

LOCATION
Douala

TYPE
Grinding

OPERATING DATE
March 2015

Capacity
1.5Mta

Cameroon has little limestone of its own and is imposing a ban on imported bulk cement, so it will be reliant on imports of clinker to grind into cement.

Cameroon is an excellent market for Dangote Cement. With a population of nearly 23m people, Cameroon borders Nigeria but has little native limestone with which to manufacture cement in large quantities.

At present, per-capita consumption is low, at 83Kg in 2014, according to Global Cement Report. Total consumption was about 2.5Mt in 2014, but this had risen substantially from just 1.3Mt in 2011.

Consumption is expected to rise to more than 3Mt by 2016, driven by solid growth in GDP and an ambitious programme of investment in infrastructure, notably electricity and transport. Major projects include the National Ports Master Plan, upgrades to many roads and the construction of new dams.

Although an importer of clinker and cement from the Far East and elsewhere, Cameroon has taken the bold step of suspending the importation of bulk and bagged cement – a prohibition that will begin to take effect in 2016.

The suspension of bulk and bagged cement imports represents an immediate opportunity to substitute perhaps 1Mt of product with locally ground cement made from imported clinker.

Taking advantage of this opportunity, we opened our 1.5Mta cement grinding facility in Douala in March 2015. In fact, we were the first new entrant in Cameroon's cement market in 40 years.

The grinding plant reached high levels of production within a few months as our

Reunification Monument , Yaoundé

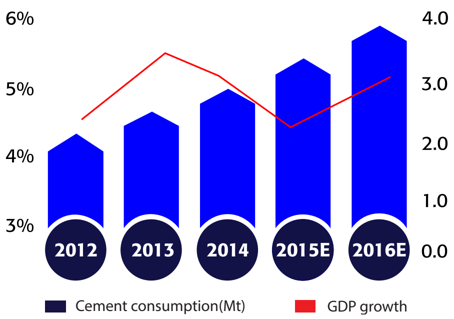
products proved their popularity in the local market and we achieved around 65% capacity utilisation within months.

During 2015 we were importing clinker from the Far East and elsewhere. However, we found that imported clinker was often of lower quality than was ideal for our purposes, meaning we needed to use more clinker to make a tonne of finished cement. In time, we plan to use higher-quality clinker made at our own factories in Nigeria and by comparison, less of this will be required to make each tonne of the standard product of bagged cement. This will in turn help to improve margins.

In Cameroon, we grind clinker with pozzolana additives and our primary product is bagged 42.5-grade cement. All sales are for domestic markets at present.

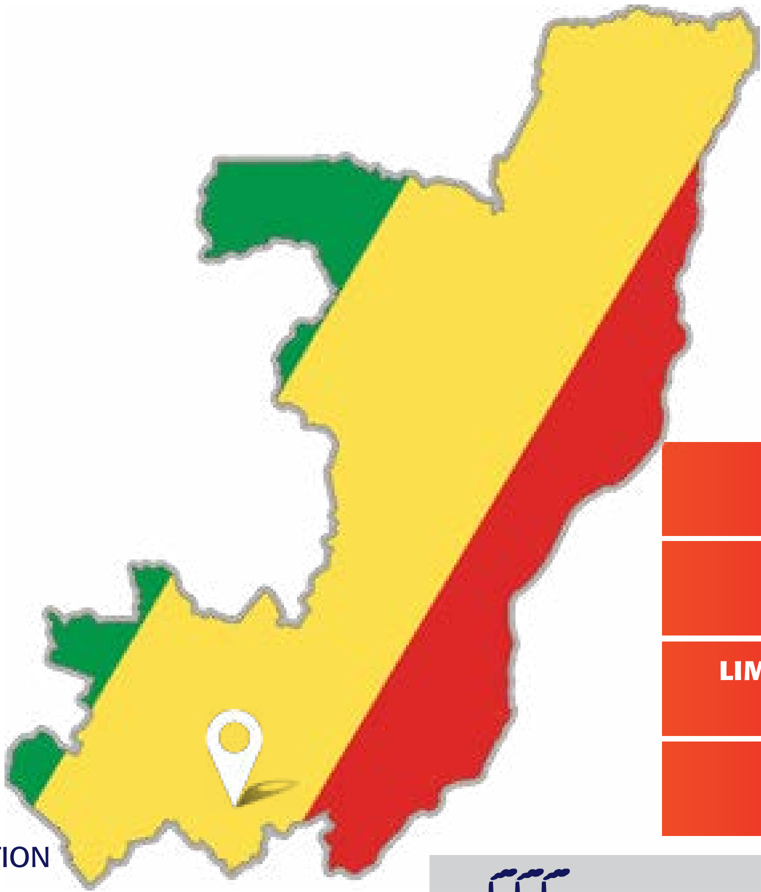
In August 2015, as we commissioned the plant, we announced plans to build a second facility, probably at Yaoundé, to open by 2018.

This reflects our confidence that the market for cement in Cameroon will continue to achieve good growth as the country improves both its infrastructure and its housing stock.



Bamileke drum:
This drum is significant in many ceremonial functions, including dance, rituals, story-telling and communication of messages.

Congo



GNI PER CAPITA
$4,700

POPULATION
5m
2050E: 11m

URBANISATION
65%

CEMENT CONSUMPTION PER CAPITA
282kg

Sources: Global Cement Report 2015, World Bank, UN Population Division.

Our plant

LOCATION
Mfila

TYPE
Integrated

LIMESTONE RESERVE
144Mt

OPERATING DATE
H2 2016

Capacity
1.5Mta

Our 1.5Mta plant in the Republic of Congo will serve local markets and also export to the DRC after it opens in the second half of 2016.

The Republic of Congo is set to enjoy increased prosperity in the coming years as new oil fields come onstream and the service sector improves.

Although its population is relatively small at about 4.5 million, per-capita consumption of cement is well above average for Sub-Saharan Africa, at 282kg, according to Global Cement Report. This reflects an above-average Gross National Income for the country, of more than $4,700. Similarly, at 65%, Congo's urbanisation rate is somewhat higher than many countries in Sub-Saharan Africa.

Global Cement Report highlights strong building activity across all sectors including housing, commercial and infrastructure.

Congo is regarded as a key corridor to Africa's interior, with a need for good transport links from the coast.

Total cement consumption was estimated to have been about 1.5Mt in 2014, rising to around 2.0Mt in 2015. However, much of this consumption was satisfied by importation from the Far East and Egypt, with local production making up perhaps 0.5Mt out of the 1.5Mt sold in 2014.

The local cement industry in Congo is characterised by small-scale plants of below 0.6Mta capacity, although some plants are expected to begin expansion projects to increase their potential output in the coming years.

Against this industry backdrop, the 1.5Mta plant we are building near Mfila will be

Kintele Olympic Stadium, Brazzaville

the largest ever opened in the country and we are confident it will enjoy many competitive advantages over the existing, small-scale and older plants already there.

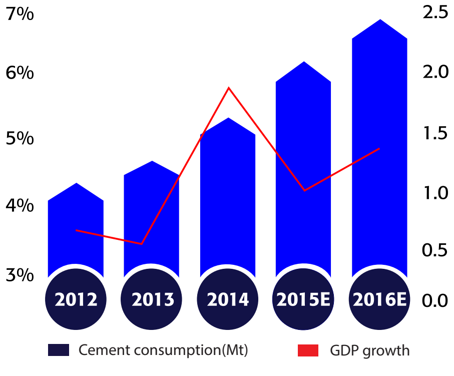
Situated on the road between the country's largest port, Pointe-Noire, and its capital Brazzaville, the plant is ideally located to replace imports and serve the country's key cement demand centres in and around the capital.

The Pointe-Noire-Brazzaville transport corridor is being upgraded to enable greater and more efficient flow of materials to and from the capital.

Our plant has 144 million tonnes of limestone reserves and will utilise coal for its kilns and power. We expect to commission it later in 2016.

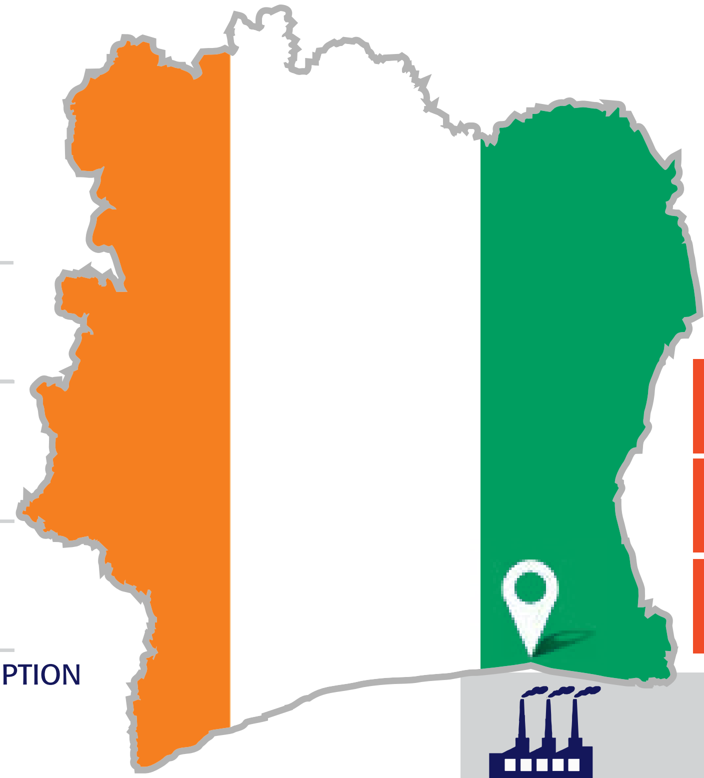
In addition to helping the Republic of Congo to achieve self-sufficiency in cement production, our plant will also be able to export products across the nearby border to Kinshasa, in the Democratic Republic of Congo, where cement pricing is particularly strong.

Exports to the DRC will be within the CEMAC duty-free trading zone.



Kuba:
Well known for reflecting the institution of kingship and being the emblem of a past king. Every succeeding king still listens to the rhythm of its music as the Kuba drum itself is a symbol of royalty.

Côte d'Ivoire



GNI PER CAPITA
$2,900

POPULATION
22m
2050E: 49m

URBANISATION
53%

CEMENT CONSUMPTION PER CAPITA
95kg

Sources: Global Cement Report 2015, World Bank, UN Population Division.

Our plant

LOCATION
Abidjan

TYPE
Grinding

OPERATING DATE
Late 2017

Capacity
3.0Mta

Côte d'Ivoire has a strong economy and shows potential to be a good market to supply with clinker for grinding into cement.

Côte d'Ivoire is an attractive market for cement for many reasons. It is one of several West African coastal states that lack limestone, making it an obligatory importer of cement or clinker to support its infrastructure and housing growth.

The country is enjoying good economic growth, a population of more than 22 million people and plenty of upside potential from its low per-capita cement consumption of 95kg, according to the 2015 Global Cement Report.

Côte d'Ivoire's economic prospects are expected to be robust, with GDP growth forecast at more than 7% in the coming years, driven mostly by agriculture and in particular exports of cocoa, as well as increasing development of the country's service and retailing industries.

Recent discoveries of oil and gas have yet to be exploited but could provide an additional spur to growth and infrastructure spending. The economy is managed and inflation is relatively low, as is Côte d'Ivoire's budget deficit.

Unlike nearby Liberia and Sierra Leone, Côte d'Ivoire has remained almost entirely free of Ebola, enabling its economy to continue unaffected by the outbreak that has seriously affected the economic growth of its neighbours.

Cement demand has risen steadily in Côte d'Ivoire over the past few years, reaching more than 2Mt in 2014.

The country is served by four incumbents who mostly import clinker, with a total industry capacity of about 3.5Mta cement.

The Basilica of Our Lady of Peace, Yamoussoukro

Cement pricing is currently quite strong in Côte d'Ivoire, with retail prices at around \$140/tonne in the middle of 2015.

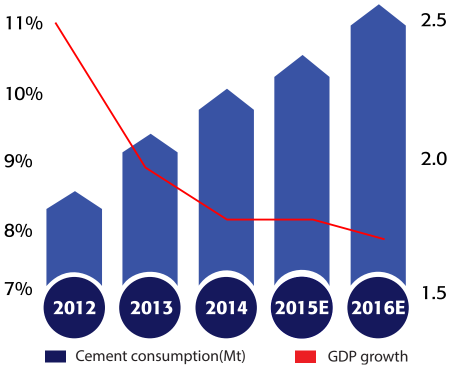
Global Cement Report 2015 expects cement consumption to increase steadily in the coming years, but notes that with 2.9% population growth, consumption of 3Mt by 2019 would represent per-capita consumption of only 100kg, which is still well below global averages.

Dangote Cement plans to build a 3.0Mta grinding plant in Abidjan, which we expect to open in late 2017 or early 2018.

Our plan is to supply the factory with clinker produced in Nigeria and shipped to Côte d'Ivoire on a duty-free basis, as both countries are within the ECOWAS trading zone.

This should make it a more attractive prospect than importing clinker from non-ECOWAS countries, which will attract import duties of 22.5%.

Although Côte d'Ivoire is within the reach of our Nigerian truck fleet, we expect to supply it by sea in due course as this will dramatically reduce transport costs.



Senufo drum:
The Senufo is a drum that gets its reputation from being used to call people's attention towards special occasions like the initiation of young men into adulthood. The Senufo is a very traditional drum that find its roots from being used to tell tales of maturity.

Ghana

GNI PER CAPITA
$3,880

POPULATION
27m
2050E: 50m

URBANISATION
53%

CEMENT CONSUMPTION PER CAPITA
211kg

Sources: Global Cement Report 2015, World Bank, UN Population Division.

Our plant

LOCATION
Tema, Takoradi

TYPE
Import/Grinding

OPERATING DATE
Operating/2017

Capacity
1.0/1.5Mta

We will build a new 1.5Mta clinker grinding plant in Takoradi that will employ hundreds of Ghanaian workers when it opens.

With 27 million people and per-capita consumption at 211kg, Ghana is perhaps West Africa's most important market for cement after our home market of Nigeria.

Consumption has been steady over the past few years at 5-6Mt, the vast majority of which was imported owing to the lack of any significant quantities of native limestone in the country.

Although GDP growth has slowed down from recent highs of nearly 10%, growth has remained good by regional and indeed global standards, enabling investment in infrastructure and housing. The slowdown in GDP was triggered by falling commodity prices and these factors, along with the depreciation of the Cedi, have weighed on demand for imported cement over the past few years.

Ghana's main centre of demand is Accra, the capital, which accounts for about 30% of all cement sold in the country, and we estimated the the Ashanti and Western regions account for around 18% and 12% of demand respectively. Block makers are a key market for all cement producers in Ghana, consuming approximately 30% of all sales.

Dangote Cement has operated in Ghana since 2011 (though as a separate company), with an import and bagging terminal terminal based at Tema, Accra.

Although the terminal has a capacity of about 1.0Mta, we were faced by unfavourable trading conditions in 2015 and 2014, which made importation less profitable than we had expected, mainly because of the Cedi's devaluation.

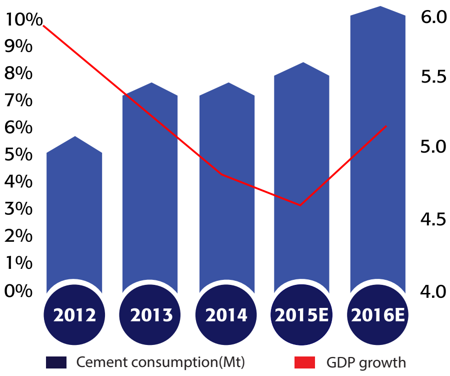

Independence Arch, Accra

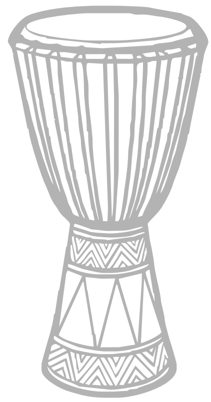
However, we continue to see Ghana as a major opportunity because of its robust demand, lack of limestone and proximity to Nigeria.

We sold more than 0.6Mt of cement in Ghana in 2015, most of which was imported bulk cement from the Far East, which attracts significant import duties on landing.

In September 2015 we began to export cement from our Ibese plant in Nigeria, along the coastal road to Ghana. Our strategy in the short term is to reduce our own reliance on Far Eastern imports and in fact replace them entirely with Nigerian-produced cement. We will then aim to increase our share of Ghana's 6Mt market, which is made up of about 90% bagged 32.5 and 42.5 product.

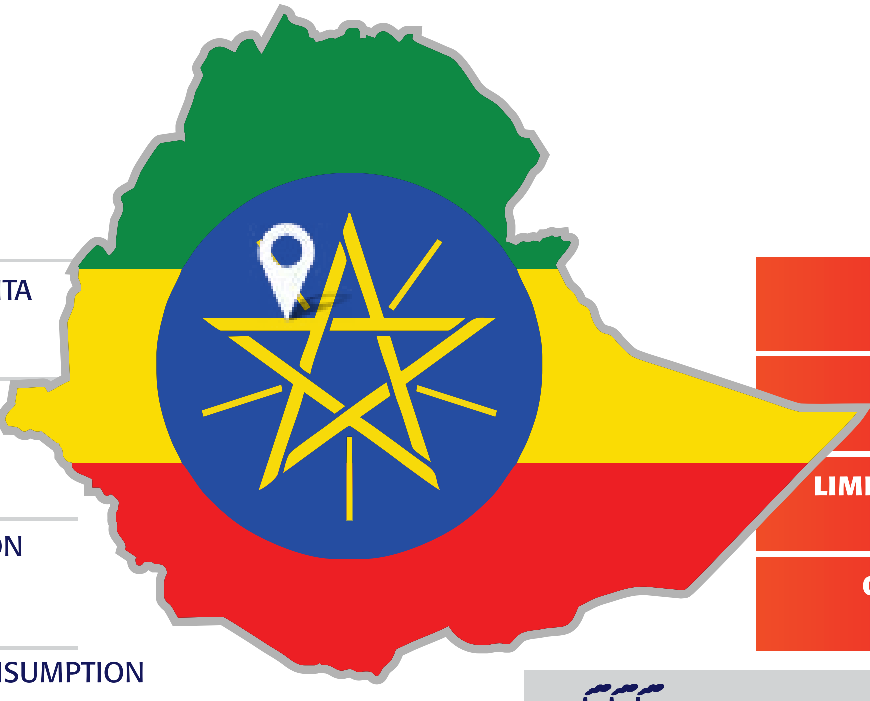
At present, Ghana has three manufacturers that grind cement, with a combined capacity of about 6.5Mta. However, we have announced our intention to build 1.5Mta grinding plant at Takoradi, south west of Accra, reflecting our long-term confidence that the market will show good growth. The new plant will employ hundreds of local Ghanaian workers when it opens.





Djembe:
The Djembe is the most popular drum in West Africa. The name Djembe is said to mean "Gather in Peace", although the drum itself is noted for being rather loud.

Ethiopia



GNI PER CAPITA
$1,350

POPULATION
97m
2050E: 188m

URBANISATION
19%

CEMENT CONSUMPTION PER CAPITA
61kg

Sources: Global Cement Report 2015, World Bank, UN Population Division.

Our plant

LOCATION
Mugher

TYPE
Integrated

LIMESTONE RESERVE
223Mt

OPERATING DATE
May 2015

Capacity
2.5Mta

Ethiopia is a key market for Dangote Cement, with a robust economy, a large population and a strong commitment to infrastructure and house building.

Along with Nigeria and South Africa, Ethiopia is one of three key markets in Africa where we aim to have more than 25%-30% market share.

With 97 million people and GDP growth of 9%-10%, Ethiopia is the second most populous country in Africa and has superior economic growth to most countries in the region. Agriculture remains the largest sector of the economy.

Despite its strong growth, Ethiopia lags many African countries in cement consumption at just 61Kg per person, according to Global Cement Report 2015.

Urbanisation is low at 19% and outside of the major cities, where housing is quite modern, much housing is still of traditional wooden construction.

However, the country has a strong commitment to investment in building new infrastructure, as evidenced by the new light railway that opened in Addis Ababa in September 2015.

The latest five-year Growth & Transformation plan (2011-2015) has placed a high priority on supporting agriculture with investment in transportation and power infrastructures. Indeed, Ethiopia is one of a few countries where our factory has a largely reliable supply of electricity from the national grid.

Cement consumption has risen steadily to around 7Mt in 2015 and growth is expected to continue as a result of the government's investment in infrastructure, as well as improvements in housing and increased commercial building.

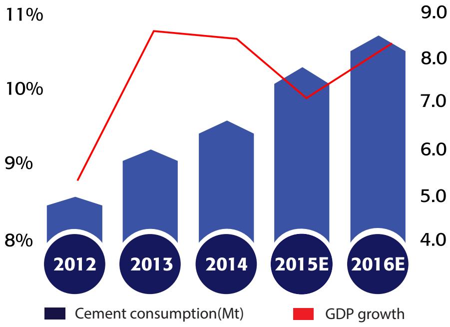
African Union Headquarters, Addis Ababa

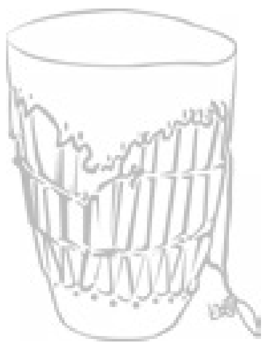
Although the country has around 15 cement manufacturers, leading to claims of overcapacity, the fact is that many are sub-scale and use outdated vertical kiln technologies that are costly, inefficient and are generally incapable of making the high-quality types of cement the country will need for its major infrastructure projects. Only a few manufacturers have larger, more modern dry-process kilns such as ours at Mugher.

The 2.5Mta plant, less than 90km from Addis Ababa, opened in May 2015 and ramped up to almost full capacity within a matter of months. We attribute much of this success to the fact that our plant is the largest in Ethiopia, capable of producing large amounts of high-quality 32.5 and 42.5-grade cements to meet market needs at competitive costs.

Although most cement sold in Ethiopia is bagged 32.5-grade cement, about 40% of our sales are of the higher-strength cement. While leading on cost and quality, we feel we have been able to offer a better product at the same price as lesser-quality cements in the market.

In September 2015 we confirmed our intention to double the size of the plant at Mugher by the end of 2018.





Kebero:
The Kebero is a double-headed drum that originates from Eritrea, Sudan and Ethiopia. It used for all celebrations and to herald victory or success in expeditions.

Senegal

GNI PER CAPITA
$2,240

POPULATION
15m
2050E: 36m

URBANISATION
43%

CEMENT CONSUMPTION PER CAPITA
202kg

Sources: Global Cement Report 2015, World Bank, UN Population Division.

Our plant

LOCATION	Pout
TYPE	Integrated
LIMESTONE RESERVE	300Mt
OPERATING DATE	December 2014

Capacity
1.5Mta

Dangote Cement has had an excellent first year of operations in Senegal, with strong gains in market share against two entrenched incumbents.

With nearly 15 million people, Senegal's per-capita consumption of cement is high by regional standards, at 202Kg, and Global Cement Report expects solid growth over the coming years.

Senegal's robust economy and stable government have enabled strong investments in infrastructure, particularly power, transport and education. Major projects include a new airport with transport links to Dakar, new educational facilities, and the Trans-Gambia Bridge.

Senegal is an important manufacturing base for Dangote Cement, having large deposits of limestone in a region where most coastal countries lack this essential material. Our factory has approximately 300Mt of limestone in its quarry, enough for many decades of operation.

The Senegalese market already had two incumbents before we entered, claiming a combined capacity of about 6.7Mta and a considerable level of exports, mostly to neighbouring Mali.

Although many observers considered that the market could not sustain a third manufacturer, we took the view that we could compete successfully on the quality of our products.

After some delays owing to well-documented legal issues that were settled satisfactorily, we opened our 1.5Mta factory in Pout, 29km from Dakar, at the end of December 2014.

Sales began in January 2015 and after a steady start, we found that the market was highly receptive to our product.

African Renaissance Monument, Dakar

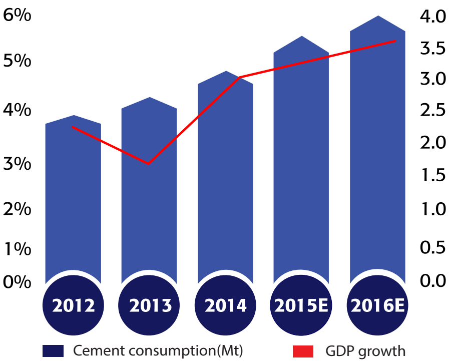
As a result, the factory quickly achieved almost full utilisation by the middle of the year, giving us a market share of more than 28% for the whole of 2015. Indeed, demand was so strong at one point we had to import clinker to satisfy the market.

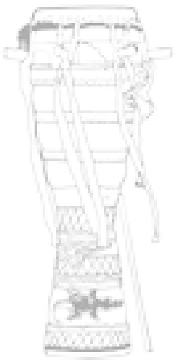
Before our entry, the Senegalese market was mostly for bagged cement, with 32.5-grade being the most popular. However, we believe we achieved a very successful market entry by selling our high-quality 42.5-grade product at the same price as other manufacturers' less strong 32.5-grade products, enabling us to gain a good market share very quickly.

As we had expected, market pricing eased in advance of our entry to Senegal and at the end of 2015, the retail price was about $90 per bagged tonne.

Senegal's abundant limestone and its coastal location and good transport links make it an excellent base from which to export to countries such as Mali, Sierra Leone, Liberia and others.

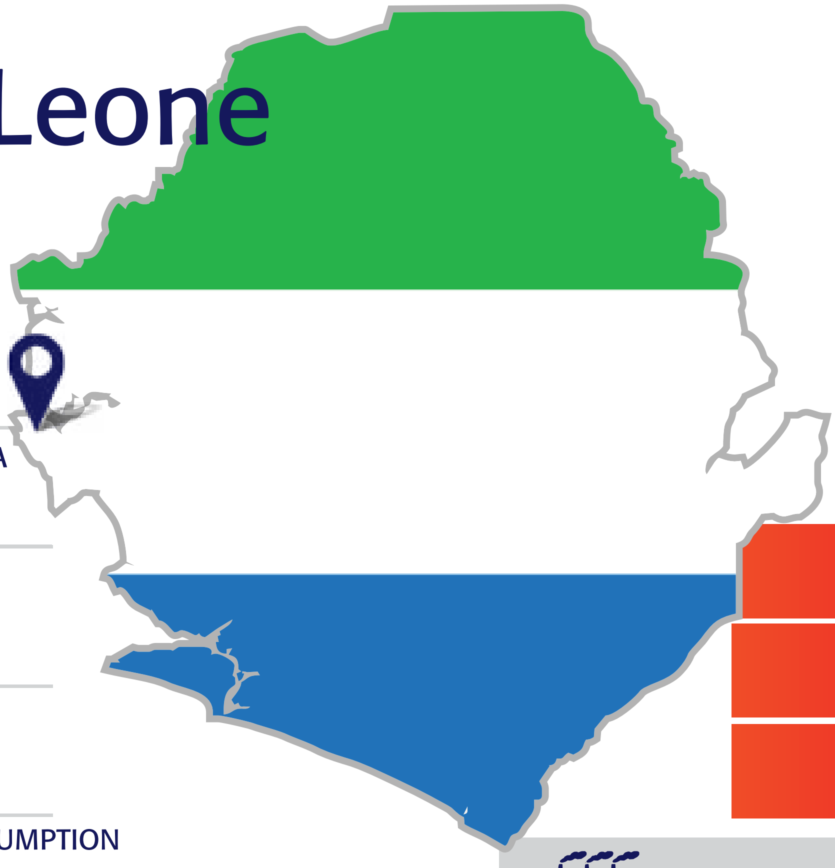
In September 2015, we announced plans to build a second line that will provide clinker for export, mostly to Mali, where we will set up a cement grinding facility.





Tama:
The Tama drum is popular with many Senegalese musicians for its versatility. The drum is used to herald special occasions like arrival of the king or call to arms.

Sierra Leone



GNI PER CAPITA
$1,750

POPULATION
6m
2050E: 11m

URBANISATION
40%

CEMENT CONSUMPTION PER CAPITA
58kg

Sources: Global Cement Report 2015, World Bank, UN Population Division.

Our plant

LOCATION
Freetown

TYPE
Import & bagging

OPERATING DATE
2016

Capacity
0.7Mta

Sierra Leone is an obligatory importer of cement and we intend to supply it from Senegal or Nigeria when its economy recovers.

Sierra Leone has been badly affected by the recent Ebola crisis, which continues to weigh heavily on economic growth, which had seen GDP increases of 20% before the crisis took hold. Throughout 2015, the World Bank was forecasting a contraction in the country's economy, with a resulting slowdown in government spending on infrastructure.

On top of the Ebola crisis, Sierra Leone has been hit by falling commodity prices in recent years, particularly that of iron ore, which is a key export for the country.

Sierra Leone has a population of 6.1 million with urbanisation at 41%. However, per-capita consumption is low at just 58kg, according to Global Cement Report. We estimate consumption to have been less than 0.25Mt in 2015.

Until the effects of the Ebola crisis are past and normal economic activity can resume, Global Cement Report notes that Sierra Leone's cement market will be difficult to predict. Even allowing for some recovery the market is forecast to be less than 0.3Mt in 2016.

With no native limestone of its own, Sierra Leone is an obligatory importer of cement and clinker, with one local producer operating a 0.45Mta grinding and bagging plant in the capital, Freetown.

Under normal circumstances, raw materials such as clinker would be imported from Africa and Europe but the outbreak of Ebola served to isolate the country from many imports as shippers were unwilling to land their boats in Freetown while the country was declared unsafe.

Peace and Cultural Monument , Freetown

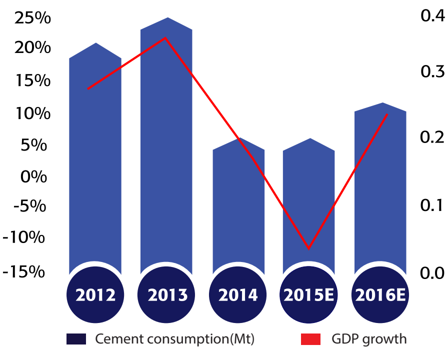
This affected our own plans in Sierra Leone as essential equipment has been delayed until carriers are satisfied it is safe to send ships to the country.

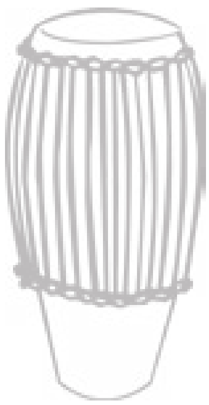
As at the end of 2015, although the country had officially been decared free of the virus, we judged that Sierra Leone was not sufficiently recovered from the Ebola crisis to open the plant, and now anticipate opening our importation and bagging plant in mid-2016.

Our medium-term plan is to supply Sierra Leone from Senegal or Nigeria. We expect that most sales will be to local markets. When the economy recovers, it will then depend to a large extent on the health of the mining industry, but a pick-up in activity could result in substantial growth, albeit from a low base.

At present all consumption is domestic but in the longer term we believe there is some potential to export to countries in the interior regions of West Africa.

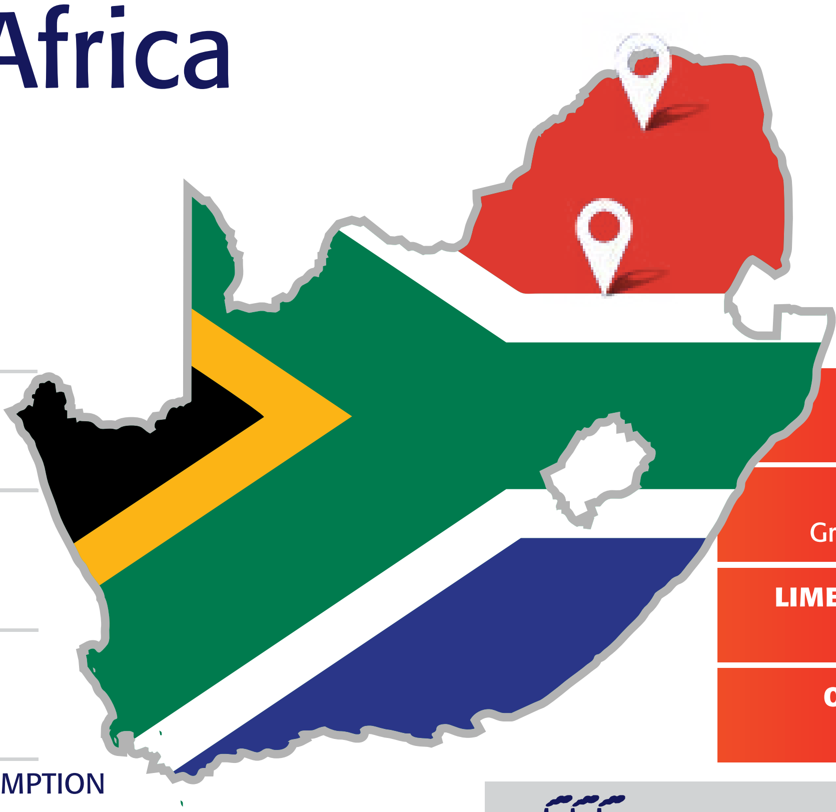
Pricing was strong in 2014 and 2015, but this was a function of the delays and increased shipping costs associated with the challenges to importation posed by the Ebola outbreak. Normalised supply will lead to more normalised pricing.





Goumbe:
Goumbe drums are a traditional instrument of Sierra Leone, but were actually introduced to the country in 1800 by Maroon settlers from Jamaica.

South Africa



GNI PER CAPITA
$12,240

POPULATION
54m
2050E: 74m

URBANISATION
64%

CEMENT CONSUMPTION PER CAPITA
230kg

Sources: Global Cement Report 2015, World Bank, UN Population Division.

Our plant

LOCATION
Delmas/Aganang

TYPE
Grinding/integrated

LIMESTONE RESERVE
100Mt

OPERATING DATE
Feb/Aug 2014

Capacity
3.3Mta

Dangote Cement has quickly gained market share by establishing a reputation for offering high-quality products backed by superior levels of service.

Along with Nigeria and Ethiopia, for their large populations and economic growth, South Africa is the third key market for Dangote Cement in Africa.

The country has the second-largest economy in Africa and the most mature, with GNI at more than $12,000 per person and well-developed infrastructure and housing.

However, South Africa's economic growth has been constrained over the past few years and this has affected its infrastructure spending plans, according to the 2015 edition of Global Cement Report.

Economic growth is expected to remain slow at about 2% in the coming years, according to the latest forecasts.

Although the government had announced an ambitious $462B, 15-year programme of investment back in 2012, the plan has so far floundered amidst funding challenges.

South Africa's cement market has seen consumption of 12Mt-13Mt over the past couple of years and significant growth is not expected in the next year.

Per-capita consumption is relatively high for Sub-Saharan Africa, at 230Kg. The market has a number of long-established incumbents including PPC, Afrisam and Lafarge Africa, with some importation on the eastern coast from Pakistan.

While there is a widespread perception of 'overcapacity' in the market, it is important to understand that South Africa's cement

FNB Stadium, Johannesburg

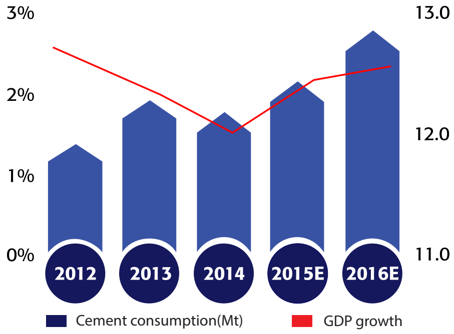
factories and their kilns are relatively old, with an average age of about 30 years.

This means they are unable to operate as efficiently as new plants such as those we have established at Aganang and Delmas, and therefore their actual output may be lower than the nameplate capacity suggests. Upgrading such plants will take considerable investment on the part of other operators in the country.

Both our Aganang integrated plant and Delmas grinding plant opened in 2014, under the name Sephaku Cement, and quickly ramped up to high utilisation levels that were maintained into 2015, despite substantial local competition.

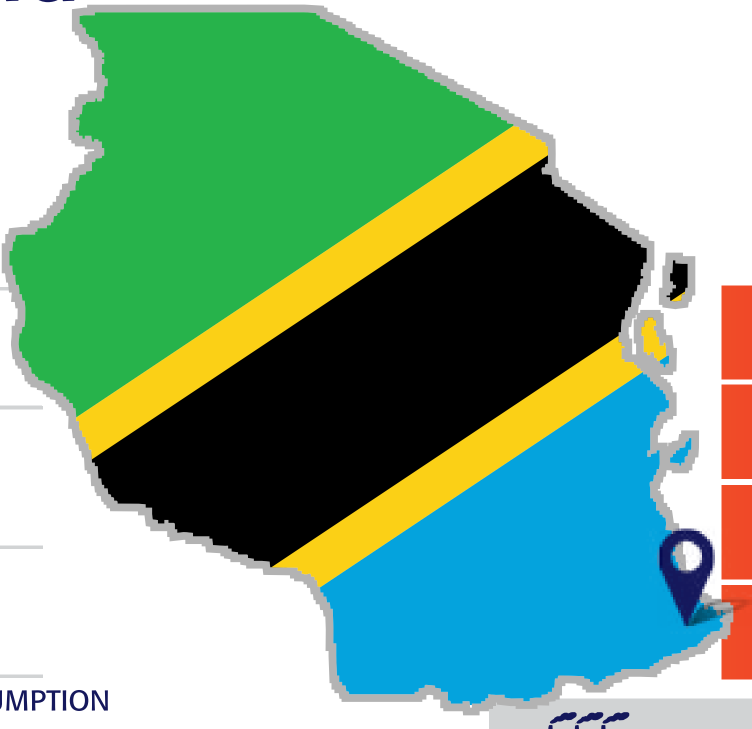
The two factories are on opposite sides of Johannesburg and enable us to reach a substantial part of South Africa's inland market, selling cement through bulk distribution and through retail outlets, including in the key market of Johannesburg.

In November 2015, Sephaku Cement was renamed Dangote Cement South Africa, but the Sephaku branding will remain. It is a joint venture with Sephaku Holdings, which owns 36%.



Zulu:
The Zulu drum is an integral part of the South African culture. The beating of the drum is normally performed at royal occasions. Traditonal drums were made from earthenware pots.

Tanzania



GNI PER CAPITA
$1,750

POPULATION
52m
2050E: 137m

URBANISATION
31%

CEMENT CONSUMPTION PER CAPITA
65kg

Sources: Global Cement Report 2015, World Bank, UN Population Division.

Our plant

LOCATION
Mtwara

TYPE
Integrated

LIMESTONE RESERVE
500Mt

OPERATING DATE
December 2015

Capacity
3.0Mta

A large population but low per-capita cement consumption suggest Tanzania has considerable potential for cement consumption to increase.

Tanzania is enjoying political stability and sustained economic growth of approximately 7%, driven by exports, and increasing tourism. Recent finds of offshore oil and gas are expected to give a boost to the economy in future years.

Tanzania's large population, low urbanisation at 31% and low per capita consumption of cement (65kg) suggest considerable upside potential as the population increases and bcomes wealthier.

Infrastructure priorities are expected to be the development of roads and the electricity network, investment in oil and gas infrastructure, expansions to the ports at Dar es Salaam and Mtwara and a new port at Bagamayo, which is being backed by Chinese funding.

Furthermore, significant construction will be required in both public and private sectors if tourism is to increase with government ambitions to attract eight million visitors a year by 2025, from just over one million at present.

In addition, we expect to see an increase in the building of schools, medical facilities. offices, retail units and infrastructure to support the mining industry.

Cement consumption was estimated at about 4.2Mt in 2015 with 0.4Mt being imported, mostly from Pakistan. Major demand centres are along the coast, which accounts for around 2Mt of consumption per year, with the Northern and Lake regions taking approximately 0.6Mt each, according to our estimates, and Zanzibar consuming about 0.3Mt.

Hartbour Control Tower, Dar es Salaam

Before Dangote Cement entered the market, Tanzania had approximately 4.5Mta of capacity shared between six incumbents, mostly operating integrated factories near to the coast to serve the key coastal and northern markets.

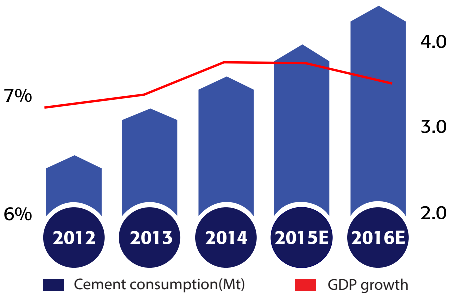
Key incumbents include ARM/Rhino, Lafarge/Mbeya, Tanga/Simba and Twiga.

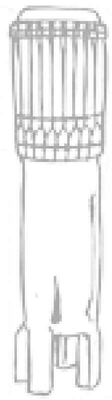
In December 2015 we began clinker production at our 3.0Mta integrated plant at Mtwara, following its ceremonial inauguration in October.

The factory will be equipped with a 60MW coal-fired power plant because although gas is available in the Mtwara region, we decided on dual-fuel strategy to ensure the security and stability of our fuel supplies.

Our factory will be the largest and most efficient in Tanzania. We sell both 32.5 and 42.5 grades of cement and most of it is bagged.

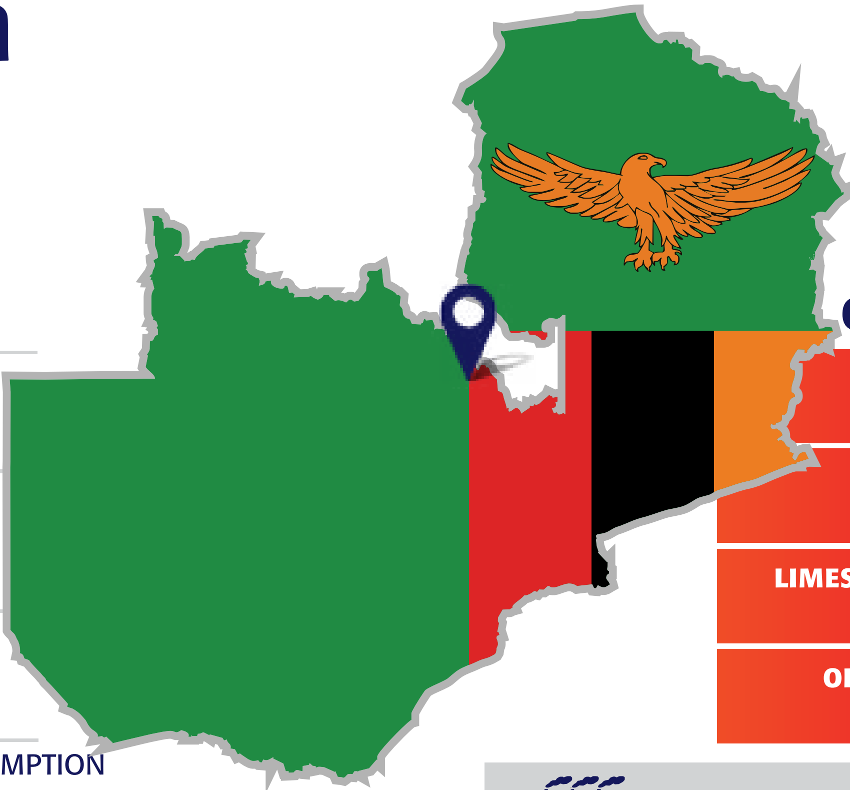
Although the plant is located at Mtwara, on the south coast of Tanzania, we believe that cost advantages will enable us to compete in local and export markets, such as Mozambique and the Indian Ocean islands.





Ngoma:
The word Ngoma is simply the kongo word for 'drum'. Different regions of Africa have their own traditions of percussion, with different names for their instuments. In kikongo, "ngoma" is used by extension to signify dances, social occasions and rhythms.

Zambia



GNI PER CAPITA
$3,070

POPULATION
16m
2050E: 43m

URBANISATION
42%

CEMENT CONSUMPTION PER CAPITA
90-95kg

Sources: Global Cement Report 2015, World Bank, UN Population Division.

Our plant

LOCATION
Ndola

TYPE
Integrated

LIMESTONE RESERVE
240Mt

OPERATING DATE
June 2015

Capacity
1.5Mta

Dangote Cement has made a good start in Zambia and is capable of serving markets right across the country as well as exporting over the border to the DRC.

In recent years, Zambia has experienced solid economic growth that helped to drive cement consumption from around 1.1Mt in 2012 to nearly 1.6Mt in 2015.

With a population of nearly 16m, Zambia's per-capita consumption of cement is relatively low at 85kg, which indicates good potential for growth if the economy continues to grow at recent rates. However, forecasts of growth have been tempered by recent falls in commodity prices and the associated cutbacks in capital expenditure to open new mines.

Housing remains a priority in Zambia with an estimated shortfall of more than a million homes. Urbanisation is relatively modest at 42%, again suggersting good potential for growth in infrastructure, housing and retail buildings.

Major infrastructure projects include the development of new highways to link Zambia with neighbouring countries, a substantial upgrade of the domestic road network, a rehabilitation of its rail and powerline infrastructure, an upgrade to Lusaka Airport and a new airport to serve the key Copperbelt region.

Zambia's cement industry produces mostly bagged 32.5 or 42.5 grade cements from factories situated either near Lusaka or in the Copperbelt region. These two markets respectively account for about 46% and 21% of Zambia's cement consumption.

Before our entry in May 2015, Zambia was served by three incumbent cement manufacturers, which had a combined integrated cement production capacity of about 1.6Mta.

Levy Mwanawasa Stadium, Lusaka

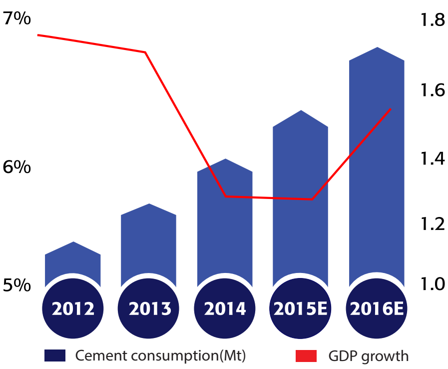
Retail pricing at the end of 2015 was $89 per tonne and the domestic market consumed around 1.6Mt in the year.

Exports to the Democratic Republic of Congo (DRC) and other countries are estimated to have added a few hundred thousand tonnes in 2015. However, exports are a key target for our 1.5Mta plant at Ndola, which is located near to the border with DRC.

Dangote Cement's factory is now the largest in Zambia. It quickly ramped up to high capacity utilisation rates, selling 32.5 Portland Cement and our 3X brand 42.5 Portland Limestone Cement. We firmly believe that long-term market forces will drive the increasing adoption of the stronger grades of cement in the Zambian market, as elsewhere in Africa.

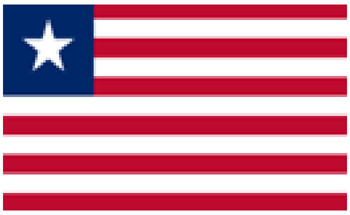
Our key markets will remain domestic sales in Zambia, all regions of which are accessible to us, as well as the Katanga region of the DRC.

In September 2015, as we inaugurated the plant, we announced our intention to double our capacity in Zambia. We anticipate this new capacity coming onstream in 2019.



Maoma:
Beating of the Maoma royal drum in the Lealui plains in Zambezi tells people that the kuomboka (traditional ceremony that takes place at the end of the rain season, when the upper Zambezi River floods the plains of the Western Province) is about to start. When the Maoma drum comes to life, people know the ceremony is about to begin.

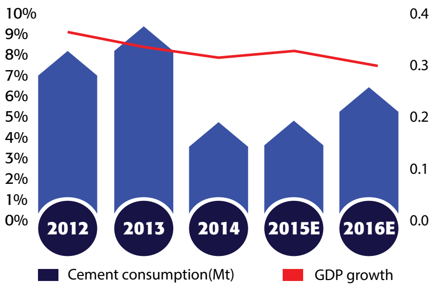
Building for the Future



Liberia

GNI PER CAPITA
$790

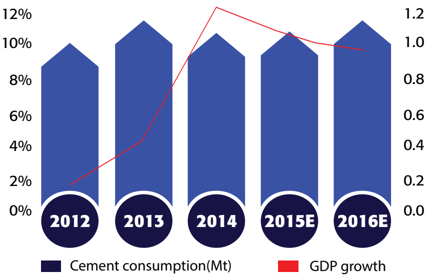
CEMENT CONSUMPTION PER CAPITA 80kg

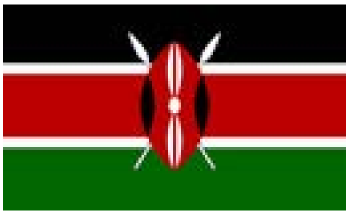


Mali

GNI PER CAPITA
$1,540

CEMENT CONSUMPTION PER CAPITA 104kg

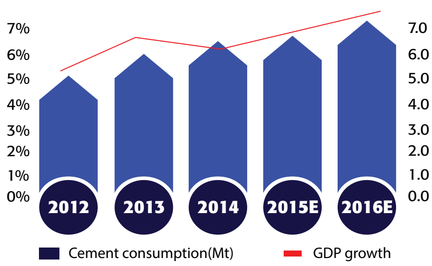




Kenya

GNI PER CAPITA
$2,250

CEMENT CONSUMPTION PER CAPITA 102kg



We have previously announced our intention to build a 0.5Mta grinding facility in Monrovia but the project was paused after the outbreak of Ebola and building work has yet to commence in earnest. We expect to complete it in 2017.

Nestling between Sierra Leone and Côte d'Ivoire on the coast of West Africa, Liberia has a relatively small population of 4.4m people and low gross national income of $790 per person.

The country is politically stable with relatively strong economic performance despite the Ebola crisis of 2014, which badly affected the country's limited infrastructure programme.

Per-capita consumption is low at 80Kg but with urbanisation at less than 50%, we believe there is potential for importation of clinker to produce cement when the Liberian economy begins to pick up.

Being largely devoid of limestone, Mali represents a good opportunity for Dangote Cement to supply clinker from neighbouring Senegal, where we will add a second line at our factory in Pout specifically for this purpose in 2018.

Per-capita cement consumption is lower than regional averages at 104Kg, but with good economic growth forecast and urbanisation at just 39%, there is potential for an increase from the 1.7Mt estimated to have been consumed in 2014. Much of this was imported from Senegal in the form of clinker for grinding or bulk cement for packing and onward distribution.

Housing will be a key driver of demand, as public and private housing grows to meet government targets. Gross National Income in Mali stands at $1,540.

The Mali plant will open in 2018.

Kenya has a large population of more than 43 million and a Gross National Income per capita of $2,250. However, per-capita cement consumption is low, at about 102kg in 2014, which despite Kenya's stronger economy, is about the same as Mali. This equates to total consumption of less than 4.5Mt.

Kenya has adequate limestone to support a number of incumbents operating a combined capacity of about 8Mta, although this is a combination of integrated and clinker-grinding facilities. Global Cement Report estimates that Kenya exported around 0.8Mt of cement per year up to 2013, but that exports have fallen as neighbouring countries have increased domestic capacity.

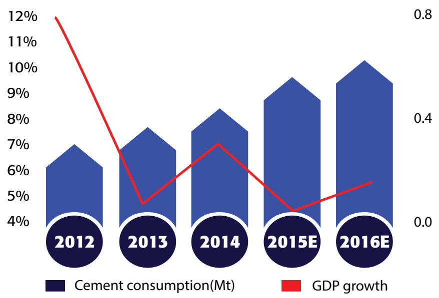
We have spent considerable time prospecting sites in Kenya and expect to open a total of 3.0Mta capacity, across two sites in the country in 2019.

Building for the Future

Niger

GNI PER CAPITA
$910

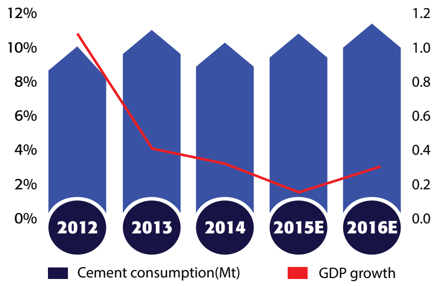
CEMENT CONSUMPTION
PER CAPITA 24kg



Zimbabwe

GNI PER CAPITA
$1,560

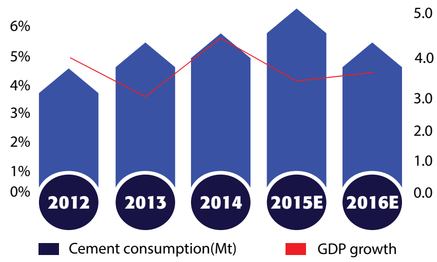
CEMENT CONSUMPTION
PER CAPITA 84kg



Nepal

GNI PER CAPITA
$2,260

CEMENT CONSUMPTION
PER CAPITA 140kg



On Nigeria's northern border, Niger has limestone available in viable quantities for local and even export markets.

Niger has a relatively large population of more than 18 million people, but per-capita consumption of cement is very low at just 24kg.

One of Africa's poorest nations, GNI is $910 but recent oil discoveries are expected to stimulate growth. Global Cement Report reports that new building projects will include the Kandadji Dam, new roads and transport infrastructure and water treatment facilities.

Although Niger has limestone it has traditionally relied significantly on imports of cement from countries including Nigeria. Niger's limestone sits near the border with Nigeria and it is here that we plan to build a 1.5Mta facility to open in 2018.

Zimbabwe is one of a handful of new markets we announced in September 2015.

The country has a relatively larger population of around 15 million people but per-capita consumption of cement is just 84kg.

Economic growth is expected to remain sluggish by African standards, at just 2%-3% in 2016, and political change is widely regarded as a catalyst for economic improvement.

The country has three incumbents operating plants with a combined capacity of about 2.2Mta. Limestone supplies are adequate and the market is regarded as having longer-term potential.

As we announced in September 2015, we plan to build a 1.5Mta plant for completion in 2019.

The 3.0Mta plant we hope to open in Nepal by 2019, will be our first venture outside of Africa, thereby making us a truly global manufacturer.

Nepal has a large population of 27 million people but very low urbanisation at 17%. Per-capita consumption is relatively high at 140kg, some 15kg-20kg higher than Nigeria. Gross National Income stands at about $2,300 per person.

The country is embarking on a programme of substantial infrastructure and housing projects that will significantly boost consumption beyond the 4.0Mt estimated to have been used in 2014.

Dangote Cement plans to build a large-scale facility of 3.0Mta and we believe we can reverse importation to the point that cement and clinker can be exported to India, where neighbouring states lack limestone of their own.

OPERATIONAL REVIEW

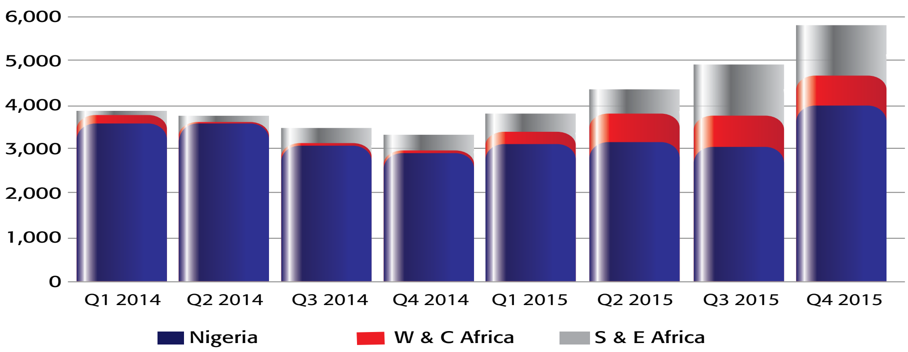
A traditional ceremonial drum of the Yoruba tribe of Nigeria.

Interview with the Group Chief Executive Officer

Onne van der Weijde
Group Chief Executive Officer

We've succeeded in new markets, proved that our business model works throughout Africa and created a strong foundation for the next wave of expansion in Africa and beyond.

Quarterly sales volumes ('000 tonnes)



What attracted you to the role of CEO at Dangote Cement?
I was offered a once-in-a-lifetime opportunity to join a fast-growing company that was right at the point of expanding across the most exciting markets in the world for cement, so obviously the chance to become part of that growth story was irresistible.

I liked what the company was doing and admired the founder, who is obviously very entrepreneurial, not at all bureaucratic, and so I knew we could get things done quickly. I think speed and the scale of his ambitions are what's important here.

So it was a combination of great potential for growth and working for someone who had the vision and resources to take advantage of the potential in the last remaining major growth market for cement.

What skills do you think you brought to the job?
I had a lot of experience working for the largest cement producer in the world and managing its operations in emerging markets.

Also, because I have worked in a company that was much longer established than Dangote Cement, I think I'm able to bring in the benefits of that maturity in terms of the way we can manage the business.

That means I can complement and support the entrepreneurial nature of the business with practices that will help us manage its growth even more effectively in the future.

Interview with the Group Chief Executive Officer

For example, we introduced key performance indicators, structured performance reviews and reports and improved our business planning. All of these management techniques will be helpful in the coming years and I feel that's where I can contribute a lot with the experience I bring.

What did you find in the company when you arrived?

I found a company that was already in good shape because of the terrific job that had been done by the team in the preceding years. They had created a multi-billion dollar company from scratch and grown it at a rate that is absolutely unprecedented in the industry. What's more, given the company's very low debt levels it was clear that there was a strong focus on cash generation and cost management and that focus is what has allowed the company to grow at such a rapid pace.

What particularly struck me was that the Chairman had seen not just the huge potential for cement across Sub-Saharan Africa, but he also had a very acute awareness of what was going on in the rest of the industry. A lot of the major companies were, and still are, more focused on reducing debt after they had taken on large acquisitions just before the global economy faltered, and he recognised that there was a window of opportunity to expand very quickly into all of these developing markets at a time when most other companies didn't have the resources to invest.

What I found most of all was that this was a very strong platform on which to build. Not many incoming CEOs get to take over a company in such a great shape as Dangote Cement.

What were your immediate priorities for Dangote Cement?

My goal was to build on this great platform, not come in and change things for the sake of it. In fact, the immediate priorities were mostly making sure we continued our growth and delivered what was promised, so it wasn't like I had to initiate anything or make any great changes, it was all in progress already.

The main priorities in 2015 were dealing with the headwinds and the pricing regime in the home market of Nigeria and ensuring we continue to do well here in the coming years. Beyond Nigeria, our priorities were about successfully commissioning the new factories and making rapid gains in markets that were new to us. This enabled us to diversify and become a truly African company, while at the same time changing from building mode to operations and sales.

Were you satisfied with Dangote Cement's performance in 2015?

I remember doing the investor call more than a full year ago in March 2015 and we forecast that we'd sell more than 18Mt in 2015. I'm pleased to say we actually sold 18.9Mt, and that was despite the worst economic challenges our home market of Nigeria has faced in many years.

When you compare our performance against others in Nigeria and across Africa, the fact is many of them have been hit by the economic situation, weakening currency, falling oil prices and a downturn in commodities, and they've not been able to deliver growth for their shareholders.

By contrast, we've delivered 25.6% growth in revenues and 17.5% growth in EBITDA because we've been very successful in expanding and diversifying the business in 2015 and not many companies in Africa can say they've delivered that kind of growth this year.

We've entered new markets and beaten all expectations about how we'd do, especially in Senegal, South Africa and Ethiopia where a lot of observers thought we'd struggle. So I'm pleased to report that all our factories were running at very high levels of utilisation soon after they opened and that's really helped to offset some of the weakness we've seen in Nigeria. They're already generating positive EBITDA, even in ramp-up phase and will produce good returns in the coming years.

What has been the management team's biggest achievement?

I think that our biggest achievement this year has been to improve the quality of the Company for its shareholders and by that I mean we have increased its profitability while at the same time substantially reducing its levels of business risk.

Our cash generation was so strong that we could fund all of our capital expenditure, fund the dividend and actually reduce our net debt position at the end of the year..

By contrast, a lot of companies in Sub-Saharan Africa have seen lower cash generation and an increase in business risk because of macro economic factors and of course those same factors affected us as well.

But we have reduced what many people saw as the main business risks facing us by successfully transitioning from building factories to opening them and competing very successfully across Africa. We have proved that our business model works and I think our shareholders should take a lot of encouragement from this.

Another part of that de-risking has been what we've been doing in Nigeria with coal. We've had a few challenges with the stability of gas supplies in the last few years and so we started to equip the plants to run on coal instead of low-pour fuel oil, which we had been using as a back-up fuel at Obajana and Ibese.

At the moment we're reliant on imported coal, but in the medium term we plan to mine our own coal in Nigeria and that will give us control of our major fuel source and we expect it will work out cheaper than using gas.

So again, that's not just a cost saving to help margins, it's about creating a higher-quality company that has fewer business risks.

Why did you announce a price cut in September?

The price cut we announced was also part of this de-risking strategy and it was itself a consequence of certain risks being reduced as we went further into 2015.

Our gas supply was really quite stable, our new capacity in Nigeria was up and running, as were our coal facilities on key lines there. Furthermore, we were already doing well in the new factories we had opened across Africa and they were making a good contribution to our business.

So in this new, more certain environment, we decided we could reduce the price to a level that was, in our view, more sustainable in the longer term.

We knew we would have to endure some short-term pain over a few quarters, but we felt that such a move would deliver sustainable growth in volumes in the longer term, and this growth will drive profitability and ensure even better long-term returns for shareholders.

When we looked at it from a longer-term perspective we concluded that we'd get more volume. Clearly, the final quarter of 2015 was very strong for us with volumes up 36% on the last quarter of 2014, so there was an immediate impact on sales. We estimate that the whole Nigerian market as a whole rose by 20% in the final quarter, which is very strong.

Looking beyond Nigeria, why is Sub-Saharan Africa such an exciting market for cement?

I think it's the last big growth market for cement and I'm really glad to be part of a company that has the ambition and resources to be its leading supplier in the coming years.

There are several megatrends that are working in our favour in Sub-Saharan Africa. It has a population of nearly one billion people but per-capita cement consumption is well below average if you look at global trends.

Even in Nigeria, which is Africa's biggest economy, we see that per-capita consumption is only about a fifth of the global average, which shows how much potential there is for growth in the home market.

We know that prosperity is increasing throughout Africa and that growth rates are actually pretty good right across the continent, even when you factor in the problems we're seeing in raw materials extraction and particularly the oil sector. There is a middle class emerging, there's more access to finance for building and there is fairly rapid urbanisation. So we'll see a lot of new housing, more commercial building and lots of infrastructure that can only be built with cement because there is no viable alternative and may never be.

At the moment Sub-Saharan Africa consumes about 100Mt of cement a year and if it can sustain 6%-7% growth over the next decade, consumption will be closer to 200Mt by 2025. We know from other emerging markets that their 'build-out' phase lasts for decades, not just years, so that 200Mt could easily be 400Mt by 2035.

But here's the point, in that same 20-year period the population will grow to perhaps 1.5 billion and when you divide that 400Mt by 1.5 billion people you realise that per-capita consumption will be about 250kg-260kg and that's still half the global average today. So that's why Sub-Saharan Africa is so exciting for us.

What about the competitive landscape in Sub-Saharan Africa?

If you look at the cement industry in Sub-Saharan Africa, although there's about 130Mta of nameplate capacity right now, the fact is that much of it is really quite old and not efficient and it includes import operations and grinding stations. We can see this very clearly in Ethiopia and South Africa where there's a lot of legacy capacity

Interview with the Group Chief Executive Officer

operating but we're competing very well against incumbents because we have new factories running very modern technologies.

Another issue for many of the legacy factories in Sub-Saharan Africa is that they're limited in the quality of cement that they can produce, not least because so far, Africa hasn't needed so much of the higher-strength cement types to date because those are only needed by higher-rise buildings and infrastructure.

But these are the types of building applications that will increase in the next few decades and that's why we've started with factories that can produce the strongest types of cement. Again, this is an advantage because a lot of other manufacturers will have to invest to upgrade if they want to stay competitive and produce these.

Should we see Dangote Cement as a Nigerian company or something larger now?

We are by far the largest cement producer in Nigeria but Nigeria sits within a trading zone called ECOWAS and the reality is that most countries in ECOWAS, especially those on the coast, simply do not have sufficient limestone for a viable cement industry of their own. That's why they have been importing from the Far East for so long, because they're deficit markets.

So when people ask about our home market we tell them it's not just Nigeria but actually it's Nigeria plus most of ECOWAS and even Cameroon, which has very little limestone, so we can export cement to those countries from our low-cost factories in Nigeria. That means our home market is not one country with 178m people, but 16 countries with more than 320m, about a third of Africa, in fact.

Then when you see how successfully we've expanded in 2015, I'd say to shareholders that we have proved our business model works and we can definitely replicate it all over Sub-Saharan Africa and even beyond.

So we are really a global company, based in Nigeria, with a home market that's a third of Africa and a proven ability to enter other African markets and succeed.

What is the outlook for Dangote Cement in 2016 and beyond?

I think the outlook is very exciting for the company. My view is that, following on from the strong final quarter in 2015, growth will continue in Nigeria in 2016. After two years of virtually no growth, we should now see high single-digit, if not double-digit growth in Nigeria, which is our largest and most profitable market.

Then we will begin to ramp up our export operation from Nigeria and our key goal will be to replace the cement and clinker we import from the Far East into ECOWAS and Cameroon with products we make at our factories in Nigeria. If we can do that, it will also help our Nigerian factories because the more cement they produce, the more profitably they will operate.

Aside from Ghana and Cameroon, we will export more to other nearby countries such as Niger and Chad, and maybe we might see some exports of cement from Senegal to neighbouring countries like Mali.

Beyond those, I think all the plants we opened throughout Africa in 2014 and 2015 will be operating at more than 85% capacity in 2016, which in effect will mean they're fully utilised and only Tanzania will still be in the ramp-up phase.

The success we've had in these new markets gives us confidence to consolidate our position by expanding and doing extensions in countries like Senegal, Ethiopia and Zambia, which will improve returns for our shareholders.

We are also entering new markets in the Republic of Congo, Kenya, Niger, Nepal, Sierra Leone, Liberia and Mali, thereby strengthening our position as Africa's leading manufacturer.

Cement consumption in Sub-Saharan Africa, 2015

100Mt

So to sum up, I think we've had a great year in 2015. We've faced strong economic headwinds in our home market of Nigeria but I think we have very successfully de-risked the business, reduced net debt and improved the quality of our earnings at a time when other large companies across Africa are facing greater challenges.

We've succeeded in new markets, proved that our business model works throughout Africa and we've created a strong foundation for the next wave of expansion in Africa's exciting growth markets and beyond.

Onne van der Weijde
Group Chief Executive Officer

Review by the Group Chief Financial Officer

Group revenues increased by 25.6% as a result of increased sales in Nigeria and across Africa where our new plants performed strongly in their first year of operations.

Brian Egan
Group Chief Financial Officer

Financial highlights	**31-Dec-15 ₦m**	**31-Dec-14 ₦m**
Group revenue	491,725	391,639
EBITDA*	262,448	223,368
EBITDA margin	53.4%	57.0%
Operating profit	207,822	187,102
Net profit	181,323	159,501
Earnings per ordinary share (Naira)	10.86	9.42
Total assets	1,110,943	984,720
Net debt	204,177	221,989

*Earnings before interest, taxes, depreciation and amortisation

Revenues by region	**31-Dec-15 ₦m**	**31-Dec-14 ₦m**
Nigeria	389,215	371,534
West & Central Africa	42,269	6,195
South & East Africa	61,208	13,910
Inter-company sales	(967)	-
Total revenues	**491,725**	**391,639**

Volume of cement sales and production	**31-Dec-15 '000 tonnes**	**31-Dec-14 '000 tonnes**
Nigeria	13,290	12,873
West & Central Africa	2,137	309
South & East Africa	3,472	789
Inter-company sales	(41)	-
Total cement sold	**18,858**	**13,971**
Total attributable production	18,425	13,858

The Group's cement volumes increased by 35.0%, with revenues rising by 25.6% from ₦391.6B to ₦491.7B. The increase was driven by higher revenue contributions from existing operations in South Africa and Ghana as well as maiden contributions from the new factories opened in Senegal, Cameroon, Ethiopia and Zambia.

Review by the Group Chief Financial Officer

Despite the many economic challenges facing Nigeria, our cement sales in the home market increased by 3.2% to nearly 13.3Mt from 12.9Mt in 2014, due to an increased market share resulting from price reductions in September and increased marketing activity. Consequently revenues from Nigeria increased by 4.8% from ₦371.5B in 2014 to ₦389.2B in 2015. The final quarter of 2015 saw the full impact of the price reduction announced in September. Cement volumes rose 31.8% to nearly 4.0Mt, compared to the 3.0Mt sold in Q4 2014 with Q4 2015 revenues of ₦93.8B (Q4 2014: ₦74.0B).

With healthy maiden contributions from Senegal and Cameroon, the West & Central Africa region contributed total revenue of ₦42.3B, compared to ₦6.2B in 2014, when only Ghana was operating. West & Central Africa shipped 2.1Mt in 2015, against the 0.3Mt shipped solely from Ghana in 2014. Although our plant in Senegal was successfully commissioned in late December 2014, it did not contribute to regional revenues last year.

Our Zambian and Ethiopian subsidiaries began production midway through 2015 and combined with revenues from South Africa, the South & East Africa region produced total revenue of ₦61.2B, compared to ₦13.9B in 2014, when only South Africa was operating. In total, South & East Africa shipped nearly 3.5Mt of cement, compared to 0.8Mt in 2014. Tanzania began selling cement in February 2016 and so it did not make a contribution in 2015.

Profitability

	31-Dec-15 ₦m	31-Dec-14 ₦m
EBITDA	262,448	223,368
Depreciation and amortisation	(54,626)	(36,266)
Operating profit	**207,822**	**187,102**

Operating profit as contributed by business segments is outlined below:

	31-Dec-15 ₦m	31-Dec-14 ₦m
Nigeria	193,698	190,908
West & Central Africa	4,728	(3,862)
South & East Africa	8,602	56
Inter-company adjustment	794	-
Total operating profit	**207,822**	**187,102**

The Group posted an operating profit of ₦207.8B, 11.1% higher than the ₦187.1B generated last year. With new plants ramping up throughout Africa, the overall Group operating margin eased to 42.3% in 2015, from 47.8% in 2014.

Operating profits in the Nigerian operations increased by 1.5% to ₦193.7B although the operating margin fell slightly from 51.4% in 2014 to 49.8% in 2015. The impact of the price reduction in September offset margin gains from a more favourable fuel mix during the year. Manufacturing costs of goods sold in Nigeria increased by 1.4%, driven mainly by the increased depreciation charge associated with the opening of new factories, as well as by the increase in volumes produced, and the fall in the value of the Naira against the US Dollar, because a significant portion of manufacturing costs are denominated in US Dollars.

Maiden operations in South & East Africa, as well as in West & Central Africa, resulted in positive contributions to the operating profit by both regions. In West & Central Africa, the maiden contributions of Senegal and Cameroon contributed to the region moving from an operating loss of ₦3.9B in 2014, to an operating profit of ₦4.7B in 2015, representing an operating margin of 11.2%.

In South & East Africa, increased production in South Africa and the commissioning of plants in Ethiopia and Zambia generated an operating profit of ₦8.6B at a 14.1% margin, compared to a break-even position in 2014. In both regions, these operating margins reflect start-up and ramp-up costs.

Manufacturing and operating costs

	31-Dec-15 ₦m	31-Dec-14 ₦m
Materials consumed	55,623	33,226
Fuel & power consumed	66,495	62,023
Royalties paid	1,138	461
Salaries and related staff costs	15,263	10,756
Depreciation & amortization	38,243	21,647
Plant maintenance costs	18,331	11,798
Other production expenses	10,830	7,477
(Increase)/decrease in finished goods and work in progress	(4,115)	(4,330)
Total manufacturing costs	**201,808**	**143,058**
Operating costs	**86,046**	**65,088**

There was an increase in all the manufacturing costs categories in line with increased production by the Group as more factories were opened during the year. Although there was a net increase, fuel and power costs in Nigeria were favourably impacted by the improved availability of gas resulting in the reduced use of LPFO, which is a much more expensive source of energy. The fuel mix was also improved by increased use of cheaper coal instead of LPFO, as well as the mothballing of production at Gboko, which runs entirely on LPFO and which produced significantly more cement in 2014. As a result our cash cost of production in Nigeria was lower than 2014 by ₦7.5B.

Total operating expenses rose by 32.2% to ₦86.0B, mostly as a result of new factories commencing operations and non-capitalisable expenses incurred for projects under construction.

Interest and similar income and expense

	31-Dec-15 ₦m	31-Dec-14 ₦m
Interest income	1,699	3,147
Exchange gain	33,120	27,418
Finance income	**34,819**	**30,565**
Interest expense	34,130	22,501
Exchange loss	20,870	14,545
Less interest capitalised	(653)	(4,068)
Total finance costs	**54,347**	**32,978**

The Group's interest income decreased due to a reduction in investible surplus funds. The interest expense increased by 51.6% compared to 2014 due to higher average borrowings, higher interest rates and lower capitalisation. The average effective interest during the year was 12.9% (10.0%)

The Nigerian Naira fell in value, resulting in high exchange gains from assets denominated in foreign currency and losses from liabilities denominated in foreign currencies, including gains from inter-Group assets and liabilities that do not eliminate in full on consolidation.

The profit before tax was ₦188.3B, compared with ₦184.7B in 2014, which is an increase of 2.0%.

Review by the Group Chief Financial Officer

Taxation

	31-Dec-15 ₦m	31-Dec-14 ₦m
Tax charge	(6,971)	(25,188)

Capacity has increased in the core Nigerian operations with some of the revenues and profits coming from new lines that enjoy pioneer status. The effective tax rate was 3.4% for the Nigerian operations and 3.7% for the Group. During the year the Group made total tax payments of ₦2.2B (2014: ₦0.2B).

The Group's profit for the year was ₦181.3B (2014: ₦159.5B). As a result earnings per share increased by 15.2% to ₦10.86 (2014: ₦9.42).

Financial position

	31-Dec-15 ₦m	31-Dec-14 ₦m
Property, plant and equipment	917,212	747,794
Other non-current assets	25,141	96,124
Intangible assets	2,610	3,699
Current assets	125,188	116,510
Cash and bank balances	40,792	20,593
Total assets	**1,110,943**	**984,720**
Non-current liabilities	57,196	27,944
Current liabilities	164,058	122,309
Debt	244,969	242,582
Total liabilities	**466,223**	**392,835**

The balance sheet remains strong with non-current assets increasing from ₦847.6B at the end of 2014 to ₦945.0B at 31st December 2015. This was mainly as a result of increased capital expenditure, both within Nigeria and in other African countries. Total additions to property, plant and equipment amounted to ₦251.9B, of which ₦95.5B was spent in Nigeria, ₦34.5B in West & Central Africa and ₦121.9B in South & East Africa. The gross capital expenditure was partially offset by a depreciation charge of ₦54.2B. There was a deferred tax asset write down of ₦2.2B, and a ₦70.4B decrease in prepayments.

Current assets increased by ₦8.7B, driven mainly by the increase in the stock of spares, finished goods and work in progress, as well as trade and other receivables generated by the new production lines throughout Africa and a build-up of inventory for projects nearing completion and about to commence production.

The increase in current liabilities was mainly driven by a ₦33.3B increase in trade and other payables.

Movement in net debt

	Cash ₦m	Debt ₦m	Net debt ₦m
As at 1st January, 2015	20,593	(242,582)	(221,989)
Cash generated from operations before working capital changes	275,395	-	275,395
Change in working capital	26,356	-	26,356
Income tax paid	(2,234)	-	(2,234)
Capital expenditure	(251,931)	-	(251,931)
Other investing activities	(298)	-	(298)
Change in non-current prepayments and payables	94,839	-	94,839
Net interest payments	(23,308)	-	(23,308)
Net loans obtained from parent company and banks	8,486	(8,486)	-
Dividend paid	(102,243)	-	(102,243)
Other cash and non-cash movements (net)	(4,863)	6,099	1,236
As at 31st December, 2015	**40,792**	**(244,969)**	**(204,177)**

The Group generated cash of ₦275.4B before changes in working capital. After a ₦26.4B change in working capital and tax payments of ₦2.2B, the net cash flow from operations was ₦299.5B.

Financing outflows were ₦117.5B (2014: ₦80.4B), reflecting additional loans taken of ₦125.9B, loans repaid of ₦116.2B, interest payments of ₦25.0B and ₦102.2B in dividends paid. Our borrowings are from financial institutions as well as from Dangote Industries Limited, the parent company, which in turn borrows from financial institutions.

Cash and cash equivalents (including bank overdrafts used for cash management purposes) increased substantially from ₦16.4B to ₦37.8B. Net debt stood at ₦204.2B, a decrease from ₦222.0B at 1st January, 2015. This represents 77.8% of Group EBITDA for the year.

We invested ₦251.9B in projects and normal capital expenditure (2014: ₦217.2B). The capital expenditure was mainly to increase our production capacity in Nigeria as well as expenditure on the production plants under construction in the various African countries. The capital expenditure for each region is as follows:

Capital Expenditure by region

	Nigeria ₦m	South & East Africa ₦m	West & Central Africa ₦m	Total ₦m
Nigeria	95,515	-		95,515
Senegal	-	-	938	938
Cameroon	-	-	8,542	8,542
Congo	-	-	19,327	19,327
Ghana	-	-	4,036	4,036
Cote d'Ivoire	-	-	212	212
Sierra Leone	-	-	1,291	1,291
South Africa	-	158	-	158
Ethiopia	-	52,502	-	52,502
Tanzania	-	46,043	-	46,043
Zambia	-	23,215	-	23,215
Other	-	-	152	152
Total for the year	**95,515**	**121,918**	**34,498**	**251,931**

Review by the Group Chief Financial Officer

Recommended dividend

On 29th February 2016, the Directors recommended a dividend of ₦8 per share for approval at the Annual General Meeting scheduled for 19th April, 2016 (2014: ₦6.00). It will result in a total dividend payment of ₦136.3B to be paid on 21st April 2016. The dividend represents a payout ratio of 73.7%.

Going Concern

The Directors continue to apply the Going Concern principle in the preparation of the financial statements. After considering the liquidity position and the availability of resources, the Directors concluded that there are no significant threats to the Group's Going Concern capabilities. The Group generates sufficient cash flows to fund its operations. Borrowings are mainly to fund the expansion projects in various African countries as well as to increase the production capacity of our core Nigeria operations.

Brian Egan
Group Chief Financial Officer

Risk Management Report

Ernest Ebi MFR
Chairman Audit and Risk Management Committee

Risk management supports the strategic initiatives of Dangote Cement and is fundamental to the achievement of its corporate goals.

Risk management supports the strategic initiatives of Dangote Cement and is fundamental to the achievement of its corporate goals.

It promotes a risk awareness culture which in turn ensures that the risk-reward balance is always considered in the Group's business activities across all ranks and files.

In 2014, we commenced the implementation of the Group Enterprise Risk Management Framework in Nigeria using a holistic view of managing risks which takes into consideration correlated risk factors and the multiplier effect should such risks crystallize.

We broadened our scope to include all of the African subsidiaries in the Group in 2015. The ongoing implementation of the Enterprise Risk Management Framework covers a formalised approach to risk management across the group including key methodologies and tools to be deployed.

Key risk management personnel were also engaged during the course of the year to build the Group's capacity for effective risk management across its operations.

Risk governance and structure
Dangote Cement manages its risk using a hybrid approach where ownership for risks identified and controls implemented belong to stakeholders at the departmental, country or Group levels. The ultimate responsibility for effective and efficient risk management organisation-wide resides with its Board of Directors, and this responsibility is delegated and cascaded in a manner that ensures full ownership by process owners of respective business activities at the strategic, tactical and operational levels of the organisation. Risk is a shared responsibility between the business owners and risk teams with the business operating as a 'first line of defence'.

Board Audit and Risk Management Committee mandate
The Board has overall responsibility for the assessment and management of risks in Dangote Cement. It is responsible for risk supervision and the day-to-day management of the Company with the objective of creating a sustainable increase in value in the interests of our shareholders, employees and other stakeholders.

Risk Management Report

The Board is responsible for effective management of risks in Dangote Cement, and monitors the risk profile of the Group via its designated committee, The Board Audit and Risk Management Committee ("BARMC"). The Chairman of the BARMC reports on key risks discussed at its quarterly meetings to the Board.

The Board approved the BARC Charter which provides guidance to the Committee on its role and responsibilities. The Committee is responsible for review and formulation of the Company's risk policies, organisation and governance of risk management, oversight of the execution of risk management including identification, analysis and risk mitigation, within the scope of the risk appetite approved by the Board. The Committee may be supported by specialised risk sub-committees from time to time.

Objectives for managing risks

The investment and resource allocation made in risk management aims to achieve the following:

- Timely identification of material risks within Dangote Cement
- Ensuring enhanced risk-taking and informed decision-making across the business
- Providing an effective risk-management platform that will support the Group's growth strategy
- Ensuring that business activities and plans are aligned with the Group's risk appetite
- Ascertaining and understanding risk profiles at departmental, country and Group levels, and ensuring business continuity even during adverse economic conditions.

Principles of risk management in Dangote Cement

Appropriate guidelines, principles and procedures have been applied across the Group for the implementation of systematic and effective risk management that integrates with daily business activities.

As a result, some operating risks are managed at departmental or Company level whilst others requiring specific competences, economies of scale or combined efforts are managed at Group level.

This integrated approach which encompasses all the Group's activities and adds value to its growth whilst protecting shareholders assets, delivers the high quality of Enterprise Risk Management capability required for multinational organisation as Dangote Cement. Consequently, the tenets of our risk philosophy is guided by the following risk management principles:

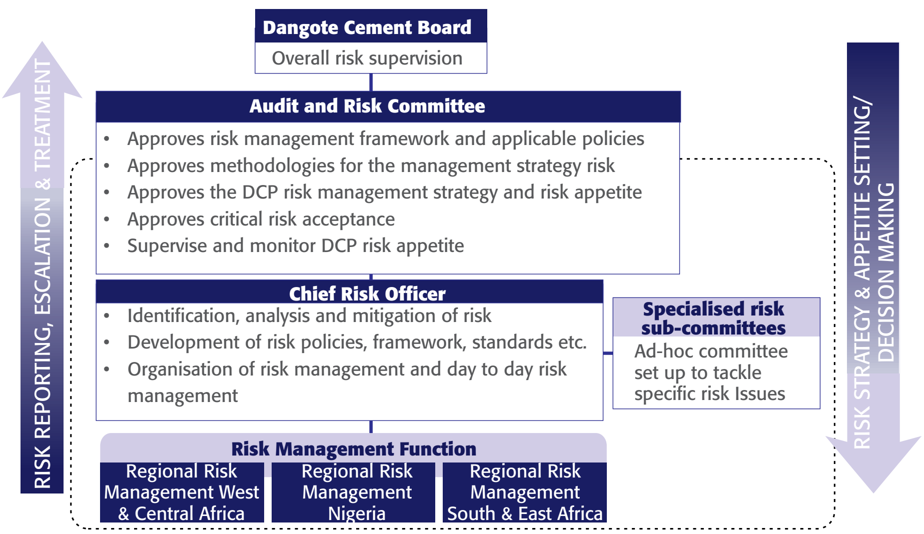
- All employees are responsible for the management of risk
- The Group's defined risk appetite governs the level and type of risk it takes
- The risk/reward balance is considered for all risk taken
- Risk must be continuously monitored and managed.

Principal risk category

As a multi-national cement manufacturing company, the implementation of our strategic thrust as depicted by our mission can be impeded by various risk types. Our risk management approach ensures the appropriate identification, classification, and treatment of risks. The risk types outlined below are considered by the Board as the most significant risk exposures of Dangote Cement. Relevant mitigation strategies deployed in managing these risks to ensure alignment with its mission statement and value proposition to all stakeholders are also captured.

Our mission statements:

1. Deliver strong returns to our shareholders by selling high-quality products at affordable prices backed by excellent customer service
2. Help Nigeria and other African countries towards self-reliance and



Risk Type	Description	Risk Mitigation	Key Risk Indicator	Mission
Business & Strategy Risk	Pressure of competition and impact on market share, overcapacity, price wars, concentration risk, reputational risk, governance and risk oversight, environmental sustainability	Close monitoring of strategic milestones and achievements, formulation and review of strategy	Concentration limits, dust and gas emission compared to limit, variance in cement production versus targets	1, 2, 4
Operational Risk Management	Operational inefficiencies, impact of human resources mismanagement, information technology issues, impact of litigation against the Group, compliance risk, reporting risk, health & safety malpractice, quality-control risk, technical failures, theft and fraud	Reporting and escalation of key risks identified for effective and efficient treatment of identified risks	LITR, OEE, unresolved customer complaints, problems caused by connectivity downtime, pending litigation actions	1, 2, 3, 4
Financial Risk Management	Insurance risk, credit risks, market risks including interest rate risk and foreign exchange risk, liquidity and funding risks	Reporting of breaches to approved limits, unauthorised transactions, long outstanding claims	Financial concentration limits, percentage of the past-due to total exposure, insurance gaps, loss ratio, mark-to-market profit/loss	1, 4
Business Continuity Management	Major disruptions from social sabotage, social unrest, political crisis, threats of terrorism, floods, epidemics, geological damage such as earthquakes, landslides	Effective business continuity management and contingency planning	Actual recovery time compared to recovery time objective	1
Risk Analytics and Modeling	Risk from inappropriate estimation of financial losses and translation of impact of non-financial risks	Extensive portfolio reporting mechanisms, which highlight correlations and combined views of key risks	Scenario analysis	1

Principal risk categorisation and management thereof, with relationship to corporate mission statements

self-sufficiency in the production of the world's most basic commodity by establishing efficient production facilities in strategic locations close to key growth markets
3. Provide economic benefits to local communities by way of direct and indirect employment in all countries in which we operate
4. Lead the way in areas such as governance, sustainability and environmental conservation and to set a good example for other countries to follow.

Risk appetite

Our risk appetite is a reflection of the maximum level of risk that we are prepared to accept in order to achieve our business objectives. It has been defined and approved by the Board to ensure that risk is proactively managed at a desired level across the organisation.

Dangote Cement's governing Risk Appetite Statements are given below:

Regular review of the Group's risk appetite is performed to ensure consistency with its strategy, business environment and stakeholder requirements.

Our Risk Appetite Statements enable us to convert our strategy into tangible targets with qualitative and quantifiable tolerance levels for monitoring all major risk categories across the business.

Using Dangote Cement's Risk Appetite Statements; tolerance levels, thresholds and targets are set at different trigger levels, with clearly defined escalation requirements that enable appropriate actions to be considered and implemented as required to manage these risks.

Risk culture

At the core of the business model and strategy for growth and sustainability is the need for a strong risk culture in the organisation. As such, risk management is considered the responsibility of all executives, management and employees. The grooming of all stakeholders to have the desired risk culture is being achieved through continuous awareness sessions and deployment of initiatives which support understanding, trust and openness. This approach ensures rigorous, analytical, independent, and objective risk-taking and decision making that is consistent across the Group.

The expected behaviours of all employees remain:
- Placing Dangote Cement and its reputation at the heart of all decisions
- Being fully responsible for our risks

Risk Management Report

Profitability	Dangote Cement should always have the ability, but not be required, to pay a dividend even under a severe downturn in the economy or in key markets
Solvency	Dangote Cement will manage its financial resources such that it can withstand severe financial stress
Reputation	Dangote Cement will maintain a strong reputation for integrity, openness and assisting the communities in which it operates
Health & Safety	Dangote Cement aims to have a world class approach to health and safety
Environmental Sustainability	Dangote Cement will ensure that the adverse impact of its operations is minimal on the environment

Risk Appetite Statements

- Being rigorous, thorough and proactive in the assessment of risk
- Brainstorming and troubleshooting collectively in the assessment of risks.

As in 2014, concerted efforts were made to provide the required risk awareness through training and the circulation of articles that communicate the importance of a strong risk culture, and emerging risk trends Group-wide.

Risk-management processes
Dangote Cement views risk management as a value-creation practice for the Group. For this reason, a disciplined, continuous and methodical approach is adopted as depicted.

Risk management process

This process ensures appropriate ownership and accountability of all stakeholders in the risk-management process. It also ensures risk knowledge sharing.

Risk identification and assessment
Procedures for identifying risks are applied at department, country and Group levels. Qualitative and quantitative tools deployed to manage this process effectively across the organization include the conduct of Risk and Control Self Assessments, Key Risk Indicator Monitoring, and Loss Incident Reporting. Processes for risk identification and assessment are conducted on a regular basis and supplemented with adhoc risk reports when unexpected high risks are envisaged or crystallise.

Risk measurement & prioritisation
This requires that the risk exposure from events or incidents identified and assessed, is appropriately ascertained. The Group derives its overall risk rating based on the event's financial or non-financial impact and likelihood of occurrence. Impact is considered as likely financial losses or reputational damage whilst likelihood of occurrence is considered as its expected frequency.

Risk control and reporting
Required mitigation strategies are recommended for risks identified and reported to the Executive Committee on a monthly basis, and to the Board on a quarterly basis. Where necessary, ad hoc Risk Reports are sent to relevant stakeholders on

a need-to-know basis. The Board Audit and Risk Committee reviews risk reports and approves the implementation of recommended risk control measures;

Risk monitoring

The Risk Management function is responsible for coordinating all the risk management processes implemented in the Group. It ensures that risk controls are duly implemented. Where required risk controls remain outstanding, the Risk Management department ensures timely escalation to relevant approving authorities for the required budgetary approvals or control modification. The risk monitoring process leads to the identification and assessment of new risks which are then analysed using the process flow highlighted herein.

Key risks managed in 2015

Dangote Cement's risk policy is based on its business model and strategic intent with focus on safeguarding the Group's business viability and continued comparative advantage. The Group's forward-looking value creation outlook to business, exposes it to risks which could hinder the achievement of its corporate goals.

Effective risk management has ensured timely identification, understanding, assessment and proper treatment of these risks in the course of the year.

Risks considered to be significant in 2015 are highlighted below:

Financial risk

Key financial risks managed in the course of the year are credit, foreign exchange and insurance risks.

Credit risks are monitored at plant, country and Group levels on an on-going basis to ensure that non-performing credits are identified promptly and escalated to relevant authorities for prompt regularisation. Past-due accounts are reported to the Executive Committee and the Board for approval on remedial action to be applied. Close monitoring of the Group's credit portfolio has resulted in the following:

- Revision of the Group's Credit Policy Manual
- Introduction of a system for rating all customers and banks transacting business with the Group
- Improved credit risk reporting which ensured escalation of issues on a daily, weekly, monthly and quarterly basis to relevant stakeholders; adhoc reports were circulated for key credit risks that required immediate redress
- Review and engagement of pan-African banks based on the Group's Credit Risk Policy
- A 10% drop in the Group's past-due obligations
- A 20% decline in the number of cash customers in debit accounts.

We consider credit risk a low risk with an unlikely chance of crystallisation but with a moderate impact if it does.

Insurance risk

In managing the Group's insurance risks, a holistic approach was adopted. All the policies of the Group were consolidated to ensure economies of scale in premiums paid, scope and scale of coverage and ease of administration for compliance with the minimum insurance requirements of the host country and Group insurance policy. In so doing, the following were achieved:

- Development of the Group's comprehensive insurance policy and risk register
- Premium savings of about 35% for local policies and 26% for foreign policies
- Established a system for fast claims administration achieved through the reduction in claims processing document in Group Life and Goods in Transit policies
- Maintained comprehensive and up to date insurance risk cover to all plants and subsidiaries in the Group
- Established a pan-African insurance cover
- Recorded about 50% improvement in cover on marine charterers' liability policies.

We consider insurance risk a low risk with a rare chance of crystallization but with a moderate impact on the business.

Operational risks

Key risks identified and managed under this risk category include exposure to endogenous risks such as people risks, operational inefficiencies, frauds, IT risks and health & safety risks. Exposure to exogenous risks stemming from socio-political crisis, security risks, vendor management and acts of God were also identified and properly managed. Key achievements noted in the course of the year include:

- Development of the Group's Operational Risk Management Policy and enhancement of its Risk Register
- Deployment of operational risk management tools across the business for prompt risk identification, assessment and treatment

Risk Management Report

- Improved people management and employee satisfaction with increase in number of staff who attended specialist training courses and cross internships across the organisation
- Modification of the Group's transportation system to ensure efficiency and improved customer service delivery
- Enhanced health, safety and environment management across the organisation
- Better IT service delivery across the organisation.

We consider operational risk a medium risk with a likely chance of crystallisation with moderate to significant impact. Exogenous factors are mostly responsible for the consideration of a significant impact to our business.

Foreign exchange risk

Foreign exchange risks were assessed continuously in liaison with the Treasury department. Key trends were reported quarterly to the Board. During the period under review, exposure to foreign exchange risks was significant especially because of the continuous dip in crude oil price per barrel through the year.

This resulted in limited availability of foreign exchange and an all-time high exchange rate regime. Various risk mitigation strategies are deployed by Group Treasury to ensure the Group's foreign exchange risks are adequately managed with minimal financial loss recorded.

Foreign exchange risk is considered a high risk with a high chance of crystallisation with moderate to significant financial impact on the business.

Risk assessments and overall risk position

To determine our overall risk position, we generally consider the potential impact of current risks materializing. This includes cross relational impacts across risk types, which we then aggregate for proper risk analysis and prioritization.

An example of this is reputational risk which has a number of dependencies should other risks materialize.

Current risk profile

The Group ensures it carries out comprehensive risk assessments of all its plants in all countries in which it operates. The outcome of each risk assessment determines the number of risk assessments to be carried out in the year at each plant. In 2015, risk assessments were conducted in five countries with fully operational plants. The outcomes of the risk assessments are as outlined in the chart provided. In 2016, risk assessments will be conducted in all plants that are operational. This will ensure risk profiling of all entities in Dangote Cement.

The Group's current risk profile is as indicated by the chart below (all risks are as described in the Risk Quantification section). Operational risk accounts for 43% of the Group's current risk profile. This is closely followed by strategic risk, which accounts for 26%. Other risks, such as financial risk, exogenous factors and industrial/competitive risk account for the balance of 31% of the Group's risk profile.

Country	Risk type	Sub-risk category	Inherent risk	Residual risk
Dangote Cement Nigeria	Operational risk	Process risk, people risk and external risk	Extreme risk	Medium risk
Dangote Cement Cameroon	Operational risk and financial risk	Process risk, insurance risk and project risk	High risk	Low risk
Dangote Cement Ethiopia	Operational risk strategic risk and project risk	People risk,process risk, system risk, funding risk, pricing risk and project risk	Extreme risk	Low risk
Dangote Cement South Africa	Operational risk and strategic risk	People risk, system risk, market penetration risk, and external event risk - political risk	Extreme risk	High risk

Extreme risk | High risk | Medium risk | Low risk

Summary of risks identified in 2015

Expected loss estimates

The Group's expected loss is defined as the sum of the product of the probabilities of events occurring and the impact thereof using four severely stressed scenarios.

Considering expected losses are scenario based and represent potential losses related to our key risk exposures, we adopt processes that ensure these risks are promptly identified, properly mitigated and closely monitored on a continuous basis within acceptable limits. The approach adopted for maintaining an optimal risk environment on an ongoing and forward-looking basis are:

Risk Management Report

- Strategic planning that aligns risk strategy and appetite with commercial objectives
- Continuous monitoring of approved risk targets set by the Board and management
- Timely redress of threats to business by ensuring action plans for proper risk mitigation are duly closed out
- Prompt reporting of key risks to management
- Continuous implementation of all elements of the risk management framework, which also includes specific stress tests where applicable to underpin our monitoring of processes.

Outlook

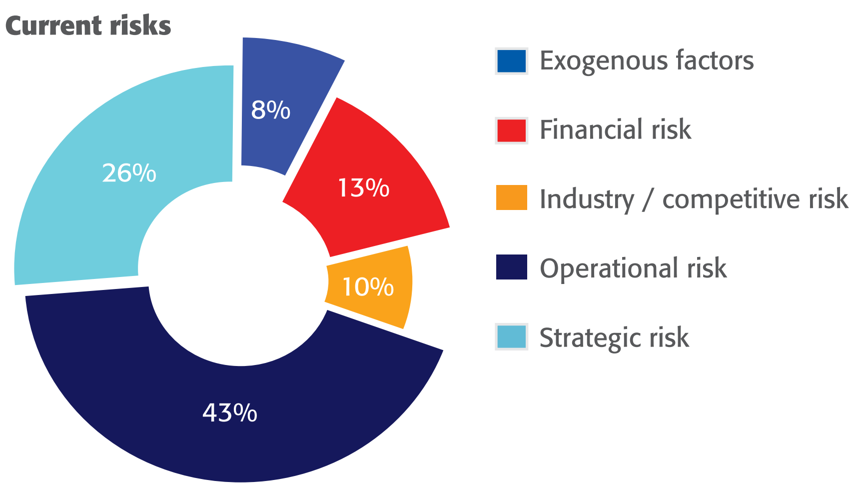
Dangote Cement's outlook for the future is based on an entrepreneurial vision for international growth, sustainability and the creation of value for shareholders. These drivers form the basis of its risk-management practices, which are defined to be fit-for-purpose across the business.

Our Risk Management function will ensure that the required infrastructure for holistic, effective and efficient risk management is deployed organisation-wide.

In so doing, the Group will continue to ensure that financial and non-financial threats to the attainment of its corporate goals are eliminated or minimized on an on-going basis.

As Dangote Cement grows and expands its international presence, more sophisticated and granular methods will be applied in managing risks across the organisation.

Ernest Ebi MFR
Chairman of the Audit and Risk Management Committee



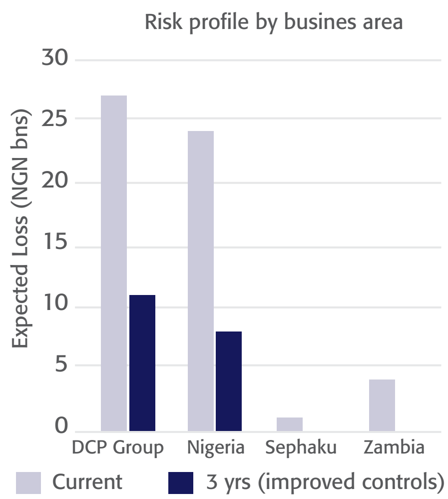
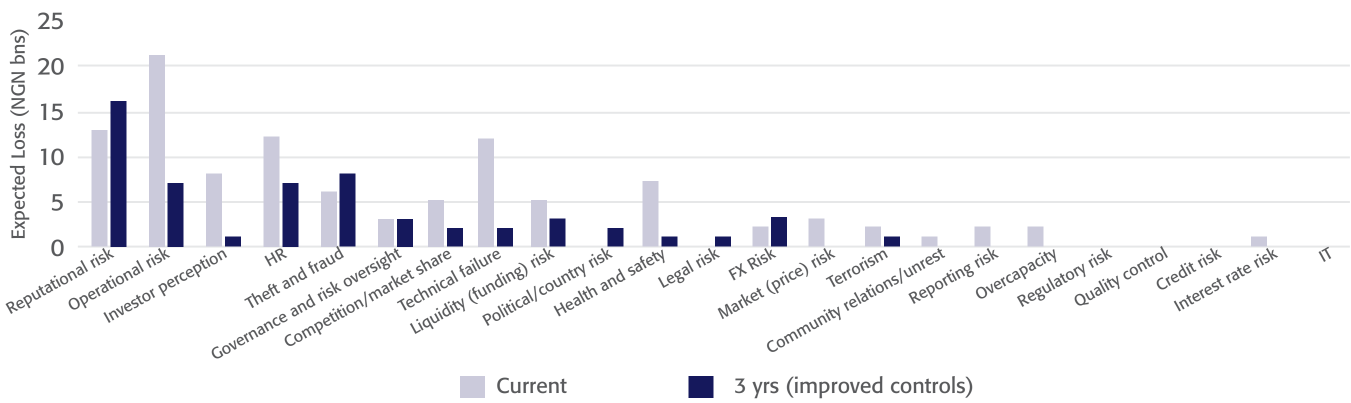


Figure 7- Risk quantification and analysis – summary of risks

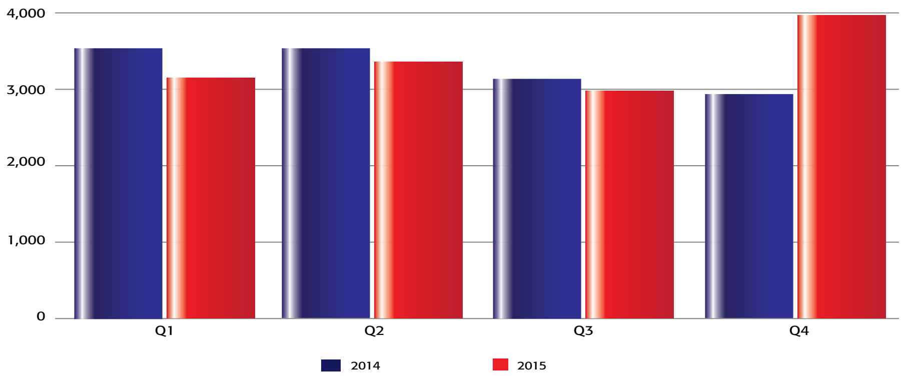


Review of Operations in Nigeria

Arvind Pathak
Regional Chief Executive Officer
Nigeria

Our cement volumes rose 3.5% in 2015, with a record final quarter of nearly 4.0Mt. This is highly commendable given the economic challenges we faced in Nigeria in 2015.

Quarterly volumes ('000 tonnes)



Despite considerable economic challenges, Nigeria's cement market returned to growth in 2015. We estimate total market sales of cement to have been 21.5Mt, which is 2.5% higher than the 21.0Mt sold in 2014.

Our operations in Nigeria sold 13.3Mt of cement during 2015, which is 3.2% higher on the previous year's volume of 12.9Mt. Revenue was up 4.8% to ₦389.2B (2014: ₦371.5B). Operating profits of ₦193.7B (2014: ₦190.9B) benefited from a more favourable gas supply during the year, but were subdued by the impact of the price reduction announced in September. As a result, margins in Nigeria decreased slightly from 51.4% in 2014 to 49.8% in 2015.

The 3.2% volume increase we achieved in 2015 was a particularly strong result given the challenges of falling oil revenues, devaluation of the Naira and uncertainties over government policy intentions, all of which dampened demand in the market in the first nine months.

However, the final quarter of 2015 saw record sales for Dangote Cement, with volumes increasing 31.8% to nearly 4.0Mt. This strong performance followed the ₦300 per bag price reduction we announced in early September, which was clearly very well received in the market. In light of this rebound in sales we are very optimistic that this momentum will continue in 2016.

Marketing
We boosted our marketing activity in 2015 with new initiatives and promotions throughout the year that

Review of Operations in Nigeria

were designed to increase brand awareness and market recognition of the quality of our 3X cement.

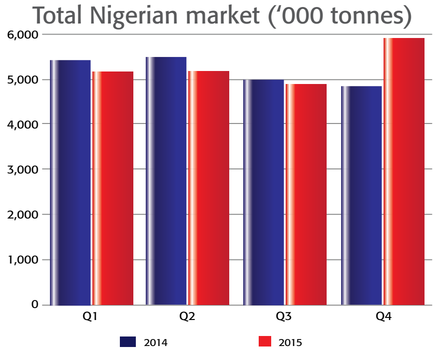
We had suffered a loss of market share in the first few weeks of the year as pricing actions by a competitor resulted in a shift of sales away from our cement. However, we made steady progress regaining share in the subsequent months, up to the point that diesel shortages caused us some distribution problems in April and May. Our average market share was about 59% in the first half of the year, which drove us to redouble our marketing efforts in a bid to win back the lost share.

In the second half of the year we focused upon regional promotions and improved our distributor reward scheme to make it more competitive with rival offerings. We began a widespread drive to increase our retail presence with a goal to have 10,000 retail outlets across Nigeria in the coming years.

We supported the drive with promotional and point-of-sale materials including strongly branded umbrellas, tables, chairs and tarpaulins for covering cement bags.

In the final quarter of 2015 we launched a nationwide consumer promotion, which we billed the

Total Nigerian market ('000 tonnes)



Dangote Mega Millions Dash, with a ₦300m prize pool and the aim of handing ₦1m prizes to more than 180 people in the 15-week promotion.

As a result of all our marketing activity, as well as our new, lower pricing structure, we improved market share from about 56% in January to nearly 68% in December and almost 62% across the year as a whole. This is particularly good given the entry of a new cement manufacturer in August.

Obajana

Our flagship 13.25Mta plant at Obajana sold nearly 8.0Mt of cement during the year, compared with the 7.4Mt sold by the plant last year. Obajana's gas supply improved strongly during 2015, enabling it to produce cement more profitably than the previous year, in which we were forced to use the more expensive LPFO as a back-up fuel.

We have significantly reduced our reliance on LPFO as a back-up fuel now that Obajana's Line 3 has been equipped with coal milling facilities, although most gains in profitability at the plant were as a result of the more favourable levels of gas supply.

Overall, across 2015, Obajana's fuel usage was 90.6% gas and 4.6% coal, with just 4.8% use of LPFO during the year, compared with 24% LPFO in 2014. We are adding coal facilities to Lines 1, 2 and 4 in 2016, substantially reducing our need for LPFO.

Ibese

Our 12.0Mta plant at Ibese, not far from Lagos performed very well in 2015, increasing its sales by 29.7% from 3.9Mt in 2014 to 5.0Mt in 2015, which was an excellent performance.

Ibese's gas utilisation was lower at about 79%, compared with an average of 89% in 2014, but use of LPFO has almost been eliminated at the plant in favour of coal, which was 18% of fuel used. Ibese's proximity to Lagos means that importation costs for coal are cheaper than at Obajana, meaning coal is only slightly more expensive than gas per tonne of finished cement. We are extending the use of coal to Lines 3&4 in 2016.

Nigerian cement sales, 2015

13.3mt (+3.2%)

Ibese will be an important production centre for exports to neighbouring and nearby countries in West Africa. We exported some cement to Ghana during the year, after augmenting our fleet with several hundred new trucks.

Gboko

Our 4.0Mta plant at Gboko, in Benue State, remained mothballed for most of the year. The plant sold 0.3Mt of cement in 2015, down 80.0% from 1.6Mt shipped in 2014.

We are equipping Gboko to run entirely on coal, which will substantially improve its profitability when it reopens.

Looking forward, I believe that although Nigeria faces considerable challenges, the government's strong commitment to infrastructure gives us optimism that good growth will return to the Nigerian market in 2016

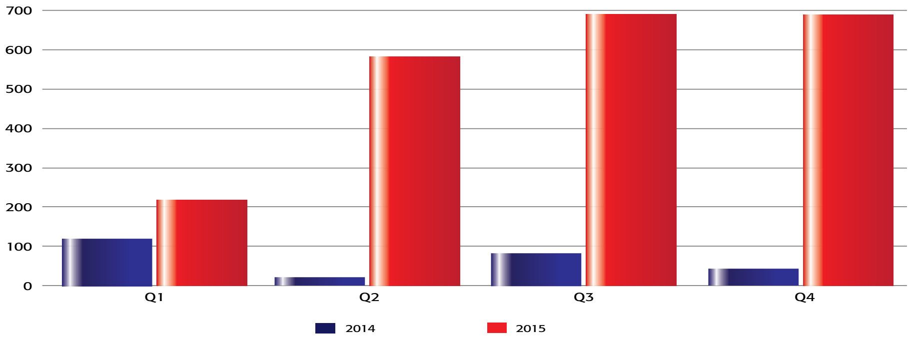
Arvind Pathak
Regional CEO, Nigeria

Review of Operations in West & Central Africa

Vivek Chawla
Regional Chief Executive Officer
West & Central Africa

We sold more than 2.1Mt of cement across West & Central Africa in 2015 and all of our newly opened factories had positive operating profit in their first year of operation – an excellent result.

Quarterly volumes ('000 tonnes)



Our West & Central Africa region comprises non-Nigerian operations across the Economic Community of West Africa States (ECOWAS), as well as Cameroon and the Republic of Congo.

The region turned in a strong performance in 2015, thanks to the maiden contributions of our integrated factory in Senegal and our clinker grinding plant in Cameroon, which were augmented by a substantially better result in Ghana.

The West & Central Africa region posted revenues of ₦42.3B, an increase of 582% on revenues of ₦6.2B in 2014. This represents sales of 2.1Mt of cement, compared with 0.3Mt in 2014. The region contributed ₦4.7B of operating profit, 2.3% of the Group's total, compared with an operating loss of ₦3.9B in 2014.

Ghana

Ghana represents our first market outside of Nigeria and we have imported cement from the Far East into the country since 2011. Ghana's performance was vastly improved over 2014, when the devaluation of the Cedi forced us to suspend importation of cement from the Far East due to lack of profitability.

However, in 2015, a more favourable exchange rate enabled us to recommence importation and we ended the year selling nearly 0.7Mt, more than double the 0.3Mt tonnes of cement we shipped in 2014, and at approximately 12% market share.

Although most product is bagged, our bulk sales rose significantly and we believe we can sell substantially more in the coming years to support Ghana's investment in infrastructure.

Review of Operations in West & Central Africa

A new management team in Ghana initiated strong cost-control and efficiency initiatives that drove a shift towards profitability later in the year.

Marketing activity has also increased with billboard advertising being used for the first time and the location of 50 branded customer shops and sales containers around Tema, where our import facility is located.

To date, Ghana has mostly imported bulk cement from the Far East. However, we have recently begun to truck cement into Ghana from our Ibese factory in South West Nigeria.

We will build a 1.5Mta grinding plant at Takoradi to open in 2017.

Senegal

Senegal was a stand-out performer for the West & Central Africa region in 2015. After a slow but steady start in the first quarter of 2015, sales increased and the plant was quickly running at very high utilisation.

Despite entering a market with two well-entrenched incumbents, who were supplying export as well as domestic markets, our Senegal operation rapidly became recognised as the quality leader in the market, gaining a 28% market share in 2015.

We can justifiably claim to be the only manufacturer in Senegal selling more than 70% of its rated capacity. Approximately 90% of our sales are within Senegal, although there is good potential for export to Mali.

The key to our success has been to sell a higher-quality 42.5 blend of cement at prices comparable to those of other manufacturers' 32.5-grades.

Encouraged by our early success in Senegal, we announced in September 2015 our intention to build a second line at the factory, in Pout, with the intention of producing clinker for export, mainly into Mali, where we will establish a grinding facility.

Cameroon

Operations commenced in January 2015 at our 1.5Mta grinding plant in Douala, with the first cement being despatched for sale in March. The plant achieved a smooth ramp-up and by the end of 2015 was operating at more than 55% capacity, selling 42.5-grade cement into the local market.

Senegal was the stand-out performer and the plant was quickly running at high utilisation

We estimate that its market share was about 21% in 2015, despite the presence of well-established local cement manufacturers and importers.

We believe Cameroon will begin to enforce a ban on imported cement in 2016 and this presents an opportunity to substitute around a million tonnes of imported bulk cement with a locally ground product. At present, our factory in Cameroon imports clinker from the Far East, but in time we intend to supply higher-quality clinker manufactured in our Nigerian factories.

Update on projects

Our 1.5Mta plant in Mfila, Republic of Congo, is well on track to open in H2 2016, to serve local and export markets and thereby reduce imports.

Now that Sierra Leone has been declared free of the Ebola virus, we are completing the construction of our import and bagging plant in Freetown with a view to starting commercial operations in the second quarter of 2016.

In time, we hope to supply bulk cement from our own factories in Senegal or Nigeria, which will benefit from duty-free trade within ECOWAS.

Ebola has delayed our plans in Liberia and we now expect to open a 0.5Mta grinding plant there in 2017.

Our plans remain on track for what will now be a 3.0Mta grinding plant in Côte d'Ivoire, although operations are likely to begin in late 2017. The plant will be located at Abidjan and land has already been procured and cleared for the factory.

In September 2015 we announced our intention to build facilities in the interior countries of ECOWAS. We plan a 1.5Mta grinding plant in Mali, which we will supply with clinker from Senegal, as well as a 1.5Mta integrated plant in Niger. Both should commence operations in 2018.

We have already begun exporting cement into Mali and Niger to build awareness of the Dangote brand.

Vivek Chawla
Regional CEO, West & Central Africa

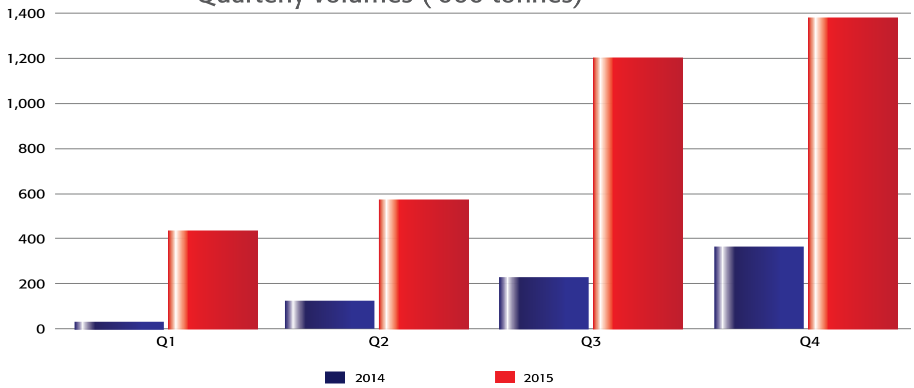
Review of Operations in South & East Africa

Albert Corcos

Regional Chief Executive Officer
South & East Africa

Thanks to our new factories, sales volumes in South & East Africa increased by 340% to nearly 3.5Mt and South Africa, Ethiopia and Zambia were all profitable at EBIT level.

Quarterly volumes ('000 tonnes)



Our South & East Africa operating region encompasses our factories in South Africa, Ethiopia, Zambia and Tanzania as well as new projects planned for Kenya and Zimbabwe.

We built on the successful launch of our South African business in 2014 with the launch of new plants in Ethiopia, Zambia and at the end of the year, in Tanzania.

As a result, cement volumes in South & East Africa rose by 340% to nearly 3.5Mt with profitable maiden contributions from the new factories.

Revenues for the region increased by 340% to ₦61.2B, compared with ₦13.9Bn in 2014, when just our South African factories were operational. The region's contribution represents approximately 12% of the Group's total revenues for 2015.

Regional revenues were impacted on translation by significant devaluations of the Zambian Kwacha and South African Rand against the dollar that continued throughout 2015.

Operating profits rose to ₦8.6B, up from slightly more than breakeven in 2014, at 4.1% of Group profitability

South Africa

Dangote Cement South Africa had its first full year of operation across both its Aganang integrated plant and its Delmas grinding plant, respectively located to the west and east of Johannesburg.

Delmas produces mostly 32.5-grade cement using fly ash from the nearby Kendall power station, while Aganang mainly serves the market for stronger 42.5 and 52.5-grade cements in South Africa's inland market.

Review of Operations in South & East Africa

Despite a kiln stoppage of a few weeks for maintenance at Aganang, South Africa achieved good gains in market share thanks to its high-quality products and services.

Our cement is regarded very favourably by customers of all types, with high brand awareness being achieved. We have built a strong distribution network with major retail outlets and we are also increasing sales through the readymix channel, which is more mature in South Africa than in many other African countries.

In November 2015 we changed the trading name of Sephaku Cement to Dangote Cement South Africa, but the Sephaku Cement product branding will remain unchanged.

Ethiopia

Our 2.5Mta plant at Mugher, Ethiopia, made its first commercial sales in May 2015 and quickly achieved very high levels of production as demand for its cement took off. Within a few months the plant was running at almost full capacity, supplying its 32.5R and 42.5R products mostly to the key market of Addis Ababa, around 90km away. The plant sold almost 1.0Mt during the year.

The plant was formally inaugurated early in June 2015 by Ethiopian Prime Minister H.E. Hailemariam Desalegn. At the ceremony, our Chairman announced our intention to double the size of the plant to 5Mta, which would make it by far the largest cement factory in the region. We hope the second line will commence production in 2018.

Ethiopia's cement industry has a small number of operators with larger, more modern plants, but the majority operate plants using what we believe is outdated technology, with much smaller kiln sizes. As such, we believe they will struggle to manufacture the higher-quality cements Ethiopia needs to support the expansion of its infrastructure. Ethiopia is therefore a key market for Dangote Cement in the coming years.

Zambia

Our 1.5Mta plant at Ndola, in the Copperbelt region of Zambia, began commercial sales of cement in May 2015. It was commissioned by His Excellency President Edgar Lungu in August 2015.

The plant achieved good and stabilised levels of utilisation during the year, ending 2015 with sales of more than 0.4Mt Zambia sells both 32.5 Portland Cement and our 3X brand 42.5R Portland Limestone Cement, with its main markets initially being the Copperbelt and some export sales to the Democratic Republic of Congo. However, we have since widened our distribution in Zambia with a fleet of 370 trucks, and are now able to serve the entire Zambian market (including a warehouse in the key market of Lusaka) as well as more distant export destination such as Malawi and Burundi.

In September 2015, we confirmed our plans to increase our presence in Zambia, either through a second line at Ndola or a new facility near Lusaka.

Our Ndola plant is already the largest in Zambia and as such it will benefit from economies of scale that will enable it to compete effectively against long-established incumbents in the country.

Tanzania

Our 3.0Mta plant in Tanzania began production of clinker in late December and therefore made no contribution to revenues during 2015.

The plant, at Mtwara, was ceremonially commissioned on 10th October by the outgoing President of the United Republic of Tanzania, His Excellency President Jakaya Kikwete.

At the same time, we laid the foundations for a new jetty at Mtwara, which will enable us to import material such as coal and to ship out cement for domestic and export markets.

Update on projects

We are still in the process of finalising agreements for the construction of a factory in Kenya, which we expect to be in operation in 2019. Key factors will be good availability of limestone close to Kenya's centres of demand. Kenya has a relatively strong economy and a large population of 43m people but low per-capita consumption of cement, suggesting there is plenty of room for growth.

In our strategy update of September 2015, we also announced our intention to build a 1.5Mta plant in Zimbabwe, probably by 2019. The country has a population of around 15 million but per-capita consumption of cement is just 84kg, which again suggests there is potential for good growth in cement demand when its economy begins to advance in the coming years.

Albert Corcos
Regional CEO, South & East Africa

Our People

Introduction

At Dangote Cement our human resource is our most valuable asset. As such, the company pays a high premium in ensuring that our employees are well looked after and that their issues are treated with our utmost attention.

The company achieves this by continuously rolling out strategic initiatives and programmes that ensure a conducive work environment and create the atmosphere for sustainable growth and development of our staff.

In line with its strategy of becoming a global and leading cement producer, most of the company's efforts this year have been focused on expansion beyond Nigeria, alignment of our manpower requirements and organisational development to meet the new realities.

Our core HR efforts for the period have been in the following areas:

1. Commissioning of new factories, accompanied by hiring and training of the required staff in the different areas of their operations
2. Nigeria operations HR organisation, recruitment and database clean up exercise in SAP
3. Training and development
4. Reorganisation of the transport division in Nigeria

1. New factories

Recruitment

The commissioning of new facilities across Africa required the recruitment and deployment of employees to man the different departments and ensure our competitiveness and strong performance in the new operations.

As a result of this expansion our operations now have the following headcounts:

Nigeria	12,746
Cameroon	122
Congo	21
Ethiopia	233
Ghana	294
Senegal	145
South Africa	385
Tanzania	185
Zambia	156
TOTAL	14,289

In order to ensure uniformity in processes and operations, all the new operations have been aligned in the organisational structure of the company and the different roles are being populated.

Training and development

To boost operations in the new territories and also to ensure that employees receive the requisite training and skillsets for their new roles, robust training programmes including technical training as well as different training modules dealing with aspects of the cement manufacturing processes are being run in the Obajana and Ibese plants in Nigeria for all new employees.

Technicians from plants in South Africa, Cameroon, Ethiopia, Senegal, Tanzania and Zambia have undergone a number of training courses during the year.

In addition to this, the company engaged the services of consultants to run on-site training programmes to train local workers in Senegal, Cameroon, Zambia and Tanzania.

Employees from Zambia, Tanzania, Ethiopia and Ghana have been trained in the use of SAP payroll and HR modules by the central payroll team at our headquarters in Lagos.

2. Nigerian operations organisation and development

As a dynamic and forward-looking company, Dangote Cement rolled out a business transformation initiative that saw the HR team embarking on a series of organisational development programs to ensure the achievement of this initiative.

Most of our HR efforts in this area have been focused on:

- Reviewing HR polices and processes
- Reviewing and updating procedural forms
- Reviewing and updating the staff handbook
- Reviewing the organisational structure
- Staff data capturing and database clean-up exercise.

All these efforts are geared towards improving our operational excellence and ensuring that Dangote Cement remains the market leader in the industry.

Recruitment

In support of the growth of our operations in Nigeria, resulting from the commissioning of new lines in Ibese and Obajana plants, recruitment of new employees has been a priority for this period. A total of 4,097 new employees were recruited in 2015.

Compensation and benefits

To ensure that our employees remain committed and highly motivated to perform, the Company continuously reviews their employment conditions and compensation in line with industry standards.

A 25% salary increase was given to employees in Nigeria this year and the average employee salary has increased mostly in the lower-paid segment.

3. Training and development

Dangote Cement is engaged in improving the skills of its staff by providing training opportunities through the Dangote Academy, our training department and other training institutions within and outside of Nigeria. We recorded a huge success in our training and development programs for this period. Our training report card shows:

- The Ibese plant reached the target of 2,000+ participants with 70 programs/courses run and a total number of 2,020 employees across different levels trained
- The Dangote Foundational Skills Training Program prepared by DIL in collaboration with external training consultants has commenced and many employees have received different forms of training
- Driver training activity continues in the transport division and about 2,300 drivers and 2,800 truck entrepreneurs have been trained to date.
- A new induction program for executives commenced in July 2015

Career development & succession planning

The Company values its human assets and is committed to the continuous development of its people for better performance and improved efficiency. We have embarked on a series of programs that will ensure that our talent pool is adequately developed and retained and also ensure that we attract the best calibre of people. The HR team is working on the following:

- Development of a skills assessment and career planning framework and individual gap analysis (at all managerial levels)
- Identification of key positions and review of job descriptions
- Development programs (in adherence to DIL's Foundational Training Program for 2015) have commenced with strong take-up across the different programs

The succession plan for the company will be implemented on the second half of 2016. Programs are being worked out to ensure that appropriate plans are put in place to be able to identify talented employees and provide required training to develop them for future higher-level and more diverse responsibilities. These programs will be designed to motivate staff and ensure that we retain the identified talents and maintain a pool of talented employees at any given time

4. Transport restructuring

In Nigeria, the transport department is undergoing a massive restructuring and reorganisation of all its functions and operations in order to improve its performance. As a result, a recruitment exercise was undertaken at the various plants resulting in the employment and deployment of more than 3,200 drivers in 2015. More are being recruited to meet the growing needs of the transport division.

To strengthen the hiring process and ensure that the right calibre of people are employed into the system, the drivers were given the requisite training by the appropriate authorities and tested before they were hired.

Dangote Academy

The Dangote Academy was established in 2010 to provide training in technical and management skills for employees and people wishing to join the Dangote Group of companies. It was created in recognition of the fact that we cannot rely on universities and colleges to provide the very specialised technical and managerial training required to run major industrial factories such as ours, particularly in the large numbers of such people that we will need.

Therefore the Academy's aims are as follows:

1. To be the umbrella organization for all talent development and learning initiatives in the Group
2. To provide facility and platform for technical skills acquisition benchmarked to world-class standards
3. To attract & develop high quality talent from secondary and tertiary institutions through a structured process
4. To align our skills development to the rapid changes in our industries' technologies by building long-term relationships with OEMs and institutions of learning

The Academy opened its first campus in Oshogbo in 2011, from which more than 550 students have graduated and gained employment within the Group. The Oshogbo campus can train 80 students at a time and will expand this number to 100 in the near future.

A second campus has been constructed at Obajana Cement Plant in Kogi State and is undergoing equipment fit out and will open soon, providing classrooms and workshops as well as accommodation for more than 400 students. The Obajana campus will be the Academy's flagship center of learning in the coming years and will provide training for staff from Dangote Cement factories across Africa. It will be equipped with classrooms, high-tech workshops and machine simulators to train students in the use of key manufacturing systems.

The Academy works with industrial partners such as Haver & Boecker, FLSmidth, Loesche, Siemens and other OEMs to provide high-quality training in cement production and maintenance. It is collaborating with a German consortium to establish the German model of Dual Vocational Education System at Dangote Academy.

Key initiatives include the Graduate Engineers Training Scheme (GETS), the Vocational Training Scheme (VTS) and the Junior Technician Scheme (JTS).

Graduate Engineers Training Scheme

The GETS is designed to enable young engineers pursue a careers in Dangote Group. The scheme prepares fresh engineering graduates with the necessary technical and supervisory skills to become team leaders, thus meeting our middle-level manpower requirements.

Operating in four phases, GETS begins with basic engineering theory workshop skills, progressing to IT and personal skills, plant skills and more advanced training in management and leadership.

Graduates from this scheme will go on to become highly skilled plant engineers in Nigeria and our other projects in Africa.

Dangote Academy

Vocational Training Scheme
The VTS offers training for students in basic trades such as welding and fabrication, fitting & mechanical maintenance, heavy-duty automobile maintenance, instrumentation and automation, electrical maintenance and process operation.

Five streams of trainees in batches of about 50 students have been trained since 2010. About 90% of those who graduated have since found employment with Dangote Cement.

Junior Technician Scheme
The JTS is the latest addition to the Academy's learning initiatives and was conceived as a supporting scheme to the Vocational Training Scheme.

The 18-month course has taken its first and second batches of students, totaling around 150 trainees. Skills training includes tuition in areas such as welding and fabrication, fitting and mechanical maintenance, heavy earth-moving machine maintenance, electrical and instrumentation skills, all of which are vital to the continuing good maintenance of our plants.

The second batch of Junior Technician Scheme trainees were recently inducted for their 18-month training programme at the Academy campus at Oshogbo. Training includes theory and practical for engineering, workshop skills and then intensive "on the job" training at our various plants.

This second batch has 77 junior technicians, of which 54 trainees are working in mechanical specialties such as welding and fabrication, machining and fitting. A further 23 trainees specialised in electrical machining installation & maintainance skills at various government technical colleges across Nigeria.

On completion of their 18-month course the trainees will be evaluated based upon the knowledge and skills they acquired during the dual vocational education training program. They will then be absorbed into the Group's operations, subject to appropriate vacancies, as Junior Technicians in plant operations and maintenance.

The following is a snapshot of some of the programs being run:

TRAINING LEVEL	PROGRAMS
1	Communication in the Workplace
1	Occupational Health & Safety [OHS]
2	Blueprint for Success
2	Supervisory Development Programme
3	Leading Teams
3	Execution Capacity Building
4	Coaching & Mentoring for Senior Leadership
4	Business Management & Strategic Planning

Future of the Dangote Academy
As our Group expands, the Academy will expand in both geography and scope with the establishment of regional satellite academies for South & East Africa and West & Central Africa clusters to support the regional businesses. The operations of these academies will remain centrally guided (for consistency and quality) but will be executed locally.

Management development & foundational skills training
We have inaugurated a Management Development Center at our Ikeja campus. The focus of this center is to equip the existing staff with basic skills and sharpen their management and leadership skills to become more productive in their current roles, preparing them for future leadership positions in the Group.

This foundational skills training is being delivered by Dangote Academy with support from external vendors who have been certified for their competencies through a very rigorous selection process. Each of the programs delivered by them is monitored for quality and continuous improvement.

Dangote Academy

The content of these programmes has been designed to keep in mind the roles and responsibilities, level of participants' experience and the skills gaps that have been identified.

In the second half of 2015, the Academy delivered more than 74 programs covering approximately ten business-relevant themes critical to the organisation. Approximately, 4,000 staff were trained in various foundational skills by the end of December, 2015.

In continuing with the foundational skills programs, new focus areas planned for 2016 include the introduction of functional skills programs for various business areas based on their needs and the competency development gaps we have identified within them.

Furthermore, we will extend the foundational skills training accross Africa to cater to the needs of our staff working at our various operations in various countries in the continent. We propose to cover Senegal, Cameroon, Ethiopia, Tanzania and Zambia during the coming year.

We encourage staff to participate in continuing educational initiatives that are designed to improve their overall levels of competence in business.

We have ambitious plans to develop the Dangote Academy beyond its technical training roots and transform it into a Technology & Management Institute. We hope it will ultimately evolve into a University of Technology & Management.

Inauguration of the Junior Technical Training Scheme (JTS) at Oshogbo.


Junior Technician trainees are given an extensive mix of theory and practical training


Those who successfully complete the Junior Technician Scheme can expect good careers in Dangote Cement

Our Approach to Sustainability

At Dangote Cement, sustainability is regarded as a strategic priority to achieve our long-term business objectives. We are committed to achieving the highest standards in corporate responsibility and continually strive to develop and implement sustainable projects which encompass these three key areas: Environmental Care, Health & Safety and Social Investment (EHSS). Dangote Cement is implementing policies to manage our approach to these important activities of our businesses.

Dangote Cement has already pursued EHSS activities at individual plants, but our new initiative aims to introduce Group-wide policies that can be applied consistently across all businesses and all sites. EHSS efforts will be coordinated by a dedicated EHSS team.

Health and Safety

Dangote Cement is committed to the implementation and maintenance of an Occupational Health & Safety Management System (OHSMS) that ensures the prevention of occupational accidents or ill-health that may potentially affect anyone who works at or visits our places of business throughout Africa.

A Technical and Operations Committee was created by the Board in 2014 and its responsibilities include to review safety, health and environmental performance and improvement plans. Key activities achieved in 2015 are highlighted in the report of the Technical and Operations Committee on page 120 to 122.

We have a strong commitment to the continuous improvement of the way we manage our work places and observe strict compliance of legal & regulatory requirements that govern them. We aim to provide a conducive environment for all stakeholders in the manufacturing, packaging and sales of our cement and have the Occupational Health and Safety Assessment series BS:OHSAS 18001:2007 certification.

Our health and safety personnel conduct regular health monitoring of our staff especially those that work in the plants to certify that they are not negatively affected by company activities. These medical assessments include chest x-rays and hearing tests.

We are determined to create an embedded safety culture across all our business operations with the objective of minimizing the risk of accidents and ensuring zero fatalities. To check that we are achieving our benchmark, we carry out quarterly internal health and safety audits on lost time incidents, fatalities and medical treated cases. External Health and Safety audit are also carried out regularly by industry regulators as well as certification bodies (on our invitation).

Emphasis on employee safety is key and failure to wear appropriate Personal Protective Equipment ("PPE") is treated as a disciplinary offence. There are systems in place to ensure that all accidents are recorded and all serious accidents are investigated. This data is then subject to close scrutiny by senior management and presented monthly to the Executive Committee and the Board of Directors to ensure adequate health and safety measures are taken in all levels of the business.

All staff at the plants have access to raise concerns regarding OHSMS with senior management. There are medical facilities and medically

Plant	LTAFR 2015 Lost Time Accident Frequency Rate (incidents per million man hours worked)	FAFR 2015 Fatal Accident Frequency Rate (incidents per million man hours worked)
Cameroon	9.11	0
Ethiopia	3.94	1
Ibese	2.35	0
Obajana	0.96	0
Gboko	6.36	0
Aganang	0.88	0
Delmas	7.04	0
Senegal	9.43	0
Zambia	0.42	0

Our Approach to Sustainability

trained staff on duty at all operational sites with ambulances available for emergency evacuation to local or national hospitals. All medical staff undergo regular training and testing.

A comprehensive and ongoing safety training programme is conducted by a dedicated staff and supplemented by external contractors. We work closely with our contractors and exchange knowledge to ensure that our procedures are aligned.

Dangote Cement operates in accordance with each country's OHSMS legislation and our OHSMS policy is reviewed every five years for continuing suitability, thereby providing the basis for setting and reviewing Occupational Health & Safety objectives and targets.

Environmental care

Dangote Cement is committed to the implementation and maintenance of the National Industrial Standards ISO 14001:2004 Environmental Management System (EMS), which ensures the prevention of pollution within the defined scope of its operations. We observe strict compliance with relevant legal and other requirements with a view to providing a sustainable environment for manufacturing, packaging and sales of cement. By this, we aspire to the continuous improvement of our operations.

We conduct baseline studies of the environmental situation before we begin building our plants and continue environmental assessment of air quality, water quality, noise levels and suspended particulate matter monthly. We ensure that all our plants are issued EIA/ESIA permits as recommended by the International Finance Corporation (IFC).

This environmental policy, which is sustained by all concerned through proper communication and awareness of the significance of having a pollution-free environment, is documented, implemented, maintained and endorsed by the Plant Directors and circulated to employees, suppliers and other interested parties. The EMS policy is reviewed every three years for continuing suitability, thereby providing the basis for setting and reviewing environmental objectives and targets.

Dangote Cement constantly strives to minimise the environmental impact in all its operations, from mining to cement production and distribution. In tune with international practices, the Company has identified and implemented several measures to ensure a sustainable operations. Some of these include:

- Investments in state-of-the-art bag filters, electrostatic precipitators at all plants to ensure minimal dust emissions, making Dangote one of the industry's greenest cement companies not only in Nigeria but across Africa. Pollution control is accorded top priority with regular monitoring with action plans put in place to reduce emissions in tune with national and international statutory control guidelines.
- Dangote Cement uses different fuel options to minimise emissions of CO_2, greenhouse gases and other pollutants. Most of the captive power we consume at plants is generated using natural gas with options to use other fuel as backup
- Completely covered raw material and process conveyors ensure dust-free manufacturing. Similarly completely covered conveyor belts taking limestone from the mines into the plant minimise vehicle movement and are standard at Dangote Cement's plants.
- Likewise, impounded rain water around plant areas is used for cooling purposes and is completely re-circulated while wastewater is efficiently treated for further use or safe disposal.

Our reclamation strategy keeps the topsoil removed while mining for limestone. The reserved top soil is

Dangote Cement has built concrete roads in host communities near to its Ibese plant, not just to improve traffic for local drivers and for our own trucks, but also to demonstrate their benefits and durability.

used to refill the mined lots with trees and grasses planted. We strive to restore the land used for mining purposes to its original state so that it may be used for agricultural purposes

Social Investment

Social Investment is a key priority across the entire Dangote Cement and the Group-wide investments seek to:

1) Broaden the opportunities for economic empowerment of host communities through support of local entrepreneurial initiatives including micro, small and medium enterprise development programmes that promote access to finance, business development services and access to markets
2) Improve health by building hospitals/health care centres, strengthening the quality of medical services, tackling malnutrition and improving access to safe water and sanitation
3) Promote quality education by building classrooms, the provision of books and by equipping science laboratories, by improving access to and standards of basic education, through support for enhanced training of teachers and by improvements in the curriculum, by improvements in the availability of quality vocational and technical education in Nigeria to increase employment opportunities as they align with labour market demands, and by awarding scholarship to qualified individuals

Dangote Cement realises that it plays an important role in the local economy and consciously strives to support local businesses to service its local operations which in turn improves the lives and prospects of the local people.

We prioritise our relationships with our host communities and work with the community leaders to adequately address any concerns, ensuring that they are actively involved in any community development plans sponsored by the Company.

Examples of social projects
Nigeria

We continued our annual scholarship award scheme for children in our host communities of Obajana, Ibese and Gboko. Scholarship awards totaling ₦16.8m were granted to more than 200 primary and secondary school students to enhance their educational prospects in these communities.

Education is a priority for our EHSS activities. We build classrooms and provide books and other learning materials for children of all ages. Older students are given a chance to gain scholarships.

In Obajana, we began the construction of a clinic in the Iwaa community to provide access to quality health care services. The clinic upon completion will have female and male wards, consulting rooms, waiting lobby, pharmacy and gift stores.

The Ibese plant continued the construction and rehabilitation of major access roads for its 14 host communities within Yewaland of Ogun State. The hard concrete road, first of its kind in the South West of Nigeria, began following consultation and approvals of the state and federal authorities on the design and layout plan of the area.

The construction of the road is in three phases. The first phase is an 8km road that begins at the Ibese plant to the Ilaro junction and was completed in 2014. The second phase of construction, a 25km road from Itori to Ibese, was completed in 2015 and the third is a road from Ibese to Abeokuta.

We also provided two water bore holes and two overhead tanks with a 7.5kva generator to power the water pump in Ibese and constructed a 10-classroom primary school near Ibese for 400 students, to be completed in the first quarter of 2016, as well as a five-classroom school for 200 students in Balogun, to be completed in first quarter of 2016.

We began the renovation of the Ilaro State Hospital and a health center in the Babalawo, Kajola community.

Our Approach to Sustainability

These projects will be finished in 2016.

Senegal
In 2015 we finished the construction of a new village for the people of the Gayane Community that includes 42 homes, a practicable access road, a health center, a school of six classrooms for children aged 4-12, a Mosque , a sports field, a vaccination park for livestock, electricity and water supply system and a community market.

We also supported the Olympic Games of the High School of Pout.

Cameroon
In accordance with our community relationship policy, Dangote Cement Cameroon reclaimed three hectares of land in the river basin for the Ngondo community annual festival. This has improved our relationship with the Sawa Chiefs as we contribute to the Sawa traditional and cultural institutions. We donated FCFA15m to the Association of Sawa Chiefs, for the organisation of the annual Ngondo Cultural Festival. We have also rehabilitated a 1km road leading to our factory, which services over 20 companies in the port area.

Kenya
We believe that every African has a right to quality healthcare and should not die from preventable diseases. We believe that it is our collective duty to leverage resources, financial, technical and in kind, to improve health infrastructure, support the training of health workers and entrench preventive health practices. In partnership with the First Lady Margaret Kenyatta's 'Beyond Zero' drive, Dangote Foundation donated five fully kitted mobile clinics to the people of Kwale, in the Republic of Kenya, to support the country's drive towards preventing maternal deaths in the 47 counties of Kwale. We have undertaken this initiative even before building a plant in Kenya.

Ethiopia
In Mugher, we committed to projects that will aid agricultural developments for the local farmers with training, water supply for the farms and the town, grass for cattle rearing, These initiatives build on Dangote Cement's commitment to support and empower the local communities.

South Africa
In South Africa we donated funds to support the Siyonqoba Care Centre for the Disabled, near our Delmas plant. The donation helped the centre with volunteer costs, toys, books and gardening projects.

Other donations
During 2015, Dangote Cement donated a total of ₦0.35B to support initiatives in host community development, healthcare, education and empowerment across all of our operating territories. Further details of these donations can be found on pages 203 to 204 of this report.

EHSS Management System
Dangote Cement is committed to adopting the International Finance Corporation's Performance Standards on Environmental and Social Sustainability, which were published in 2012. The IFC, part of the World Bank Group, has developed best practices in the form of its Sustainability Framework, which it describes as follows:

"The Sustainability Framework comprises IFC's Policy and Performance Standards on Environmental and Social Sustainability, and IFC's Access to Information Policy. The Policy on Environmental and Social Sustainability describes the IFC's commitments, roles, and responsibilities related to environmental and social sustainability.

The Performance Standards are directed towards clients, providing guidance on how to identify risks and impacts, and are designed to help avoid, mitigate, and manage risks and impacts as a way of doing business in a sustainable way, including stakeholder engagement and disclosure obligations of the client in relation to project-level activities.

In the case of its direct investments (including project and corporate finance provided through financial intermediaries), IFC requires its clients to apply the Performance Standards to manage environmental and social risks and impacts so that development opportunities are enhanced. IFC uses the Sustainability Framework along with other strategies, policies, and initiatives to direct the business activities of the Corporation in order to achieve its overall development objectives."

Dangote Cement is therefore working closely with the IFC as a technical partner to achieve this mandate.

Our Work with Block Makers

Block makers are a key market for Dangote Cement. A roadside but strongly craft-based industry, block makers consume about 20% of all the cement we sell. Blocks are a significant component of most Nigerian buildings, as there is only a small clay brick industry in the country. Their strength is provided by cement, rather than a baking and hardening process such as that used to create bricks.

As we reported in the 2014 Annual Report, Dangote Cement works extensively with Nigeria's artisan block makers to ensure they are up to date with best practices for the creation of their products using our cement.

The following achievements have been recorded:

- Drastic reductions in the breakage of Sandcrete blocks at the end of every production run
- High demand for blocks made with Dangote cement
- Enhanced revenue generation for block makers through the manufacture of standard blocks that are technically and commercially acceptable to all classes of builders.

Our outreach programme has focused upon demonstrations of best practice, with all necessary training to achieve high technical competence and the creation of a quality product. Typical training for block makers includes the following:

- Measurement of the aggregates with standard wheelbarrows provided by Dangote Cement
- Enforcing the Standards Organization of Nigeria (SON) standard of three dry and three wet mixing of aggregates to achieve homogeneity of the mortar
- Ensuring well-defined mixing ratios of the basic raw materials (sand, cement, water) to standardize quality of Sandcrete blocks
- Laying emphasis on the right usage of cement for specific applications
- Ensuring the sourcing and use of high-quality sand and water for mixing with Dangote cement during production
- Decisions as to the quantity of Sandcrete blocks to produce per bag for sustainability of quality blocks.

In addition, we helped improve the commercial acumen of block-making partners with the following initiatives:

- Teaching artisans to develop professional marketing strategies for their products
- Training in basic accounting principles to measure input against output
- Improving general business accounting awareness and P&L assessment
- Trained in the understanding of component costs and cost-control mechanisms to reduce wastage
- Improving their understanding of basic logistics for both the sourcing of high-quality sand and the delivery of finished products to their customers.

Our outreach teams work with block makers to demonstrate best practices in mixing cement for blocks

Our technical outreach teams have visited many block makers to establish relationships, assist with training, advise on technical and product matters and encourage continuing use of Dangote cement to support our market share. In addition, they gathered feedback from block makers on the performance of our products in real-world applications.

The technical training and outreach programmes were frequently conducted with several groups of block makers and we found this had many positive benefits in the sharing of ideas and experiences and the creation of a feeling of community. In addition, we have forged stronger ties between the block makers and both our technical and sales staff and our network of independent distributors.

A key focus for our outreach was to ensure good coverage in Lagos and the South West, which are key sales regions for us and where we face competition from nearby plants of other manufacturers in Nigeria's cement industry.

Our Work with Block Makers

Activites in these regions included:

- Demonstration in Eti-Osa, Badagry and Agbara, which helped to strengthen relationships with local artisans
- Demonstration in Epe, Ibeju-Lekki, Igando, and Alasia, which boosted sales in these locations and helped establish the loyalty of the block makers to Dangote cement as a mark of appreciation
- Enlightment campaigns on the attributes of Dangote cement, with distribution of promotional parasols, chairs, tables, rain-boots, shovels and hand-gloves

A unique facility tour was undertaken with block makers' states executives nationwide to help them understand the high-quality of Dangote cement and to educate them on the high technology and strongly quality controlled production process that is used in manufacturing.

The exercise also gave birth to new ambassadors of Dangote Cement among the major end users across the country. The tour achieved the following:

- Created a forum of socialising and interacting with each other
- Ensured that each block maker had the opportunity of accessing the facility (with a tour guide) to his satisfaction
- Improved dialogue with artisans
- Created a data bank of registered block makers in each state represented
- Educated them on the profitability and significance of using Dangote Cement
- More importantly, it gave birth to a united block makers association across the nation known as NABMON

Block makers learn about the technical specifications of our 3X 42.5R cement and how it can improve quality

We work with block makers to demonstrate the cement production process at our factories across Nigeria

Factory tours are a popular way to show these important customers how quality is assured before delivery

CORPORATE GOVERNANCE

The Djembe drum originated in Mali and is popular in West Africa. Its name comes from a Bambara saying meaning 'all gather together in peace'

Corporate Governance Report

Aliko Dangote GCON
Chairman

We firmly believe there is a link between high-quality corporate governance and the creation of long-term shareholder value.

Dear Shareholders,

I am pleased to present the Corporate Governance Report for 2015. This report describes our system of governance, how our Board applies the Securities and Exchange Commission's Code of Corporate Governance for Public Companies in Nigeria ("the SEC Code"), and the consistency of our governance practices with codes of corporate governance applicable in other jurisdictions.

It is Dangote Cement's corporate objective to be Africa's leading producer of cement, respected for the quality of its products and services and for the way it conducts its business, while delivering strong returns for our shareholders. In pursuing this objective, we are committed to the highest level of governance and setting standards for other companies to follow.

Our approach is based on the belief that there is a link between good corporate governance and creation of long-term shareholder value. We believe that our governance structure underpins our ability to deliver our growth strategy, thereby delivering better value to our customers and increasing shareholder value.

Our governance policies and practices are designed to ensure that our business is conducted in a fair, honest and transparent manner that conforms to the highest ethical standards, ensuring the welfare of all our employees is catered to, as well as implementing a robust corporate social responsibility to the general public.

I am pleased to report that in 2015 Dangote Cement was one of only three companies listed on the Premium Board of the Nigerian Stock Exchange after a rigorous review of our corporate governance practices.

As a Premium Listed Company Dangote Cement is committed to instituting and implementing sound corporate governance structures which are consistent with best practices, and to ensure compliance with relevant laws and regulations in

Corporate Governance Report

Nigeria and all the countries which it has operations.

The Board of Directors of the Company is the main driver of a sound corporate governance system and seeks to operate the highest standards of corporate governance. As Chairman of the Board, I am leading that commitment, working with the Chairman of the Remuneration and Governance Committee as well as other Directors.

The Board is clear on its role and responsibilities, which have been documented in the Company's Charter. The Board is accountable for the Company's activities, strategy, risk management and financial performance as well as the Company's system of corporate governance.

The Board sets the strategic objectives, determines investment policies, agrees on performance criteria and delegates to management the detailed planning and implementation of those objectives and policies in accordance with appropriate risk parameters.

The Board also monitors compliance with policies and achievement against objectives by holding management accountable for its activities through monthly and quarterly performance reporting and forecast updates.

In addition, the Board receives regular presentations enabling it to explore specific issues and developments in greater detail. The Board also obtains periodic assurance on the integrity of the Company's financial and internal control policies, while seeking to institute better structures.

The Board Charter sets out guidelines on Board composition, meeting procedures and guidelines on how the Board is to manage its affairs.

The Company also sets aside matters which are dealt exclusively by the Board. These include approval of financial statements, the Company's business strategy, the annual capital expenditure plan, major capital projects, major changes to the Company's management and control structure, material investments or disposals, risk management strategy, social and environmental policies and treasury policies.

Board composition, roles and responsibilities

As the Chairman of the Board, I am responsible for overall operation and governance of the Board. I manage the business of the Board and set its agenda in consultation with the Group Chief Executive Officer, and the Company Secretary, with contributions from other Board members. I also ensure that agendas strike the right balance between performance and strategic matters. I facilitate and encourage active engagement of Directors, particularly on matters of risk and strategy or other major proposals, by drawing on their skills, knowledge and experience.

Onne van der Weijde is the Group Chief Executive Officer and is responsible for the execution of strategy and the day-to-day management of the Group, supported by the Executive Committee (ExCo), which he chairs.

The positions of the Chairman and Group Chief Executive Officer are separate and held by different individuals in line with Section 5.1 (b) of the SEC Code and A.2.1 of the UK Code of Corporate Governance (UK Code).

The Board comprises myself, Onne van der Weijde, who is the Group CEO and ten Non-Executive Directors who are independent of management. The Board considers that the Non-Executive Directors provide a solid foundation for good corporate governance for the Company as they effectively and constructively challenge and monitor the success of management in delivering the agreed strategy within the risk appetite and control framework set by the Board.

Of the Non-Executive Directors, two are Independent Non-Executive Directors, exceeding the minimum number of Independent Non-executive Directors required by the SEC Code.

Between them, the Non-Executive Directors bring a wide range of international experience and expertise to the Board. They each occupy or have occupied senior positions in industry, finance or public life and consequently contribute significantly to the Board's decision making.

We consider that the Board size of twelve Directors is appropriate for the current requirements of the business in line with Section 4 of the SEC Code which is consistent with the UK Code (provision B.1).

The Board believes that its overall composition is appropriate except for the need to improve gender diversity. This conclusion has been reached having regard to the independence of character and integrity of our

Directors, the collective experience, balance of skills and knowledge they bring to bear in fulfilling their duties.

The Board has assessed the independence of the Non-Executive Directors against the criteria set out in the SEC Code and has concluded that they are all independent in character and judgement. Their independent status is also consistent with the UK Code (provision B.1.1). The Board reviews the independent status of the Independent Non-Executive Directors on an annual basis, in line with the independence requirements set out in the SEC Code of Corporate Governance.

The Independent Non-Executive Directors have consistently provided unbiased and independent views to the Board and ensured that minority shareholders' interests are protected. They have continually contributed to the overall quality and effectiveness of the Board by providing objective inputs to strategic issues and decision making, while ensuring compliance with applicable statutory rules and regulations.

The Board is supported by Mahmud Kazaure, the General Counsel and Company Secretary. Mahmud, together with his team, provide support, governance advice and detailed guidance to Directors on their duties, responsibilities and powers. He ensures that all procedures and regulations necessary for the conduct of the affairs of the Board are complied with. The Company Secretary also acts as Secretary to all the Committees and he and the Deputy Company Secretary attended all meetings during the year under review.

Board Committees

The Board governs the Company through the operation of numerous Board Committees, accompanied by monitoring and reporting systems. Each Board Committee has specific written terms of reference issued by the Board. The terms of reference of Committees are available on our website.

All Committee Chairmen report on the proceedings of their Committee meetings at subsequent meetings of the Board. The reports of the Board Committee meetings are included in the papers distributed to Board members in advance of the next Board meeting.

As at 29th February 2016, the Board has five Committees namely:

i. Finance and General Purpose Committee;
ii. Audit and Risk Management Committee;
iii. Remuneration and Governance Committee;
iv. Nomination Committee; and
v. Technical and Operations Committee.

Please see page 95 for details on the roles, responsibilities and activities of the Committees.

The Board delegates responsibility for implementing the Company's strategy and for managing the Group to the Group Chief Executive Officer. The names and profile of the executive management team can be found on pages 102-105.

Board appointments & re-election

The Board aims to achieve a balance of experience, knowledge and skills amongst its Directors. The Board, through the Nomination Committee,

The Board of Directors as at 29th February, 2016

Director	Title	Date of Appointment
Aliko Dangote	Chairman	4th November, 2002
Onne van der Weijde	Group Chief Executive Officer	2nd February, 2015
Devakumar Edwin	Non-Executive Director	22nd July, 2005*
Sani Dangote	Non-Executive Director	22nd July, 2005
Olakunle Alake	Non-Executive Director	22nd July, 2005
Abdu Dantata	Non-Executive Director	22nd July, 2005
Joseph Makoju	Non-Executive Director	2nd December, 2010
Olusegun Olusanya	Non-Executive Director	2nd December, 2010
Emmanuel Ikazoboh	Independent Non-Executive Director	30th January, 2014
Ernest Ebi	Independent Non-Executive Director	30th January, 2014
Fidelis Madavo	Non-Executive Director	30th July, 2014
Douraid Zaghouani	Non-Executive Director	29th April, 2015

* This is the date of Devakumar Edwin's original appointment to the Board. Following his resignation as CEO he was appointed as a Non-Executive Director on 2nd February, 2015

Corporate Governance Report

follows a formal, rigorous, and transparent procedure to select and appoint new directors. The Nominations Committee leads the process in accordance with the Board's appointment policy, utilising defined Board membership criteria while taking into cognizance, the existing skills, knowledge and experience of Directors on the Board as well as those of the nominee, including other attributes necessary for the prospective role.

When considering the appointment of a new Director, the Board also takes cognizance of current directorships on other Boards so as to avoid potential conflict of interest and ensure that Directors will be able to dedicate the appropriate time and attention to the Company. The Appointment Policy of the Board is in line with Section 13.1 of the SEC Code and consistent with provision B.2 of the UK Code.

Upon appointment, a new Director is issued a letter of appointment which sets out the expected time commitment, tenure, role, responsibilities and powers of the director. This practice is consistent with provision B.4 of the UK Code.

The Board recognises the need to reinforce its effectiveness by injecting new energy, fresh ideas and perspectives. It has defined a Tenure Policy in line with Section 19 & 20 of the SEC Code. A summary of the Tenure Policy is presented below:

Executive Director
Initial Term: *3 years*
Additional terms of three years each, subject to satisfactory performance and retirement age of 65 years

Non-Executive Director
Initial Term: *3 years*
Additional terms of three years each, subject to satisfactory performance

Independent Non-Executive Director
Initial Term: *3 years*
Additional terms of three years each, subject to satisfactory performance

Non-Executive Directors who are 70 years old or more are disclosed to shareholders at Annual General Meetings (AGM) in line with section 256 of the Companies and Allied Matters Act, CAP C20, LFN 2004 (CAMA).

On the 29th of April 2015, the Board approved the appointment of Douraid Zaghouani to replace Khalid Al Bakhit as the representative of the Investment Corporation of Dubai on the Board. Douraid Zaghouani's appointment as Director was presented by the Board to the Shareholders for ratification during the AGM held on same day.

All Directors are required to retire by rotation and stand for re-appointment at least every three years in compliance with CAMA provisions and Section 19 of the SEC Code. At the 2015 AGM, Devakumar Edwin, Abdu Dantata and Joseph Makoju retired by rotation and were presented for re-election to the Board. The re-election of these Directors was ratified by the Shareholders.

Director induction & development

As Chairman, I am responsible for ensuring that induction and training programmes are provided for Directors based on training needs and gaps identified in consultation with the Director. They are also expected to take responsibility for identifying their individual needs and to take steps to ensure that they are adequately informed about the Group and their responsibilities as Directors.

The Board has also established an Induction and Training Policy for Directors in line with Section 18 of the SEC Code and United Kingdom's Code of Corporate Governance (provision B.4).

On 29th July, 2015, an induction program was conducted to on-board Douraid Zaghouani in line with our Induction Policy. During the year, the Board also arranged briefing sessions (including a Board Retreat) to assist the Directors in effectively discharging their duties to the Company. Directors also attended professional continuing education programmes at the Institute of Directors and the Nigerian Stock Exchange to refresh and update their knowledge of business operations and industry best practices.

The Board is confident that all its members have the knowledge, ability and experience to perform the functions required of a Director of a listed company.

Board and Committee meetings

Board and Committee meetings are held in an atmosphere of intellectual honesty of purpose, integrity and mutual respect, requiring reporting of high standards by management and direct, robust and constructive challenge and debate among Directors during Board and Committee meetings. Board and Committee meeting dates are agreed in advance for proper planning and scheduling. Notices of meetings are sent to Directors at least fourteen (14) days before the meeting and Board papers are sent at least a week before the meeting date in line with Section 266 of CAMA and the UK Code (provision E.2.4).

Working with the Company Secretariat, I developed an Annual Agenda Plan to assist the Board and its Committees in discharging their roles and responsibilities in line with their charters. This Annual Agenda Plan specifies minimum agenda items to be considered by the Board and Committees at various meetings during the year.

Key activities of the Board in 2015

The Board met six times during the year and at least once every quarter in line with Section 12.1 of the SEC Code. Dates of Board meetings are as stated below:

- 29th January, 2015
- 13th March, 2015
- 29th April, 2015
- 30th July, 2015
- 23th October, 2015
- 14th December, 2015

Board meetings were well attended with attendance of all Directors exceeding two-thirds as required by Section 12.2 of the SEC Code. The meeting attendance register is shown on page 205 of this report.

Key matters discussed by the Board in 2015 includes:

Key matters considered	Board actions
Board appointments	During the year the Board considered and approved the appointments of the new Group CEO and two Non-Executive Directors. Their appointments were considered on the recommendation of the Nomination Committee.
Capital structure and financing of DCP subsidiaries	The Board reviewed the capital structure of its subsidiaries during the year. This also covered investment requirements for new projects, working capital position, financing requirements and dividend payments. The Board received regular updates on these areas in each of its meetings.
Reports of the Board Committees	Each Board Committee presented reports on its activities and in areas of its responsibilities and made recommendations for consideration and approval.
Internal Audit	The Board approved the revised Internal Audit structure for the Company and also approved the resourcing of key Internal Audit positions on the recommendation of the Board Audit and Risk Management Committee. The Board also approved the Internal Audit Plan recommended by the Audit and Risk Management Committee and received updates on the committee's review of the internal audit reports.
Risk management	The Enterprise Risk Management framework was enhanced during the year. The documentation of the risk policies were improved and the Risk Management function assisted the Board in identifying key risks facing the business as well as strategies for mitigating and addressing the risks. The Risk Management function also provided updates to the Board through the Board Audit and Risk Management Committee on the key risks.
Financial reports	The Board considered quarterly financial reports during the April, July and October meetings. The Board also reviewed and approved the audited financial statements during its March meeting, where it also deliberated on the dividend to be proposed to shareholders for approval during the April Annual General Meeting. It reviewed and approved the 2016 Budget during its December meeting.

Corporate Governance Report

Key matters discussed by the Board in 2015 include:

Key matter considered	Board actions
Strategy update and report on business and projects	The Board receives regular updates from the Board Finance and General Purpose Committee on the status of the achievement of 2015 plans during its meetings. The Group CEO also provides status of ongoing projects across the continent, including operational performance of each country. In addition, the Board organised a retreat during the year to consider corporate strategy.
Corporate governance and Premium Board listing	The Board focused extensively on improving the corporate governance systems. KPMG Advisory Services ("KPMG") was engaged to support the Company Secretariat in developing and implementing new governance policies. The Board also organised a governance retreat, facilitated by KPMG, to address key governance areas identified during the Board effectiveness review conducted during the year. The Company also subjected itself to NSE's review of its governance practices and this resulted in Dangote Cement being listed as one of only three companies listing on the Premium Board of the NSE.
Related-party transactions	During our meetings in 2015, the Company Secretary presented the Register of Directors' Interest to members of the Board for review and updates. Transactions with related parties are disclosed below.

Members and meeting attendance

Members	No. of meetings attended
Aliko Dangote (Chairman)	6/6
Onne van der Weijde*	5/5
Sani Dangote	5/6
Devakumar Edwin	6/6
Abdu Dantata	6/6
Olakunle Alake	5/6
Joseph Makoju	6/6
Olusegun Olusanya	6/6
Emmanuel Ikazoboh	5/6
Ernest Ebi	6/6
Fidelis Madavo	6/6
Douraid Zaghouani**	4/4

Conflicts of interest and related-party transactions

The Board maintains robust procedures to ensure that related-party transactions and potential conflict of interests are identified, disclosed and managed.

These procedures include declaration of interests in other businesses by Directors on appointment to the Board and annual self-certification by Directors.

Where it is identified that a related party relationship exists, the Board agrees specific additional procedures to ensure the effective management of potential conflicts of interest. These procedures have been documented in our Conflict of Interest Policy which is in line with Section 16 of the SEC Code.

The Board also receives a quarterly Related-Party Transaction Report showing transactions that have been authorised during the period under review and those proposed for review by the Board. A summary of the related-party transactions during the year is disclosed below:

1. **AG Dangote Construction Limited**
   The entity buys cement from Dangote Cement and is controlled by Dangote Industries Limited (DIL).

2. **ALADE**
   The entity buys cement from Dangote Cement and is guaranteed by Aliko Dangote, Chairman of Dangote Cement.

3. **Amaras Nigeria Limited**
   The entity buys cement from Dangote Cement and the entity is guaranteed by Sani Dangote, a Director of Dangote Cement.

4. **BESTAF Global Construction Limited**
   The entity buys cement from Dangote Cement and the entity is guaranteed by Aliko Dangote, Chairman of Dangote Cement.

* Appointed to the Board on 2nd February 2015 after the January meeting and eligible to attend only five meetings
** Appointed to the Board on 29th April, 2015, hence, he was eligible to attend only four meetings

5 Bulk Commodities International Inc./Bulk Commodities International Dubai
The entity, which is controlled by DIL, purchases gypsum, coal, clinker, bulk cement and importation of spare parts on behalf of Dangote Cement.

6 DANCOM Technologies Limited
The entity, which is controlled by DIL, provides internet services, and IT support to Dangote Cement.

7 Dangote AD Star Limited
Dangote Cement purchases LPFO in bulk and on behalf of some subsidiaries/affiliates of DIL, including this entity. Dangote Cement is reimbursed for expenses incured on behalf of this entity

8 Dangote Agro Sacks Limited
Dangote Agro Sacks produces bags for Dangote Cement and also purchased cement from the Company during the year. Dangote Cement also shares one of its power plants with this entity.

9 Dangote Fertilizer Limited
Dangote Cement purchases LPFO and AGO in bulk and on behalf of some subsidiaries/affiliates of DIL, including this entity. Dangote Cement is reimbursed for expenses incurred on behalf of this entity.

10 Dangote Flour Mills Plc
Dangote Cement purchases AGO in bulk and on behalf of some subsidiaries/affiliates of DIL, including this entity. Dangote Cement also purchases trucks on behalf of this entity for which it is reimbursed.

11 Dangote Global Services
This entity which is controlled by DIL, assists Dangote Cement in importing spare parts.

12 Dangote Industries Limited
Dangote Industries Limited is the major shareholder of Dangote Cement. It provides short term financing and manages Dangote Cement expatriates' salaries and receives management fees for its services.

13 Dangote Noodles Limited
Dangote Cement purchases AGO in bulk and on behalf of some subsidiaries and affiliates of DIL, including this entity. Dangote Cement is reimbursed for expenses incurred on behalf of this entity.

14 Dangote Oil and Gas
This entity, which is controlled by DIL, imports AGO and LPFO on behalf of Dangote Cement.

15 Dangote Oil Refinery
Dangote Cement is reimbursed for expenses incurred on behalf of this entity, which is an affiliate of Dangote Industries Limited.

16 Dangote Pasta Limited
Dangote Cement purchases LPFO in bulk and on behalf of some subsidiaries/affiliates of DIL, including this entity. Dangote Cement is reimbursed for expenses incurred on behalf of this entity.

17 Dangote Sugar Refinery Plc.
Dangote Cement purchases LPFO in bulk and on behalf of some subsidiaries/affiliates of DIL, including this entity. Dangote Cement is reimbursed for expenses incurred on behalf of this entity.

18 DANSA Foods Limited
Dangote Cement purchased products from this entity for sales promotion. The entity is related to Sani Dangote, a Director of Dangote Cement.

19 Ecobank
The bank provides loans and other banking services to Dangote Cement. Emmanuel Ikazoboh, a Director of Dangote Cement is also the Chairman of Ecobank.

20 Fatima Aminu Dansarari
The entity buys cement from Dangote Cement and the entity is guaranteed by Aliko Dangote, Chairman of Dangote Cement.

21 Fursa Nigeria Limited
The entity buys cement from Dangote Cement and is guaranteed by Aliko Dangote, Chairman of Dangote Cement.

22 GIWA Dynamics Sokoto
The entity buys cement from Dangote Cement and is guaranteed by Aliko Dangote, Chairman of Dangote Cement.

23 Greenview Development Nigeria Limited
This entity, which is controlled by DIL, assists with clearing of bulk materials, imported capital goods and spares.

Corporate Governance Report

24 Greenview International Limited

This entity manages the Dangote Industries brand and receives royalties from entities trading or operating with the Dangote brand. This entity is controlled by DIL.

25 Integrated Steel Limited

Dangote Cement purchases AGO in bulk and on behalf of some subsidiaries/affiliates of DIL, including this entity. Dangote Cement is reimbursed for expenses incurred its behalf.

26 NASCON Allied Industries

Dangote Cement purchases AGO in bulk and on behalf of some subsidiaries/affiliates of DIL, including this entity. In addition, Dangote Cement purchases trucks and earthen salt on behalf of this entity for which it is reimbursed.

27 Savannah Sugar

Dangote Cement is reimbursed for payments for duties on equipment and terminal charges on behalf of this entity. The entity is controlled by DSR.

28 SEFTEL Mines and Quarries Limited

The entity buys cement from Dangote Cement and is guaranteed by Aliko Dangote, Chairman of Dangote Cement.

29 Yusuf Ali

The entity buys cement from Dangote Cement and is guaranteed by Aliko Dangote, Chairman of Dangote Cement.

30 SIAO

The entity provides accounting and professional services to Dangote Cement. The entity is related to Robert Odiachi, who is the Chairman of the Statutory Audit Committee.

Review of Governance Framework

In early 2015, we undertook a review of our Governance Framework. The purpose of the review was to ensure that:

- Dangote Cement's governance practices accurately reflected recent changes to the business and its structure;
- the governance framework set out and reinforced the Company values;
- the risk and assurance processes were a robust and integral part of the governance framework; and
- the framework reflected best governance practices.

On completion of the review, the Board revised and approved the following policies:

(i) Board Appointment Policy
(ii) Conflict of Interest and Related Party Transactions Policy
(iii) Insider Trading Policy
(iv) Directors' Code of Conduct Policy
(v) Board Evaluation Policy
(vi) Communication Governance Policy
(vii) Board Development Policy
(viii) Board Remuneration policy
(ix) Anti-Corruption Policy
(x) Board Tenure Policy
(xi) Annual Agenda Cycle
(xii) Board Reporting Framework

The revised Governance Framework is being implemented and has been disclosed in this report.

Board evaluation

In 2014 the Board established an annual Board Evaluation Process to evaluate the performance of the Board, the individual Directors and the Chairman in order to review past performance and improve future performance. This evaluation process, which is in line with Section 15 of SEC Code and consistent with the UK Code of Corporate Governance (provision B.6) is usually carried out by means of detailed questionnaires and/or interviews.

The performance evaluation during the year was carried out by KPMG and presented to the Board. Directors were asked to complete questionnaires to assess the effectiveness of the Board's current governance structures and practices along ten areas of Board responsibilities.

KPMG discussed the outcome of the evaluation with the Remuneration and Governance Committee and myself, which identified Succession Planning and Subsidiary Governance arrangements as key areas to be strengthened.

A Board retreat was organised on April 28th 2015 in Lagos, to deliberate on the outcome of the performance evaluation and articulate and develop an Action Plan for addressing the gaps.

As part of the retreat, a successful Nigerian entrepreneur with a track record of transitioning from leading an owner-managed company into a Board-driven organisation, was invited as a guest speaker to share his experience. Also, a subject matter expert on corporate governance practices in mature markets was invited to share leading and practical experiences.

The Remuneration and Governance Committee prepared an Action Plan and presented it to the Board for approval. The Committee is currently monitoring the execution of the Action Plan as reported on the status of implementation at Board meetings.

KPMG also facilitated a Director peer-assessment review, to assess, align and enhance the Board members to collectively perform as a strategic asset for the Company and all its stakeholders.

Each Director was provided with the evaluation results which highlighted areas of strength and areas where the Board expects increased performance from each Director.

KPMG provided feedback to me on my performance while I provided feedback to each Director on their individual performance and contributions.

Following this comprehensive review, the Directors have concluded that the Board and its Committees are operating effectively and also consider that each Director is contributing to the overall effectiveness and success of the group. Nevertheless, the Board is committed to improving the areas identified in the Board Evaluation Report.

Shareholder engagement

We have a dedicated Investor Relations team that reports to the Group Chief Financial Officer. The Investor Relations team is responsible for building and maintaining long-term relationships with institutional investors and equity research analysts, as well as private investors.

The Board attaches considerable importance to open dialogue and constructive relationships with shareholders and other stakeholders. Extensive communication with investors and analysts was conducted throughout 2015 through quarterly results calls, one to one meetings, group meetings and several investor conferences held in in Lagos, London, New York and Dubai.

In addition, we undertook investor roadshows to meet fund managers in New York, Johannesburg and Cape Town, which are major financial centres. Overall, we met with fund managers and analysts on more than 270 occasions during 2015. I also had occasional meetings with institutional investors to discuss matters of mutual interest including corporate strategy and our developments in corporate governance.

As usual, our quarterly results calls generated strong interest with investors and analysts and we held a special global conference call in September 2015 to update the market on our strategies for pricing, exports and our continuing and highly successful expansion across Africa.

With new factories opening across Africa, we welcomed investors to our inauguration ceremonies in Ethiopia, Zambia and Tanzania and hosted several successful site visits to Ethiopia for investors and analysts. We encourage investors to visit our plants across Africa so they can see for themselves the success we have achieved so soon after opening.

Our Premium Listing on the Nigerian Stock Exchange was welcomed by investors as a sign of our continuing growth and development as an international company. Associated with this listing status were new policies on market communication that were adopted by the Board during the year.

Policies on market communication have been documented in our Communication Governance Policy which is available on our website. The Policy has established guidelines for releasing material information to the Nigerian Stock Exchange, the general public, media, customers, bondholders, potential investors, and other stakeholders.

Our ongoing shareholder engagement practices follow provision E.1 of the UK Corporate Governance Code to ensure regular and satisfactory dialogue with shareholders based on mutual understanding of objectives.

Complaints management

To ensure that complaints and enquiries from shareholders are managed in a prompt, efficient, fair and transparent manner, the Board has approved a Complaints Management Policy. This policy is in accordance with the requirements of the Securities and Exchange Commission's Rules Relating to the Complaints Management Framework of the Nigerian Capital Market.

The policy enables Shareholders of Dangote Cement to direct any complaints or enquiries to the Registrar (United Securities Limited, 10, Amodu Ojikutu Street, Victoria Island, Lagos, Nigeria; customercare@unitedsecuritieslimited.com) or to the Company Secretariat (Dangote Cement Plc, Union Marble House, 1 Alfred Rewane Road, Ikoyi, Lagos-

Corporate Governance Report

(complaintsmanagement@dangote.com), depending on the nature of complaint.

It is our policy to acknowledge complaints within 24 hours of receipt and communicate the final resolution to the complainant within ten business days of receipt of complaint.

Annual General Meeting (AGM)
The Annual General Meeting is the principal opportunity for the Board to meet investors and for me, as the Chairman, to explain the Company's progress and to answer questions about the Company from shareholders.

The Notice of Annual General Meeting is dispatched to all our shareholders, together with explanatory notes or a circular on items of special business, at least 21 working days before the Annual General Meeting is held.

It is the Company's practice to propose separate resolutions on each substantially separate issue, including a resolution relating to the Report and Accounts.

The Board and senior management team of the Company are available for discussions with shareholders before the Annual General Meeting.

The Chairmen of the Committees and myself are also available to answer shareholders' questions during formal proceedings of the Annual General Meeting.

Our Premium Listing on the NSE was welcomed as confirmation of our strong corporate governance

Insider Trading Policy
Dangote Cement is guided by a strong commitment to maintain the integrity of its business dealings.

The Board has established an Insider Trading Policy designed to prohibit the purchase and sale of Dangote Cement shares or securities on the basis of potentially price-sensitive information that is not yet in the public domain. This is in line with Section 315 of the Investment and Securities Act (ISA) 2007 and the SEC Rules and Regulations.

The Insider Trading Policy provides Directors, Officers and employees of Dangote Cement with guidelines regarding trading in shares or securities of the Company. The Company issues a 'close period' notification to all relevant staff, Directors and entities at least two weeks prior to the anticipated date of a Board meeting where non-public information or other information capable of impacting the shares or securities of the Company is to be discussed. This close period lapses 24 hours after the information is made public in line with the Nigerian Stock Exchange (NSE) rules. I can confirm that all our Directors complied with this Policy during the close periods throughout the year having made specific enquiries of them.

Anti-Fraud Policy
The Anti-Fraud Policy was adopted by the Board in March 2015. This Policy demonstrates the Company's zero tolerance for all forms of fraud including but not limited to bribery and corruption, asset misappropriation and financial statement fraud.

During 2015, the Board commenced an Anti-Fraud Programme in line with this policy. The Anti-Fraud Programme established the following:

(i) Anti-fraud awareness and communication strategies;
(ii) Fraud and corruption prevention mechanisms;
(iii) Fraud and corruption detection mechanisms;
(iv) Fraud response mechanisms;
(v) Enforcement initiatives and sanction grid.

In addition, we established an Anti-Fraud Management Committee to implement the Anti-Corruption Programme and to report fraud and misconduct-related issues to the Group CEO and the Board Audit and Risk Committee.

Whistle Blowing Policy
We continually strive to create a work environment where employees, contract workers, vendors, service providers, customers and other stakeholders have the opportunity to make confidential disclosures on misconduct, irregularities or malpractice, without fear of harassment and/or victimization and with the assurance that their concerns will be taken seriously, investigated, and appropriate action will be taken.

In line with Section 32 of the SEC Code and international best practice in Corporate Governance, the Board has established a Whistle Blowing

Policy to enable staff, in confidence, raise concerns about possible improprieties in financial and other matters and to do so without fear of reprisal, provided that such concerns are raised in good faith.

Employees and other stakeholders are encouraged to report incidents of misconduct in a confidential and anonymous manner through the internal reporting channels (i.e. Line Manager, Head of Department, and Group CEO) and/or the outsourced KPMG Ethics Line.

The Board subscribed to the KPMG Ethics Line to strengthen confidence in our Whistle Blowing Policy.

The KPMG Ethics Line contact details are: 0703 000 0026, 0703 000 0027, 0808 822 8888, 0708 060 1222, 0809 993 6366 or kpmgethicsline@ng.kpmg.com.

The Board has delegated oversight over whistle blowing to the Audit and Risk Management Committee. All matters reported are investigated and reported to the Committee including the action taken.

Statistics on the volume and general nature of all disclosures made are periodically reported to the Audit and Risk Management Committee.

The Board Audit and Risk Management Committee has the power to request further information, conduct its own inquiries or order additional action as it sees fit.

Code of Conduct Policy

The Board has adopted a Code of Conduct Policy for Directors. This Code is intended to focus the Board and each Director on areas of ethical risk, provide guidance to Directors to help them recognise and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability on the Board.

Directors are expected to adhere to this Code while conducting their fiduciary duties. During the year, all Directors attested to their compliance with the provisions of this Code.

Premium Listing

The Convention for Business Intelligence (CBI) and the Nigerian Stock Exchange (NSE) established a new Corporate Governance Rating System (CGRS) in November 2014.

The system rates companies listed on the NSE based upon their integrity, corporate governance and their anti-corruption policies. A Premium Listing is only accorded to those companies who pass the rigorous CGRS assessment.

The CGRS assessment is based on a holistic multi-stakeholder approach and consists of the following elements:

- Validated self-assessment
- Fiduciary Awareness Certification Test for Directors
- Corporate Integrity Assessment (includes stakeholder surveys): independent evaluation of corporate governance, anti-corruption policies and management of companies through stakeholders (employees, suppliers, investors and regulators)
- Corporate Integrity Assessment (Expert Multi-Stakeholder Group): evaluation by experts from business, civil society and public sector selected by CBI and the NSE

With our commitment to lead the way in governance and be an exemplary company, we were resolute to achieve Premium Listing on the NSE and submitted ourselves for review by CBI and the NSE.

We knew that our governance practices, having undergone series of reviews and improvements in recent times working with governance advisers, together with the Board's commitment would meet and indeed surpass the requirements for premium listing on the NSE.

We were one of the first three companies to be accorded Premium Listing status, in August 2015, which attests to the significant progress made by the Board in strengthening our governance practices over recent years.

I believe we have entered a new phase in the evolution of our corporate governance practices and structures, which will propel Dangote Cement into a higher level of performance and growth.

I hope this Corporate Governance Report together with the Report of the Board of Directors and Committee Reports contained in subsequent pages convey the importance we have attached to governance and our commitment to ensuring sound corporate governance practices. We trust that you find them useful and informative.

Aliko Dangote GCON
Chairman
29th February, 2016

Board & Committee Structure

Board of Directors

1 Executive Director (ED)
2 Independent Non-Executive Directors (INED)
9 Non-Executive Directors (NEDs)

Finance and General Purpose Committee (2 INEDs, 6 NEDs)

To oversee the Group's financial reporting, capital and funding activities, acquisitions, investments and divestments as well as the external auditor's activities

Olusegun Olusanya (c)
Sani Dangote
Olakunle Alake
Devakumar Edwin
Emmanuel Ikazoboh
Ernest Ebi
Fidelis Madavo
Douraid Zaghouani

Audit and Risk Management Committee (2 INEDs & 5 NEDs)

To oversee the Group's risk management, internal control systems, compliance procedures and the activities of the internal audit function.

Ernest Ebi (c)
Olakunle Alake
Sani Dangote
Devakumar Edwin
Olusegun Olusanya
Emmanuel Ikazoboh
Fidelis Madavo

Remuneration and Governance Committee (2 INEDs & 5 NEDs)

To formulate remuneration policies and levels, recommend remuneration of the Group CEO, senior executives and Directors to the Board. Assist the Board in adopting and implementing appropriate governance policies and procedures.

Emmanuel Ikazoboh (c)
Sani Dangote
Devakumar Edwin
Abdu Dantata
Joseph Makoju
Ernest Ebi
Olusegun Olusanya

Nominations Committee (2 INEDs & 3 NEDs)

To review the composition of the Board and plan for its progressive refreshing with regard to balance and structure as well as succession planning. Facilitate induction and mentorship programme for Directors.

Aliko Dangote (c)
Olusegun Olusanya
Emmanuel Ikazoboh
Ernest Ebi
Fidelis Madavo

Technical and Operations Committee (1 INED, 6 NEDs)

To oversee the Group's plant operations, projects, health & safety procedures, production standards and quality.

Fidelis Madavo (c)
Devakumar Edwin
Olakunle Alake
Abdu Dantata
Ernest Ebi
Joseph Makoju
Douraid Zaghouani

Statutory Audit Committee*

To ascertain whether the accounting and financial reporting policies are in line with required standards and review the effectiveness of the system of accounting and internal control. Oversee the internal and external audit function, including removal, appointment and remuneration of the external auditor.

Robert Ade-Odiachi (c)
Shareholder's Representative

Brigid Shiedu
Shareholder's Representative

Sada Ladan-Baki
Shareholder's Representative

Olakunle Alake	Director
Olusegun Olusanya	Director
Emmanuel Ikazoboh	Director

Group Executive Committee*

To exercise all power and authority delegated by the Board in the direction and management of the business

Onne van der Weijde (c)
Brian Egan
Arvind Pathak
Vivek Chawla
Albert Corcos
Oare Ojeikere
Mahmud Kazaure
Knut Ulvmoen
Juan-Carlos Rincon
Daljeet Ghai
Kashinath Bhairappa
Rao Kallepalli

*The Statutory Audit Committee and the Group Executive Committee are not committees of the Board
(c) denotes Chairman

Board of Directors

Aliko Dangote GCON
Chairman
Appointed: 4th November, 2002

Aliko is the founder of the Dangote Group of Companies, over which he presides as President and Chief Executive. He has been the Chairman of Dangote Cement since its formation and is also the Chairman of other listed companies owned by Dangote Industries.

He is a seasoned entrepreneur and accomplished businessman whose exceptional vision, business acumen and insight were responsible for establishing the Company, and which continues to be of immense benefit to the Company and its Board.

A graduate of business studies from the Al-Azhar University, Cairo, he started business in 1978 by trading in commodities, before entering into full-scale manufacturing.

He is well known for his philanthropic involvement in local and international initiatives to improve healthcare

Committees
Nomination (Chairman)

Onne van der Weijde
Group Chief Executive Officer
Appointed: 2nd February, 2015

Onne is a seasoned cement industry professional and joined Dangote Cement as Chief Executive Officer in February 2015.

He brings with him a wealth of experience in the management of international businesses, having held many senior level positions during his 23 years in the cement industry, during which he worked at notable organisations including Holcim (Indonesia and India) and ACC Limited in India.

Prior to his appointment at Dangote Cement, he was the CEO of Ambuja Cements Limited in India, a 62Mta division of LafargeHolcim (previously Holcim).

A Dutch Citizen, he holds a Bachelor's Degree in Economics and Accounting from the Hague University of Applied Sciences in the Netherlands and an MBA from the University of Bradford in the United Kingdom.

Sani Dangote
Non-Executive Director
Appointed: 22nd July, 2005

Sani is a businessman with more than 30 years' experience in key sectors of the Nigerian economy including manufacturing, agriculture and oil services.

He is the Vice President of Dangote Group and sits on the Board of several other companies.

He is also the Deputy Chairman of African Gum Arabic Producers Association, a Fellow of the Nigeria Institute of Shipping and President of the Fertiliser Producers & Suppliers Association.

He is a successful business entrepreneur with investments in key sectors of the Nigerian economy.

As a result, he brings extensive manufacturing experience and deep knowledge of business operations to the Board.

Committees
Finance & General Purpose
Audit & Risk Management
Remuneration & Governance

Board of Directors

Abdu Dantata

Non-Executive Director
Appointed: 22nd July, 2005

Abdu is the Executive Director in charge of Logistics and Distribution for Dangote Industries Limited.

He is the Executive Director, Sales & Marketing of Dangote Cement's parent company, Dangote Industries, a position he has held since the parent was established in Nigeria more than 20 years ago.

He is also the Chairman of Agad Nigeria Limited, a trading and transportation company operating throughout Nigeria. He is a fellow of the Nigerian Institute of Shipping.

He brings his extensive experience in sales, logistics and distribution to the Board.

Committees

Remuneration & Governance
Technical & Operations

Devakumar Edwin

Non-Executive Director
Appointed: 22nd July, 2005

Devakumar was previously Chief Executive Officer of Dangote Cement, until he resigned as Group CEO on 31st January 2015.

He remains as a Non-Executive Director on the Board and his expertise and counsel continue to be an asset to the Company and its Board.

Following 14 years spent in industrial management in India, he joined Dangote Industries in 1992 and has since held several managerial positions within the Group.

He has been instrumental in the Group's rapid growth and directly oversees its plant construction projects.

He is a Chartered Engineer, holding Graduate and Master's degrees in Engineering from the Madras University in India. He also holds a Post-Graduate Diploma iin Management from IITM.

Committees

Finance & General Purpose
Remuneration & Governance
Technical & Operations
Audit & Risk Management

Douraid Zaghouani

Non-Executive Director
Appointed: 29th April, 2015

Douraid was appointed to the Board following the resignation of Khalid Al Bakhit.

Douraid is Chief Operating Officer of the Investment Corporation of Dubai (ICD). In this role he supports the CEO Office in corporate strategy development and is responsible for the efficient operational management of the organisation with the aim of optimising business performance.

Prior to joining ICD, he was with Xerox for more than 25 years. During his long and distinguished international business career he held a number of senior general management, sales and marketing roles in both Europe and North America.

He has served as the Chairman of the Board of several Xerox companies and also sits on the Board of International Hotel Investments.

Committees

Technical & Operations
Finance & General Purpose

Emmanuel Ikazoboh

Independent
Non-Executive Director
Appointed: 30th January, 2014

Emmanuel has more than 25 years' experience in senior management roles in Nigeria, Côte d'Ivoire, Cameroon and South Africa.

He was the Managing Partner for Francophone offices in Cote d'Ivoire and Cameroon and later became the Managing Partner/CEO of Deloitte West and Central Africa, until 2009.

He was appointed by the Securities and Exchange Commission as Interim Administrator, to carry out capital market reforms of the Nigerian Stock Exchange and the Central Depository Company.

He serves as Chairman or Independent Non-Executive Director on a number of boards including ARM Pension Managers and Ecobank Transnational Incorporated, a leading African bank. He also serves on the board of the International Institute for Sustainable Development.

Committees

Remuneration & Governance (Chairman)
Finance & General Purpose
Audit & Risk Management
Nomination
Statutory Audit

Ernest Ebi MFR

Independent
Non-Executive Director
Appointed: 30th January, 2014

Ernest brings over 39 years of banking experience garnered from various managerial and leadership positions in Nigeria. Including Chairman, UNIC Insurance, Executive Director, Corporate Banking of African Continental Bank Plc, Deputy Managing Director and Chief Operating Officer of Diamond Bank Limited. From June 1999 to October 2009, He worked with the Central Bank of Nigeria as Deputy Governor responsible for overseeing Nigeria's international economic relations, trade and exchange activities and formulation of policies and regulations for the effective management of the nation's external reserves.

He served as the Chairman of Deputies of the Group of Twenty-four countries (G24 countries) in the IMF/World Bank. He is currently the Chairman of Agrited Nigeria Limited and AIICO Pension Managers. He also holds the national honour of Member of the Federal Repubic of Nigeria(MFR).

Committees

Audit & Risk Management (Chairman)
Finance & General Purpose
Nomination
Technical & Operations
Remuneration & Governance

Fidelis Madavo

Non-Executive Director
Appointed: 30th July, 2014

Fidelis is the Head of Resources and Portfolio Manager for Strategic and African Listed Investments at the Public Investment Corporation of South Africa (PIC), which is the nation's state pension fund and the largest fund in Sub-Saharan Africa.

He represents the interests of shareholder PIC on the Board of Dangote Cement.

Prior to joining PIC, he was Vice President in the Mining Team at Citigroup and a Mining Analyst for about four years with Investec Securities, both roles being based in Johannesburg. Before returning to South Africa, Fidelis spent 10 years with CRU International, a mining consultancy, and also worked as a metallurgist for Anglo American. He has a degree in Chemical Engineering.

Committees

Technical & Operations (Chairman)
Finance & General Purpose
Audit & Risk Management
Nomination

Board of Directors

Joseph Makoju OFR
Non-Executive Director
Appointed: 2nd December, 2010

Joseph was appointed to the Board of Dangote Cement in 2010. He has worked in several world-class corporations including Shell BP, Blue Circle (UK) and WAPCO (now Lafarge Africa), which he led as Managing Director/CEO for a decade before taking up the appointment as Managing Director/CEO of National Electric Power Authority. He also served as Special Adviser (Electric Power) to the President, Federal Republic of Nigeria, under two separate administrations.

Engr. Majoku's rich engineering and cement industry experience, as well as his extensive managerial, governance and policy development experience are of immense benefit to the Company.

He has a B.Sc. and an M.Phil. in Mechanical Engineering from the University of Nottingham, United Kingdom. He also holds the National Honor of Officer of the Federal Republic of Nigeria (OFR).

Committees
Remuneration & Governance
Technical & Operations

Olakunle Alake
Non-Executive Director
Appointed: 22nd July, 2005

Olakunle is Chief Operating Officer of Dangote Industries and is a key member of the Board of Dangote Cement. He was appointed to the Board of Dangote Industries as Executive Director in 2001 and has since been instrumental to the growth of the parent company and its subsidiaries,

He holds a Bachelor's degree in Civil Engineering from Obafemi Awolowo University lle-Ife (1983) and is a Fellow of the Institute of Chartered Accountants of Nigeria.

He joined Dangote Industries in 1990, after six years at PWC. He has held several management positions in Dangote Industries, including Financial Controller and Head of Strategic Services. He has deep accounting and finance experience and brings substantial experience in finance, mergers and acquisitions to the Board.

Committees
Finance & General Purpose
Audit & Risk Management
Technical & Operations
Statutory Audit

Olusegun Olusanya
Non-Executive Director
Appointed: 2nd December, 2010

Olusegun was appointed to the Board in 2010. He was Deputy General Manager, Finance and Strategic Planning at Savannah Bank Nigeria Plc, Executive Director at Afribank Nigeria Plc and Executive Director, Union Bank between 1993 and 1999. Mr Olusanya was also Chairman of the National Bank of Nigeria Limited and sits on the board of several companies.

An accomplished public official, banker and businessman, he is currently the Vice Chairman of Meristem Securities Limited and Non-executive Director of Tripple Gee & Co Plc.

Olusegun is an accountant and holds a M.Sc. in Economics and Finance from the London School of Economics and finance.

He has extensive accounting and finance experience. He also brings his strategic planning and governance experience to the Board.

Committees
Finance & General Purpose (Chairman)
Audit & Risk Management
Remuneration & Governance
Nomination
Statutory Audit

Sani Dangote
Non-Executive Director

Abdu Dantata
Non-Executive Director

Ernest Ebi MFR
Independent
Non-Executive Director

Douraid Zaghouani
Non-Executive Director

Onne van der Weijde
Group Chief Executive Officer

Aliko Dangote GCON
Chairman

Olakunle Alake
Non-Executive Director

Fidelis Madavo
Non-Executive Director

Joseph Makoju OFR
Non-Executive Director

Devakumar Edwin
Non-Executive Director

Olusegun Olusanya
Non-Executive Director

Emmanuel Ikazoboh
Independent
Non-Executive Director

Executive Management

Onne van der Weijde
Group Chief Executive Officer

Onne is a seasoned cement industry professional and joined Dangote Cement as Chief Executive Officer in February 2015.

He brings with him a wealth of experience in the management of international businesses, having held many senior level positions during his 23 years in the cement industry, during which time he worked at notable organisations including Holcim (Indonesia and India) and ACC Limited in India.

Prior to his appointment at Dangote Cement, he was the CEO of Ambuja Cements Limited in India, a 62Mta division of LafargeHolcim (previously Holcim).

A Dutch Citizen, he holds a Bachelor's Degree in Economics and Accounting from the Hague University of Applied Sciences in the Netherlands and an MBA from the University of Bradford in the United Kingdom.

Brian Egan
Group Chief Financial Officer

Brian joined Dangote Cement as Group Chief Financial Officer in April 2014, having previously been an Executive Director and CFO of Petropavlovsk Plc and of Aricom Plc, both of which were listed on the Main Board of the London Stock Exchange.

Prior to joining Aricom, he was Chief Financial Officer of Gloria-Jeans Corporation, the leading Russian apparel manufacturer and retailer.

He has more than 20 years' international experience in senior financial roles with Associated British Foods plc, Georgia-Pacific Ireland Limited and Coca-Cola HBC.

He trained as an accountant with KPMG and is a member of The Institute of Chartered Accountants in Ireland.

Arvind Pathak
Regional CEO, Nigeria

Arvind was appointed Regional CEO of Dangote Cement Nigeria on 30th September 2015. He brings over 30 years of experience in the cement industry.

Before joining Dangote Cement, Mr Pathak worked at Reliance Cement as CEO and was responsible for top and bottom line of the business.

He was previously the Regional CEO in ACC Limited, having worked most of his tenure in operations and maintenance of plant as well as leading important Greenfield projects for the company.

He holds a degree in Electrical Engineering and a Post Graduate degree in Industrial Engineering and Management.

He has also been trained in a number of international management colleges.

Executive Management

Vivek Chawla
Regional CEO, West & Central Africa

Vivek was appointed Regional CEO for West & Central Africa on 17th August 2015.

Mr. Chawla has over 30 years of experience in the cement industry, working across functions including management, operations, sales & marketing, projects and commercial.

Prior to his appointment at Dangote Cement, he was the President of Hindalco Industries Limited.

He has also worked as Chief Executive Officer, East Region of ACC Limited, where he pioneered large-scale transformation programmes in the areas of sales, logistics and manufacturing, and successfully executed the largest EPC Project in the region.

He holds a degree in Mining Engineering and a Diploma in Business Management.

Albert Corcos
Regional CEO, South & East Africa

Albert joined Dangote Cement in 2013 and has more than 30 years' experience in the cement industry, mostly with Lafarge, where he was most recently Chief Executive of Lafarge South Africa, from 2006-2009. He also worked for Lafarge in Brazil and Greece .

He has served as a board member of Lafarge subsidiaries in Brazil and Portugal.

He is now responsible for Dangote Cement's operations in South & East Africa, stretching from Ethiopia to South Africa.

He has overseen the opening of new plants in South Africa, Ethiopia, Zambia and Tanzania since 2014.

Oare Ojeikere
Group Chief Marketing Officer

Oare joined Dangote Cement in February 2014, with significant cross-industry marketing experience, after having previously worked as Marketing Director, Coca-Cola Nigeria and of Airtel Ghana.

He also held the position of Group Brand Director Africa, for the Zain Group in the Netherlands and Kenya, as well as management roles in Coca-Cola, Accenture and Xerox.

He brings substantial experience of fast-moving consumer goods and has driven Dangote Cement's new marketing initiatives in 2015, with a strong focus on the development of 10,000 retail sales outles across Nigeria.

He is a member of the Nigerian Institute of Marketing.

Executive Management

Mahmud Kazaure
Group Chief Legal Counsel & Company Secretary

Mahmud joined Dangote Cement in 2011 and has broad legal experience including commercial law, international business, civil litigation as well as contractual and legislative drafting.

He is licensed to practice law in Nigeria, in the States of Maryland and New York in the United States of America, and before the Supreme Court of the United States.

He has a Master of Law from Howard University School of Law, Washington DC.

Knut Ulvmoen MFR
Sales Director

Knut joined Dangote Industries in 1996 as Finance Director. He previouly had extensive finance experience in companies including Revisor-Centret, Norcem, Bulkcem and Scancem.

As Group Managing Director of Dangote Group, from 2002 to 2007, he was instrumental in Dangote Cement's transition from importing cement to becoming Nigeria's leading manufacturer.

As part of this expansion, he was a key figure in the acquistion of Benue Cement Company and the development of plans to build the Obajana Cement factory in Kogi State.

In addition to his work in cement, he was also involved in the development of Dangote Industries' flour and sugar operations, which similarly transformed operations from importing to local manufacturing.

Daljeet Ghai
Group Technical Director

Daljeet joined in 2010 after a long career in the Indian cement industry, during which time he was CEO North of ACC.

Before he joined ACC he was Joint President of Gagal Cement Works and General Manager, Projects, of ACC.

Having spent several years as CEO of our Nigerian operations, where he was responsible for production and logistical operations at our three plants, he stepped down as Regional CEO in 2015 to become Group Technical Director.

He holds a degree in Chemical Engineering.

Executive Management

Juan-Carlos Rincon
Group Chief HR Officer

Juan-Carlos joined Dangote Cement in 2012 and has 24 years' experience in the cement industry, having worked in multinational cement groups such as Diamante, Cemex, Asamer, and the Austrian engineering consultancy firm AUSTROPLAN.

He brings to the Group a high degree of managerial knowledge and international experience gained from working in the global cement industry at sites in different countries.

He has held senior management positions in diffemt parts of the world, including time as CEO of the Lybian Cement Company and President of Dalmatia Cement in Croatia. He was Regional Human Resources Director for Cemex in South-East Asia.

He is from Colombia and studied law as a post-graduate.

Rao Kallepalli
Deputy Director, Projects

Rao joined Dangote Cement in 2006 to manage some of the Group's expansion projects.

His experience in Project Management spans 30 years holding senior positions in Management Consultancy and Industry Engineering.

He holds a B.Tech in Electrical Engineering and an M.Tech in Industrial Engineering and Operations Research.

Kashinath Bhairappa
Deputy Director, Projects

Kashinath joined Dangote Cement in February 2001 as a General Manager and elevated to Deputy Director of Projects, responsible for looking after Cement's Projects.

He previously worked with different Cement manufacturers in India, including BK Birla Group (Cement), Ambuja Cements and Grasim Industries Limited at different levels in project management and execution.

He has a degree in Mechanical Engineering.

Report of the Directors

Mahamud Kazaure
Group Chief Legal Counsel and
Company Secretary

Having considered all the matters reviewed and brought before the Board, we are satisfied that the Annual Report represents a fair, balanced and realistic view of events.

The Directors of Dangote Cement have pleasure in presenting the Annual Report for the year ended 31st December, 2015.

The Corporate Governance report forms part of this report. Having considered all the matters brought before the Board during the financial year under review, we are satisfied that the Annual Report represents a fair, balanced and realistic view of events.

Directors' responsibilities

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act, CAP C20 LFN 2004, the Company's Directors are responsible for the preparation of financial statements that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its results for that period.

The Directors' responsibilities include ensuring that:

i. Adequate internal control procedures are established to safeguard assets of the Company and to present and detect fraud and other irregularities;
ii. Proper accounting records are maintained and with reasonable accuracy;
iii. Applicable accounting standards are followed;
iv. Suitable accounting policies are used and consistently applied;
v. Appropriate financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Legal form

Dangote Cement Plc was previously named Obajana Cement Plc and was incorporated in Nigeria as a Public Limited Company on the of 4th November, 1992, and commenced operations in January 2007.

The name of the Company was changed from Obajana Cement Plc to Dangote Cement Plc by virtue of a special resolution dated 14th July, 2010.

The shares of Dangote Cement were listed on the Nigerian Stock Exchange ("the Exchange") on October 26, 2010 and since then it has always been the largest company traded on the Exchange.

Report of the Directors

Principal activities and future plans

The Company was established for the operation of factories for the preparation, manufacture, control, research, sale and distribution of cement and related products. The production activities of the Company are undertaken at various plants located at Obajana in Kogi State, Gboko in Benue State and Ibese in Ogun State, all in Nigeria.

The Company expanded into other countries in Africa and has a number of subsidiaries engaged in the same activities. Information on these subsidiaries is on pages 22 to 43.

Details of future plans are contained in the Chairman's Statement on pages 8 to 10 and the Operational Review on pages 47 to 81.

Business Review and results

The Business Review comprises of the following, each of which are incorporated by reference into, and forms part of this Directors' Report:

- The Chairman's Statement on pages 8 to 10;
- The Interview with the Group Chief Executive Officer on pages 48 to 51;
- The Review by the Group Chief Financial Officer on pages 52 to 57;
- The Reviews of operations in Nigeria, West & Central Africa and South & East Africa, on pages 65 to 70;
- The report on Our Approach to Sustainability on pages 76 to 79;
- The Corporate Governance Report on pages 84 to 94;
- The Remuneration and Governance Committee Report on pages 124 to 130;
- The Audit and Risk Management Committee Report on pages 111 to 116;
- The Finance and General Purpose Committee Report on pages 117 to 119;
- The Technical and Operations Committee Report on pages 120 to 122;
- The Nomination Committee Report on page 123.

These sections also include details of expected future developments in the Company's business and details of the key performance indicators

Results for the year

Group revenue increased to ₦491.7B (2014:₦391.6B). Profit for the year was ₦181.3B (2014: ₦159.5B).

Dividends

The Directors pursue a dividend policy that reflects the Company's earnings and cash flow, while maintaining appropriate levels of dividend cover. They take into account the capital needed to fund the Company's operations and expansion plans.
For the 2015 financial year, the Directors have recommend a dividend of ₦8.0 per ordinary 50 kobo share (2014: ₦6.0).

The Board considers the proposed dividend to be appropriate and in line with our expansion plans

The final dividend, if approved by shareholders at the Annual General Meeting, will be paid on 21st April, 2016 to shareholders on the register as at 8th April, 2016.

The Board considers that the proposed dividend level is appropriate and is in line with the Company's strategic growth plans.

Unclaimed dividends

The total amount outstanding as at 31st December, 2015 is ₦1,119m. A list of unclaimed dividends is available on the Company's website: www.dangotecement.com.

The Company notes that some dividend warrants have remained unclaimed, are yet to be presented for payment by shareholders, or have been returned to the Company for revalidation.

Therefore, all shareholders with "unclaimed share certificates" or "unclaimed dividends" should address their claim(s) to the Registrars, United Securities or to the Company Secretary at the registered office address.

Members are encouraged to notify the Registrars or the Company Secretary of any changes in address or other relevant information, and take advantage of the E-dividend by completing the form included in page 207.

Directors

As at the date of this report, Dangote Cement has 12 Directors, all of whom held office in the year ended 31st December, 2015. Their biographies are contained in pages 96 to 99 and are incorporated into this report by reference. The appointment, removal or reappointment of Directors is governed by the Company's Articles of Association and Companies and Allied Matters Act (CAMA) LFN 2004.

Report of the Directors

These Documents also set out the rights and obligations of Directors.

Directors' interests

In accordance with Section 275 of the Companies and Allied Matters Act, CAP C20 LFN 2004, Directors direct and indirect interests in the issued share capital of the Company which are recorded in the Register of Members as at 31st December, 2015, are below.

Conflict of interest

The Company maintains a Register of Directors' Interests in accordance with the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004.

Powers of Directors

Subject to the Articles of Association of Dangote Cement, prevailing legislation and any directions given by special resolution, the business and affairs of the Company will be managed by the Directors who may exercise all such powers for and on behalf of the Company.

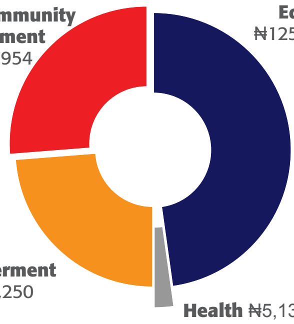
Supplier payment policy

It is the policy of the Company to agree and clearly communicate the terms of payment as part of the commercial agreement negotiated with suppliers and then to pay according to those terms based upon receipt of an accurate invoice.

Trade creditor days for the year ended 31st December, 2015, were 85 days on average for the Company (2014: 94 days)

Donations

Sponsorship and charitable donations amounted to ₦0.35B (2014: ₦1.1B), as illustrated in the chart below.



Details are available in the suplementary information section, pages 203 to 204

Director	As at 31st December, 2014 ordinary shares of ₦0.50k each	As at 31st December, 2015 ordinary shares of ₦0.50k each	As at 29th February, 2016 ordinary shares of ₦0.50k each
Aliko Dangote	27,642,637	27,642,637	27,642,637
Olakunle Alake	3,906,702	3,906,702	3,906,702
Abdu Dantata	2,500,000	2,500,000	2,500,000
Devakumar Edwin	0	2,000,000	2,000,000
Emmanuel Ikazoboh	40,000	40,000	40,000
Olusegun Olusanya	16,313	16,313	16,313
Joseph Makoju	11,000	11,000	11,000
Sani Dangote	0	0	0
Ernest Ebi	0	0	0
Fidelis Madavo	0	0	0
Douraid Zaghouani	0	0	0
Onne van der Weijde	0	0	0

Dangote Cement's social investments in Africa

The Company regards the provision of social investment and charitable donations as an important part of its strategy to maintain good relationships with communities and other stakeholders in all of its operating locations across Africa.

Some of our initiatives are conducted directly by the Company and its staff, while others are managed by the Dangote Foundation, a non-commercial and charitable organisation that focuses on empowerment, education, health and disaster relief on behalf of all companies in the Dangote Group.

Details of the Company's charitable activities are set out in the section titled Our Approach to Sustainability on pages 76 to 79 of this Report.

Sustainability

Dangote Cement is committed to promoting sustainability. Concern for the environment and promoting a broader sustainability agenda are integral to the Company's professional activities and the management of the organisation.

We aim to comply with, and exceed where practicable, all applicable legislation, regulations and codes of practice; integrate sustainability considerations into all our business decisions; ensure that our staff, clients and suppliers are fully aware of our Sustainability Policy and are committed to implementing and improving it and to minimise the impact on sustainability of all office and transportation activities. Our Approach to Sustainability is contained on pages 76 to 79.

Report of the Directors

Corporate governance and investor relations

Dangote Cement is committed to adopting high standards of corporate governance and global best practice, both in Nigeria and countries where we have business operations. Our key focus at all times is recognition of, and compliance with all laws regulating the business environment. The Corporate Governance Report which contains details of compliance with relevant legislation and relations with shareholders is contained on pages 84 to 94, and forms part of the Directors' Report.

The Company pursues an active programme of investor relations with meetings and conference calls throughout the year.

Employees

The Company reviews its employment policies in line with the needs of its business. Strategic employees are recruited to add value to the company and ensure high performance areas based on clearly defined indicies.

The Company continuously strives to improve its operations to ensure a safe working environment. Safety and environment workshops are organized for all senior employees with a broad focus on good housekeeping to ensure good and safe working environment. Fire-fighting and prevention equipment are installed in strategic locations in the offices and plants.

The Company continues to place a premium on its human capital development arising from the fact that this will ensure the improved efficiency of the business and maintain strategic advantage over its competition. Employees attended local and international training and development programmes during the period under review.

Employees are provided with information about the Company through the Internal Communications Unit, which publishes information on the Company's website and intranet.

The Company is committed to equal opportunity for individuals in all aspects of employment. The Company gives every consideration to applications for employment by disabled persons where the requirements of the job may be adequately filled by a disabled person.

Where existing employees become disabled, it is the policy, wherever practicable, to provide continuing employment under similar terms and conditions and to provide training as appropriate.

Retirement benefits

The Company operates a defined contribution pension scheme for members of staff in Nigeria, which is independent of its finances and is managed by Pension Fund Administrators and regulated by the Pension Reform Act of 2014.

The scheme, funded by contributions from the employees at 8% and by the Company at 10% each of the employee's basic salary, housing allowance and transport allowance, is consistent with the provisions of the Pension Reform Act, 2014. The Company also operates a staff terminal gratuity scheme covering all confirmed employees. The scheme is wholly funded by the Company.

Post balance sheet events

No material event took place between 1st of January 2016 and the date on which these accounts were signed.

Research and innovation

With rapid urbanisation and population growth in Africa, the Company realises that meeting housing and infrastructure needs will be a challenge. We are constantly looking for solutions that will respond to these construction challenges. We have developed three cement grades to meet different consumer needs: the 32.5 grade is for plastering and flooring; the 42.5 grade is for building construction; the 52.5 grade is for civil construction projects with heavy load-bearing structures.

In search of self-sufficiency in all production inputs, Dangote Cement is exploring the possibility of mining coal near to the cement plants to exploit a cheaper fuel source than LPFO or imported coal.

The Company is also working with the Cement Manufacturers Association of Nigeria (CMAN) to explore the possibility of mining gypsum locally.

Gypsum remains one of the raw materials required for the production of cement that is not commercially mined in Nigeria at present. The Company is committed to building capacity locally to explore and exploit gypsum reserves within Nigeria to reduce dependence on imports.

Capital structure

The Company has one class of ordinary shares, which reflects the total value of the share capital. Each ordinary share carries the right to one vote at the Company's Annual General Meeting.

The percentage of the shareholding and transfer of shares is governed by the Company's Articles of Association and relevant regulation. There are no restrictions with respect thereto. Details of significant shareholdings are provided below.

Substantial interest in shares
As at the 31st December 2015 and the date of this report, only Dangote Industries Limited held more than 5% of the issued share capital of the Company, as detailed below.

31st December, 2015
Shareholder
Dangote Industries Limited
Number of ordinary shares
15,494,247,300
% of issued ordinary shares
90.93

29th February, 2016
Shareholder
Dangote Industries Limited
Number of ordinary shares
15,494,247,300
% of issued ordinary shares
90.93

All shares other than shares held by Dangote Industries Limited (90.93%) and Aliko Dangote (0.16%) are considered to be free float shares. Aliko Dangote is the ultimate owner of Dangote Industries Limited.

All issued shares are fully paid and details of the share capital history are set out on page 199. No additional shares were issued in 2015.

The Articles of Association may be amended by special resolution approved by the shareholders.

Auditors
In the case of each of the persons who are Directors of the Company at the date when this report was approved:

- So far as each of the Directors is aware, there is no relevant material information of which the Company's auditor is unaware
- Each of the Directors has taken all the steps that he reasonably ought to have taken as a Director to make himself aware of any relevant material information and to establish that the Company's auditor is aware of that information.

Both Akintola Williams Deloitte and Ahmed Zakari & Co., as joint auditors, have indicated their willingness to continue in office as auditors of the Company in accordance with the provisions of section 357 (2) of the Companies and Allied Matters Act, Cap C20 LFN 2004.

A resolution will be proposed authorizing the Directors to fix the remuneration of the Auditors for the 2016 financial year.

The Company is in compliance with the provisions of the Securities and Exchange Commission ("SEC") Code of Corporate Governance, 2011, and put the external audit contract out to tender at least every ten years. The timing of the next tender will be aligned with the cycle for rotating the audit engagement partner.

Mahmud Kazaure
Group Chief Legal Counsel and Company Secretary
29th February, 2016

SHAREHOLDER ANALYSIS						
Range		**No. of Holders**	**%**	**Units**	**%**
1	- 1,000	28,937	72.48	10,293,321	0.06
1,001	- 5,000	8,293	20.77	16,539,831	0.10
5,001	- 10,000	1,268	3.18	8,947,768	0.05
10,001	- 50,000	1,101	2.76	22,718,514	0.13
50,001	- 100,000	157	0.39	11,286,839	0.07
100,001	- 500,000	159	0.40	35,518,251	0.21
500,001	- 1,000,000	39	0.10	28,468,974	0.17
1,000,001	- 5,000,000	65	0.16	137,149504	0.80
5,000,001	- 10,000,000	8	0.02	55,323,174	0.32
10,000,001	- 100,000,000,000	22	0.06	16,714,261,228	98.09
Total		**39,923**	**100.00**	**17,040,507,404**	**100.00**

Audit & Risk Management Committee Report

Ernest Ebi MFR
Chairman of the Audit and Risk Management Committee

Most Audit and Risk Committee members have significant commercial experience of accounting and corporate financial management.

Members and meeting attendance

Members	No. of meetings attended
Ernest Ebi* (Chairman)	4/4
Devakumar Edwin	2/4
Olusegun Olusanya	4/4
Sani Dangote	3/4
Olakunle Alake	3/4
Emmanuel Ikazoboh*	2/4
Fidelis Madavo	2/4

* Independent Non-Executive Directors

The dates of the committee meetings were:
- 23th January, 2015
- 27th April, 2015
- 28th July, 2015
- 13th October, 2015

Committee membership
The Audit and Risk Management Committee comprises five Non-Executive Directors and two independent Non-Executive Directors. As an Independent Non-Executive Director, I serve as the Chairman of the Committee.

Most of our members have significant commercial experience of accounting and corporate financial management.

This surpasses the requirement in Section 30.2 of the SEC Code and the UK Code (provision C.3.1) which requires that at least one member of the committee should have recent and relevant financial experience.

The Board has satisfied itself that the current members of the Audit and Risk Management Committee are competent in financial, risk and compliance matters and have recent and relevant experience.

Other attendees at Committee meetings (or part thereof) were the Group CEO, Group CFO, Head of Internal Audit, Group Chief Risk Officer, Group Financial Controller, the Chief Legal Officer, Company Secretary and the Deputy Company Secretary.

Roles and responsibilities
The roles and responsibilities of the Audit and Risk Management Committee are set out in its charter, which is reviewed periodically by the Committee taking into account relevant legislation and recommended best practice. The Committee's main responsibilities include:
- Oversight of the activities of the Group Internal Audit Function including the appointment and evaluation of the Group Head, approval of the Internal Audit

Plan, review of Internal Audit reports and safeguarding the independence of the Internal Audit Function.

- Review the scope, nature and effectiveness of the Internal Audit Function and recommend proposed changes to the Board.
- Review and ensure that proper liaison and co-operation exists between statutory auditors and the Group Internal Audit function.
- Recommend to the Board for approval, the Companies Risk Appetite and risk limits as well as changes to the appetite.
- Approve the Company's risk framework and policies, including the organisation and governance of risk management.
- Oversee the execution of risk management including identification, analysis and risk mitigation, within the scope of the risk appetite (approved by the Board).
- Review with the Company's Legal Counsel, any legal matter that could have significant impact on the Company's financial statements and operations.
- Oversee the Company's compliance program and adherence to the Code of Business Ethics.
- Establish a whistle blowing mechanism and monitor implementation.

Committee activities during 2015

Key matter considered	Committee actions
Resourcing of key functions	• Approved the appointment of the Deputy Head, Risk Management and Head of Internal Audit, Nigeria. • The committee commissioned the recruitment of Risk Managers for Plants in Cameroon, Ethiopia, Senegal and Zambia and the recruitment of HSE Directors for the Plants. • The Committee also approved the appointment of a Compliance Manager to facilitate the establishment of a Compliance Function.
Internal Audit structure and activities.	• Reviewed and approved regional structure for the Internal Audit function especially as it relates to the African operations. • Resourced the internal audit of Pan African countries with secondees sourced from an independent firm pending internal recruitment in these locations. • Ensured rapid training and development of Internal Audit staff within a short period of time. • Finalised the salary structure for Country heads in South Africa, Ethiopia and Ghana.
Internal Audit reports	• Regularly reviewed internal audit reports and provided insight to the Group Board on the state of control. • Monitored the status of implementation of audit action points and provided insight to the Group Board as well. • Execution of the 2015 internal audit plan stands at 92% and the implementation of recommendations during the year stands at 79% as at the end of 2015.
Internal control	• Approved the implementation of SAP GRC to ensure adequate segregation of duties. • The controls regarding pre-payment audit were reviewed and re-assigned.
Whistle-blowing mechanism	• The corporate governance framework was strengthened with the implementation of the Whistle Blowing Policy. Internal Audit was empowered to conduct routine investigations and report status of investigations to the committee at its meetings.

Audit & Risk Management Committee Report

Committee activities during 2015

Key matter considered	Committee actions
Update on risk management activities for the quarter	• The Committee updated the Enterprise Risk Management Framework to ensure proper implementation of a consistent, methodical and effective risk management process organization-wide. • Risk and control self-assessments were carried out for the Cameroon, Zambia and Ethiopia Plants, which were transitioning from project to operational stages. • Working with the Risk Management function, various risk assessment sessions were held to identify, proritise and map the risks to the related business activities/processes and articulate the appropriate mitigation strategies. • The risks were prioritised and appropriate risk mitigation strategies were defined with close monitoring for timely implementation. • The Committee received regular risk reports on key risks (eg. Insurance Risks, Credit Risk, Operational Risks and Project Risks) and emerging risks; and the committee provided updates in its report to the Board. • The Committee reviewed and approved the anti-fraud policies of the Company.
Compliance	• The Company's management and the committee are working with the Compliance Manager to facilitate the establishment of the compliance function, ensure compliance with relevant laws and codes in subsidiaries and plants, and ensure compliance with all corporate governance requirements in Nigeria and in the subsidiary countries. • The Committee plans to finalise a compliance roadmap for the Group early in 2016.
Health and safety matters	• Health, Safety and Environment (HSE) Committees have been established for all plants. • The Company has established appropriate policies and measures to reduce health, safety and environmental risks at all of its plants throughout Africa.

Risk management and internal control

The Board is responsible for overseeing the Group's key risks and maintaining sound risk management and internal control systems. The Group's system of internal control is designed to manage and reduce the risk of failure (below the Group risk tolerance) in order to achieve business objectives, and to provide reasonable assurance against material misstatement or loss.

The Committee plays a key role in assisting the Board with its responsibilities in respect of risk and related controls. As discussed in the Risk Management report on pages 58 to 64, the Committee assists the Board with its review of the effectiveness of the risk management process and monitoring of key risks and mitigations.

I present the Committee reports to the Board following each Committee meeting, allowing the Board to understand and, if necessary, discuss the matters considered in detail by the committee. These processes allow the Board to monitor the Group's principal risks and related mitigation strategies, and to assess the acceptability of the level of risks that arise from the Group's operations and development activities.

Each year the Board, with the support of the Committee and the Internal Audit function, reviews the effectiveness of the Group's risk management and internal control systems in line with Section 29 of the SEC Code. The review covers all material controls, including financial, operational and compliance controls.

The Risk Management function reports to the Committee during each of its meetings and the reports include details of developments in the Group's overall risk management processes, key Group-level strategic risks, details of the operation's most significant risks and related mitigating controls, and any significant control issues that have arisen.

The committee plays a key role in assisting the Board with its responsibilities in respect of risk

Further information relating to the Group's risk and management systems is provided in the Risk Management section of the Corporate Governance report on pages 111 to 116.

Internal Audit

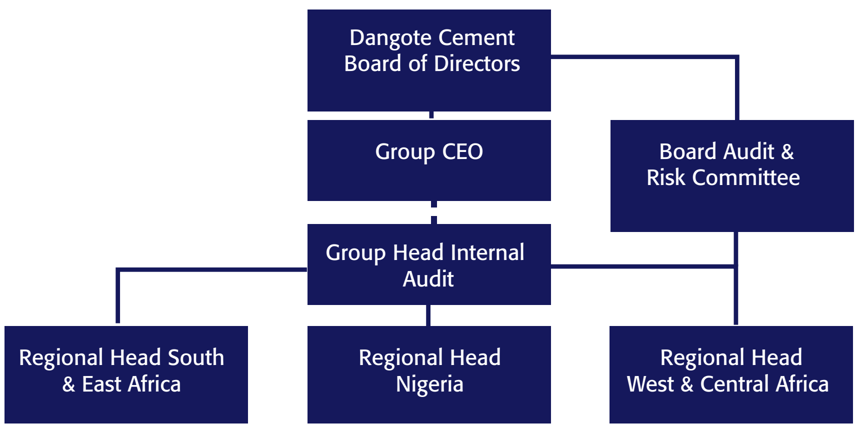
The Internal Audit function is responsible for providing assurance to management, the Committee, and the Board on the adequacy and effectiveness of risk management, governance and internal control systems in the Company

The Board has documented the authority, scope, accountability and responsibility of the Internal Audit function in the Internal Audit Charter.

The Charter provides guidance to the Internal Audit function and its provisions are adhered to strictly by both the Board Audit and Risk Management Committee and the Internal Audit Function. The function operates independently of management and has full access to all functions, records, property and personnel in the Group.

Dangote Cement's Internal Audit function consists of the Group Internal Audit team, led by the Group Head Internal Audit, and regional and country audit functions that operate in each of the Company's principal areas of business throughout its operations in Africa.

The Group Internal Audit Structure is as shown below:



Dangote Cement's Group Internal Audit Structure

The Internal Audit function is structured along three distinct regions, with some regions overseeing various countries as follows:

I. Nigeria: comprising the three plants in Nigeria located at Obajana, Ibese and Gboko.
II. West and Central Africa Region: comprising Senegal, Ghana and Cameroon.
III. South and East Africa Region: comprising South Africa, Ethiopia, Zambia and Tanzania.

The regional and country functions are centrally directed by the Group Internal Audit team. The country Internal Audit functions are jointly accountable to local senior management and regional heads of internal audit.

They also have direct access and accountability to local audit committees and the Group Head of Internal Audit.

The Internal Audit function's approach to its activities is centered on the Company's Enterprise Risk Management (ERM) Framework and a Risk-Based Audit Approach, both of which strengthen and complement how we undertake risk management at Dangote Cement.

This approach provides assurance that the processes that manage risks to a level considered acceptable by the Board, are working effectively and efficiently, whilst focusing on key processes and controls.

The Group Internal Audit function uses a standardised group-wide internal audit methodology which is in compliance with the International

Audit & Risk Management Committee Report

Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors. It operates a formal quality assurance and effectiveness programme.

Following a risk-based approach, the Internal Audit presents the annual internal audit plan for the consideration, review and approval of the Committee. The internal audit plan sets out the scope of work to be performed over a period and also defines the approximate resources necessary to accomplish the scope of the internal audit activities.

Internal Audit reviews, based on the approved plan for the year, generally includes provision of assurance over financial, operational, IT and transformation programme activities which are performed by teams of appropriately qualified and experienced employees, as well as third parties who are appointed from time to time.

The Group Head of Internal Audit, who reports to the Board Audit and Risk Management Committee and administratively to the Group CEO, has direct right of access to, and regular meetings with me and prepares formal summary reports on the consolidated activities and key findings of the Group internal audit function for each committee meeting.

Dangote Cement's Risk-based Internal Audit approach

In 2015, to continue to strengthen compliance in the Company's operations, a new role was created and a Compliance Manager engaged to facilitate the establishment of the compliance function, which is to ensure compliance with relevant laws and codes in subsidiaries and plants, and ensure compliance with all corporate governance requirements in Nigeria and in the subsidiary countries.

The Board monitors the Company's compliance with applicable laws, non-binding rules and standards

The Committee also has unrestricted access to all internal audit reports, should it wish to review them.

The Committee monitors and reviews the effectiveness of the Group Internal Audit function on an ongoing basis which is consistent with the UK Code (provision C.3.2). Internal Audit will undergo an external quality assurance review during 2016 in line with Section 31.14 of the SEC Code.

Compliance

The Board monitors the Company's compliance with applicable laws and non-binding rules and standards. The responsibility for this has been delegated to the committee.

During the year, the Committee included 'Compliance Update' as a standing agenda item during its meeting in order to receive updates on the level of compliance with all applicable regulatory requirements and its impact on the compliance risk profile of the Company. The Committee also reviews reports received from the regulators and evaluates the nature and effectiveness of action plans implemented to address identified regulatory compliance issues.

Whistle-blowing Mechanism

All employees and stakeholders have the opportunity to make confidential disclosures about suspected impropriety or wrongdoing. The Anti-Fraud Committee, the Group Legal Counsel, in consultation with the Group Head Internal Audit as appropriate, decide on the method and level of investigation. The Committee reviews the Group's whistleblowing arrangements each year to assess whether they remain effective, is notified of all material disclosures made and receives reports on the results of investigations and actions taken.

The Internal Audit function performs necessary investigations on relevant items, recommends sanctions in line with Dangote Cement's Sanction Grid and provides recommendations for strengthening anti-fraud controls. The committee can request further information, conduct its own inquiries or order additional action where necessary.

Audit & Risk Management Committee Report

During 2015, of the whistles blown and fraud cases investigated, 60% of these cases have been closed and 40% are still under investigation.

The Audit and Risk Management Committee has satisfied itself that proper and satisfactory internal controls remain in place to identify and contain business risks, and that the Company's business, and that of its subsidiaries, is being conducted in a proper and economically sound manner.

I am confident that the Committee, supported by senior management, has carried out its duties effectively and to a high standard in 2015. In 2016, we will continue to enhance our processes in line with leading practices.

Ernest Ebi MFR
Chairman of the Audit and Risk
Management Committee
29th February, 2016

Finance & General Purpose Committee Report

Finance and General Purpose Committee members have a good knowledge of finance, accounting practices and risk management.

Olusegun Olusanya
Chairman of the Finance and General Purpose Committee

Members and meeting attendance

Members	No. of meetings attended
Olusegun Olusanya (Chairman)	6/6
Devakumar Edwin	6/6
Ernest Ebi	6/6
Sani Dangote	4/6
Olakunle Alake	5/6
Emmanuel Ikazoboh	5/6
Fidelis Madavo	5/6
Douraid Zaghouani*	3/3

* Douraid Zaghouani joined the Board on the 29th of April 2015 and was eligible to attend 3 meetings

The Committee held six meetings during 2015. The dates of 2015 Committee meetings were as follows:
- 29th January, 2015
- 13th March, 2015
- 27th April, 2015
- 28th July, 2015
- 23th October, 2015
- 14th December, 2015

Committee membership and meetings
The Committee meets at least four times a year and it comprises of eight members, six Non-Executive Directors and two Independent Non-Executive Directors. The members of the committee have qualifications deemed to be appropriate by the Board as well as skills and experience relevant to fulfil their duties. They have a good knowledge of finance, accounting practices and risk management. The external auditors, Group Chief Financial Controller and the Group Financial Controller are usually in attendance at the meetings.

Biographical details of each member of the Committee, including relevant qualification and experience are set out in pages 96 to 99 of this report.

Roles and responsibilities
The Committee's main roles and responsibilities are to assist the Board in fulfilling its oversight responsibilities regarding the following:
- To review and recommend to the Board on matters pertaining to the Company's capital structure and the corporate finance strategy of the Company, including the issuance of equity and debt securities, general financing plans, debt ratings, share repurchase philosophy and strategy, share redemption and purchasing activities, and the Company's dividend policy.
- To review, in consultation with the independent auditors, the integrity of the Company's internal and external financial reporting processes and controls.
- To review and recommend to the Board on matters pertaining

Finance & General Purpose Committee Report

to Group treasury operations, investment strategies, banking and cash management arrangements and financial risk management.

- To review thoroughly and make recommendations to the Board on matters pertaining to major investments, mergers, acquisitions, divestitures, joint ventures or similar transactions and the policies and processes of the Company related thereto.

Committee activities during 2015

Key matter considered	**Committee actions**
Review of financial statements	• Reviewed and recommended to the Board for approval, the 2014 audited financial statements. • Reviewed and recommended to the Board for approval, quarterly 2015 unaudited financial statements, recommended and authorised submission of the financial statements to the regulatory bodies. • Discussed the performance of the Group in comparison with the approved budget.
Capital structure and financing	• Reviewed the policy for obtaining loans in subsidiaries and recommended the development of a robust policy to guide subsidiary loans. • Considered the reports on the status of loan facility transactions. • Reviewed and recommended to the Board the approval of loan facilities for subsidiaries. • Reviewed the total debt (inter-company loans and external borrowing) of Dangote Cement's subsidiaries. • Deliberated on the effect of regulatory changes on the working capital management of subsidiaries in West & Central Africa. • Reviewed payment of inter-company loans and the current loan portfolio of the Company.
Expenditure on Corporate Social Responsibility	• Mandated the management of Dangote Cement to develop a policy to guide expenditure on Corporate Social Responsibility as part of the Company's aim to be a good corporate citizen in all of the countries in which it operates across Africa.
External Audit	• Considered the auditor's report and management letter including outstanding issues, judgements and estimates, significant audit risks and risk management and internal controls systems. • Reviewed the letter of representation presented by the Group Chief Financial Officer and recommended the letter to the Board for approval.
Dividend payment	• Discussed the different scenarios for dividend payout and decided on the amount of the dividend to recommend to the Board with respect to the 2014 financial year.
Budget monitoring	• Reviewed the quarterly and full-year performance of the Group against the approved budget. • Ensured the performance of the Company was within budget and properly challenged management on Budget performance at every meeting.

Finance & General Purpose Committee Report

Financial reporting matters
The Committee reviewed the financial reports submitted by management during its meetings and assessed whether suitable accounting policies and standards were adopted and whether the management team made the appropriate estimates and judgments related to the Group's performance.

The Committee also reviewed the Group's quarterly financial results, relevant disclosures, external auditors' reports, financial disclosures in the Annual Report and reports by external auditors that highlighted any issues arising from the audit.

The specific areas of audit and accounting matters reviewed by the Committee include:

- Critical accounting judgements and estimates that affect the reported amount of assets, liabilities, revenue and expenses
- Appropriateness and consistency of application of accounting policies and their compliance with accounting standards
- Impairment testing of tangible and intangible assets
- Risks and associated controls over the financial reporting process
- Adequacy and clarity of reporting disclosures and compliance with applicable financial and reporting standards

Other key matters considered
Significant issues in relation to the financial statements considered by the Committee during the year include:

- Current pricing strategy and the impact on the revenue of the Company
- Tax impact and tax exemption status of entities within the Group including the effect of the expiration of tax exemptions of some entities on total tax liability of the Group
- Consideration of the increase in non-current assets and the appropriateness of the capitalisation of significant expenditures
- Review of the carrying amount of Group assets including any impairment loss to be recognised during the year
- Review of receivables for impairment and revalidation of the Group's sales model - "cash and carry" (except for a few credit customers who are backed with bank guarantees), which has historically minimised losses on the Group's receivables
- Review of the Group's current currency hedging strategies, foreign exchange exposures and management-proposed actions to mitigate foreign exchange exposures and their impacts on the Company's finances

In addition, the Committee assessed the projections of future cash flows and compared these with cash balances and committed facilities available to enable them recommend to the Board that the adoption of the going concern basis of preparation of the financial statements was appropriate.

The Committee, working closely with senior management and the external auditors, has carried out its duties effectively and to a high standard in 2015.Going forward, in addition to the areas of responsibilities of the Committee, we will also focus on the effectiveness of the finance function including ensuring adequate resourcing and succession planning for key positions.

Olusegun Olusanya
Chairman of the Finance and General Purpose Committee
29th February, 2016

Technical & Operations Committee Report

Fidelis Madavo
Chairman of the Technical and Operations Committee

Members of the Technical and Operations Committee have technical literacy and a good knowledge of engineering and technical-related matters.

Members and meeting attendance

Members	No. of meetings attended
Fidelis Madavo (Chairman)	4/4
Devakumar Edwin	4/4
Olakunle Alake	3/4
Ernest Ebi	4/4
Abdu Dantata	4/4
Douraid Zaghouani*	2/2
Joseph Makoju	2/4

* Douraid Zaghouani was appointed to the Board on 29th April, 2015 and was eligible to attend only two committee meetings

The Committee held four meetings during 2015. The dates of the meetings are as stated below:

- 13th March, 2015
- 27th April, 2015
- 28th July, 2015
- 23rd October, 2015

Committee composition

The Committee is comprised of six Non-Executive Directors and one Independent Non-Executive Director. The Group Chief Executive Officer, Regional CEO Nigeria and the Deputy Director of Projects are also in attendance at Committee meetings.

Members of the Committee have basic technical literacy and good knowledge of engineering and technical-related matters. Biographical details of each member of the Committee, including relevant qualification and experience are set out in pages 96 to 99 of this report. The secretary to the Committee is the Company Secretary.

Role of the committee

The Committee's main role and responsibilities are to assist the Board in fulfilling its oversight responsibilities regarding the following:

- Review project feasibility to determine and consider viability of projects.
- Review technical scope of plant projects including risk assessment and quality management plan and make recommendation to the Board.
- Review the status of projects according to agreed scope, schedule, project milestones and KPIs, and where there are delays or variations, probe management to understand root causes and mitigate against such in the future.
- Review safety, health and environmental performance and improvement plans.
- Review operational, manning and commissioning readiness plan and progress performance including integrated projects not under direct control of the Group.
- Monitor the production budget, standards, raw material supplies,

Technical & Operations Committee Report

energy and key performance indicators per plant.
- Review asset/plant care policy and performance (preventative/break-down, unit and plant reliability/availability and costs).
- Ensure effective technical, research and development programs to ensure continuing innovation across the Group.
- Oversee the development and implementation of Corporate Social Responsibility and community programs in plant and business locations where we operate in Nigeria and throughout the rest of Africa.

The reports of the Committee are presented to the Board after each committee meeting, providing the Board with summaries of Committee discussions and its recommendations for the consideration of the Board.

Focus for 2016

As a number of plants are scheduled to commence operations throughout Africa in 2016, the Committee intends to work with management to ensure the following:
- Variance between targeted completion dates and actual dates are reduced significantly
- Operational efficiencies and optimisation initiatives are implemented across the plants to achieve cost savings
- Production targets in all the respective plants are met
- HSE targets are achieved
- HSE measures across the Group are rolled out
- Operational efficiency of the plants is improved.

Committee activities during 2015

Key matter considered	Committee actions
Review of the Committee charter	The Committee reviewed the terms of reference of the committee during the first meeting and same was presented to the Board for approval.
Operational performance review	Quarterly reports on the operational performance of the plants were presented to the Committee for consideration. The reports covered the following: • Plant production volumes and key performance indicators per plant every quarter. • Rate of dispatch of products from plants to customers and depots. • Fuel and gas usage at the plants including operational efficiencies. • Operational cost and variance analysis report. • Production and sales demand. • Organisational restructuring at major plants. • Proposal on cost control mechanisms presented by management. • Update on technical research and development, including recruitment of key staff.
Projects review	Reports on existing projects, both greenfield and brownfield, were considered by the Committee. The reports included information on: • Construction status of projects and production dates. • Commissioning status and plan. • CAPEX reports on projects. • Project issues and resolution. • Key project decisions for the Committee’s resolution. • Contract arrangements and review. • Business case for remodeling, reconstruction or renovation. • Lease arrangement and agreements. • Business registration status. • Status of mining license arrangements. • Limestone exploration reports.

Technical & Operations Committee Report

Committee activities during 2015

Key matter considered	Committee actions
Health, safety and environmental (HSE) matters.	HSE reports were monitored and compared for all plants within the Group including those of pan-African operations. The activities of the Committee in this regard included the following: • Establishment of safety performance indicators for the plants. • Review of incident reports, including details of causes, intervention activities, impact on production and remedial actions. • Review of incident frequency reports and impact on operations. • Received information on safety initiatives during the period, including summary on safety inductions/ training, safety committee meetings, HSE department activities. • Safety performance report for operating plants. • Instructed management to adopt the following going forward: - Improve reporting protocols of fatal accidents; - Include historical data in health, safety and environment reports; - Benchmark HSE reports with industry; and - Compare HSE reports across the Group. • Agreed HSE improvement actions.

Our focus will also include ensuring that we fulfil our obligations to our host communities as required by relevant regulations.

I am pleased that the Committee did well in 2015 and is discharging its responsibilities satisfactorily.

Fidelis Madavo
Chairman of the Technical and Operations Committee
29th February, 2016

Nomination Committee Report

Aliko Dangote
Chairman of the Nomination Committee

Formed in 2014, the Nomination Committee assists the Board in the selection of Directors and Senior Executives to manage the operations of Dangote Cement.

Members and meeting attendance	
Members	**No. of meetings attended**
Aliko Dangote (Chairman)	1/1
Ernest Ebi	1/1
Olusegun Olusanya	1/1
Emmanuel Ikazoboh	0/1
Fidelis Madavo	0/1

The Committee held one meeting during the year on 19th January, 2015.

Committee composition

The Nomination Committee was established in 2014 to assist the Board in discharging its responsibilities in relation to the composition of, and matters relating to, the Board and Senior Executive team. The Committee is required to meet at least once a year.

The Nomination Committee consists of three Non-Executive Directors and two Independent Non-Executive Directors; I serve as the Chairman of the Committee by virtue of my position as the Chairman of the Board. Members of the Committee have extensive board, management and leadership experience across a wide range of companies.

Biographical details of each member of the Committee, including relevant qualification and experience are set out in pages 96 to 99 of this report. The secretary to the Committee is the Company Secretary.

Board appointments

This year the Board appointed a new Group Chief Executive Officer and a Non-Executive Director to represent the interests of Investment Corporation of Dubai(ICD). The Committee ran a robust and wide-ranging process, resulting in these key appointments to strengthen the Board's existing skills.

In identifying a new Group Chief Executive Officer, an initial shortlist of potential candidates was identified. After consultations, reference checks and interviews, the committee unanimously recommended the appointment of Onne van der Weijde as Group Chief Executive Officer to the Board. The Board approved the recommendation of the Committee in its meeting on 29th January, 2015.

The Committee, through myself as Chairman, reviewed the nomination of Douraid Zaghouani as the Board representative of the Investment Corporation of Dubai.

Douraid was nominated to replace Khalid Al Bakhit following Khalid's resignation as a Director. His nomination was presented to the Board during its meeting on 29th April, 2015 and the Board unanimously approved the appointment of Douraid as a Non-Executive Director of Dangote Cement.

We welcome both Onne and Douraid and are grateful for their contributions during 2015.

Going forward, the Committee will focus on balancing the diversity of the Board, especially ensuring gender balance. The Committee will also focus on fully constituting the Boards of Dangote Cement's subsidiary companies in 2016.

Aliko Dangote
Chairman of the Nomination Committee
29th February, 2016

Remuneration Report

Emmanuel Ikazoboh
Chairman of the Remuneration and Governance Committee

The Remuneration and Governance Committee ensures that executive remuneration is aligned to both the short-term and long-term goals of Dangote Cement and its shareholders.

Members and meeting attendance

Members	No. of meetings attended
Emmanuel Ikazoboh (Chairman)	4/4
Ernest Ebi	3/4
Devakumar Edwin	2/3
Olusegun Olusanya	4/4
Sani Dangote	3/4
Abdu Dantata	3/4
Joseph Makoju	3/4

The Committee held four meetings in 2015. The dates of 2015 Committee meetings were:

- 23rd January 2015
- 27th April 2015
- 24th July 2015
- 13th October 2015

Introduction

In this report I describe our remuneration practices and policies and disclose the remuneration paid to Directors in 2015 and the proposed remuneration arrangements for 2016. I also explain how the remuneration policy is aligned with the short-term objectives and long-term strategy of Dangote Cement. The report is split into three main areas: the statement by the Chairman of the Remuneration Committee, the remuneration policy report and the annual report on remuneration.

The Board has established a remuneration framework for Executive and Non-Executive Directors.

The objective of this framework is to attract and retain people with integrity, ability, skill and experience to deliver the Company's strategy while balancing the short-term and the long-term growth objectives of the Company. It also seeks to ensure that remuneration arrangements are equitable, transparent, adequately disclosed and aligned with the interest of shareholders.

There were no changes to the remuneration structure of the Non-Executive Directors during the year. However, the committee, in line with UK Code (provision D.1), is reviewing the incentives for Senior Executives to ensure that they are performance-based and align with the short-term and long-term success goals of the Company. Details of the remuneration paid to Directors in 2015 can be found on page 129 -130.

In compliance with Section 5.3 and 14.3 of the SEC Code, only Non-Executive Directors are involved in decisions regarding the remuneration of the Group Chief Executive Officer.

Remuneration Report

Committee membership and meetings

The Remuneration and Governance Committee consists of five Non-Executive Directors and two Independent Non-Executive Directors. This composition is in compliance with Section 11.1 of the SEC Code and the UK Code (provision D.2.1).

The SEC Code requires the Remuneration Committee to consist of only Non-Executive Directors while the UK Code provides for at least two Independent Non-Executive Directors as members of a Remuneration Committee. I serve as the Chairman of the Committee by virtue of my position as an Independent Non-Executive Director.

The Board has satisfied itself that members of the Committee have the requisite experience to function effectively. Biographical details of each member of the Committee, including relevant qualification and experience are set out in pages 96 to 99 of the Corporate Governance Report. The Secretary to the Committee is the Company Secretary.

The Group CEO, Group CFO, Group Chief Human Resources Officer and Group Legal Counsel are regularly consulted and are in attendance at the Committee meetings when required to provide information in compliance with Section 5.3 (c) of the SEC Code.

Roles and responsibilities

The principal role of the Remuneration and Governance Committee, in relation to remuneration, is to assist the Board with the following:

Remuneration

- Make recommendations on the amount and structure of the remuneration of the Chairman and Non-Executive Directors of the Board to ensure that remuneration is fair and competitive.
- Ensure that the Group's Remuneration Policy and structure is fair and sufficient to attract and retain high caliber staff to the Group.
- Recommend to the Board, the terms, conditions and remuneration of senior executives including performance incentives.
- Ensure proper disclosure of Directors' remuneration to the Shareholders.

Performance management

- Review and agree, at the beginning of the year, the Key Performance Indicators (KPIs) for the Group CEO and senior executives.
- Assess performance of the Group CEO against the agreed KPIs and provide feedback thereon.
- Ratify the performance appraisal of senior executives on the recommendation of the Group CEO.
- Ensure that the performance and effectiveness of individual Directors, Board and Board Committees are reviewed annually.

Human resources

- Periodically review and make recommendations to the Board on the Group's organizational structure and any changes thereto.
- Periodically review and make recommendations on the Group's key human resource policies.
- Periodically review and make recommendations on recruitment, promotion and disciplinary actions for senior management staff.

Committee activities during 2015

In addition to the activities set out in the schedule on page 125, the

Committee activities during 2015

Key matter considered	Committee actions
Human resources	The Committee received regular updates on head count, training, promotions, payroll cost and recruitment into key positions across subsidiaries.
Staff and executive compensation	The Committee commissioned a comparative compensation survey for staff which is currently under review. The committee is currently reviewing and defining incentives for Group Senior Executives.
Organisational structure	The Committee is currently reviewing the organisational structure across the Group.

Remuneration Report

Remuneration and Governance Committee has completed the evaluation of the performance in 2015 of the Group CEO and senior executives and has agreed the KPIs for 2016. Succession planning for Group Executives will also be formalised in the coming year.

Remuneration Policy
Introduction

The Remuneration Report describes the Board's policy on remuneration and how the policy was applied during the year. This report also notes the Long-Term Incentive Compensation Policy for senior executives that will be implemented during 2016.

Policy summary

The Company's Remuneration Policy has been designed to take into account the environment in which the Group operates and the result it achieves. The policy takes cognisance of the relevant Codes of Corporate Governance in Nigeria as well as leading governance practices with a view to ensuring adherence to the highest standards of Corporate Governance.

This policy reflects the Group's desire to sustain long-term value creation for shareholders with five overall objectives in mind:

- To attract and retain people with integrity, ability, skill and experience to deliver the Group's strategy.
- To motivate senior executives to pursue and promote balance between the short-term and long-term growth of the Group while maximizing shareholders' return.
- To ensure that remuneration arrangements are equitable, transparent, well communicated and easily understood, aligned with the interest of shareholders and adequately disclosed.
- To align individual rewards with the Group's performance, the interests of its shareholders, and a prudent approach to risk management and
- To promote compliance with global regulatory trends and governance, with an emphasis on long-term sustainability.

It is the Company's policy to define criteria and mechanisms for determining levels of remuneration and the frequency of the review of these criteria.

Our policy also ensures that senior executives' remuneration is linked to Group and individual performance in line with section 5.3 (g) of the SEC Code and the UK Code of Corporate Governance. The Remuneration and Governance Committee has been charged with the responsibility of leading the process for determining the remuneration of Senior Executives and Non-Executive Directors.

Our Guiding Principles

Senior Executives:
Competitive remuneration

Remuneration and reward strategies will be set at levels that enable the Group to attract, motivate and retain the right skills required to efficiently manage the operations and growth of the business.

Attraction and retention

Salaries of Senior Executives will be set at a level to attract and retain high-caliber Executives with international experience that will benefit the Company and its operations.

Performance-related

Annual performance goals of Senior Executives shall be aligned to shareholder interest. This is to ensure that Senior Executives make prudent decisions in deploying the Group's resources to generate sustainable growth. The Group's performance-based incentive programs for the executive management shall be aligned to individual performance and the overall performance of the Group. This approach drives a high performance culture that rewards individual contributions and the achievement of business results that enhance shareholder value. Senior Executives can earn an annual bonus of up to 50% of their base salary, depending on the achievement of agreed corporate and personal objectives.

Long-term

The remuneration structure shall be designed to reflect the long-term nature of Dangote Cement's business while balancing risks and reward. The performance period for this long-term component will typically run for three years, with the Executive not receiving any bonus until the end of the performance period. The structure of the long-term incentive is under consideration at present.

Fairness

Dangote Cement will regularly benchmark its remuneration practices against international peer organisations whose business profiles are broadly similar to that of the Group, using remuneration surveys, peer reviews etc. This will ensure that the overall pay takes into cognisance both the external environment as well as the Group's conditions at any point in time.

Remuneration Report

Transparency
The Group will maintain a transparent remuneration process that involves active engagement between the senior executives, the Committee and shareholders.

Non-Executive Directors:
Competitive remuneration
Remuneration will be set at levels that enable the Group attract, motivate and retain world-class talent with the right skills required to effectively oversee the operations and growth of the business.

The Group will regularly benchmark its remuneration practices against other international organisations whose business profiles are broadly similar to ours, using information gathered from remuneration surveys, peer reviews etc.

Fixed
Remuneration will be determined fixed for each year and will be payable periodically throughout the year.

Transparency
The Group will maintain a transparent remuneration process that includes adequate consideration and approval of remuneration payable by the Company's shareholders.

The Committee will continue to monitor the Remuneration Policy's alignment with the Group's business priorities and objectives, whilst ensuring that the remuneration framework continues to motivate, reward and retain our senior management in order to deliver the Company's strategy in the most effective manner.

Senior Executives (including the Group Chief Executive Officer)

Element	Purpose and link to strategy	Objectives	Operation
Basic pay	This is a fixed salary, which is not dependent on performance. It comprises basic pay and all cash allowances paid to the Executive.	To attract and retain talent in a competitive international market.	Salaries for all roles are determined with reference to applicable relevant market practices and benchmarks. Payment to be made monthly.
Short-term performance incentive	This represents the pay-at-risk that is pay is contingent on the achievement of agreed performance indicators. It includes the established and incidental payouts from the annual incentive scheme.	To motivate and reward the delivery of annual goals at the Group and individual levels. To reward contribution to the short to mid-term performance of the Group and demonstrated potential for any future contribution.	Senior Executives' annual performance incentives will be evaluated against the performance metrics defined in their approved individual balanced scorecard. Payment to be made in March, following the approval of the Accounts by the Board.

Senior Executives (including the Group Chief Executive Officer)			
Element	**Purpose and link to strategy**	**Objectives**	**Operation**
Long-term performance incentive	This is designed to improve long-term performance of the Group by aligning with the interests of the Senior Executives.	To reward sustained growth in shareholder value.	The structure of the long-term incentive is under consideration at present.
Benefits and prerequisites	These are the non-monetary forms of compensation provided to the Executives.	To reflect the market value of individuals and their role within the Group. To aid retention and remain competitive in the marketplace.	Review periodically in line with the individual contract of employment. Includes accomodation, company car (and related benefits), club and professional membership subscription, air travel tickets, per diem, medical insurance and life assurance.

Non-Executive Directors		
Element	**Objectives**	**Operation**
Directors' fees	To attract individuals with relevant skills, knowledge and experience.	Reviewed every two years and changes made on need basis subject to shareholder approval at the Annual General Meeting. Payment to be made quarterly or annually.
Sitting allowances	To recognise the responsibilities and contributions of the Non-Executive Directors on the Board. To encourage attendance and participation of Non-Executive Directors at designated committees assigned to them.	Reviewed every two years with changes subject to shareholder approval at the Annual General Meeting. Payment made per meeting.
Other allowances	To cover costs incurred in carrying out the Directors' duties.	Review every 2 years subject to the approval of the Board. Payment made as required.

Remuneration Report

Annual Performance incentive 2015

In accordance with the Group Remuneration Policy set out in this report, incentives awarded to the Group CEO and Senior Executives are based on the performance of the Group and on their individual performance. At the begining of the year, the Committee set operational targets consisting of a number of key performance indicators (KPIs) covering both financial and non-financial measures of performance for the Group CEO and Senior Executives.

In respect of the 2015 financial year, it was agreed by the Committee that an award was appropriate, having reviewed the Group's performance and the performance of the executive team against the overall performance of the Group in 2015 and the KPIs set at the beginning of the year.

In particular, some of the significant achievements in 2015 included:
- 25.6% growth in Group revenue and 17.5% growth in EBITDA profitability compared to 2014
- Volume growth and improved profitability in Nigeria
- Successful commencement of Pan-African operations in five countries
- Admission to the Premium Listing of the Nigerian Stock Exchange
- Reduction in the Group's net debt

Annual Report on Remuneration

Table of emoluments

The total amounts for Directors' remuneration for the year ended 31st December, 2015 including comparative figures for the year ended 31st December 2014 are as follows:

Executive Directors:

	Basic salary		Benefits & prerequisites ₦'000		Total emoluments	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Group CEO Onne van der Weijde*	183,333	0	24,213	0	207,546	0
Devakumar Edwin**	2,500	51,000	1,883	47,623	4,383	98,623
Grand Total	185,833	51,000	26,096	47,623	211,929	98,623

*Appointed as Group CEO effective from 2nd February, 2015 and was paid from the start of February 2015.
**Resigned as Group CEO effective 31st January, 2015.

Remuneration Report

Non-Executive Directors:

Name of Director	Director fees		Sitting allowances		Other allowances		Total Director fees & allowances	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Chairman								
Aliko Dangote	5,000	5,000	3,400	3,000	12,795	11,783	21,195	19,783
Other Non-Executives								
Sani Dangote	4,000	4,000	7,300	5,500	12,062	10,223	23,362	19,723
Devakumar Edwin	4,000	0	8,700	0	12,062	0	24,762	0
Abdu Dantata	4,000	4,000	5,200	1,950	12,062	10,223	21,262	16,173
Olakunle Alake	4,000	4,000	8,000	5,900	12,062	10,223	24,062	20,123
Joseph Makoju	4,000	4,000	5,200	3,450	12,062	10,223	21,262	17,673
Olusegun Olusanya	4,000	4,000	8,650	7,250	18,262	10,223	30,912	21,473
Emmanuel Ikazoboh	4,000	4,000	8,550	5,600	18,262	10,223	30,812	19,823
Ernest Ebi	4,000	4,000	9,250	5,650	18,262	10,223	31,512	19,873
Fidelis Madavo	4,000	0	7,850	800	12,063	0	23,913	800
Khalid Al Bakhit*	0	0	700	0	0	0	700	0
Douraid Zaghouani	4,000	0	3,350	0	12,063	0	19,413	0
Total	**45,000**	**33,000**	**76,150**	**39,100**	**152,017**	**83,344**	**273,167**	**155,444**

*Represents sitting allowances paid to Khalid before his resignation in April 2015.

Annual fees:

Position	**2015 Annual fees (₦'000)**	**2014 Annual fees (₦'000)**
Chairman	5,000	5,000
Non-Executive Directors (Board related)	4,000	4,000
Committee chairmanship	400	400
Committee membership	350	350

Proposed Non-Executive Director fees

The proposed fees for Non-Executive Directors will be presented to shareholders during the Annual General Meeting for their consideration.

In line with Section 14.6 of the SEC Code, the Board has fixed the remuneration of Non-Executive Directors, as shown above for shareholders' approval.

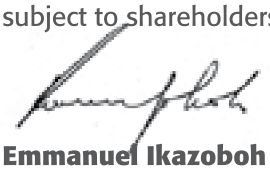
It is proposed that Directors' fees will remain at the same as paid in 2015.

Directors' interests

The interests in the ordinary shares of the Company of Directors who held office during the period 1st January, 2015 to 31st December, 2015, are set out in the Report of the Directors on page 108.

Implementation of the long-term incentives policy in 2016

The Committee proposes to implement a long-term incentives policy in 2016 for the Group CEO and Senior Executives, subject to shareholders approval.



Emmanuel Ikazoboh
Chairman of the Remuneration and Governance Committee
29th February, 2016

FINANCIAL STATEMENTS

Senufo drurm from Ivory Coast is used as both a musical instrument and a work of sculpture used in many ceremonial functions

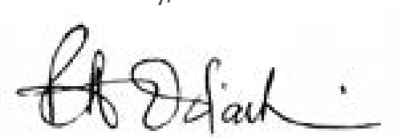
Report of the Statutory Audit Committee

In accordance with Section 359 (6) of the Companies and Allied Matters Act, Cap C20 LFN 2004 and Section 30.4 of the SEC Code, the members of the Statutory Audit Committee of Dangote Cement Plc hereby report as follows:
"We have exercised our statutory functions under Section 359 (6) of the Companies and Allied Matters Act, Cap C20 LFN 2004 and we acknowledge the cooperation of the Board, management and staff in the conduct of these responsibilities. After careful consideration of the report of the external auditors, we accepted the report that the financial statements give a true and fair view of the state of the Group's financial affairs as at 31st December, 2015.
We confirm that:

I. The accounting and reporting policies of the Group are in accordance with legal and regulatory requirements as well as agreed ethical practices
II. We reviewed the scope and planning of audit requirements and found them adequate
III. We reviewed the findings on the management letter prepared by the external auditors and found management responses to the findings satisfactory
IV. The accounting and internal controls system is constantly and effectively being monitored through an effective internal audit function
V. We made recommendations to the Board on the re-appointment and remuneration of the external auditors and also reviewed the provision made in the Financial Statements for the remuneration of the external auditors; and
VI. We considered that the external auditors are independent and qualified to perform their duties effectively.

The Committee therefore recommends that the Audited Financial Statements for the year ended 31st December, 2015 and the External Auditors' report thereon be presented for adoption at this Annual General Meeting."

Robert Ade-Odiachi
Chairman, Statutory Audit Committee
29th February, 2016



Members of the Statutory Audit Committee:
Robert Ade-Odiachi – Shareholder's Representative
Brigid Shiedu – Shareholder's Representative
Sada Ladan-Baki – Shareholder's Representative
Olakunle Alake – Non-Executive Director
Olusegun Olusanya – Non-Executive Director
Emmanuel Ikazoboh – Independent Non-Executive Director

Report of the Independent Auditors to the Members of Dangote Cement Plc

Deloitte.

AHMED ZAKARI & CO.
CHARTERED ACCOUNTANTS

Report on the Financial Statements

We have audited the accompanying consolidated and separate financial statements of D**angote Cement Plc. ("the Company") and its subsidiaries (together referred to as "the Group")** which comprise the consolidated and separate statement of financial position as at 31st December, 2015, the consolidated and separate statements of profit or loss, comprehensive income, changes in equity, cash flows, value added for the year then ended, a summary of significant accounting policies, financial summary and other explanatory information.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with the Companies and Allied Matters Act CAP C20 LFN 2004, the Financial Reporting Council of Nigeria Act, 2011, the International Financial Reporting Standards and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of Dangote Cement Plc. and its Subsidiaries as at 31st December, 2015 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Other reporting responsibilities

In accordance with the Sixth Schedule of the Companies and Allied Matters Act CAP C20 LFN 2004, we expressly state that:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
ii) The Company has kept proper books of account, so far as appears from our examination of those books.
iii) The Group's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Abraham Udenani
FCA – FRC/2013/ICAN/00000000853
for: Akintola Williams Deloitte
Chartered Accountants
Lagos, Nigeria
29th February, 2016

Tajudeen Oni
FCA – FRC/2013/ICAN/00000000749
for: Ahmed Zakari & Co
Chartered Accountants
Lagos, Nigeria
29th February, 2016

Statement of Directors' Responsibilities for the Preparation and Approval of the Financial Statements for the Year Ended 31st December, 2015

The Directors of Dangote Cement Plc are responsible for the preparation of the Consolidated and Separate Financial Statements that present fairly the financial position of the Group and company as at 31st December, 2015, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, No 6, 2011.

In preparing the Financial Statements, the Directors are responsible for:
- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- making an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for:
- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group and Company;
- maintaining adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time, the financial position of the Group and Company, and which enable them to ensure that the Financial Statements of the Group and Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Group and Company; and
- preventing and detecting fraud and other irregularities.

The Consolidated and Separate Financial Statements of the Group and Company for the year ended 31st December, 2015 were approved by the Directors on 29th February, 2016.

On behalf of the Directors of the Company

Chairman

Group Managing Director/CEO

Consolidated and Separate Statement of Profit or Loss for the Year Ended 31st December, 2015

		Group		Company	
	Notes	Year ended 31/12/15 ₦m	Year ended 31/12/14 ₦m	Year ended 31/12/15 ₦m	Year ended 31/12/14 ₦m
Revenue	5	491,725	391,639	389,215	371,534
Production cost of sales	7	(201,808)	(143,058)	(130,418)	(128,584)
Gross profit		**289,917**	**248,581**	**258,797**	**242,950**
Administrative expenses**	8	(32,546)	(24,084)	(23,924)	(17,364)
Selling and distribution expenses**	9	(53,500)	(41,004)	(43,323)	(38,220)
Other income	11	3,951	3,609	2,148	3,542
Profit from operating activities		**207,822**	**187,102**	**193,698**	**190,908**
Finance income	10	34,819	30,565	56,530	42,499
Finance costs	10	(54,347)	(32,978)	(29,661)	(20,367)
Profit before tax		**188,294**	**184,689**	**220,567**	**213,040**
Income tax expense	14	(6,971)	(25,188)	(7,396)	(27,226)
Profit for the year		**181,323**	**159,501**	**213,171**	**185,814**
Profit for the year attributable to:					
Owners of the Company		184,994	160,578	213,171	185,814
Non-controlling Interests		(3,671)	(1,077)	-	-
		181,323	**159,501**	**213,171**	**185,814**
Earnings per share, basic and diluted (Naira)	13	**10.86**	**9.42**	**12.51**	**10.90**

**Prior year amounts have been regrouped to align with current year presentation. This does not have any impact on the results (Note 8 and 9).

The accompanying notes on pages 141 to 195 and non-IFRS statements on pages 196-198 form an integral part of these Consolidated and Separate Financial Statements.

Consolidated and Separate Statement of Comprehensive Income for the Year Ended 31st December, 2015

	Notes	Group		Company	
		Year ended 31/12/15 ₦m	Year ended 31/12/14 ₦m	Year ended 31/12/15 ₦m	Year ended 31/12/14 ₦m
Profit for the year		**181,323**	**159,501**	**213,171**	**185,814**
Non-cash exchange differences on translating net investments in foreign operations	21.4	(25,254)	1,152	-	-
Remeasurement of defined benefit plan	21.3	(991)	450	(991)	450
Other comprehensive (loss)/income for the year, net of income tax		(26,245)	1,602	(991)	450
		155,078	**161,103**	**212,180**	**186,264**
Total comprehensive income for the year attributable to:					
Owners of the Company		165,474	161,944	212,180	186,264
Non-controlling Interests		(10,396)	(841)	-	-
		155,078	**161,103**	**212,180**	**186,264**

The accompanying notes on pages 141 to 195 and non-IFRS statements on pages 196-198 form an integral part of these Consolidated and Separate Financial Statements.

In the prior year, a single Statement of Profit or Loss and other Comprehensive Income was presented. The Group has elected to present two separate statements for the current year. There was no change to the profit and total comprehensive income for the prior period.

Consolidated and Separate Statement of Financial Position as at 31st December, 2015

	Notes	Group 31/12/15 ₦m	Group 31/12/14 ₦m	Company 31/12/15 ₦m	Company 31/12/14 ₦m
Assets					
Non-current assets					
Property, plant and equipment	15	917,212	747,794	577,017	526,722
Intangible assets	16	2,610	3,699	385	682
Investments in subsidiaries	17.2	-	-	26,075	26,075
Investment in associate	17.3	1,582	-	1,582	-
Deferred tax asset	14.3	14,465	16,633	10,913	13,154
Prepayments for property, plant & equipment	18	9,094	79,491	-	1,773
Receivables from subsidiaries	30	-	-	395,917	277,150
Total non-current assets		**944,963**	**847,617**	**1,011,889**	**845,556**
Current assets					
Inventories	19	53,118	42,687	38,369	36,315
Trade and other receivables**	20	11,544	9,803	4,252	2,932
Prepayments and other current assets**	18	60,526	64,020	52,003	62,288
Cash and bank balances	31	40,792	20,593	17,962	16,350
Total current assets		**165,980**	**137,103**	**112,586**	**117,885**
Total assets		**1,110,943**	**984,720**	**1,124,475**	**963,441**
Liabilities					
Current liabilities					
Trade and other payables**	23	127,597	94,308	79,584	73,785
Current income tax payable	14.2	1,289	2,481	1,305	2,481
Financial liabilities**	24	47,275	117,263	37,169	113,065
Other current liabilities	25.2	24,537	18,897	22,528	16,498
Total current liabilities		**200,698**	**232,949**	**140,586**	**205,829**
Non-current liabilities					
Deferred tax liabilities	14.3	24,504	20,473	23,998	19,880
Financial liabilities	24	208,329	131,942	181,384	95,435
Long term provisions and other charges	26	3,283	4,011	619	295
Retirement benefits obligation	28	3,992	2,070	3,992	2,070
Deferred revenue	25.1	975	1,390	975	1,390
Long term payables	27	24,442	-	24,442	-
Total non-current liabilities		**265,525**	**159,886**	**235,410**	**119,070**
Total liabilities		**466,223**	**392,835**	**375,996**	**324,899**
Net assets		**644,720**	**591,885**	**748,479**	**638,542**
Equity					
Share capital	21	8,520	8,520	8,520	8,520
Share premium	21	42,430	42,430	42,430	42,430
Capital contribution	24a	2,877	2,877	2,828	2,828
Currency translation reserve		(22,366)	(3,837)	-	-
Employee benefit reserve		(1,007)	(16)	(1,007)	(16)
Retained earnings		620,501	537,750	695,708	584,780
Equity attributable to owners of the company		650,955	587,724	748,479	638,542
Non-controlling interest		(6,235)	4,161	-	-
Total equity		**644,720**	**591,885**	**748,479**	**638,542**
Total equity and liabilities		**1,110,943**	**984,720**	**1,124,475**	**963,441**

**Prior-year amounts have been regrouped to align with current year presentation (see note 20 and 24)

The accompanying notes on pages 141 to 195 and non-IFRS statements on pages 196-198 form an integral part of these Consolidated and Separate Financial Statements.

Aliko Dangote,GCON
Chairman, Board of Directors
FRC/2013/IODN/00000001766

Onne van der Weijde
GMD/CEO
FRC/2016/IODN/00000014027

Brian Egan
Group CFO
FRC/2015/MULTI/00000011227

Consolidated Statement of Changes in Equity for the Year Ended 31st December, 2015

	Share capital ₦m	Share premium ₦m	Retained earnings ₦m	Employee benefit reserve ₦m	Group Currency translation reserve ₦m	Capital contribution ₦m	Attributable to the owners of the parent ₦m	Non-controlling interests ₦m	Total equity ₦m
Balance as at 1st January 2014	**8,520**	**42,430**	**496,456**	**(466)**	**(4,753)**	**2,877**	**545,064**	**5,029**	**550,093**
Profit for the year	-	-	160,578	-	-	-	160,578	(1,077)	**159,501**
Other comprehensive income for the year, net of income tax	-	-	-	450	916	-	1,366	236	**1,602**
Total comprehensive income for the year	-	-	160,578	450	916	-	161,944	(841)	**161,103**
Effect of additional participation in Group companies						-	-	(27)	**(27)**
Dividends paid	-	-	(119,284)	-	-	-	(119,284)	-	**(119,284)**
Balance as at 31st December, 2014	**8,520**	**42,430**	**537,750**	**(16)**	**(3,837)**	**2,877**	**587,724**	**4,161**	**591,885**
Profit for the year		-	184,994	-	-	-	184,994	(3,671)	**181,323**
Other comprehensive loss for the year, net of income tax		-	-	(991)	(18,529)	-	(19,520)	(6,725)	**(26,245)**
Total comprehensive income for the year	-	-	184,994	(991)	(18,529)	-	165,474	(10,396)	**155,078**
Dividends paid	-	-	(102,243)	-	-	-	(102,243)	-	**(102,243)**
Balance as at 31st December, 2015	**8,520**	**42,430**	**620,501**	**(1,007)**	**(22,366)**	**2,877**	**650,955**	**(6,235)**	**644,720**

The accompanying notes and non-IFRS statements are an integral part of these Consolidated and Separate Financial Statements.

Separate Statement of Changes in Equity for the Year Ended 31st December 2015

	Company					
	Share capital ₦m	Share premium ₦m	Capital contribution ₦m	Retained earnings ₦m	Employee benefit reserve ₦m	Total equity ₦m
Balance as at 1st January, 2014	**8,520**	**42,430**	**2,828**	**518,250**	**(466)**	**571,562**
Profit for the year	-	-	-	185,814	-	185,814
Other comprehensive income for the year, net of income tax	-	-	-	-	450	450
Total comprehensive income for the year	-	-	-	185,814	450	186,264
Dividends paid	-	-	-	(119,284)	-	(119,284)
Balance as at 31st December, 2014	**8,520**	**42,430**	**2,828**	**584,780**	**(16)**	**638,542**
Profit for the year	-	-	-	213,171	-	213,171
Other comprehensive loss for the year, net of income tax	-	-	-	-	(991)	(991)
Total comprehensive income for the year	-	-	-	213,171	(991)	212,180
Dividends paid	-	-	-	(102,243)	-	(102,243)
Balance as at 31st December, 2015	**8,520**	**42,430**	**2,828**	**695,708**	**(1,007)**	**748,479**

The accompanying notes and non-IFRS statements are an integral part of these Consolidated and Separate Financial Statements.

Consolidated and Separate Statement of Cashflows for the Year Ended 31st December 2015

	Notes	Group		Company	
		Year ended 31/12/15 ₦m	Year ended 31/12/14 ₦m	Year ended 31/12/15 ₦m	Year ended 31/12/14 ₦m
Cash flows from operating activities					
Profit before tax		188,294	184,689	220,567	213,040
Adjustments for:					
Depreciation & amortisation	15 & 16	54,626	36,266	43,713	34,202
Write off and impairment of property, plant and equipment		1,624	1,097	1,624	1,015
Reversal of impairment		(1,582)	-	(1,582)	-
Interest expense	10	33,154	18,049	27,156	16,267
Interest income	10	(1,699)	(3,147)	(23,410)	(15,140)
Unrealised exchange loss on borrowings		1,252	955	1,252	955
Exchange gain on non-operating assets		-	-	(33,088)	(24,268)
Amortisation of deferred revenue	25	(478)	(542)	(478)	(542)
Other provisions		(728)	3,634	324	61
Provisions for employee benefits	28	931	873	931	873
Loss on disposal of property, plant and equipment		1	59	-	59
		275,395	241,933	237,009	226,522
Changes in working capital:					
Change in inventories	19	(10,431)	(15,021)	(2,054)	(12,738)
Change in trade and other receivables**	20	(1,741)	(560)	(1,320)	4,967
Change in trade and other payables		29,151	16,931	1,255	5,334
Change in prepayments and other current assets**		3,674	(22,129)	10,465	(24,267)
Change in other current liabilities		5,703	(5,264)	6,093	(3,668)
Cash generated from operating activities		301,751	215,890	251,448	196,150
Gratuity paid and contribution to plan asset		-	(316)	-	(316)
Income tax paid	14	(2,234)	(226)	(2,213)	(226)
Net cash generated from operating activities		**299,517**	**215,348**	**249,235**	**195,608**
Cash flows from investing activities					
Interest received		1,699	3,147	1,459	3,073
Acquisition of intangible assets	16	(298)	(1,596)	-	(244)
Additions to long term receivables from subsidiaries		-	-	(63,730)	(76,692)
Proceeds from disposal of property, plant and equipment		-	1,487	-	1,487
Acquisition of investment		-	-	-	(8)
Acquisition of property, plant and equipment		(157,092)	(195,082)	(69,300)	(89,740)
Addition of property, plant and equipment	15	(251,931)	(217,192)	(95,515)	(121,797)
Reduction to non-current prepayment		70,397	22,110	1,773	32,057
Suppliers' credit obtained		24,442	-	24,442	-
Net cash used in investing activities		**(155,691)**	**(192,044)**	**(131,571)**	**(162,124)**
Cashflows from financing activities					
Interest paid		(25,007)	(16,608)	(19,274)	(14,825)
Dividend paid		(102,243)	(119,284)	(102,243)	(119,284)
Loans obtained		125,912	138,898	121,648	132,923
Loans repaid		(116,183)	(83,391)	(116,183)	(83,391)
Net cash used in financing activities		**(117,521)**	**(80,385)**	**(116,052)**	**(84,577)**
Increase/(decrease) in cash and cash equivalents		26,305	(57,081)	1,612	(51,093)
Effects of exchange rate changes on the balance of cash held in foreign currencies and other non monetary impact		(4,863)	3,838	-	-
Cash and cash equivalents at beginning of year		16,403	69,646	16,350	67,443
Cash and cash equivalents at end of year	31.1	**37,845**	**16,403**	**17,962**	**16,350**

**Prior-year amounts have been regrouped to align with current year presentation (see note 18.2 and 20)

The accompanying notes and non-IFRS statements are an integral part of these Consolidated and Separate Financial Statements.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

1. General information

Dangote Cement Plc ("the Company") was incorporated in Nigeria as a public limited liability company on 4th November, 1992 and commenced operations in January 2007 under the name Obajana Cement Plc. The name was changed on 14th July, 2010 to Dangote Cement Plc.

Its parent company is Dangote Industries Limited ("DIL" or "the Parent Company"). Its ultimate controlling party is Aliko Dangote.

The registered address of the Company is located at 1 Alfred Rewane Road, Ikoyi, Lagos, Nigeria.

The principal activity of the Company and its subsidiaries (together referred to as "the Group") is to operate plants for the preparation, manufacture and distribution of cement and related products. The Company's production activities are currently undertaken at Obajana town in Kogi State, Gboko in Benue State and Ibese in Ogun State; all in Nigeria. Information in respect of the subsidiaries' locations is disclosed in Note 17.

The consolidated financial statements of the Group for the year ended 31st December, 2015 comprise the results and the financial position of the Company and its subsidiaries.

The separate financial statements of the Company for the year ended 31st December, 2015 comprise those of the Company only.

These consolidated and separate financial statements for the year ended 31st December, 2015 have been approved for issue by the Directors on 29th February, 2016.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1.1 Statement of compliance

The Company's full Financial Statements for the year ended 31st December, 2015 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (together "IFRS") that are effective at 31st December, 2015 and requirements of the Companies and Allied Matters Act (CAMA) of Nigeria and the Financial Reporting Council (FRC) Act of Nigeria.

2.1.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at revalued amounts or fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated and separate financial statements is determined on such a basis, except for leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

2.2.1 Basis of consolidation

The Group Financial Statements incorporate the Financial Statements of the parent company and entities controlled by the Company and its subsidiaries made up to 31st December, 2015. Control is achieved where the investor:

(i) has power over the investee entity

(ii) is exposed, or has rights, to variable returns from the investee entity as a result of its involvement, and

(iii) can exercise some power over the investee to affect its returns.

The Company reassesses whether or not it still controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the Consolidated Statements of Profit or Loss and Comprehensive Income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners' of the Company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

In the Company's Separate Financial Statements, investments in subsidiaries are carried at cost less any impairment that has been recognised in profit or loss.

2.2.2 Transactions eliminated on consolidation

All intra-group balances and any gain and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2.3 Interest in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these Consolidated Financial Statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate is initially recognised in the Consolidated Statement of Financial Position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

In the separate financial statements for the parent company, investments in associates are recognised at cost less accumulated impairment.

2.3 Non-controlling interest

Non-controlling interest is the equity in a subsidiary or entity controlled by the Company, not attributable, directly or indirectly, to the parent company and is presented separately in the Consolidated Statements of Profit or Loss and Comprehensive Income and within equity in the Consolidated Statement of Financial Position. Total comprehensive income attributable to non-controlling interests is presented on the line "Non-controlling interests" in the statement of financial position, even if it can create negative non-controlling interests.

2.4 Acquisition of entities under common control

Business combinations arising from transfers of interests in entities that were under control of the shareholder that controls the Group are accounted for as at the date that transfer of interest was effected. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The difference between the consideration paid and the net assets acquired is accounted for directly in equity.

2.4.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between

(i) the aggregate of fair value of the consideration received and the fair value of any retained interest and:

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, Value-Added Tax and volume rebates.

2.5.1 Goods sold

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods,

- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
- the amount of revenue can be measured reliably,
- it is probable that the economic benefits associated with the transaction will flow to the Group, and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Amounts relating to shipping and handling, whether included as part of sales or billed separately are recorded as revenue and costs incurred for shipping and handling are classified under Selling and distribution expenses.

2.5.2 Finance income comprises interest income on short-term deposits with banks, dividend income, changes in the fair value of financial assets at fair value through profit or loss and foreign exchange gains. Dividend income from investments is recognised in profit or loss when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income on short-term deposits is recognised by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.6 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

However, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset.

The capitalisation of borrowing costs commences from the date of incurring of expenditure relating to the qualifying asset and ceases when all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. The interest rate used to determine the amount of capitalised interest cost is the actual interest rate when there is a specific borrowing facility related to a construction project or the Group's average borrowing interest rate.

Borrowing costs relating to the period after acquisition, construction or production are expensed. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. The borrowing costs capitalised may not exceed the actual interest incurred by the Group.

2.7 Foreign currency

2.7.1 Functional and presentation currency

These consolidated and separate financial statements are presented in the Nigerian Naira (₦), which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest million unless where otherwise stated.

2.7.2 Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings,

. exchange differences on transactions entered into in order to hedge certain foreign currency risks, and

. exchange differences on monetary items receivable from or payable to a foreign operation for which

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

The schedule below shows the exchange rates presented in one unit of foreign currency to Naira for the significant currencies used in the Group

	Currency	2015	2014	
	Average rate	Year End Rate	Average Rate	Year End Rate
South African Rand to Naira	15.3977	12.8400	15.1359	15.5805
Central Africa Franc to Naira	0.3332	0.3299	0.3312	0.3354
Ethiopian Birr to Naira	9.4307	9.2515	8.2592	8.8534
Zambian Kwacha to Naira	23.5025	18.1074	26.3649	28.1481
Tanzania Shilling to Naira	0.0968	0.0919	0.0964	0.1015
United States Dollar to Naira	198.0433	199.0000	164.6261	180.9820

2.7.3 Foreign operations

In the Group's consolidated financial statements, all assets and liabilities of Group entities with a functional currency other than the Naira are translated into Naira upon consolidation. On consolidation, assets and liabilities have been translated at the closing rate at the reporting date. Income and expenses have been translated into the Naira at the average rate over the reporting period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve in equity. The exchange differences arising on the translation are taken directly to a separate component of other comprehensive income "Non-cash exchange differences on translating net investments in foreign operations". On the partial or total disposal of a foreign entity with a loss of control, the related share in the cumulative translation differences recognised in equity is recognised in the consolidated statement of profit or loss.

2.8 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the assets. Property, plant and machinery under construction are disclosed as capital work-in-progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, including borrowing costs on qualifying assets in accordance with the Group's accounting policy and the estimated costs of dismantling and removing the items and restoring the site on which they are located if the Group has a legal or constructive obligation to do so.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets commences when the assets are ready for their intended use. When parts of an item of property, plant and equipment have different useful lives and are individually significant in relation to total cost of an item, they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The cost of day to day servicing of the property plant and equipment is recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8.1 Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value (except for freehold land and assets under construction). Depreciation is recognised within "Cost of sales" and "Administrative and selling expenses," depending on the utilisation of the respective assets on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term in which case the assets are depreciated over their useful life on the same basis as owned assets. Strategic spare parts with high value and held for commissioning of a new plant or for infrequent maintenance of plants are capitalised and depreciated over the shorter of their useful life and the remaining life of the plant from the date such strategic spare parts are capable of being used for their intended use.

Major overhaul expenditure, including replacement spares and labour costs, is capitalised and amortised over the average expected life between major overhauls. All other replacement spares and other costs relating to maintenance of plant are charged to profit or loss on consumption or as incurred respectively.

	Life (years)
Leasehold land improvement	Over the lease period
Buildings	25
Plant and machinery	10 - 25
Power plants	5 - 25
Cement plants	5 - 25
Motor vehicles	4
Computer hardware (included in equipment note 15)	3
Furniture and equipment	5
Aircraft	5 - 25

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.9 Intangible assets

In accordance with criteria set out in IAS 38 – "Intangible assets", intangible assets are recognised only if identifiable; controlled by the entity because of past events; it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets primarily include amortizable items such as software, mineral rights, as well as certain development costs that meet the IAS 38 criteria.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised using the straight-line method over their useful lives ranging from two to seven years. Amortisation expense is recorded in "Cost of sales" and "Selling and distribution expenses" or administrative expenses, based on the function of the underlying assets. The estimated useful lives and

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Exploration assets are carried at cost less any impairment losses. All costs, including overhead costs directly associated with the specific project are capitalised. The directors evaluate each project at each period end to determine if the carrying value should be written off. In determining whether expenditure meets the criteria to be capitalised, the directors use information from several sources, depending on the level of exploration.

Purchased exploration and evaluation assets are recognised at the cost of acquisition or at the fair value if purchased as part of a business combination.

2.9.1 Internally generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- the intention to complete the intangible asset and use or sell it,
- the ability to use or sell the intangible asset,
- how the intangible asset will generate probable future economic benefits,
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.9.2 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value, with appropriate provisions for old and slow moving items. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is determined as follows:

Raw materials

Raw materials that include purchase cost and other costs incurred to bring the materials to their location and condition are valued using a weighted average cost basis.

Work in progress

Cost of work in progress includes cost of raw material, labour, production and attributable overheads based on normal operating capacity. Work in progress is valued using a weighted average cost basis.

Finished goods

Cost is determined using the weighted average method and includes cost of material, labour, production and attributable overheads based on normal operating capacity.

Spare parts and consumables

Spare parts which are expected to be fully utilized in production within the next operating cycle and other consumables are valued at weighted average cost after making allowance for obsolete and damaged stocks.

2.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised in the consolidated and separate statements of financial position when a member of the Group or the Company becomes a party to

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

the contractual obligations of the instrument. Regular way purchases or sales of financial assets, i.e. purchases or sales under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned, are accounted for at the trade date.

Initially, financial instruments are recognised at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount except for financial instruments at fair value through profit or loss. For financial instruments classified as Fair Value Through Profit or Loss (FVTPL) transaction costs incurred are recognised in profit or loss. Subsequently, financial assets and liabilities are measured according to the category to which they are assigned. The Group does not make use of the option to designate financial assets or financial liabilities at fair value through profit or loss at inception (Fair Value Option). The Group does not have any financial assets classified as available for sale or held to maturity.

2.11.1 Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), (of which financial instruments are further classified as either held for trading("HFT") or designated at fair value through profit or loss' (FVTPL)), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables' (which include amounts due from related parties, loans and receivables). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

2.11.2 Cash and cash equivalents

The Group considers all highly liquid unrestricted investments with less than three months maturity from the date of acquisition to be cash equivalents. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

2.11.3 Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction cost. Financial assets classified as loans and receivables are subsequently measured at amortised cost using the effective interest method less any impairment losses.

Interest income is recognised by applying the effective interest rate, except for short-term receivables, where the effect of discounting is immaterial.

2.11.4 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

2.11.5 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a member of the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.11.6 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity.

2.11.7 Financial liabilities

Financial liabilities are classified as either FVTPL or 'other financial liabilities' (which include loans from banks and related parties and trade and other payables). The Group does not have financial liabilities classified as FVTPL. The Group subsequently measures financial liabilities, at amortised cost using the effective interest method.

2.11.8 De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.11.9 Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11.10 Effective interest method

The effective interest method is a method of calculating the amortised cost of an interest bearing financial instrument and of allocating interest income and expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2.12 Impairment

2.12.1 Financial assets

A financial asset, other than at FVTPL, is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events that occurred after the initial recognition of the financial assets have had a negative effect on the estimated future cash flows of that asset.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of an equity security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty, or
- breach of contract, such as a default or delinquency in interest or principal payments, or
- it is becoming probable that the borrower will enter bankruptcy or financial re-organisation, or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period by 90 days, as well as observable changes in national or local economic conditions that correlate with a default on receivables.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between the carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss of an available for sale financial asset is calculated by reference to its current fair value. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2.12.2 Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are recognised immediately in the profit or loss.

2.13 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.13.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because of items of income or expense that are taxable or deductible in future years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the period.

2.13.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax is not recognised for the following temporary differences:

(i) the initial recognition of goodwill,

(ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and

(iii) differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.13.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

2.14 Government grants
Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The amount recognised as government grant is recognised in profit or loss over the period the related expenditure is incurred.

2.15 Employee benefits
2.15.1 Short term employee benefits
Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided by the employee.

2.15.2 Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

2.15.3 Defined benefit plans
For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in employee benefit reserves and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents current service costs in profit or loss in the line item employee benefits expense. Interest is accounted for as finance costs in profit or loss.

2.16 Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

2.16.1 Restoration costs

Environmental expenditure related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible is charged to profit or loss. The Group recognises its liability on a site-by-site basis when it can be reliably estimated. This liability includes the Group's portion of the total costs and also a portion of other potentially responsible parties' costs when it is probable that they will not be able to satisfy their respective shares of the clean-up obligation. Recoveries of reimbursements are recorded as assets when virtually certain.

2.17 Contingencies

Contingent liabilities are not recognised in the Consolidated Statement of Financial Position but are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognised in the Consolidated Statement of Financial Position but disclosed when an inflow of economic benefits is probable.

2.18 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period and for all periods presented is adjusted for the issue of bonus shares as if the bonus shares were outstanding at the beginning of the earliest period presented.

Diluted earnings per share are computed by dividing adjusted net income available to shareholders of the Company by the weighted average number of common shares outstanding during the year adjusted to include any dilutive potential common shares. Potential dilutive common shares result from stock options and convertible bonds issued by the Company on its own common shares.

2.19 Leases

In accordance with IFRIC 4 – Determining whether an arrangement contains a lease, arrangements including transactions that convey a right to use the asset, or where fulfilment of the arrangement is dependent on the use of a specific asset, are analysed in order to assess whether such arrangements contain a lease and whether the prescriptions of IAS 17 – Lease Contracts have to be applied.

Leases – as a lessee

In accordance with IAS 17, the Group capitalizes assets financed through finance leases where the lease arrangement transfers to the Group substantially all of the rewards and risks of ownership. Lease arrangements are evaluated based upon the following criteria:

- the lease term in relation to the assets' useful lives
- the total future payments in relation to the fair value of the financed assets
- existence of transfer of ownership;
- existence of a favourable purchase option
- specificity of the leased asset.

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding lease obligations, excluding finance charges, are included in current or long-term financial liabilities as applicable

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see note 2.6). Contingent rentals are recognised as expenses in the periods in which they are incurred.

All other leases are operating leases and they are not recognised on the Group's statement of financial position. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line

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basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. Application of new and revised International Financial Reporting Standards (IFRSs)

3.1 New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in these financial statements
In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1st January, 2015.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
The Group has applied the amendments for the first time in the current year. Prior to the amendments, the Group accounted for discretionary employee contributions to defined benefit plans as a reduction of the service cost when contributions were paid to the plans, and accounted for employee contributions specified in the defined benefit plans as a reduction of the service cost when services are rendered. The amendments require the Group to account for employee contributions as follows:

- Discretionary employee contributions are accounted for as a reduction of the service cost upon payments to the plans.
- Employee contributions specified in the defined benefit plans are accounted for as a reduction of the service cost, only if such contributions are linked to services. Specifically, when the amount of such contribution depends on the number of years of service, the reduction to service cost is made by attributing the contributions to periods of service in the same manner as the benefit attribution. On the other hand, when such contributions are determined based on a fixed percentage of salary (i.e. independent of the number of years of service), the Group recognises the reduction in the service cost in the period in which the related services are rendered.

These amendments have been applied retrospectively. The application of these amendments has had no material impact on the disclosures or the amounts recognised in the Group's Consolidated Financial Statements.

Annual Improvements to IFRS 2010-2012 Cycle and 2011-2013 Cycle
The Group has applied the amendments to IFRSs included in the Annual Improvements to IFRS 2010-2012 Cycle and 2011-2013 Cycle for the first time in the current year.

The application of the amendments has had no impact on the disclosures or amounts recognised in the Group's consolidated financial statements.

3.2 New and revised IFRS in issue but not yet effective

IFRS 9	Financial Instruments[2]
IFRS 15	Revenue from Contracts with Customers[2]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
Amendments to IAS 1	Disclosure Initiative[1]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to IFRS	Annual Improvements to IFRS 2012-2014 Cycle[1]

1. Effective for annual periods beginning on or after 1st January, 2016, with earlier application permitted.
2. Effective for annual periods beginning on or after 1st January, 2018, with earlier application permitted.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the application of IFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Group undertakes a detailed review.

IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for

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revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The directors of the Company do not anticipate that the application of IFRS 15 will have a material impact on the Group's Consolidated Financial Statements.

Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 12 Income Taxes regarding the recognition of deferred taxes at the time of acquisition and IAS 36 Impairment of Assets regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The amendments should be applied prospectively to acquisitions of interests in joint operations (in which the activities of the joint operations constitute businesses as defined in IFRS 3) occurring from the beginning of annual periods beginning on or after 1st January, 2016.

The Directors of the Company anticipate that the application of these amendments to IFRS 11 may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 give some guidance on how to apply the concept of materiality in practice.

The amendments to IAS 1 are effective for annual periods beginning on or after 1st January, 2016. The Directors of the Company do not anticipate that the application of these amendments to IAS 1 will have a material impact on the Group's Consolidated Financial Statements.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or
b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1st January, 2016. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Group's Consolidated Financial Statements.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

The Directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 41 will have a material impact on the Group's Consolidated Financial Statements as the Group is not engaged in agricultural activities.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The amendments should be applied prospectively to transactions occurring in annual periods beginning on or after 1st January, 2016.

The directors of the Company anticipate that the application of these amendments to IFRS 10 and IAS 28 may have an impact on the Group's Consolidated Financial Statements in future periods should such transactions arise.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments to IFRS 10, IFRS 12 and IAS 28 clarify that the exemption from preparing Consolidated Financial Statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

The directors of the Company do not anticipate that the application of these amendments to IFRS 10, IFRS 12 and IAS 28 will have a material impact on the Group's Consolidated Financial Statements as the Group is not an investment entity and does not have any holding company, subsidiary, associate or joint venture that qualifies as an investment entity.

Annual Improvements to IFRSs 2012-2014 Cycle

The Annual Improvements to IFRSs 2012-2014 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 5 introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in IFRS 5 regarding the change of sale plan do not apply. The amendments also clarifies the guidance for when held-for-distribution accounting is discontinued.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to IAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high qualify corporate bonds should be at the currency level (i.e. the same currency

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as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The directors of the Company do not anticipate that the application of these amendments will have a material effect on the Group's Consolidated Financial Statements.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The management of the Group revises its estimates and assumptions on a regular basis to ensure that they are relevant regarding the past experience and the current economic and political environment. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The accounting for certain provisions, certain financial instruments and the disclosure of financial assets, contingent assets and liabilities at the date of the consolidated and separate financial statements is judgmental. The items, subject to judgment, are detailed in the corresponding notes to the Consolidated and Separate Financial Statements.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the Financial Statements are discussed below:

4.1 Critical accounting judgements

4.1.1 Control over subsidiaries

Note 17 describes that Dangote Quarries Zambia Limited is a subsidiary of the Group although the Group only holds a 49.9% ownership interest in Dangote Quarries Zambia Limited. Based on the arrangements between the Group and other investors, the Group has the power to appoint and remove the majority of the board of directors of Dangote Quarries Zambia Limited that has the power to direct the relevant activities of this entity. Therefore, the directors of the Company concluded that the Group has the practical ability to direct the relevant activities of Dangote Quarries Zambia and hence the Group has control over the entity.

4.2 Key sources of estimation uncertainty

4.2.1 Provision for restoration costs

The management of the Group exercises significant judgement in estimating provisions for restoration costs. Should these estimates vary, profit or loss and statement of financial position in the following years would be impacted.

4.2.2 Provisions for employee benefits

The actuarial techniques used to assess the value of the defined benefit plans involve financial assumptions (discount rate, rate of return on assets, medical costs trend rate) and demographic assumptions (salary increase rate, employee turnover rate, etc.). The Group uses the assistance of an external independent actuary in the assessment of these assumptions. For more details refer to note 28.2.

4.2.3 Estimated useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charge for its items of property, plant and equipment on an annual basis. The Group has carried out a review of the residual values and useful lives of property, plant and equipment as at 31st December 2015 and that has not highlighted any requirement for an adjustment to the residual lives and remaining useful lives of the assets for the current or future periods. For more details refer to note 2.

4.2.4 Valuation of deferred tax

The recognition of deferred tax assets requires an assessment of future taxable profit. Deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The availability of future taxable profits depends on several factors including the Group's future financial performance and if necessary, implementation of tax planning strategies.

4.2.5 Impairment of propoerty, plant and equipment

Determining the impairment for items of Property and Equipment that have been assessed to have indicators of

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

impairment requires an estimation of the recoverable amount. The recoverable amount for which an impairment charge has been made was determined as fair value less cost to sell. If the fair value less cost to sell, had been 10% higher/lower the impairment charge would be ₦80m lower/higher respectively. The fair value less costs of disposal has been estimated as ₦800m based on observable prices for similar assets, hence its considered Level 2 valuation.

5. Revenue

	Group		Company	
Revenue (tonnes)	**2015 '000 tonnes**	**2014 '000 tonnes**	**2015 '000 tonnes**	**2014 '000 tonnes**
Cement production capacity(for the year)	42,550	22,763	29,250	20,250
Cement production volume	18,425	13,858	13,385	13,001
Trade cement purchase	629	344	-	-
(Increase)/decease in stock of cement	(196)	(231)	(95)	(128)
Cement sales volume	**18,858**	**13,971**	**13,290**	**12,873**

	Group		Company	
Revenue (Naira)	**2015 ₦m**	**2014 ₦m**	**2015 ₦m**	**2014 ₦m**
Revenue from sales of cement	491,544	391,270	389,215	371,534
Revenue from sales of other products	181	369	-	-
Cement sales value	**491,725**	**391,639**	**389,215**	**371,534**

Sales after adjusting intra-group sales as shown above are from external customers

5.1 Information about major customers

Included in revenue arising from direct sales of cement of N491.5 billion (2014: ₦391.3 billion) is revenue of approximately ₦19.8 billion (2014: ₦16.7 billion) which arose from sales to the Group's largest customer.

No single customer contributed 10% or more to the Group's revenue for both 2015 and 2014.

6 Segment information

6.1 Products and services from which reportable segments derive their revenue

The Executive Committee is the Company's chief operational decision maker. Management has determined operating segments based on the information reported and reviewed by the Executive Committee for the purposes of allocating resources and assessing performance. The Executive Committee reviews internal management reports on a monthly basis. These internal reports are prepared on the same basis as the accompanying consolidated and separate financial statements.

Segment information is presented in respect of the Group's reportable segments. For management purposes, the Group is organised into business units by geographical areas in which the Company operates. The Company has three reportable segments based on location of the principal operations as follows:

• Nigeria
• West and Central Africa
• South and East Africa

All segments are involved in the production, distribution, and sale of cement and/or related products. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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6.2 Segment revenue and results

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable segment. Performance is measured based on segment sales revenue and operating profit, as included in the internal management reports that are reviewed by the Executive Management Committee. Segment revenue and operating profit are used to measure performance as management believes that such information is the most relevant in evaluating results of certain segments relative to other entities that operate within these industries.

2015

Segment results	Nigeria	West & Central Africa	South & East Africa	Eliminations	Total
	₦m	₦m	₦m	₦m	₦m
Revenue	389,215	42,269	61,208	(967)	491,725
EBITDA*	237,411	8,342	16,728	(33)	262,448
Depreciation & amortisation	43,713	3,614	8,126	(827)	54,626
Operating profit	193,698	4,728	8,602	794	207,822
Other income	2,148	1,696	107	-	3,951
Finance income	56,530	19	221	(21,951)	34,819
Finance costs	29,661	21,481	44,075	(40,870)	54,347
Profit/(loss) after tax	213,171	(16,676)	(6,918)	(8,254)	181,323

* represents earnings before interest, taxes, depreciation & amortisation

Segment assets & liabilities					
Non-current assets	1,011,889	120,245	255,700	(442,871)	944,963
Current assets	112,586	13,940	40,425	(971)	165,980
Total Assets	1,124,475	134,185	296,125	(443,842)	1,110,943
Segment liabilities	375,996	174,583	312,328	(396,684)	466,223
Net additions to non-current assets, excluding deferred tax	168,574	22,523	35,370	(126,953)	99,514

2014

Segment results	Nigeria	West & Central Africa	South & East Africa	Eliminations	Total
	₦m	₦m	₦m	₦m	₦m
Revenue	371,534	6,195	13,910	-	391,639
EBITDA*	225,110	(3,028)	1,286	-	223,368
Depreciation & amortisation	34,202	834	1,230	-	36,266
Operating profit/(loss)	190,908	(3,862)	56	-	187,102
Other Income	3,542	49	18	-	3,609
Finance income	42,499	1	132	(12,067)	30,565
Finance costs	20,367	10,194	3,635	(1,218)	32,978
Profit/(loss) after tax	185,814	(14,055)	(1,408)	(10,850)	159,501

* represents earnings before interest, taxes, depreciation & amortisation

Segment assets and liabilities					
Non-current assets	845,556	97,519	220,460	(315,918)	847,617
Current assets	117,885	6,438	12,944	(164)	137,103
Total Assets	963,441	103,957	233,404	(316,082)	984,720
Segment liabilities	324,899	128,391	216,723	(277,178)	392,835
Net additions to non-current assets, excluding deferred tax	166,002	35,553	78,144	(124,202)	155,497

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. This is the measure reported to the Executive Committee for the purposes of resource allocation and assessment of segment performance.

	Group	
Significant non-current assets by country excluding deferred tax	**2015 ₦m**	**2014 ₦m**
Nigeria	1,000,976	832,402
South Africa	43,984	56,103
Senegal	48,089	50,492
Zambia	54,679	51,576
Ethiopia	79,043	61,994
Tanzania	74,601	47,309
Congo	33,123	16,822
Cameroon	21,422	17,400
Significant revenue by country (external customers)		
Nigeria	388,248	371,534
Ghana	15,436	6,195
South Africa	35,393	13,910
Ethiopia	16,961	-
Zambia	8,854	-
Senegal	13,900	-
Cameroon	12,933	-

Revenues are attributed to individual countries based on the geographical location of external customers.

6.3 Eliminations and adjustments

Elimination and adjustments relate to the following:

- Profit/(loss) after tax of ₦8.3 billion (2014: ₦10.9 billion) is due to elimination of interest on inter-company loan and trading activities.
- Non-current assets of ₦442.9 billion (2014: ₦315.9 billion) are due to the elimination of investment in subsidiaries with the parent's share of their equity and non current inter-company payable and receivable balances.
- Current assets of ₦971.0 million (2014: ₦164.0 million) are due to the elimination of current inter-company payable and receivable balances.
- Total liabilities of ₦396.7 billion (2014: ₦277.2 billion) are due to the elimination of inter-company due to and due from related parties.
- Finance income of ₦22.0 billion (2014: ₦12.1billion) and finance cost of ₦40.8 billion (2014: ₦1.2 billion) is due to the elimination of interest and exchange losses on inter-company loan.
- Sales of ₦967 million represents sales by the Nigeria region to the West and central Africa Region

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

In addition to the depreciation and amortisation reported above, a sum of ₦1.624 billion (2014: ₦1.097 billion) in the financial statements was written off (impaired) in respect of property, plant and equipment. This was attributable to the Nigerian operations.

7. Production cost of sales

	Group		Company	
	Year ended 31/12/2015 ₦m	Year ended 31/12/2014 ₦m	Year ended 31/12/2015 ₦m	Year ended 31/12/2014 ₦m
Material consumed	55,623	33,226	21,214	20,731
Fuel & power consumed	66,495	62,023	50,066	60,811
Royalty*	1,138	461	598	457
Salaries and related staff costs	15,263	10,756	11,282	9,876
Depreciation & amortisation	38,243	21,647	29,988	20,633
Plant maintainance	18,331	11,798	12,228	11,739
Other production expenses	10,830	7,477	5,804	5,760
Increase in finished goods and work in progress	(4,115)	(4,330)	(762)	(1,423)
	201,808	**143,058**	**130,418**	**128,584**

*Royalty payable is charged based on volume of extraction made during the year.

8. Administrative expenses

	Group		Company	
	Year ended 31/12/2015 ₦m	Year ended 31/12/2014 ₦m	Year ended 31/12/2015 ₦m	Year ended 31/12/2014 ₦m
Salaries and related staff costs*	9,203	5,896	6,830	4,154
Corporate social responsibility	722	2,129	587	2,083
Management fee (refer (a) below)	2,839	1,048	2,839	1,048
Depreciation and amortisation	4,025	3,191	1,907	2,248
Audit fees (b)	285	239	191	176
Directors' remuneration	485	254	485	254
Rent, rate and insurance	3,642	1,789	2,500	1,138
Repairs and maintenance	781	931	650	697
Travel expenses	1,510	1,013	928	808
Bank charges	833	565	664	485
General administrative expenses	3,140	3,900	1,654	2,408
Others (c)	3,457	2,032	3,065	850
Impairment of property, plant and equipment	1,624	1,097	1,624	1,015
	32,546	**24,084**	**23,924**	**17,364**

* Prior year amounts have been regrouped to align with current year presentation. Wages and salaries amounting to ₦3.6 billion in prior year have been allocated to selling and distribution expenses. This does not have any impact on the results.

(a) The management fee is charged by Dangote Industries Limited for management and corporate services provided to Dangote Cement Plc. It is an apportionment of the Parent's company shared-services to all its material subsidiaries.

(b) In addition to Annual Audit fees, ₦21.0 million was paid to Akintola Williams Deloitte for limited quarterly reviews.

(c) The amount for the current year includes ₦2.4 billion for professional and consultancy fees.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

Other employee related disclosures:

Aggregate payroll costs:	**Group** Year ended 31/12/2015 ₦m	**Group** Year ended 31/12/2014 ₦m	**Company** Year ended 31/12/2015 ₦m	**Company** Year ended 31/12/2014 ₦m
Wages, salaries and staff welfare	29,050	18,988	22,209	16,640
Pension costs	931	722	658	448
Gratuity provision	646	517	646	517
	30,627	**20,227**	**23,513**	**17,605**

Chairman's and Directors' remuneration:

	Group Year ended 31/12/2015 ₦m	**Group** Year ended 31/12/2014 ₦m	**Company** Year ended 31/12/2015 ₦m	**Company** Year ended 31/12/2014 ₦m
Directors' remuneration comprises:				
Fees	45	33	45	33
Emoluments	440	221	440	221
	485	254	485	254
Chairman	**21**	**20**	**21**	**20**
Highest paid Director	**208**	**99**	**208**	**99**

Number of Directors whose emoluments were within the following ranges:

₦ ₦				
0 – 3,200,000	1	2	1	2
3,200,001 – 8,750,000	-	-	-	-
8,750,001 – 20,000,000	1	6	1	6
Above 20,000,000	11	3	11	3
	13	**11**	**13**	**11**

Permanent employees remunerated at higher rate excluding allowances:

₦ ₦				
Up to 250,000	9,164	4,497	8,482	4,344
250,001 - 500,000	1,787	983	1,580	884
500,001 - 750,000	951	1,005	853	936
750,001 - 1,000,000	954	529	923	517
1,000,001 - 1,250,000	251	619	232	610
1,250,001 - 1,500,000	105	272	93	269
1,500,001 - 2,000,000	432	430	304	345
2,000,001 and above	645	650	279	391
	14,289	**8,985**	**12,746**	**8,296**

The average number of permanent employees employed during the year excluding Directors was as follows:				
Management	453	295	302	222
Non-management	12,327	7,917	10,970	7,578
	12,780	**8,212**	**11,272**	**7,800**

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

9. Selling and distribution expenses	**Group**		**Company**	
	Year ended 31/12/15 ₦m	**Year ended 31/12/14 ₦m**	**Year ended 31/12/15 ₦m**	**Year ended 31/12/14 ₦m**
Salaries and related staff costs*	6,161	3,575	5,401	3,575
Depreciation	12,358	11,428	11,818	11,321
Advertisement and promotion	3,147	1,401	2,174	1,236
Haulage expenses	29,276	23,089	21,372	20,577
Others	2,558	1,511	2,558	1,511
	53,500	**41,004**	**43,323**	**38,220**

* Prior year amounts have been regrouped to align with current year presentation. This does not have any impact on the results. (see note 8)

10. Finance income and finance costs	**Group**		**Company**	
	Year ended 31/12/15 ₦m	**Year ended 31/12/14 ₦m**	**Year ended 31/12/15 ₦m**	**Year ended 31/12/14 ₦m**
Finance income:				
Interest income	1,699	3,147	23,410	15,140
Foreign exchange gain (Note 10.1)	33,120	27,418	33,120	27,359
	34,819	**30,565**	**56,530**	**42,499**
Finance costs:				
Interest expenses	33,807	22,117	27,809	17,982
Less: amounts included in the cost of qualifying assets	(653)	(4,068)	(653)	(1,715)
	33,154	18,049	27,156	16,267
Foreign exchange loss (Note 10.1)	20,870	14,545	2,182	3,716
Defined benefit obligation	285	356	285	356
Unwinding of discount	38	28	38	28
	54,347	**32,978**	**29,661**	**20,367**

The average effective interest rate on funds borrowed generally is 12.9% and 12.6% per annum for the Group and Company respectively (2014: 10% per annum for both Group and Company). These are the rates used for the capitalisation on qualifying assets.

10.1 Foreign exchange gain or loss arose as a result of the translation of foreign currency denominated balances at the year end across the Group. The increase in the current year was due to the depreciation of the respective currencies against the major foreign currencies at year end.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

11. Other income

	Group		Company	
	Year ended 31/12/15 ₦m	**Year ended 31/12/14 ₦m**	**Year ended 31/12/15 ₦m**	**Year ended 31/12/14 ₦m**
Insurance claims	39	106	30	106
Government grant (Note 25.1)	478	542	478	542
Sundry income	3,434	2,961	1,640	2,894
	3,951	**3,609**	**2,148**	**3,542**

12. Profit for the year

Profit for the year includes the following charges:

	Group		Company	
	Year ended 31/12/15 ₦m	**Year ended 31/12/14 ₦m**	**Year ended 31/12/15 ₦m**	**Year ended 31/12/14 ₦m**
Depreciation of property, plant and equipment	54,228	35,985	43,416	33,968
Amortisation of intangible assets	398	281	297	234
Auditors' fees	285	239	191	176
Employee benefits expense	30,627	20,227	23,513	17,605
Loss on disposal of property, plant and equipment	1	59	-	59

13. Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Group		Company	
	Year ended 31/12/15 ₦m	**Year ended 31/12/14 ₦m**	**Year ended 31/12/15 ₦m**	**Year ended 31/12/14 ₦m**
Profit for the year attributable to owners of the Company	184,994	160,578	213,171	185,814
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	17,041	17,041	17,041	17,041
Basic & diluted earnings per share (Naira)	**10.86**	**9.42**	**12.51**	**10.90**

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

14. Income taxes

14.1 Income tax recognised in profit or loss

	Group		Company	
	Year ended 31/12/15 ₦m	Year ended 31/12/14 ₦m	Year ended 31/12/15 ₦m	Year ended 31/12/14 ₦m
Current tax				
Current tax expense in respect of the current year	(1,042)	(2,141)	(1,037)	(2,141)
Deferred tax				
Deferred tax expense recognised in the current year	(5,929)	(23,047)	(6,359)	(25,085)
Total income tax recognised in the current year	**(6,971)**	**(25,188)**	**(7,396)**	**(27,226)**

Deferred tax assets have been recognised by the Group, since it is probable that future taxable profits will be available for offset.

The income tax (expense)/credit for the year can be reconciled to the accounting profit as follows:

	Group		Company	
	Year ended 31/12/15 ₦m	Year ended 31/12/14 ₦m	Year ended 31/12/15 ₦m	Year ended 31/12/14 ₦m
Profit before income tax	**188,294**	**184,688**	**220,567**	**213,040**
Income tax expense calculated at 30% (2014: 30%)	(56,488)	(55,406)	(66,170)	(63,912)
Education Tax	(1,037)	(2,140)	(1,037)	(2,140)
Effect of tax holiday and income that is exempt from taxation	54,891	45,861	54,811	42,624
Effect of expenses that are not deductible in determining taxable profit	(21)	(7,244)	(21)	(3,512)
Effect of previously unrecognised temporary difference now recognised as deferred tax assets	4,237	-	4,237	-
Effect of unused tax losses and offsets not recognised as deferred tax assets	(6,951)	(5,511)	-	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	(17)	(11)	-	-
Other	(1,585)	(735)	784	(286)
Income tax income recognised in profit or loss	**(6,971)**	**(25,188)**	**(7,396)**	**(27,226)**

An income tax rate of 30% was used for the company tax computation as established by the tax legislation of Nigeria effective in 2015 and 2014.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

14.2 Current tax liabilities

	Group		Company	
	31/12/15	31/12/14	31/12/15	31/12/14
	₦m	₦m	₦m	₦m
Balance at the begining of the year	2,481	566	2,481	566
Charged during the year	1,042	2,141	1,037	2,141
Payment during the year	(2,234)	(226)	(2,213)	(226)
Balance at the end of the year	**1,289**	**2,481**	**1,305**	**2,481**

14.3 Deferred tax balance

	Group		Company	
	31/12/15	31/12/14	31/12/15	31/12/14
	₦m	₦m	₦m	₦m
Deferred tax assets	14,465	16,633	10,913	13,154
Deferred tax liabilities	(24,504)	(20,473)	(23,998)	(19,880)
Net deferred tax liabilities	**(10,039)**	**(3,840)**	**(13,085)**	**(6,726)**

		Group		
2015	**Opening balance**	**Recognised in profit or loss**	**Effect of balance translation**	**Closing balance**
	₦m	₦m	₦m	₦m
Deferred tax assets / (liabilities) in relation to:				
Property, plant & equipment	(479)	3,239	-	2,760
Unrealised exchange (gain)/loss	(7,128)	(10,250)	-	(17,378)
Provision for doubtful debts	390	2	-	392
Other provisions	587	197	-	784
Other	2,790	883	(270)	3,403
	(3,840)	**(5,929)**	**(270)**	**(10,039)**

2014	**Opening balance**	**Recognised in profit or loss**	**Effect of balance translation**	**Closing balance**
	₦m	₦m	₦m	₦m
Deferred tax assets / (liabilities) in relation to:				
Property, plant & equipment	16,988	(17,467)	-	(479)
Unrealised exchange (gain)/loss	-	(7,128)		(7,128)
Provision for doubtful debts	700	(310)	-	390
Other provisions	766	(179)	-	587
Other	674	2,037	79	2,790
	19,128	**(23,047)**	**79**	**(3,840)**

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

2015	Opening balance	Company Recognised in profit or loss	Closing balance
	₦m	₦m	₦m
Deferred tax assets /(liabilities) in relation to:			
Property, plant & equipment	(695)	3,239	2,544
Unrealised exchange (gain)/loss	(7,128)	(9,795)	(16,923)
Provision for doubtful debts	389	-	389
Other provisions	708	197	905
	(6,726)	**(6,359)**	**(13,085)**

2014	Opening balance	Recognised in profit or loss	Closing balance
	₦m	₦m	₦m
Deferred tax assets /(liabilities) in relation to:			
Property, plant & equipment	16,772	(17,467)	(695)
Unrealised exchange (gain)/loss	-	(7,128)	(7,128)
Provision for doubtful debts	699	(310)	389
Other provisions	888	(180)	708
	18,359	**(25,085)**	**(6,726)**

Tax authorities in the jurisdictions that we operate in reserve the right to audit the tax charges for the financial year ended 31st December, 2015 and prior years. In cases where tax audits have been carried out and additional charges levied, we have responded to the tax authorities challenging the technical merits and made a provision we consider appropriate in line with the technical merits of issues raised by tax authorities.

The pioneer status of lines 1&2 of our Obajana plant and Gboko plant expired on 31st December, 2013. In determining the tax liability, the Directors have exercised the right of election in line with the commencement rule in Part IV of CITA 2004 which means that the Company will be assessed on an actual year basis for tax. This may result in a higher effective tax rate for the 2016 Financial Year.

15 Property, plant and equipment

15.1 The Group

	Leasehold improvements and buildings ₦m	Plant and machinery ₦m	Motor vehicles ₦m	Aircraft ₦m	Furniture & equipment ₦m	Capital work-In-progress ₦m	Total ₦m
Cost							
At 1st January, 2014	**35,857**	**320,068**	**51,053**	**-**	**1,777**	**248,019**	**656,774**
Additions	773	6,007	4,510	-	231	205,671	217,192
Reclassifications (Note 15.1.1)	5,585	70,309	14,338	4,028	4	(94,264)	-
Other reclassifications (Note 15.1.2)	(30)	(307)	379	-	(5)	(9,822)	(9,785)
Disposal (Note 15.1.3)	-	(1,701)	(688)	-	-	-	(2,389)
Write-off (Note 15.1.4)	-	(738)	(961)	-	-	(70)	(1,769)
Effect of currency exchange differences	(82)	(248)	(88)	-	(17)	(1,563)	(1,998)
Balance at 31st December, 2014	**42,103**	**393,390**	**68,543**	**4,028**	**1,990**	**347,971**	**858,025**
Additions	13,231	90,275	36,994	-	360	111,071	251,931
Reclassifications (Note 15.1.1)	63,655	266,241	(1,375)	-	2,317	(330,838)	-
Other reclassifications (Note 15.1.2)	-	772	-	-	-	(180)	592
Disposal (Note 15.1.3)	-	-	(11,169)	-	-	-	(11,169)
Effect of currency exchange differences	(1,042)	(9,096)	(354)	-	(37)	(18,058)	(28,587)
Balance at 31st December, 2015	**117,947**	**741,582**	**92,639**	**4,028**	**4,630**	**109,966**	**1,070,792**
Accumulated depreciation and impairment							
At 1st January, 2014	**3,803**	**49,883**	**20,858**	**-**	**765**	**-**	**75,309**
Depreciation expense	1,930	20,615	12,670	311	459	-	35,985
Other reclassifications (Note 15.1.2)	-	-	379	-	-	-	379
Disposal (Note 15.1.3)	-	(182)	(662)	-	-	-	(844)
Write-off (Note 15.1.4)	-	(34)	(638)	-	-	-	(672)
Effect of currency exchange differences	20	14	36	-	4	-	74
Balance at 31st December, 2014	**5,753**	**70,296**	**32,643**	**311**	**1,228**	**-**	**110,231**
Depreciation expense	3,471	35,110	14,742	403	502	-	54,228
Reclassifications	-	401	(401)	-	-	-	-
Other reclassifications (Note 15.1.2)	-	-	-	-	-	-	-
Disposal (Note 15.1.3)	-	-	(11,168)	-	-	-	(11,168)
Impairment (Note 15.1.4)	-	-	1,624	-	-	-	1,624
Effect of currency exchange differences	(117)	(1,043)	(118)	-	(57)	-	(1,335)
Balance at 31st December, 2015	**9,107**	**104,764**	**37,322**	**714**	**1,673**	**-**	**153,580**
Carrying amounts:							
At 31st December, 2014	36,350	323,094	35,900	3,717	762	347,971	747,794
At 31st December, 2015	**108,840**	**636,818**	**55,317**	**3,314**	**2,957**	**109,966**	**917,212**

15.1.1 Represents transfer from capital work in progress to various classes of assets

15.1.2 Includes amount transferred to related parties and prepayment to be amortised over the years; depreciation on assets used for project work capitalised and reclassification from intangible assets.

15.1.3 Represents motor trucks disposed during the year

15.1.4 Represents write off and impairment on damaged motor trucks and plant & machinery charged to profit or loss

15.1.5 Some borrowings are secured by a debenture on all the fixed and floating assets of the Group

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

15 Property, plant and equipment

15.2 The company	**Leasehold improvements and buildings ₦m**	**Plant and machinery ₦m**	**Motor vehicles ₦m**	**Aircraft ₦m**	**Furniture & equipment ₦m**	**Capital work-In-progress ₦m**	**Total ₦m**
Cost							
At 1st January, 2014	**32,688**	**315,496**	**47,161**	**-**	**1,238**	**128,737**	**525,320**
Additions	38	2,578	618	-	91	118,472	121,797
Reclassifications (Note 15.2.1)	2,559	12,245	14,115	4,028	4	(32,951)	-
Other reclassifications (Note 15.2.2)	-	(307)	-	-	(5)	(10,281)	(10,593)
Disposal (Note 15.2.3)	-	(1,701)	(688)	-	-	-	(2,389)
Write-off (Note 15.2.4)	-	(737)	(915)	-	-	-	(1,652)
Balance at 31st December, 2014	**35,285**	**327,574**	**60,291**	**4,028**	**1,328**	**203,977**	**632,483**
Additions	198	26,371	22,946	-	174	45,826	95,515
Reclassifications (Note 15.2.1)	8,194	176,854	1,370	-	101	(186,519)	-
Other reclassifications (Note 15.2.2)	-	-	-	-	-	(180)	(180)
Disposal (Note 15.2.3)	-	-	(11,168)	-	-	-	(11,168)
Balance at 31st December, 2015	**43,677**	**530,799**	**73,439**	**4,028**	**1,603**	**63,104**	**716,650**
Accumulated depreciation and impairment							
Balance at 1st January, 2014	**3,769**	**49,085**	**19,855**	**-**	**565**	**-**	**73,274**
Depreciation expense	1,812	19,438	12,072	311	335	-	33,968
Disposal (Note 15.2.3)	-	(182)	(662)	-	-	-	(844)
Write-off (Note 15.2.4)	-	(34)	(603)	-	-	-	(637)
Balance at 31st December, 2014	**5,581**	**68,307**	**30,662**	**311**	**900**	**-**	**105,761**
Depreciation expense	2,125	27,066	13,524	403	298	-	43,416
Disposal (Note 15.2.3)	-	-	(11,168)	-	-	-	(11,168)
Impairment (Note 15.2.4)	-	-	1,624	-	-	-	1,624
Balance at 31st December, 2015	**7,706**	**95,373**	**34,642**	**714**	**1,198**	**-**	**139,633**
Carrying amounts							
At 31st December, 2014	29,704	259,267	29,629	3,717	428	203,977	526,722
At 31st December, 2015	**35,971**	**435,426**	**38,797**	**3,314**	**405**	**63,104**	**577,017**

15.2.1 Represents transfer from capital work in progress to various classes of assets

15.2.2 Includes amount transferred to prepayment to be amortised over the years

15.2.3 Represents motor trucks disposed during the year

15.2.4 Represents write off and impairment on damaged motor trucks and plant and machinery charged to profit or loss

15.2.5 Some borrowings are secured by a debenture on all the fixed and floating assets of the company

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

16. Intangible assets

Group

	Computer software ₦m	Exploration assets ₦m	Total ₦m
Cost			
At 1st January, 2014	**1,298**	**1,495**	**2,793**
Additions	967	629	1,596
Other reclassifications	30	-	30
Effect of foreign currency differences	7	45	52
Balance at 31st December, 2014	**2,302**	**2,169**	**4,471**
Additions	282	16	298
Other reclassifications (Note 16.1)	-	(772)	(772)
Effect of foreign currency differences	(31)	(227)	(258)
Balance at 31st December, 2015	**2,553**	**1,186**	**3,739**
Amortisation			
At 1st January, 2014	**487**	**-**	**487**
Amortisation expense	266	15	281
Effect of foreign currency differences	4	-	4
Balance at 31st December, 2014	**757**	**15**	**772**
Amortisation expense	384	14	398
Effect of foreign currency differences	(36)	(5)	(41)
Balance at 31st December, 2015	**1,105**	**24**	**1,129**
Carrying amounts			
At 31st December, 2014	1,545	2,154	3,699
At 31st December, 2015	**1,448**	**1,162**	**2,610**

Intangible assets (computer software) represents software which has a useful life of 3 years and amortised on a straight-line basis over these years.

There is no development expenditure capitalised as internaly generated intangible assets.

16.1 Represents exploration assets reclassified to property, plant and equipment on the completion of the plant

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

Company	**Computer software ₦m**	**Total ₦m**
Cost		
At 1st January, 2014	**1,034**	**1,034**
Additions	244	244
Balance at 31st December, 2014	1,278	1,278
Balance at 31st December, 2015	1,278	1,278
Amortisation		
At 1st January, 2014	**362**	**362**
Amortisation expense	234	234
Balance at 31st December, 2014	**596**	**596**
Amortisation expense	297	297
Balance at 31st December, 2015	893	893
Carrying amounts		
At 31st December, 2014	682	682
At 31st December, 2015	**385**	**385**

There is no development expenditure capitalised as internally generated intangible asset.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

17. Information regarding subsidiaries and associates

17.1 Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows;

Dangote Cement **Name of subsidiary**	**Principal activity**	**Place of incorporation and operation**	**Proportion of ownership or voting power held by the Group** **31/12/15**	**31/12/14**
Dangote Cement South Africa Pty Limited	Cement production	South Africa	64.00%	64.00%
Dangote Industries (Ethiopia) Plc	Cement production	Ethiopia	94.00%	94.00%
Dangote Industries (Zambia) Limited	Cement production	Zambia	75.00%	75.00%
Dangote Cement Senegal S.A	Cement production	Senegal	90.00%	90.00%
Dangote Cement Cameroon S.A	Cement Grinding	Cameroon	80.00%	80.00%
Dangote Industries Limited, Tanzania	Cement production	Tanzania	70.00%	70.00%
Dangote Cement Congo S.A	Cement production	Congo	100.00%	100.00%
Dangote Cement (Sierra Leone) Limited	Bagging and distribution of cement	Sierra Leone	99.60%	99.60%
Dangote Cement Cote D'Ivoire S.A	Bagging and distribution of cement	Cote D'Ivoire	80.00%	80.00%
Dangote Industries Gabon S.A	Cement Grinding	Gabon	80.00%	80.00%
Dangote Cement Ghana Limited	Bagging and distribution of cement	Ghana	100.00%	100.00%
Dangote Cement - Liberia Ltd.	Bagging and distribution of cement	Liberia	100.00%	100.00%
Dangote Cement Marketing Senegal SA	Selling and distribution of cement	Senegal	100.00%	100.00%
Dangote Cement Burkina faso SA	Selling and distribution of cement	Burkina Faso	95.00%	95.00%
Dangote Cement Chad SA	Selling and distribution of cement	Chad	95.00%	95.00%
Dangote Cement Mali SA	Selling and distribution of cement	Mali	95.00%	95.00%
Dangote Cement Niger SARL	Selling and distribution of cement	Niger	95.00%	95.00%
Dangote Industries Benin S.A.	Selling and distribution of cement	Benin	98.00%	98.00%
Dangote Cement Togo S.A.	Selling and distribution of cement	Togo	90.00%	90.00%
Dangote Cement Kenya Limited	Cement production	Kenya	90.00%	90.00%
Dangote Quarries Kenya Limited	Limestone mining	Kenya	90.00%	90.00%
Dangote Cement Madagascar Limited	Cement production	Madagascar	95.00%	95.00%
Dangote Quarries Mozambique Limitada	Cement production	Mozambique	95.00%	95.00%
Dangote Cement Nepal Pvt. Ltd.	Cement production	Nepal	100.00%	-
Dangote Zimbabwe Holdings (Private) Limited	Cement production	Zimbabwe	90.00%	-
Dangote Cement Zimbabwe (Private) Limited	Cement production	Zimbabwe	90.00%	-
Dangote Energy Zimbabwe (Private) Limited	Power production	Zimbabwe	90.00%	-
Dangote Mining Zimbabwe (Private) Limited	Coal production	Zimbabwe	90.00%	-

Indirect subsidiaries

Names of Dangote Cement South Africa Pty Limited subsidiaries		**Proportion of voting power held by Dangote Cement S. Africa Ltd**		
Sephaku Development (Pty) Ltd	Mining right holder	South Africa	100.00%	100.00%
Sephaku Delmas Properties (Pty) Ltd	Investment property	South Africa	100.00%	100.00%
Blue Waves Properties 198 (Pty) Ltd	Exploration	South Africa	100.00%	100.00%
Sephaku Limestone and exploration (Pty) Ltd	Exploration	South Africa	80.00%	80.00%
Sephaku Enterprise Development (Pty) Ltd	Social responsibility	South Africa	100.00%	100.00%
Portion 11 Klein Westerford Properties (Pty) Ltd	Investment property	South Africa	100.00%	100.00%

Name of Dangote Industries (Zambia) Limited subsidiary		**Proportion of voting power held by Dangote Industries (Zambia) Limited**		
Dangote Quarries (Zambia) Limited	Limistone Mining	Zambia	49.90%	49.90%

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

17.2 Investments in subsidiaries

	Group		Company	
	31/12/15 ₦m	31/12/14 ₦m	31/12/15 ₦m	31/12/14 ₦m
Dagote Cement South Africa(Pty) Limited	-	-	24,283	24,283
Dangote Industries (Ethiopia) Plc	-	-	1,619	1,619
Dangote Industries (Zambia) Limited	-	-	-	-
Dangote Cement Senegal S.A	-	-	29	29
Dangote Cement Cameroon S.A	-	-	9	9
Dangote Cement Ghana	-	-	-	-
Dangote Industries Limited, Tanzania	-	-	70	70
Dangote Cement Congo S.A	-	-	3	3
Dangote Cement (Sierra Leone) Limited	-	-	18	18
Dangote Cement Cote D'Ivoire S.A	-	-	16	16
Dangote Industries Gabon S.A	-	-	6	6
Dangote Cement Marketing Senegal SA	-	-	4	4
Dangote Cement Burkina Faso SA	-	-	3	3
Dangote Cement Chad SA	-	-	3	3
Dangote Cement Mali SA	-	-	3	3
Dangote Cement Niger SARL	-	-	5	5
Dangote Cement Madagascar Limited	-	-	-	-
Dangote Industries Benin S.A.	-	-	3	3
Dangote Cement Togo S.A.	-	-	1	1
Dangote Cement - Liberia Ltd.	-	-	-	-
Dangote Cement Kenya Limited	-	-	-	-
Dangote Quarries Kenya Limited	-	-	-	-
Dangote Quarries Mozambique Limitada	-	-	-	-
Dangote Cement Nepal Pvt. Ltd.	-	-	-	-
Dangote Zimbabwe Holdings (Private) Limited	-	-	-	-
Dangote Cement Zimbabwe (Private) Limited	-	-	-	-
Dangote Energy Zimbabwe (Private) Limited	-	-	-	-
Dangote Mining Zimbabwe (Private) Limited	-	-	-	-
	-	-	26,075	26,075

17.3 Investment in associate

	Group		Company	
	31/12/15 ₦m	31/12/14 ₦m	31/12/15 ₦m	31/12/14 ₦m
Societe des Ciments d'Onigbolo	1,582	1,582	1,582	1,582
	1,582	1,582	1,582	1,582
Impairment	-	(1,582)	-	(1,582)
	1,582	-	1,582	-

In previous years, the investment in Societe des Ciments d'Onigbolo, Republic of Benin was impaired fully. Although we held 43%, we did not have any significant influence on the entity and did not have access to the financial records of the entity. Further to negotiation with the majority shareholder, we now have significant influence and are participating in the decisions. Our review of the financial position of the entity shows that the entity has significant assets which are predominantly cash held with banks which justifies the reversal of the impairment.

The entity is not yet fully operational and the share of income attributable to the group is immaterial.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

17.4 Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		2015	2014
Cement production	Congo	1	1
Bagging and distribution of cement	Liberia	1	1
Selling and distribution	Senegal	1	1
Bagging and distribution of cement	Ghana	1	1
Cement production	Nepal	1	-

Principal activity	Place of incorporation and operation	Number of Non-wholly-owned subsidiaries	
		2015	2014
Clinker & cement production	South Africa	1	1
Cement production	Ethiopia	1	1
Cement production	Zambia	1	1
Cement production	Senegal	1	1
Cement Grinding	Cameroon	1	1
Cement production	Tanzania	1	1
Bagging and distribution of cement	Sierra Leone	1	1
Bagging and distribution of cement	Cote D'Ivoire	1	1
Cement Grinding	Gabon	1	1
Selling and distribution	Burkina Faso	1	1
Selling and distribution	Chad	1	1
Selling and distribution	Mali	1	1
Selling and distribution	Niger	1	1
Cement production	Kenya	1	1
Limestone minning	Kenya	1	1
Cement production	Madagascar	1	1
Selling and distribution	Benin	1	1
Selling and distribution	Togo	1	1
Cement production	Mozambique	1	1
Holding company	Zimbabwe	1	-
Cement production	Zimbabwe	1	-
Power production	Zimbabwe	1	-
Coal production	Zimbabwe	1	-

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2015	2014	2015 ₦m	2014 ₦m	2015 ₦m	2014 ₦m
1. Dangote Cement South Africa Pty Limited	South Africa	36.00%	36.00%	(174)	649	5,367	6,689
2. Dangote Industries (Zambia) Limited	Zambia	25.00%	25.00%	(1,017)	-	(3,819)	-

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

17.5 Summarised below is the financial information in respect of the Group's subsidiaries that have material non-controlling interests. Information below represent amounts before intragroup eliminations.

	Dangote Cement South Africa Pty Limited		Dangote Industries (Zambia) Limited	
	2015	**2014**	**2015**	**2014**
	₦m	**₦m**	**₦m**	**₦m**
Information in respect of the financial position of the subsidiaries				
Current assets	11,353	7,096	4,882	1,997
Non-current assets	47,330	59,581	54,679	51,576
Current liabilities	16,181	10,923	73,856	53,344
Non-current liabilities	27,593	37,174	982	227
Equity attributable to owners of the Company	14,831	18,502	(15,277)	2
Non-controlling interests	78	78	-	-
Information in respect of the profit and loss and other comprehensive income				
Revenue	35,393	13,910	8,854	-
Expenses	(36,242)	(14,190)	(12,922)	-
Tax credit	366	2,083	-	-
Profit/(loss) for the year	**(483)**	**1,803**	**(4,068)**	**-**
Profit/(loss) attributable to owners of the Company	(309)	1,154	(3,051)	-
Profit/(loss) attributable to the non-controlling interests	(174)	649	(1,017)	-
Profit/(loss) for the year	**(483)**	**1,803**	**(4,068)**	**-**
Other comprehensive income	-	-	(15,763)	-
Total comprehensive income for the year	**(483)**	**1,803**	**(19,831)**	**-**
Total comprehensive income attributable to owners of the Company	(309)	1,154	(14,873)	-
Total comprehensive income attributable to the non-controlling interests	(174)	649	(4,958)	-
Total comprehensive income for the year	**(483)**	**1,803**	**(19,831)**	**-**
Information in respect of the cash flows of the subsidiary				
Dividends paid to non-controlling interests	-	-	-	-
Net cash inflow/(outflow) from operating activities	5,239	366	(8,883)	1,139
Net cash outflow from investing activities	(196)	(7,008)	(21,280)	(26,712)
Net cash (outflow)/inflow from financing activities	(1,998)	7,230	32,544	25,848
Net cash inflow	**3,045**	**588**	**2,381**	**275**

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

17.6 Change in the Group's ownership interest in a subsidiary

There was no disposal of investment in any of the subsidiaries undertaken by the Group during the reporting year. Additional subsidiaries were acquired/incorporated in Zimbabwe and Nepal during the year.

17.7 Significant restrictions

There are no significant restrictions on the Company's or its subsidiaries' ability to access or use its assets to settle the liabilities of the Group.

17.8 Financial support to consolidated structured entities

During the year, the Company provided financial support to its subsidiaries for capital development and/or for operational purposes. Assistance rendered were always in the form of funds transferred to them for the normal running of their operations or on their behalf to vendors/contractors for settlement of commitments.

As part of the requirements of the Syndicated Term Loan of R1.95bn facility from Nedbank Capital and Standard Bank of South Africa for the finance of the Group's South African plant in 2012, the Company extended an interest bearing subordinated loan to Dangote Cement South Africa Pty Limited to the tune of R265 Million as a guarantee to help access the remainder of its loan with Nedbank/Standard Bank. This loan is expected to be repaid in two tranches at an interest rate of LIBOR + 3% per annum but in order for the Company to fulfil this, it entered into a contractual obligation with Zenith Bank Plc. to avail a credit facility for a Term Loan to be on lent to Dangote Cement South Africa Pty Limited. The loan has a quarterly interest rate payment of 6% per annum and is expected to have a bullet repayment of the principal upon maturity which is 48 months from the date the loan was advanced. In addition, the loan has been secured by a debenture over fixed and floating assets of Dangote Cement Plc.

All financial support given on behalf of the subsidiaries has been accounted for as receivables from subsidiaries and eliminated on consolidation.

The table below shows the financial support given to major subsidiaries by the Company during the year:

	2015	2014
	₦m	₦m
Dangote Cement Ghana Limited	568	690
Dangote Cement Senegal S.A	1,503	6,335
Dangote Industries (Zambia) Limited	3,713	14,584
Dangote Cement Cameroon S.A	3,826	4,208
Dangote Industries (Ethiopia) Plc	13,352	13,793
Dangote Industries Limited, Tanzania	19,780	21,972
Dangote Cement (Sierra Leone) Limited	486	838
Dangote Cement Congo S.A	12,616	13,119
Dangote Cement Cote D'Ivoire S.A	839	476
Dangote Industries Gabon S.A	2	-
Dangote Cement Liberia Ltd.	123	28
	56,808	**76,043**

The Group management has continued to show its intention to provide financial support to its subsidiaries and to assist, when necessary, any subsidiary to obtain financial support in the future and does not envisage any material risk as a result of this. Interest charged to the subsidiaries on the advances extended to them during the year was between 7% to 10%.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

18. Prepayments

	Group		Company	
	31/12/15	31/12/14	31/12/15	31/12/14
	₦m	₦m	₦m	₦m
18.1 Prepayments for property, plant & equipment				
Non-current				
Advance to contractors	9,094	79,491	-	1,773
Total non-current prepayments	**9,094**	**79,491**	**-**	**1,773**

	Group		Company	
	31/12/15	31/12/14	31/12/15	31/12/14
18.2 Prepayments and other current assets				
Advance to contractors	18,009	26,624	11,726	25,543
Deposits for import	24,295	17,880	24,295	17,880
Deposit for supplies	7,412	5,837	5,829	5,531
Rent, rates and insurance	2,167	2,203	1,528	1,858
Total current prepayments*	**51,883**	**52,544**	**43,378**	**50,812**
Related party transactions				
Parent company	-	-	-	-
Entities controlled by the parent company	8,169	10,938	8,169	10,938
Affiliates and associates of parent company	474	538	456	538
Total related party transactions	8,643	11,476	8,625	11,476
Prepayments and other current assets	**60,526**	**64,020**	**52,003**	**62,288**

*Prior year, deposit for supplies amounting 5.8 billion and ₦5.5 billion for the Group and Company respectively have been presented as prepayments and other current asset in the current year (see note 20).

Non-current advances to contractors represent various advances made to contractors for the construction of plants while current advances to contractors represent various advances made for the purchase of LPFO, AGO, coal and other materials which were not received at the year end.

19. Inventories

	Group		Company	
	31/12/15	31/12/14	31/12/15	31/12/14
19. Inventories	₦m	₦m	₦m	₦m
Finished product	5,732	4,304	4,118	2,973
Work-in-progress	7,441	4,754	2,220	2,603
Raw materials	3,917	3,931	2,516	3,015
Packaging materials	3,474	1,323	1,299	995
Consumables	2,184	4,233	2,006	4,161
Fuel	7,165	9,249	5,943	9,171
Spare parts	21,904	13,473	20,163	12,875
Goods in transit	1,301	1,420	104	522
	53,118	**42,687**	**38,369**	**36,315**

The cost of inventories recognised as an expense during the year was ₦116.72 billion and ₦79.75 billion (2014: ₦85.87 billion and ₦79.98 billion) in the consolidated and separate financial statements respectively.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

20. Trade and other receivables

	Group		Company	
	31/12/15 ₦m	31/12/14 ₦m	31/12/15 ₦m	31/12/14 ₦m
Trade receivables	7,559	5,526	3,924	2,398
Impairment allowance on trade receivables	(1,325)	(1,303)	(1,298)	(1,298)
	6,234	**4,223**	**2,626**	**1,100**
Staff loans and advances	1,045	656	919	620
Other receivables	4,265	4,924	707	1,212
Total trade and other receivables*	**11,544**	**9,803**	**4,252**	**2,932**

*Prior year, deposit for supplies amounting 5.8 billion and ₦5.5 billion for the Group and Company respectively have been presented as prepayments and other current asset in the current year. This is meant to show only financial receivables in this section.

Trade receivables

The average credit period on sales of goods for both the Group and Company is as shown below.

Of the trade receivables balance at the end of the year in the consolidated and separate financial statements respectively, ₦603.6 million (2014: ₦301 million) is due from the Group's largest trade debtor respectively. There are no other customers who represent more than 9% of the total balance of trade receivables of the Group after impairment.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for impairment because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Trade receivables are considered to be past due when they exceed the credit period granted.

Age of receivables that are past due and not impaired

	Group		Company	
	31/12/15 ₦m	31/12/14 ₦m	31/12/15 ₦m	31/12/14 ₦m
0 - 60 days	1,848	674	1,120	222
60 - 90 days	253	101	85	32
90 - 120 days	247	182	139	124
120+	625	445	625	445
Total	**2,973**	**1,402**	**1,969**	**823**
Average age (days)	**32**	**27**	**26**	**25**

Movement in the allowance for doubtful debts

	Group		Company	
	31/12/15 ₦m	31/12/14 ₦m	31/12/15 ₦m	31/12/14 ₦m
Balance at the beginning of the year	**1,303**	**2,716**	**1,298**	**2,633**
Impairment losses recognised on receivables	22	7	-	-
Amounts written off during the year as uncollectible	-	(1,335)	-	(1,335)
Impairment losses reversed	-	(85)	-	-
Balance at the end of the year	**1,325**	**1,303**	**1,298**	**1,298**

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Age of past-due and impaired trade receivables

	Group		Company	
	31/12/15 ₦m	**31/12/14 ₦m**	**31/12/15 ₦m**	**31/12/14 ₦m**
60-90 days	4	-	-	-
90-120 days	1	-	-	-
120+ days	1,320	1,303	1,298	1,298
	1,325	**1,303**	**1,298**	**1,298**

21. Share capital and reserves	**31/12/15 ₦m**	**31/12/14 ₦m**
Issued and fully paid		
21.1 Share capital 17,040,507,405		
(2014: 17,040,507,405) ordinary shares of ₦ 0.5 each	8,520	8,520
Share premium	42,430	42,430

21.2 Authorised share capital

Authorised share capital as at reporting dates represents 20,000,000,000 ordinary shares of ₦ 0.5 each.

Fully paid ordinary share carry one vote per fully paid up ordinary share and a right to dividends when declared and approved.

21.3 Employee benefit reserve

The employee benefit reserve arises on the re-measurement of the defined benefit plan. Items of other comprehensive income included in the employee benefit reserve will not be reclassified subsequently to profit or loss.

21.4 Currency translation reserve

Exchange differences relating to the translation of the results and net investments of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Currency Units) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

21.5 Capital contribution

A subordinated loan was obtained by the Company from the immediate parent, Dangote Industries Limited in 2010. The interest on the long term portion was waived for 2011. Given the favourable terms at which the Company secured the loan, an amount of ₦2.8 billion which is the difference between the fair value of the loan on initial recognition and the amount received, has been accounted for as capital contribution.

22. Dividend

On 29th April 2015, a dividend of N6.00 per share (total dividend ₦102.24 billion) was approved by shareholders to be paid to holders of fully paid ordinary shares in relation to the 2014 financial year.

In respect of the current year, the Directors proposed a dividend of ₦8.00 per share. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these consolidated and separate financial statements.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

23. Trade and other payables	**Group**		**Company**	
	31/12/15	**31/12/14**	**31/12/15**	**31/12/14**
	₦m	**₦m**	**₦m**	**₦m**
Trade payables	44,044	34,535	30,341	33,085
Payable to contractors	34,234	19,015	19,893	9,063
Value added tax	1,520	5,741	110	5,741
Withholding tax payable	5,006	3,695	1,557	1,231
Staff pension (Note 27.1)	44	134	40	94
Advances from customers	11,286	9,352	8,769	9,057
Other accruals and payables	31,463	21,836	18,874	15,514
Total trade and other payables*	**127,597**	**94,308**	**79,584**	**73,785**

The average credit period on purchases of goods is 85 days (2014: 94 days). Normally, no interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.
* See note 24.

24 Financial liabilities	**Group**		**Company**	
	31/12/15	**31/12/14**	**31/12/15**	**31/12/14**
	₦m	**₦m**	**₦m**	**₦m**
Unsecured borrowings at amortised cost				
Subordinated loans (Note 24(a))	29,989	29,989	29,989	29,989
Loans from Dangote Industries Limited	146,200	125,000	146,200	125,000
Bulk Commodities loans	657	514	657	514
	176,846	**155,503**	**176,846**	**155,503**
Secured borrowings at amortised cost				
Power intervention loan (Note 24 (b))	14,661	16,743	14,661	16,743
Bank loans	53,462	70,336	16,411	29,631
	68,123	**87,079**	**31,072**	**46,374**
Total borrowings at 31st December, 2015	**244,969**	**242,582**	**207,918**	**201,877**
Long-term portion of loans and borrowings	**208,329**	**131,942**	**181,384**	**95,435**
Current portion repayable in one year and shown under current liabilities	33,693	106,450	26,534	106,442
Overdraft balances	2,947	4,190	-	-
Short-term portion	**36,640**	**110,640**	**26,534**	**106,442**
Interest payable	10,635	6,623	10,635	6,623
Financial liabilities*(short term)	**47,275**	**117,263**	**37,169**	**113,065**

*Prior year interest payable of N6.6 billion that was presented as part of payables has been presented as financial liabilities since the interest is related to the borrowings

(a) A subordinated loan of ₦55.4 billion was obtained by the Company from Dangote Industries Limited in 2010. ₦30 billion was long-term and the remaining balance was short term and is repayable on demand. The long-term loan is unsecured, with interest at 10% per annum and is repayable in 3 years after a moratorium period ending 31st March ,2017. The interest on the long term portion was waived for 2011. Given the favourable terms at which the Company secured the loan, an amount of ₦2.8 billion which is the difference between the fair value of the loan on initial recognition and the amount received, has been accounted for as a capital contribution.

(b) In 2011 and 2012, the Bank of Industry through Guaranty Trust Bank Plc and Access Bank Plc granted the Company the sum of ₦ 24.5 billion long-term loan repayable over 10 years at an all-in annual interest rate of 7% for part financing or refinancing the construction cost of the power plants at the Company's factories under the Power and Aviation Intervention Fund. The loan has a moratorium of 12 months. Given the concessional terms at which the Company secured the loan, it is considered to have an element of government grant. Using prevailing market interest rates for an equivalent loan of 12.5%, the fair value of the loan is estimated at ₦ 20.7 billion. The difference of ₦ 3.8 billion between the gross proceeds and the fair value of the loan is the benefit derived from the low interest loan and is recognised as deferred revenue. The facility is secured by a debenture on all fixed and floating assets of the Company to be shared pari passu with existing lenders.

	Currency	Nominal rate interest	Maturity	Group 31/12/15 ₦m	Group 31/12/14 ₦m
Bank overdrafts			On demand	2,947	4,190
Other borrowings					
Subordinated loans from parent company	Naira	14%	12/2019	29,989	29,989
Other loans from parent company	Naira	14%	12/2017&2019	146,200	125,000
Loan from Bulk Commodities Inc.	USD	6%	On demand	657	514
Power intervention loan	Naira	7%	07 & 12/2021	14,661	16,743
Short term loans from banks	USD	6%	2016	19,163	29,631
Nedbank/Standard Bank loan	Rands	9.95%	11/2022	31,352	36,515
				242,022	238,392
Total borrowings at 31st December,				**244,969**	**242,582**

	Currency	Nominal rate interest	Maturity	Company 31/12/15 ₦m	Company 31/12/14 ₦m
Subordinated loans	Naira	14%	12/2019	29,989	29,989
Loans from Parent Company	Naira	14%	12/2017 & 2019	146,200	125,000
Loan from Bulk Commodities Inc.	USD	6%	On demand	657	514
Power intervention loan	Naira	7%	07 & 12/2021	14,661	16,743
Short term loans from Banks	USD	6%	2016	16,411	29,631
Total borrowings at 31st December,				**207,918**	**201,877**

The maturity profiles of borrowings are as follows:

	Group		Company	
	31/12/15 ₦m	31/12/14 ₦m	31/12/15 ₦m	31/12/14 ₦m
Due within one month	3,353	4,597	406	406
Due from one to three months	4,104	251	250	250
Due from three to twelve months	29,183	105,792	25,878	105,786
Total current portion repayable in one year	**36,640**	**110,640**	**26,534**	**106,442**
Due in the second year	97,032	7,850	92,625	2,625
Due in the third year	7,036	7,850	2,625	2,625
Due in the fourth year	36,395	37,209	31,985	31,985
Due in the fifth year and further	67,866	79,033	54,149	58,200
Total long-term portion of loans and borrowings	**208,329**	**131,942**	**181,384**	**95,435**
Total	**244,969**	**242,582**	**207,918**	**201,877**

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	Group		Company	
25. Deferred Revenue	**31/12/15 ₦m**	**31/12/14 ₦m**	**31/12/15 ₦m**	**31/12/14 ₦m**
25.1 Deferred revenue arising from government grant (refer to (a) below	1,390	1,868	1,390	1,868
	1,390	1,868	1,390	1,868
Current	415	478	415	478
Non-current	975	1,390	975	1,390
	1,390	**1,868**	**1,390**	**1,868**

a) The deferred revenue mainly arises as a result of the benefit received from government loans received in 2011 and 2012 (see note 24 (b). The benefit was recorded in other income line.

Movement in deferred revenue

	Group		Company	
	31/12/15 ₦m	**31/12/14 ₦m**	**31/12/15 ₦m**	**31/12/14 ₦m**
At 1st January,	1,868	2,410	1,868	2,410
Released to profit and loss account (Other income)	(478)	(542)	(478)	(542)
Closing balance	**1,390**	**1,868**	**1,390**	**1,868**

25.2 Other current liabilities				
Current portion of deferred revenue	415	478	415	478
Related party transactions				
Parent company	7,291	5,696	7,256	5,696
Entities controlled by the parent company	1,387	5,925	1,035	5,359
Affiliates and associates of parent company	15,444	6,798	13,822	4,965
Total of related party transactions	**24,122**	**18,419**	**22,113**	**16,020**
Other current liabilities	**24,537**	**18,897**	**22,528**	**16,498**

26. Provisions for liabilities and other charges

	Group		Company	
	31/12/15 ₦m	**31/12/14 ₦m**	**31/12/15 ₦m**	**31/12/14 ₦m**
Balance at beginning of the year	**4,011**	**377**	**295**	**234**
Effect of foreign exchange differences	(44)	(21)	-	-
Provisions made during the year	810	259	286	33
Write back of provision no longer required	(1,532)	-		
Unwinding of discount	38	28	38	28
Balance at the end of the year	3,283	643	619	295
Witholding tax payable	-	3,368	-	-
Balance at the end of the year	**3,283**	**4,011**	**619**	**295**

The Group's obligations to settle environmental restoration and dismantling/decommissioning cost of property, plant and equipment. The expenditure is expected to be utilised at the end of the useful lives for the mines which is estimated to be between the year 2025 to 2035.

Witholding tax payable on the loan from the parent company intended to be remitted to tax authorities as and when due.

27. Long term payables

	Group		Company	
	31/12/15 ₦m	31/12/14 ₦m	31/12/15 ₦m	31/12/14 ₦m
Balance at beginning of the year	**-**	**-**	**-**	**-**
Credit obtained during the year	24,442	-	24,442	
Repayment during the year	-	-	-	
Balance at the end of the year	**24,442**	**-**	**24,442**	**-**

Long term payables represent amounts payable for property,plant and equipment acquired on suppliers' credit.

28. Employee benefits

	Group		Company	
28.1 Defined contribution plans	31/12/15 ₦m	31/12/14 ₦m	31/12/15 ₦m	31/12/14 ₦m
Balance at beginning of the year	**134**	**136**	**94**	**131**
Provision for the year	931	722	658	448
Payments during the year	(1,021)	(724)	(712)	(485)
Balance at the end of the year	**44**	**134**	**40**	**94**

Provisions for staff pensions have been made in the financial statements in accordance with the relevant pension rules applicable. The accrual at 31st December, 2015 amounted to ₦44 million (2014: ₦134 million) for the Group.

Outstanding staff pension deductions that have not been remitted as at year end have been accrued accordingly. The employees of the Group are members of a State arranged Pension scheme which is managed by several private sector service providers. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the defined contribution plan is to make the specified contributions.

The total expense recognised in profit or loss of ₦931 million (2014: ₦722 million) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

28.2 Defined benefit plan

The Group operates a funded defined benefit plan (gratuity) for qualifying employees of the Group. Under the plan, the employees are entitled to a lump sum benefits on attainment of a retirement age or on disengagement after contributing a specific numbers of years in service. The most recent actuarial valuations of the present value of the defined benefit obligation were carried out as at 31st December, 2015 by HR Nigeria Limited. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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The plan typically exposes the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in Government Securities and money market instruments.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Group & Company	
	31/12/15	**31/12/14**
	%	**%**
Discount rate(s)	12	15
Expected rate(s) of salary increase	11	12
Inflation rate	9	9

Movements in the fair value of plan assets are as follows:

	Group & Company	
	31/12/15	**31/12/14**
	₦m	**₦m**
At 1st January	**964**	**626**
Interest income	164	104
Remeasurement loss- Return on plan assets excluding amounts included in net interest expense	(47)	(40)
Benefit paid	(107)	-
Contributions by employer	-	274
At 31st December	**974**	**964**

Movements in the present value of the defined benefit obligation are as follows:

	Group & Company	
	31/12/15	**31/12/14**
	₦m	**₦m**
At 1st January,	**3,034**	**2,589**
Current service cost	646	621
Interest cost	449	356
Remesurement (gains)/losses		
Actuarial losses/(gains)	944	(490)
Benefits paid	(107)	(42)
At 31st December	**4,966**	**3,034**

The major categories of plan assets, and the expected rate of return at the end of the reporting period for each category, are as follows.

	Group & Company		Group & Company	
	31/12/15	31/12/14	31/12/15	31/12/14
	%	%	₦m	₦m
Government securities	14	12	425	496
Cash	-	-	-	12
Money market instruments	13	13	560	470
			985	978
Liability on plan asset			(11)	(14)
			974	**964**

The fair value of the above assets are based on quoted prices in active markets.

The actual return on plan assets was ₦117.1 million (2014: ₦63.7 million).

The Group expects to make a contribution of ₦500 million (2014: ₦250 million) to the defined benefit plans during the next financial year.

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:

	Group & Company	
	31/12/15	31/12/14
	₦m	₦m
Current service cost	646	621
Net Interest expense	285	252
	931	**873**

Amounts recognised in other comprehensive income

	Group & Company	
	31/12/15	31/12/14
	₦m	₦m
Remeasurement on the net defined liability		
Actuarial (loss)/gain on defined benefit obligation	(944)	490
Return on plan assets (excluding amounts included in net interest)	(47)	(40)
	(991)	**450**

The amount included in the consolidated and separate statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows.

	Group & Company	
	31/12/15	31/12/14
	₦m	₦m
Present value of defined benefit obligations	4,966	3,034
Fair value of plan assets	(974)	(964)
Net liability arising from defined benefit obligation	**3,992**	**2,070**

Significant actuarial assumptions for the determination of the defined obligation on discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes.

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by ₦651 million (increase by ₦792 million) (2014: decrease by ₦345 million (increase by ₦412 million)).

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- If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₦817 million (decrease by ₦680 million) (2014: increase by ₦435 million (decrease by ₦367 million)).
- If the the assumed mortality age is rated up (down) by one year, the defined benefit obligation would increase by ₦39 million (decrease by ₦35 million) (2014: increase by ₦24 million (decrease by ₦22 million)).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the benefit obligation at 31st December, 2015 is 17.2 years (2014: 15 years).

29. Financial instruments

29.1 Capital management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in note 24 offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests, as detailed below.

	Group	Company		
	31/12/15	31/12/14	31/12/15	31/12/14
	₦m	₦m	₦m	₦m
Net debt (Note 29.1.1)	204,177	221,989	189,956	185,527
Equity	644,720	591,885	748,479	638,542

The Group's risk management committee reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group endeavours to maintain an optimum mix of net gearing ratio which provides benefits of trading on equity without exposing the Group to any undue long term liquidity risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain the capital or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new and/or bonus shares, or raise debts in favourable market conditions.

The net debt to equity ratio as on 31st December, 2015 is 32% (2014: 38%).

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29.1.1 Debt to equity ratio

The debt to equity ratio at end of the reporting period was as follows.

	Group		Company	
	31/12/15	**31/12/14**	**31/12/15**	**31/12/14**
	₦m	**₦m**	**₦m**	**₦m**
Financial debt (Note 24)	244,969	242,582	207,918	201,877
Cash and bank balances (Note 31.1)	(40,792)	(20,593)	(17,962)	(16,350)
Net debt	**204,177**	**221,989**	**189,956**	**185,527**
Equity	**644,720**	**591,885**	**748,479**	**638,542**
Net debt/ Equity ratio	0.32	0.38	0.25	0.29

29.2 Categories of financial instruments

	Group		Company	
	31/12/15	**31/12/14**	**31/12/15**	**31/12/14**
	₦m	**₦m**	**₦m**	**₦m**
Financial assets- Loans and receivables				
Cash and bank balances	24,907	10,458	8,189	6,215
Short term deposits	15,885	10,135	9,773	10,135
Trade and other receivables(29.2.1)	11,544	9,803	4,252	2,932
Due from related parties and receivables from subsidiaries	8,643	11,476	404,542	288,626
Total financial assets	60,979	41,872	426,756	307,908
Financial liabilities - at amortised cost				
Trade and other payables (29.2.2)	109,785	75,520	69,148	57,756
Financial liabilities	255,604	249,205	218,553	208,500
Due to related parties	24,122	18,419	22,113	16,020
Long term payables	24,442	-	24,442	-
Total financial liabilities	413,953	343,144	334,256	282,276

29.2.1 Defined as total trade and other receivables excluding prepayments, accrued income and amounts relating to taxation.

29.2.2 Defined as total trade and other payables excluding advances from customers, taxation and social security.

29.3 Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group and analyses exposures by degree and magnitude of risks. These risks include market risk, credit risk, and liquidity risk.

29.4 Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (Note 29.5.1) and interest rates (Note 29.7.1).

29.5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies consequently, exposures to exchange rate fluctuations arise. Income is primarily earned in local currency for most of the locations, with a significant portion of capital expenditure being in foreign currency. The Group manages foreign currency by monitoring our financial position

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in each country we operate, with the aim of having assets and liabilities denominated in the functional currency as much as possible. The carrying amounts of the Group and Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Group	**Liabilities**		**Assets**	
	31/12/15	**31/12/14**	**31/12/15**	**31/12/14**
	₦m	**₦m**	**₦m**	**₦m**
US Dollars	27,286	21,252	1,606	1,231

Company	**Liabilities**		**Assets**	
	31/12/15	**31/12/14**	**31/12/15**	**31/12/14**
	₦m	**₦m**	**₦m**	**₦m**
US Dollars	25,203	21,250	390,580	275,113

29.5.1 Foreign currency sensitivity analysis
The Group is mainly exposed to US Dollars.

The following table details the Group and Company's sensitivity to a 15% (2014: 15%) increase and decrease in the Naira against the US Dollar. 15% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 15% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity for a 15% change in the exchange rates. A negative number below indicates a decrease in profit or equity for a 15% change in the exchange rates.

	Group		**Company**	
	31/12/15	**31/12/14**	**31/12/15**	**31/12/14**
	₦m	**₦m**	**₦m**	**₦m**
Effect on Profit or loss/Equity for a 15% (2014:15%) appreciation	2,696	2,102	(38,364)	(26,656)
Effect on Profit or loss/Equity for a 15% (2014:15%) depreciation	(2,696)	(2,102)	38,364	26,656

This is mainly attributable to the exposure outstanding on US Dollar receivables and payables at the end of the reporting period.

29.6 Credit risk management

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties.

The Group's and Company's business is predominantly on a cash basis. Revolving credits granted to major distributors and very large corporate customers approximate about ₦5 billion and these are payable within 15-30 days. Stringent credit control is exercised over the granting of credit, this is done through the review and approval by executive management based on the recommendation of the independent credit control group.

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Credits to major distributors are covered by bank guarantee with an average credit period of no more than 15 days.

For very large corporate customers, clean credits are granted based on previous business relationships and positive credit worthiness which is performed on an on-going basis. These credits are usually payable at no more than 30 days.

The Group and the Company do not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as related entities with similar characteristics. There is no material single obligor exposure to report.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. On-going credit evaluation is performed on the financial condition of accounts receivable.

The credit risk on liquid funds financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

29.6.1 Maximum exposure to credit risk

	Group		Company	
	31/12/15 ₦m	31/12/14 ₦m	31/12/15 ₦m	31/12/14 ₦m
Financial assets- Loans and receivables				
Cash and bank balances	24,907	10,458	8,189	6,215
Short term deposits	15,885	10,135	9,773	10,135
Trade and other receivables	11,544	9,803	4,252	2,932
Due from related parties	8,643	11,476	404,542	288,626
	60,979	**41,872**	**426,756**	**307,908**

29.7 Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures and preference shares. The Group has access to sufficient sources of funds directly from external sources as well as from the Group's parent.

29.7.1 Liquidity maturity table

The following tables detail the Group and Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The tables below include both interest and principal cash flows for the Group.

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Group

	<1 month ₦m	1– 3 months ₦m	3 mths – 1yr ₦m	1 - >5 yrs ₦m
As at 31st December, 2015				
Financial liabilities	14,356	6,557	37,401	228,283
Trade payables and other payables	109,785	-	-	-
Due to related parties	24,122	-	-	-
Long term payables	-	-	-	26,886
Total	**148,263**	**6,557**	**37,401**	**255,169**

	<1 month ₦m	1– 3 months ₦m	3 mths – 1yr ₦m	1 - >5 yrs ₦m
As at 31st December,2014				
Financial liabilities	11,679	2,854	115,099	165,542
Trade payables and other payables	75,520	-	-	-
Due to related parties	18,419	-	-	-
Total	**105,618**	**2,854**	**115,099**	**165,542**

Company

	<1 month ₦m	1– 3 months ₦m	3 mths – 1yr ₦m	1 - >5 yrs ₦m
As at 31st December, 2015				
Financial liabilities	11,163	2,243	32,223	195,120
Trade payables and other payables	69,148	-	-	-
Due to related parties	22,113	-	-	-
Long term payables	-	-	-	26,886
Total	**102,424**	**2,243**	**32,223**	**222,006**

	<1 month ₦m	1– 3 months ₦m	3 mths – 1yr ₦m	1 - >5 yrs ₦m
As at 31st December, 2014				
Financial liabilities	7,166	2,239	112,231	117,630
Trade payables and other payables	57,756	-	-	-
Due to related parties	16,020	-	-	-
Total	**80,952**	**2,239**	**112,231**	**117,630**

Interest risk

The following table details the sensitivity to a 1% (2014: 1%) increase or decrease in LIBOR which is the range of margin by which the Group and Company envisage changes to occur in 2016.

	Group		Company	
	31/12/15 ₦m	31/12/14 ₦m	31/12/15 ₦m	31/12/14 ₦m
Effect on profit or loss/equity for a 1% increase in rate (2014:1%)	(160)	(149)	2,558	1,777
Effect on profit or loss/equity for a 1% decrease in rate (2014:1%)	160	149	(2,558)	(1,777)

29.7.2 Fair valuation of financial assets and liabilities

The carrying amount of trade and other receivables, cash and bank balances and amounts due from and to related parties as well as trade payables, other payables approximate their fair values because of the short-term nature of these instruments and, for trade and other receivables, because of the fact that any loss from recoverability is reflected in an impairment loss. The fair values of financial debt approximate the carrying amount as the loans are pegged to market rates and reset when rates change.

30. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the Group and Company, and other related parties are disclosed below.

The Group and the Company, in the normal course of business, sells to and buys from other business enterprises that fall within the definition of a 'related party' contained in International Accounting Standard 24. These transactions mainly comprise purchases, sales, finance costs, finance income and management fees paid to shareholders. The companies in the Group also provide funds to and receive funds from each other as and when required for working capital financing and capital projects.

30.1 Trading transactions

During the year, Group entities entered into the following trading transactions with related parties that are not members of the Group:

	Sale of goods		Purchases of goods	
	31/12/15 ₦m	31/12/14 ₦m	31/12/15 ₦m	31/12/14 ₦m
Parent company	-	-	-	-
Entities controlled by the parent company	565	43	167,348	35,514

During the year, the company entered into the following trading transactions with related parties:

	Sale of goods		Purchases of goods	
	31/12/15 ₦m	31/12/14 ₦m	31/12/15 ₦m	31/12/14 ₦m
Parent company	-	-	-	-
Entities controlled by the parent company	565	43	147,605	28,191

In addition to sale and purchase of goods the Company charged interest amounting to ₦21.9 billion (2014: ₦12.0 billion) on loans granted to subsidiaries. This interest is eliminated on consideration.

Also during the year, the parent company charged the Group a total interest of ₦25.2 billion (2014: ₦11.6 billion) being the cost of borrowings to finance capital projects and other operational expenses. This has not been included in the purchases/sales of goods above.

Balances at year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

The following balances were outstanding at the end of the reporting period:

	Group			
	Amounts owed by related parties		Amounts owed to related parties	
	31/12/15	31/12/14	31/12/15	31/12/14
	₦m	₦m	₦m	₦m
Current				
Parent company	-	-	7,291	5,696
Entities controlled by the parent company	8,169	10,938	1,387	5,925
Affiliates and associates of parent company	474	538	15,444	6,798
	8,643	**11,476**	**24,122**	**18,419**

	Company			
	Amounts owed by related parties		Amounts owed to related parties	
	31/12/15	31/12/14	31/12/15	31/12/14
	₦m	₦m	₦m	₦m
Non Current				
Entities controlled by the company	395,917	277,150	-	-

The above balances represents expenditures on projects in African countries. These are not likely to be repaid within the next twelve months and have been classified under non-current assets.

	Company			
	Amounts owed by related parties		Amounts owed to related parties	
	31/12/15	31/12/14	31/12/15	31/12/14
	₦m	₦m	₦m	₦m
Current				
Parent company	-	-	7,256	5,696
Entities controlled by the parent company	8,169	10,938	1,035	5,359
Affiliates and associates of the parent company	456	538	13,822	4,965
	8,625	**11,476**	**22,113**	**16,020**

30.2 Loans from related parties

	Group		Company	
	31/12/15	31/12/14	31/12/15	31/12/14
	₦m	₦m	₦m	₦m
Affiliates and associates of the parent company	657	514	657	514
Loans from parent company	176,189	154,989	176,189	154,989

Except as described in note 24 (a), the Group has been provided loans at rates and terms comparable to the average commercial rate of interest terms prevailing in the market. The loans are unsecured.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

30.3 Compensation of key management personnel

The remuneration of Directors and other members of key management personnel during the year was as follows:

	Group		Company	
	31/12/15 ₦m	31/12/14 ₦m	31/12/15 ₦m	31/12/14 ₦m
Short-term benefits	485	254	485	254
Provision for staff pension benefits	-	-	-	-
	485	**254**	**485**	**254**

Other related party transactions

In addition to the above, Dangote Industries Limited performed certain administrative services for the Company, for which a management fee of ₦2.839 billion (2014: ₦1.048 billion) was charged and paid, being an appropriate allocation of costs incurred by relevant administrative departments.

31. Supplemental cash flow disclosures

31.1 Cash and cash equivalents

	Group		Company	
	31/12/15 ₦m	31/12/14 ₦m	31/12/15 ₦m	31/12/14 ₦m
Cash and bank balances	24,907	10,458	8,189	6,215
Short term deposits	15,885	10,135	9,773	10,135
Total cash and bank balances	**40,792**	**20,593**	**17,962**	**16,350**
Bank overdrafts used for cash management purposes	(2,947)	(4,190)	-	-
Cash and cash equivalents	**37,845**	**16,403**	**17,962**	**16,350**

32. Operating lease arrangements

Operating leases relate to leases of depots with lease terms of between 1 and 3 years. The Group does not have an option to purchase the leased land at the expiry of the lease periods.

Payments recognised as an expense:

	Group		Company	
	31/12/15 ₦m	31/12/14 ₦m	31/12/15 ₦m	31/12/14 ₦m
Minimum lease payments	826	1,131	549	824

Non-cancellable operating lease commitments:

	Group		Company	
	31/12/15 ₦m	31/12/14 ₦m	31/12/15 ₦m	31/12/14 ₦m
Not later than 1 year	545	678	341	366
Later than 1 year and not later than 5 years	242	299	46	87
Later than 5 years	-	-	-	-
	787	**977**	**387**	**453**

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31st December, 2015

33. Commitments for expenditure

	Group	Company	31/12/15	31/12/14
31/12/15	31/12/14			
	₦m	₦m	₦m	₦m
Commitments for the acquisition or construction of property, plant and equipment	372,493	305,367	213,673	135,875

The Company also has unconfirmed letters of credit amounting to ₦24.27 billion (USD121.96 million) as at year end.

34. Contingent liabilities and contingent assets

No provision has been made in these consolidated and separate financial statements for contingent liabilities in respect of litigations against the Company and its subsidiaries to ₦ 32.015 billion (2014: ₦1.724 billion). According to the solicitors acting on behalf of the Company and its subsidiaries, the liabilities arising, if any, are not likely to be significant.

35. Subsequent events

On 29th February, 2016 a dividend of ₦8 per share was recommended by the Directors for approval at the Annual General Meeting. This will result in a dividend payment of ₦136.3 billion.

Five Year Financial Summary
Non-IFRS Statement (Group)

Group	2015 ₦m	2014 ₦m	2013 ₦m	2012 ₦m	2011 ₦m
Balance sheet					
Assets/liabilities					
Property, plant and equipment	917,212	747,794	581,465	478,091	397,711
Intangible assets	2,610	3,699	2,306	1,727	1,797
Investments	1,582	-	-	-	-
Prepayments for property, plant & equipment	9,094	79,491	91,716	45,016	52,396
Net current liabilities	(34,718)	(95,846)	(15,464)	(12,135)	(49,197)
Deferred taxation (liabilities)/assets	(10,039)	(3,840)	19,128	8,941	(1,197)
Long term debts	(208,329)	(131,942)	(124,850)	(112,462)	(116,766)
Long term payables	(24,442)	-	-	-	-
Staff gratuity	(3,992)	(2,070)	(1,963)	(1,744)	(1,373)
Other non-current liabilities	(4,258)	(5,401)	(2,245)	(2,898)	(1,557)
Net assets	**644,720**	**591,885**	**550,093**	**404,536**	**281,814**
Capital and reserves					
Share capital	8,520	8,520	8,520	8,520	7,746
Share premium	42,430	42,430	42,430	42,430	42,430
Capital contribution	2,877	2,877	2,877	2,877	2,877
Employee benefit reserve	(1,007)	(16)	(466)	(746)	(474)
Currency translation reserve	(22,366)	(3,837)	(4,753)	(1,444)	-
Revenue reserve	620,501	537,750	496,456	345,665	220,689
Non controlling interest	(6,235)	4,161	5,029	7,234	8,546
	644,720	**591,885**	**550,093**	**404,536**	**281,814**
Turnover, profit and loss account					
Turnover	491,725	391,639	386,177	298,454	241,406
Profit before taxation	188,294	184,688	190,761	135,648	113,780
Taxation	(6,971)	(25,187)	10,437	9,377	(927)
Profit after taxation	181,323	159,501	201,198	145,025	112,853
Per share data (Naira):					
Earnings - (Basic & diluted)	10.86	9.42	11.85	8.52	7.28
Net assets	37.83	34.73	32.28	23.74	18.19

Earnings per share are based on profit after taxation and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share are based on net assets and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Five Year Financial Summary
Non-IFRS Statement (Company)

Company Balance sheet	**31/12/2015 ₦m**	**31/12/2014 ₦m**	**31/12/2013 ₦m**	**31/12/2012 ₦m**	**31/12/2011 ₦m**
Assets/(liabilities)					
Property, plant and equipment	577,017	526,722	452,047	377,864	348,844
Intangible assets	385	682	672	1	9
Investments	27,657	26,075	25,208	25,097	27,622
Receivables from subsidiaries	395,917	277,150	164,525	85,926	70,227
Prepayments for property, plant & equipment	-	1,773	23,950	21,062	25,651
Net current liabilities	(28,000)	(87,944)	(14,054)	(18,437)	(66,613)
Deferred taxation (liabilities)/assets	(13,085)	(6,726)	18,359	8,107	(608)
Long term debts	(181,384)	(95,435)	(95,079)	(83,050)	(116,766)
Long term payables	(24,442)	-	-	-	-
Staff gratuity	(3,992)	(2,070)	(1,963)	(1,744)	(1,373)
Other non-current liabilities	(1,594)	(1,685)	(2,102)	(2,685)	(1,232)
Net assets	**748,479**	**638,542**	**571,563**	**412,141**	**285,761**
Capital and reserves					
Share capital	8,520	8,520	8,520	8,520	7,746
Share premium	42,430	42,430	42,430	42,430	42,430
Capital contribution	2,828	2,828	2,828	2,828	2,828
Employee benefit reserve	(1,007)	(16)	(465)	(746)	(474)
Retained earnings	695,708	584,780	518,250	359,109	233,231
	748,479	**638,542**	**571,563**	**412,141**	**285,761**

	31/12/2015 ₦m	**31/12/2014 ₦m**	**31/12/2013 ₦m**	**31/12/2012 ₦m**	**31/12/2011 ₦m**
Turnover, profit and loss account					
Turnover	389,215	371,534	371,552	285,635	241,406
Profit before taxation	220,567	213,040	200,011	138,089	113,780
Taxation	(7,396)	(27,226)	10,252	7,927	(3,292)
Profit after taxation	213,171	185,814	210,263	146,016	110,488
Per share data (Naira):					
Earnings - (Basic & diluted)	12.51	10.90	12.34	8.57	7.13
Net assets	43.92	37.47	33.54	24.19	18.45

Earnings per share are based on profit after taxation and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share are based on net assets and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Statement of Value Added

	Group				Company			
	2015		2014		2015		2014	
	₦m	%	₦m	%	₦m	%	₦m	%
Sales	491,725		391,639		389,215		371,534	
Finance Income	34,819		30,565		56,530		42,499	
Other income	3,951		3,609		2,148		3,542	
	530,495		425,813		447,893		417,575	
Bought-in-materials and services:								
- Imported	(50,669)		(41,476)		(38,656)		(35,616)	
- Local	(151,932)		(110,177)		(91,783)		(96,745)	
Value added	**327,894**	**100**	**274,160**	**100**	**317,454**	**100**	**285,214**	**100**
Applied as follows:								
To pay employees:								
Salaries, wages and other benefits	30,627	9	20,227	7	23,513	8	17,605	6
To pay Government:								
Current taxation	1,042	-	2,141	1	1,037	-	2,141	1
Deferred taxation	5,929	2	23,047	8	6,359	2	25,085	9
To pay providers of capital:								
Finance charges	54,348	17	32,978	12	29,661	9	20,367	7
To provide for maintenance of fixed assets:								
Depreciation	54,228	17	35,985	13	43,416	14	33,968	12
Amortization	398	-	281	-	297	-	234	-
Retained in the Group:								
Non controlling interest	(3,671)	(1)	(1,077)	-	-	-	-	-
Profit and loss account	184,994	56	160,578	59	213,171	67	185,814	65
	327,894	**100**	**274,160**	**100**	**317,454**	**100**	**285,214**	**100**

Value added, represents the additional wealth which the Group and company have been able to create by its own and its employees' efforts. The statement shows the allocation of that wealth to employees, government, providers of finance and shareholders, and that retained for future creation of more wealth.

Share Capital History

	Authorised		Issued and fully paid		Consideration/Remarks
Date	increase	cumulative	increase	cumulative	Cash/Bonus/Others
1992	500,000,000	210,000,000	210,000,000	210,000,000	Cash
2001	-	500,000,000	290,000,000	500,000,000	Cash
2010	9,500,000,000	10,000,000,000	7,000,000,000	7,500,000,000	Bonus
2010	-	-	245,685,184	7,745,685,184	Share Exchange (Merger)
2011	-	10,000,000,000	-	7,745,685,184	No Change
2012	-	10,000,000,000	774,568,578	8,520,253,762	Bonus
2013	-	10,000,000,000	-	8,520,253,762	No Change
2014	-	10,000,000,000	-	8,520,253,762	No Change
2015	-	10,000,000,000	-	8,520,253,762	No Change

Notice of 7th Annual General meeting

Notice is hereby given that the 7th Annual General Meeting (AGM) of Dangote Cement Plc will be held at the Civic Centre, Victoria Island, Lagos on 19th April, 2016 at 11.00 a.m. to transact the following business:

Agenda

Ordinary Business

1. To receive the audited Financial Statements for the year ended 31st December, 2015 and the Reports of the Directors, Auditors and the Audit Committee thereon;
2. To declare a dividend;
3. To elect or re-elect Directors;
4. To fix the remuneration of the Directors;
5. To authorize the Directors to fix the remuneration of the Auditors;
6. To elect members of the Audit Committee.

Notes:

Proxies

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. A proxy for an organization may vote by a show of hand and on a poll. To be valid, executed forms of proxy should be deposited at the Registered Office of the Company or with the Registrars not less than 48 hours before the time of holding the meeting.

Dividend warrants and closure of Register of Members

If the Dividend declared by the Directors is approved by the Shareholders at the Annual General Meeting, dividend warrants will be posted on 21st April, 2016 to the shareholders, whose names are registered in the Company's Register of Members at the close of business on 8th April, 2016.

Audit Committee

In accordance with Section 395(5) of the Companies and Allied Matters Act, CAP C20 LFN 2004, a shareholder may nominate another shareholder for appointment as member of the Audit Committee by giving notice to the Company Secretary at least 21 days before the Annual General Meeting.

Closure of Register of Members

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed from Monday, 11th April, 2016 to Friday, 15th April, 2016, both days inclusive.

Rights of securities holders to ask questions

Securities holders have a right to ask questions not only at the Annual General Meeting, but also in writing prior to the meeting. Questions should be submitted to the Company Secretary at the Company's registered office by the day before the Annual General Meeting is held.

By the Order of the Board of Directors.

Mahmud Kazaure
Company Secretary

Registered Office

Union Marble House,
1, Alfred Rewane Road,
P.O Box 40032,
Falomo, Ikoyi, Lagos.
Dated this 29th February, 2016

Directors and Professional Advisers

Directors

Aliko Dangote	Chairman
Onne van der Weijde	Group Chief Executive Officer
Devakumar Edwin	Non-Executive Director
Olakunle Alake	Non-Executive Director
Abdu Dantata	Non-Executive Director
Joseph Makoju	Non-Executive Director
Olusegun Olusanya	Non-Executive Director
Emmanuel Ikazoboh	Independent Non-Executive Director
Ernest Ebi	Independent Non-Executive Director
Fidelis Madavo	Non-Executive Director
Douraid Zaghouani	Non-Executive Director

Group Legal Counsel and Company Secretary
Mahmud Kazaure

Joint Auditors
Akintola Williams Deloitte
Chartered Accountants
235 Ikorodu Road
Ilupeju, Lagos
Nigeria

Ahmed Zakari & Co.
Chartered Accountants
5th Floor, African Alliance Building
F1, Sani Abacha Way, Kano
Nigeria

Principal Bankers
Access Bank Plc
First Bank of Nigeria Plc
Guaranty Trust Bank Plc
Zenith Bank Plc
United Bank for Africa Plc

Primary Legal Advisers
Banwo & Ighodalo
Olaniwun Ajayi
Fola Sowemimo

Corporate Information

Capital Market Information

Dangote Cement Plc is listed on the main board of the Nigerian Stock Exchange (NSE).
Each share carries one voting right

NSE Ticker Symbol	DANGCEM
Bloomberg Code	DANGCEM:NL
Reuters Code	DANGCEM:LG
Date Listed	26th October, 2010
Market Capitalization (31/12/15)	**₦2,896,886,258,680**
Outstanding Shares	17,040,507,404
Free Float	8.91%

Registration Information

RC Number	208767
Date of Incorporation	4th November, 1992

Registered Office

Union Marble House
1, Alfred Rewane Road
P.O. Box 40032
Falomo, Ikoyi
Lagos, Nigeria

Registrars

United Securities Limited
10 Amodu Ojikutu Street
Victoria Island
Lagos, Nigeria

For any queries regarding Dangote Cement please contact:

Investor Relations

Carl Franklin
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carl.franklin@dangote.com

Corporate Communications

Anthony Chiejina
+234 1 448 0815
anthony.chiejina@dangote.com

Donations and Sponsorships

	₦'000
Ethiopia	
Desktop computers for Ada Berga Administration	281
Training for the local farmers	140
Police patrol car spare parts for Ada Berga Police	402
Donation to the West Shoa Zone Women's Association	281
Donation of grass for farmers for their cattle	281
Donation to Mekedonia for the mentally challenged	1870
Donations to the Africa Progress Panel Foundation (APPF)	49,375
Cameroon	
Donation to the Ngondo Festival	4,408
Donation to the Bameda Ceremony	680
Donation to the Diko Annual Festival	340
Donation to the Ceremony of the Traditional Ruler	2,040
Sponsorship of the Standard Norm Organization event	2,550
Nigeria	
Donation to the Lagos Count Down festival	25,000
Sponsorship of the Nigerian Institute of Quantity Surveyors Investituture ceremony	750
Donation towards the Pearl Awards Project NSMA 2015	6,000
Sponsorship of Harvard Business School Association of Nigeria annual dinner	3,000
Donation to the Immigration Service CGI special conference	4,008
Sponsorship of Nigeria Employers Consultative Association annual retreat	170
Sponsorship of the international conference & exhibition of the Nigerian Mining & Geosciences Society	5,000
Donation toward 10th year coronation of Oba of Ifo	1,000
Construction of Dangote Skills Development Centre Kogi	51,520
Sponsorship of the "Nigeria rising award" by Hallmark newspaper	2,000
Sponsorship of the Women in Journalism conference	1,500
Donation to the 25th Akarigbo coronation anniversary	1,000
Sponsorship of the 2015 international Kano polo tournament	5,000
Donation to the 25th coronation anniversary Olu Imasayi Kingdom	2,000
Sponsorship of the Nigerian Bar Association Annual General Conference	2,000
Sponsorship of the Manufacturers Association of Nigeria 8th business luncheon and 30th AGM	15,000
Sponsorship of African Contruction Expo	873
Sponsorship of the Nigerian Economic Summit (diamond category)	20,000
Sponsorship of Ebira carnival 2015	2,000
Sponsorship of CRAN 2015 annual lecture	500
Contruction of hostel building at Kano State University	18,342
Construction of Police intelligence hostel at Ilorin, Kwara State	33,907
Partnering with the Nigerian Stock Exchange on 2015 NSE essay competition	3,000
Sponsorship 26th biennial conference & general meeting of Nigerian Institute of Quantity Surveyors	2,000
Sponsorship of the Aradokun Day celebration	10,000
Construction of Palace of paramount ruler of Yewaland Ilaro	10,000
Construction of mosque in Obajana town	6,919
Donation towards Onupi community (coal area) development	300
Sponsorship of Ononna Ilaro festival 2015	5,000

Donations and Sponsorships

	₦'000
Donation to Manufacturers Association of Nigeria towards repositioning for better performance	15,000
Sponsorship of Africa day event at the Egypt Embassy	5,000
Donation towards Cement Transporters & Dealers Association truck park construction at Ilako depot	2,500
Sponsorship of the National Union of Chemical Footwear & Non-Metallic Product Industrial relations seminar	200
Donation to Nigeria Society of Engineers Lokoja	50
Senegal	
Donation of rice and sugar for the village inside the plant	990
Donation for the contruction for the local governor's office	43
Donation for the villagers and the staff for the Mecca pilgrimage	16,700
Donation to Korite Festival	1,155
Donation to the Tabaski Festival	1,650
Donation to the local football team	165
Donation to the local school	1,316
Sponsorship of the Dakar Architect Day	396
Sponsorship of the Economic Forum in Thies	660
South Africa	
Donation to the Siyonqoba Care Center for the disabled	270
Zambia	
Donation to the Chiwala Royal Establishment day	1,502
Total	**348,030**

Board and Committee meeting dates and attendance

Board Meetings

Directors	29th Jan.	13th Mar.	29th Apr.	30th July	23rd Oct.	14th Dec.
Aliko Dangote	✓	✓	✓	✓	✓	✓
Onne van der Weijde	N/A	✓	✓	✓	✓	✓
Devakumar Edwin	✓	✓	✓	✓	✓	✓
Sani Dangote	✓	✓	✓	✓	✓	×
Olakunle Alake	✓	✓	✓	✓	×	✓
Abdu Dantata	✓	✓	✓	✓	✓	✓
Joseph Makoju	✓	✓	✓	✓	✓	✓
Olusegun Olusanya	✓	✓	✓	✓	✓	✓
Ernest Ebi	✓	✓	✓	✓	✓	✓
Emmanuel Ikazoboh	×	✓	✓	✓	✓	×
Fidelis Madavo	✓	×	✓	✓	✓	✓
Douraid Zaghouani	N/A	N/A	✓	✓	✓	✓
Khalid Al-Bakhit	✓	✓	N/A	N/A	N/A	N/A

Finance and General Purpose Committee

Directors	29th Jan.	13th Mar.	27th Apr.	28th July	23rd Oct.	14th Dec.
Olusegun Olusanya	✓	✓	✓	✓	✓	✓
Devakumar Edwin	✓	✓	✓	✓	✓	✓
Sani Dangote	✓	×	✓	✓	✓	×
Olakunle Alake	✓	✓	✓	✓	×	✓
Ernest Ebi	✓	✓	✓	✓	✓	✓
Emmanuel Ikazoboh	×	✓	✓	✓	✓	✓
Fidelis Madavo	×	✓	✓	✓	✓	✓
Douraid Zaghouani	N/A	N/A	×	✓	✓	✓

Audit and Risk Management Committee

Directors	23rd Jan.	27th Apr.	28th July	13th Oct.
Ernest Ebi	✓	✓	✓	✓
Olusegun Olusanya	✓	✓	✓	✓
Devakumar Edwin	×	✓	✓	×
Sani Dangote	×	✓	✓	✓
Olakunle Alake	✓	✓	✓	×
Emmanuel Ikazoboh	×	✓	✓	×
Fidelis Madavo	×	✓	✓	×

Remuneration and Governance Committee

Directors	23rd Jan.	27th Apr.	24th Jul.	13th Oct.
Emmanuel Ikazoboh	✓	✓	✓	✓
Sani Dangote	×	✓	✓	✓
Devakumar Edwin	×	✓	✓	×
Joseph Makoju	✓	✓	✓	×
Abdu Dantata	✓	✓	✓	×
Olusegun Olusanya	✓	✓	✓	✓
Ernest Ebi	×	✓	✓	✓

Technical and Operations Committee

Directors	13th Mar	27th Apr.	28th Jul.	23rd Oct.
Fidelis Madavo	✓	✓	✓	✓
Olakunle Alake	✓	✓	✓	×
Devakumar Edwin	✓	✓	✓	✓
Joseph Makoju	×	✓	×	✓
Abdu Dantata	✓	✓	✓	✓
Ernest Ebi	✓	✓	✓	✓
Douraid Zaghouani	N/A	N/A	✓	✓
Khalid Al-Bakhit	×			

Nomination Committee

Directors	19th Jan.
Aliko Dangote	✓
Olusegun Olusanya	✓
Ernest Ebi	✓
Fidelis Madavo	×
Emmanuel Ikazoboh	×

Statutory Audit Committee

Directors	16th Mar.	13th July	13th Oct.
Olakunle Alake	✓	✓	✓
Emmanuel Ikazoboh	✓	×	✓
Olusegun Olusanya	✓	✓	✓
Robert Ade-Odiachi	✓	✓	✓
Brigid Sheidu	✓	✓	✓
Sada Ladan Baki	×	×	✓

KEY

✓ - Present in meeting
× - absent from meeting
N/A- Not available

Glossary of Abbreviations

AGM	Annual General Meeting
CAC	Corporate Affairs Commission
CBN	Central Bank Of Nigeria
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CEMAC	Central African Economic and Monetary Community
CMAN	Cement Manufacturer Association of Nigeria
COREN	Council for the Regulation of Engineering in Nigeria
CORBON	Council of Registered Builders of Nigeria
COMESA	Common Market for Eastern and Southern Africa
CO2	Carbondioxide
DIL	Dangote Industries Limited
EBITDA	Earnings Before Interest, Taxes,, Depreciation and Amortization
EBIT	Earnings Before Interest and Tax
ECOWAS	Economic Community of West African States
EHSS	Environmental Health, Safety and Security
FCT	Federal Capital Territory
GDP	Gross Domestic Product
GETS	Global Environment Telecommunications Service
IFC	International Finance Corporation
IMF	International Monetary Fund
ISO	International Standards Organisation
JSE	Johannesburg Stock Exchange
LPFO	Low Pour Fuel Oil
NIA	National Intelligence Agency
NIOB	Nigerian Institute of Building
NIQS	Nigerian Institute of Quantity Surveyors
NIS	Nigeria Industrial Standards
NMCP	National Malaria Control Program
NSE	Nigerian Stock Exchange
NOX	Mono-nitrogen Oxides
MT	Million Tonnes
OEMS	Original Equipment Manufacturer
OHSMS	Occupational Health and Safety Management System
Q	Quarter
SEC	Security and Exchange Commission
SEPCEM	Sephaku Cement
SON	Standards Organization of Nigeria
SOX	Sulfur Oxides
SAP	System Application Package
TBC	To Be Confirmed
UEMOA	West African Economic and Monetary Union
VTS	Vaccination Tracking System

Mandate for e-dividend payment

united securities

Date (DD/MM/YYYY)

Kindly tick & quote your shareholder account no. in the box below	
Name of Company	Shareholder Account No.

The Registrar,
United Securities Limited,
10, Amodu Ojikutu Street,
Victoria Island, Lagos, Nigeria.

Dear Sir/Madam,

Kindly find below my/our bank details for the purpo se of electronic payments of dividends due to me/us. I/We confirm that all information supplied is to the best of my/our knowledge correct and hereby indemnify United Securities Limited against any loss that may arise from their adoption of the details as supplied hereunder.

Surname /Company Name:

Other Names (for individual Shareholder)

Present Postal Address

City State

E-Mail Address 1:-

E-Mail Address 2:-

Mobile (GSM) Phone Number

Bank Name (SECTION TO BE COMPLETED BY YOUR BANK)

Bank Address

Bank Account Number

Bank Sort Code

I/We hereby request that from now, all dividend warrant (s) due to me/us from my/our holdings in all the companies indicated above be mandated to my/our Bank named above.

Shareholder`s signature or thumbprint

Shareholder`s signature or thumbprint

Company Seal/ Incorporation number (Corporate Shareholder)

AUTHORISED SIGNATURE & STAMP OF BANKERS

PLEASE NOTE THAT THE SECTION FOR YOUR BANK ACCOUNT D ETAILS HAS TO BE COMPLETED BY YOUR BANK
Kindly return the duly completed form to the Registrar, United Securities Limited at the address stated below

United Securities Limited. RC 126257
10, Amodu Ojikutu Street, Off Saka Tinubu Street, V i ctoria Island, P.M.B 12753 Lagos, Nigeria. Tel: +234(1)271-4566, 271-4567
Website: www.unitedsecuritieslimited.com; Email: info@unitedsecuritieslimited.com

UNITED SECURITIES LIMITED hereby disclaims liability or responsibility for any errors/omissions/misstatements in any document transmitted electronically.

Proxy Form

Dangote Cement Plc Rc: 208767

The 7th Annual General Meeting to be held at the Civic Centre, Victoria Island, Lagos, on Tuesday 19th April, 2016 at 11.00 a.m.

I/WE ....

of ....

being a shareholder of Dangote Cement Plc hereby appoint .... or failing him/her

.... or ....

as my/our Proxy to act and vote for me/us on my/our behalf at the 7th Annual General Meeting to be held on 19th April, 2016 and at any adjournment thereof.

Dated the .... 2016 shareholder's signature ....

	NO.	ORDINARY BUSINESS	FOR	AGAINST
I/We desire this proxy to be used in favour of/or against the resolution as indicated alongside (strike out whichever is not applicable)	1.	To receive the audited Financial Statements for the year ended 31st December, 2015, and the reports of the Directors, Auditors and Audit Committee thereon;		
	2.	To declare a dividend;		
	3.	To elect or re-elect Directors: Re-election as a Director of Olakunle Alake, who is retiring by rotation Re-election as a Director of Ernest Ebi, who is retiring by rotation Re-election as a Director of Emmanuel Ikazoboh, who is retiring by rotation		
	4.	To fix the remuneration of the Directors;		
	5.	To authorize the Directors to fix the remuneration of the Auditors;		
	6.	To elect members of the Audit Committee.		
		Please indicate with an "X" in the appropriate column, how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her discretion.		

This proxy form should NOT be completed and sent to the registered office if the member will be attending the meeting.

Note:

i. A member (shareholder) entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy in his stead
All proxy form should be deposited at the registered office of the Registrar (as in notice) not later than 48 hours before the meeting.

ii. In the case of joint shareholders, any of them may complete the form, but the names of all joint shareholders must be stated

iii. If the shareholder is a Corporation, this form must be executed under its Common Seal or under the hand of some officers or an attorney duly authorized.

iv. The proxy must produce the admission card sent with the notice of the meeting to gain entrance to the meeting.

v. It is a legal requirement that all instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of the shareholders must bear appropriate stamp duty from the Stamp Duties office (not adhesive postage stamps).

Before posting this form, please tear off this part and retain it for admission to the meeting.

NAME AND ADDRESS NUMBER OF SHARES HELD: NUMBER OF SHAREHOLDER(S):

ADMISSION CARD

Please admit .... to the 7th Annual General Meeting of Dangote Cement Plc to be held at Civic Center, Victoria Island, Lagos at 11.00 a.m. on Tuesday, 19th April, 2016.

Signature of person attending: ....

- This admission card should be produced by the shareholder or his/her proxy in order to obtain entrance to the Annual General Meeting.
- You are requested to sign this card at the entrance in the presence of the Company Secretary or his Nominee on the day of the Annual General Meeting.

Please be advised that to enable a Proxy gain entrance to the meeting, the Proxy Form is to be duly completed and delivered to the Company Secretary not later than 48 hours before the time fixed for the meeting.

The Registrar,
United Securites Limited
10, Amodu Ojikutu Street,
Victoria Island,
Lagos, Nigeria

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