DANGOTE CEMENT

Unaudited results for the nine months ended 30th September 2017

Strong growth in Group Revenue and EBITDA

Lagos, 19th October 2017: Dangote Cement PLC (DANGCEM-NL), Africa's largest cement producer, announces unaudited results for the nine months ended 30th September 2017.

Financial highlights

- Group revenue up 36.5% to ₦603.6B
- Group EBITDA up 64.9% to ₦294.3B, 48.8% margin
- Nigeria EBITDA up 64.8% to ₦270.5B, 65.0% margin
- Pan-African EBITDA up 43.5% to ₦32.3B, 16.9% margin
- Earnings per share up 39.0% to ₦11.30
- Slight increase in net debt to ₦259.2B, up from ₦240.8B at the end of 2016

Operating highlights

- Group sales volumes lower by 10.1%, mainly due to Nigeria
- Nigerian volumes down 19.2% to 9.6Mt
- Nigerian market share maintained at nearly 65%
- Pan-African volumes up 7.5% to 7.0Mt
- Strong volume increases in Senegal, Ethiopia and Cameroon
- New capacity of 1.5Mta onstream in Congo

Onne van der Weijde, Chief Executive Officer, said:

"Dangote Cement has continued to perform strongly in 2017 with revenues up nearly 37% despite a fall in volumes. In our key operations in Nigeria we have significantly improved our fuel mix and this has helped increase margins across the Group. It is especially good for Nigeria because most of the coal we are using is mined in our own country.

Our Pan-African operations are performing strongly with excellent sales growth in Cameroon, Ethiopia and Senegal. We are consolidating our success across Africa and have just commissioned our 1.5Mta factory in Congo, the tenth country in which we have established operations."

About Dangote Cement

Dangote Cement is Africa's leading cement producer with nearly 46Mta capacity across Africa. A fully integrated quarry-to-customer producer, we have a production capacity of 29.25Mta in our home market, Nigeria. Our Obajana plant in Kogi state, Nigeria, is the largest in Africa with 13.25Mta of capacity across four lines; our Ibese plant in Ogun State has four cement lines with a combined installed capacity of 12Mta and our Gboko plant in Benue state has 4Mta. Through our recent investments, Dangote Cement has eliminated Nigeria's dependence on imported cement and has transformed the nation into an exporter of cement serving neighbouring countries.

In addition, we have operations in Cameroon (1.5Mta clinker grinding), Congo (1.5Mta), Ghana (1.5Mta import), Ethiopia (2.5Mta), Senegal (1.5Mta), Sierra Leone (0.5Mta import), South Africa (2.8Mta), Tanzania (3.0Mta), Zambia (1.5Mta).

Website: www.dangotecement.com

Twitter: @DangoteCement

Conference call details –

A conference call for analysts and investors will be held on Thursday 19th October 2017 at 15.00 Lagos/UK time. Please register using the link below.

DANGOTE CEMENT UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2017

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Operating review

Summary

Cement volumes sold	Q1 2017 '000 tonnes	Q2 2017 '000 tonnes	Q3 2017 '000 tonnes	9M 2017 '000 tonnes	9M 2016 '000 tonnes	% change
Nigeria	3,770	3,085	2,775	9,630	11,913	(19.2%)
Pan-Africa	2,342	2,406	2,274	7,022	6,535	7.5%
Inter-company sales	(87)	(7)	(49)	(143)	(85)	
Total cement sold	**6,025**	**5,484**	**5,000**	**16,509**	**18,363**	**(10.1%)**
Regional revenues	**₦m**	**₦m**	**₦m**	**₦m**	**₦m**	**%**
Nigeria	152,355	139,040	124,718	416,113	307,762	35.2%
Pan-Africa	58,715	65,732	67,406	191,853	136,622	40.4%
Inter-company sales	(2,904)	(262)	(1,225)	(4,391)	(2,292)	
Total revenues	**208,166**	**204,510**	**190,899**	**603,575**	**442,092**	**36.5%**
EBITDA	**₦m**	**₦m**	**₦m**	**₦m**	**₦m**	**%**
Nigeria	98,679	91,414	80,367	270,460	164,161	64.8%
Pan-Africa	7,483	12,149	12,698	32,330	22,535	43.5%
Central costs & eliminations	(3,159)	(2,891)	(2,434)	(8,484)	(8,252)	
Total EBITDA	**103,003**	**100,672**	**90,631**	**294,306**	**178,444**	**64.9%**
EBITDA margins*						
Nigeria	64.8%	65.7%	64.4%	65.0%	53.3%	
Pan-Africa	12.7%	18.5%	18.8%	16.9%	16.5%	
Group	**49.5%**	**49.2%**	**47.5%**	**48.8%**	**40.4%**	
Nigeria performance	**₦/tonne**	**₦/tonne**	**₦/tonne**	**₦/tonne**	**₦/tonne**	**%**
Revenue*	**40,412**	**45,070**	**44,943**	**43,210**	**25,834**	**67.3%**
EBITDA*	**26,175**	**29,630**	**28,961**	**28,085**	**13,780**	**103.8%**
	₦m	**₦m**	**₦m**	**₦m**	**₦m**	**%**
Group net profit	**70,572**	**73,472**	**49,092**	**193,136**	**133,521**	**44.6%**
	₦	**₦**	**₦**	**₦**	**₦**	**%**
Earnings per share	**4.25**	**4.17**	**2.88**	**11.30**	**8.13**	**39.0%**

* Excluding central costs / eliminations

Nigerian operations

The Nigerian economy emerged from recession in the second quarter of 2017, with GDP growth rising by 0.55% after five consecutive quarters of contraction. The World Bank recently upgraded its forecast for Nigeria's economic growth to 1.2% for 2017, citing improved oil production due to decreased militant activities. It forecasts growth of 2.8% in 2018. The more favourable foreign exchange environment that now exists will inevitably support inward investment. However, at present, consumers' disposable income remains under pressure and this has affected market demand, particularly in the Northern regions of Nigeria.

We estimate that Nigeria's total market for cement was 14.8 million tonnes (Mt), approximately 18% lower than the estimated 18Mt sold in Nigeria in the first nine months of 2016. Of total market sales in the first nine months of 2017, we estimate that just 0.15Mt was imported.

As a result of the slower market, our Nigeria operation sold 9.6Mt of cement, down 19.2% on nearly 12.0Mt sold in the first nine months of 2016. We estimate our market share to have been about 65% during the first nine months of 2017. Over the nine-month period the realised price per tonne was ₦43,210.

Despite the lower volumes, Nigerian operations increased revenues by 35.2% to ₦416.1B and EBITDA by 64.8% to ₦270.5B (excluding central costs and eliminations). The increase in EBITDA was helped by the more favourable fuel mix at Ibese and Obajana, as detailed in the table below, both of which were able to use coal from mines operated by our parent, Dangote Industries Limited. Use of expensive LPFO has almost been eliminated and our reliance on imported coal has ended at Obajana, where we are using own-mined and third-party Nigerian coal, with obvious benefits to both margins and foreign currency demands.

Our fuel consumption has shifted significantly to coal in 2017, as detailed in the tables below. More than half of the coal we use at Obajana and Ibese is sourced from mines operated by Dangote Industries, with a further 27% being sourced from other coal miners in Nigeria. Just 20% of coal was imported in the first nine months of 2017. LPFO has not been used since the first quarter of 2017.

Fuel mix

Nine months to 30th Sept.	**Obajana**		**Ibese**	
	2017	**2016**	**2017**	**2016**
Gas	41%	45%	43%	30%
Coal	57%	18%	56%	49%
LPFO	2%	37%	1%	21%
	100%	**100%**	**100%**	**100%**

Pan-African operations

In the nine months of 2017, Pan-African operations increased cement sales by 7.5% to 7.0Mt as our factories continued to consolidate their market shares across Africa. Pan-African revenues increased by 40.4% to ₦191.9B and EBITDA increased by 43.5% to ₦32.3B.

Pan-African operations sold about 42% of total Group cement volumes, provided nearly 32% of Group revenues (before inter-company eliminations) and 10.7% of Group EBITDA (before central costs and eliminations).

Cameroon

The economy of Cameroon remains in good health, with GDP expected to grow by nearly 3.7% in 2017, according to estimates in the *International Monetary Fund Regional Economic Outlook, May 2017*.

The cement market in Cameroon is being driven by individual house building projects, greater willing ness of banks to lend for housebuilding, increasing state housing, small infrastructure and the construction of new football stadia in preparation for the 2019 Africa Cup of nations. Key infrastructure projects driving cement demand include new sports stadia in Yaounde and Douala, the Douala-Yaounde Highway, housing improvements and new commercial building.

Our 1.5Mta clinker grinding facility in Douala sold approximately 938Kt of cement in the first nine months of 2017, an increase of 16.4% on the 806Kt sold in the same period of 2016. We estimate our market share to have been approximately 46% during the period. The price of cement was about US$112 per tonne in September, slightly higher than the US$110 per tonne we reported in June this year.

The increase in sales can be attributed to a number of factors, notably strong brand recognition, increased point-of-sale branding, improvements in our sales and marketing strategies and processes, new promotions to incentivise both internal sales staff and third-party distributors, higher visibility through trade shows, sponsorship and advertising, improved relationships with key distributors and better analysis of customer needs.

Efficiency initiatives at the plant included better coordination of clinker supply ships to avoid shortages or oversupply, optimising local logistics for raw material supplies and improvements in the organisation and throughput of lorries collecting cement.

We expect greater competition from capacity increases being implemented by competitors that will add up to 2.0Mta capacity in the coming years.

Congo

Our 1.5Mta integrated plant in Mfila, Republic of Congo, began operations in late September 2017 and sold 5kt tonnes of cement during the period.

The cement industry is small in the Republic of Congo and as at the end of September 2017, four manufacturers (SONOCC, Forspak, Diamond Cement and CIMAF) had a combined total of 1.7Mta, so Dangote Cement's new 1.5Mta plant at Mfila will almost double market capacity. The increase in total capacity is expected to reduce imports, which account for approximately 80% of cement sales volume, primarily from China and Egypt.

Ethiopia

Ethiopia is one of Sub-Saharan Africa's fastest-growing economies and its second most populous nation. The World Bank forecasts GDP growth of 8.9% in 2017.

The Ethiopian government aims to transform the country into a middle-income economy by 2025, focusing on growth in agriculture and exports, industry and services, based on its Growth and Transformation Plan II ("GTP II"), which covers 2015 to 2020. Central to the GTP II is large-scale public investment in infrastructure, principally in the power sector, with the aim of increasing capacity tenfold to 20GW by 2022, including the completion of the 6GW Grand Ethiopian Renaissance Dam.

The GTP II also aims to extend Ethiopia's road network from 98,000km to 180,000km and improve rail links with 5,000km of new lines.

In the housing sector, Ethiopia has enjoyed a construction boom, with state investment in large housing developments being supported by private investment in these and other real estate projects. The Ministry of Urban Development, Housing and Construction aims to build 2.4 million houses between 2015 and 2020.

Dangote Cement Ethiopia increased sales by 16.8% to nearly 1.7Mt in the first nine months of 2017 (9m 2016: 1.4Mt). This represents capacity utilisation of approximately 88% at the 2.5Mta factory. We estimate our market share to have been 22% at the end of September 2017, consolidating Dangote Cement as Ethiopia's leading brand after two years in the market.

Our increased sales can be attributed to improvements in productivity, particularly in grinding and packing operations, staff training, better marketing, improved industrial and community relations, increased market demand, as well as significantly higher sales of bulk Ordinary Portland Cement from our factory at Mugher.

We were able to increase deliveries of cement to the more remote regions of Ethiopia and improvements in our fleet management drove higher fuel efficiency, avoidance of misuse of trucks and quicker turnaround times. In addition, we used our own cement delivery trucks to backhaul coal and other raw materials from Djibouti, thereby saving on logistics costs. At the plant itself, we reduced power consumption and kiln energy consumption per tonne of cement and increased the clinker/cement ration (thereby reducing CO2 emissions per tonne of cement). These and other efficiencies enabled the Ethiopian operation to continue generating strong EBITDA margins in the Pan-African region.

Ghana

Ghana's economy is expected to accelerate in the next two years, with the World Bank forecasting GDP growth of 7.5% in 2017 and 8.4% in 2018. The outlook for cement demand remains attractive, driven by the strong GDP growth and investment to support the expanding oil and gas industries, as well as new housing projects, improvements to the Tema-Accra motorway and school renovations across the country.

Dangote Cement Ghana sold approximately 670kt of cement in the first nine months of 2017, slightly down on the 761kt cement sold during the same period in 2016.

Senegal

Our 1.5Mta plant in Pout sold 1.0Mt of cement in the first nine months of 2017, up 21.7% on the comparable period of 2016. This represents almost 89% capacity utilisation at the factory.

We estimate our market share to have been approximately 23% in the third quarter of 2017, slightly lower than the first six months of the year because of coal shortages at the plant that temporarily affected production during September. However, we believe we achieved more than 30% market share in August. In addition, heavier-than-usual rains affected market demand across the Senegalese market.

Ex-factory pricing stood at about US$75 per tonne at the end of September 2017, higher than the US$70/tonne average in the second quarter of 2017. Good cost control enabled our Senegal plant to deliver strong EBITDA margins across most of the nine-month period.

The introduction of 32.5R-grade cement to our product line-up, in February 2017, was received well by the market and as well as enabling us to increase local market share because of its high quality, we believe it will stimulate export sales to neighbouring Mali and Guinea-Bissau.

Sierra Leone

Sierra Leone's economy is recovering from the Ebola outbreak of 2014 and building activity is increasing as foreign trade and investment return to the country, augmenting foreign aid. Major initiatives include road building, expansion of ports and expansion of hydro-electric facilities. The World Bank estimates that GDP will grow by 6.9% in 2017.

Our 0.7Mta import and bagging facility began operations in Freetown in January 2017 doubling Sierra Leone's capacity for importation of cement, which is necessary because the country has insufficient limestone for manufacturing to be viable. The facility sold approximately 68kt of cement in its first nine months of operation. Sales activities were supported by marketing visits to all major and some smaller towns, visits to building materials suppliers and small general retailers, as well as radio and TV commercials. In addition, we adjusted prices to improve competition and lowered thresholds for distributor incentives.

South Africa

The South African economy remains subdued, with expectations of just 0.6-0.7% GDP growth in 2017. However, the Rand recovered from its lowest point since January 2016 and we have seen an improvement in the mining and agriculture sectors during the year to date. Government commitment to infrastructure development continues, with a focus on energy, transport and telecommunications. The economy is likely to remain under pressure in the wake of the downgrade to the country's sovereign credit rating and fears of increased borrowing.

The economic conditions were reflected in a quiet cement market, which was also depressed by heavy rains in the first two months of the year. Price increases in February and the entry of a new competitor, Mamba Cement, in 2016, restrained growth and nine-month sales were flat compared to the first nine months of 2016. However, we increased sales by approximately 10% in the third quarter of 2017.

Industry figures supplied by Econometrix suggest that the total market was about 9.2Mt during the first nine months of 2017.

During the year, our South African operation has continued to improve efficiencies at both the Aganang and Delmas plants, as well as focusing on improving logistics and sales. We have an incentive strategy in place to increase 42R-grade cement bags sales and a drive to increase volumes in the bulk sector. In addition, we are improving our market analysis and targeting efforts. We increased prices by 5% in February, at the same time increasing our delivery rates. We increased prices again in August, by 2-3%.

Tanzania

Tanzania's economy is growing well, with the World Bank forecasting GDP growth of nearly 7.1% in 2017 and similar growth forecast for 2018. A number of large infrastructure projects are driving construction activity in the country, including the Dar es Salaam-Morogoro Railway, the Kenya-Tanzania Railway, major road and bridge building projects and commercial housing at Dodoma.

Tanzania has 11Mta cement production capacity and our 3.0Mta factory at Mtwara is the largest and most modern. The plant increased volumes by more than 12% to nearly 541Kt in the first nine months of 2017 and we estimate this to have given us a market share of 14% at the end of the period. The ex-factory price during the period was around US$63 per tonne in September.

The factory is still reliant on diesel gensets for electrical power, which results in EBITDA losses that weigh on Pan-African margins. The installation of gas turbines has been delayed slightly and these will now begin operations in January 2018, although the gas pipeline to feed the temporary turbines has now been installed. In addition, we expect to be able to fire our kiln on gas from March 2018, using the same gas supply.

To replace the temporary power generators, we are investing US$90m in a coal/gas fired power station as there is insufficient grid power available in the area. In addition, as previously announced, we have been allocated land from which we can mine coal to fuel the plant in the coming years.

The plant has taken delivery of a new fleet of trucks that will improve our distribution capabilities.

Zambia

Our 1.5Mta factory in Ndola sold approximately 545Kt of cement in the first nine months of 2017, only marginally down on 2016, in part because of a heavy and prolonged rainy season that affected construction activity. However, sales increased by approximately 12% in the third quarter of 2017, to more than 160Kt, including export sales to Malawi. During much of the year, the retail market has been constrained by tighter monetary policy and pressures on disposable income following the drought of 2015/6. In addition, the government is delaying payments to its creditors, which is having a dampening effect on market demand.

We estimate our market share to have been about 40% at the end of September 2017, following our retail branding programme and improved sales to the key block-maker market. Cement prices were about US$78 in September.

We expect to see some recovery in mining-related construction activity as copper prices increase, as well as infrastructure projects due to be launched when the International Monetary Fund releases funding for them to go ahead. However, these payments have been delayed because the IMF has insisted on further reforms, particularly in government expenditure and national debt.

We have begun a programme to assume operational responsibilities at the factory, when Sinoma's O&M contract expires. We believe this will enable considerable cost savings. In addition, we are linking our mines to electrical power to reduce diesel usage and its associated high costs. We have recently introduced a fleet management system that will optimise our truck logistics and enable greater backhaul of coal and gypsum on trucks that have already delivered cement on the outward journey. Approximately 80% of our sales are delivered by our own fleet of trucks.

Board change

The Board of Dangote Cement PLC. (DCP) announce changes in the leadership of the company. Mr. Onne Van der Weijde, the Chief Executive Officer (CEO) of the company will step down as the company's CEO at the end of 2017 having completed three years in this position, in order to return to his home country, The Netherlands. He will be appointed as a Non-Executive Director of Dangote Cement PLC, with effect from 1st January 2018.

The Board would like to thank Mr. Onne Van der Weijde for his contribution during his period as CEO in the last three years, in which he managed an important growth phase in the company's development.

Until a successor is appointed, Eng. J. O. Makoju, Honorary Adviser to the Chairman and former MD of WAPCO/Lafarge, will be acting MD/CEO of Dangote Cement PLC.

Financial review

Summary

Nine months ended 30th September **Volume of cement sold**	**2017 '000 tonnes**	**2016 '000 tonnes**
Nigeria	9,630	11,913
Pan-Africa	7,022	6,535
Inter-company sales	(143)	(85)
Total cement sold	**16,509**	**18,363**
Revenues	**2017 ₦m**	**2016 ₦m**
Nigeria	416,113	307,762
Pan-Africa	191,853	136,622
Inter-company sales	(4,391)	(2,292)
Total revenues	**603,575**	**442,092**
Group EBITDA*	**294,306**	**178,444**
EBITDA margin	48.8%	40.4%
Operating profit	233,139	122,366
Net profit	193,136	133,521
Earnings per ordinary share (Naira)	**11.30**	**8.13**
	As at 30/9/2017 ₦m	**As at 31/12/2016 ₦m**
Total assets	1,645,562	1,527,908
Net debt	259,213	240,772

*Earnings before interest, taxes, depreciation and amortisation

Overall Group revenue increased by 36.5% from ₦442.1B in the first nine months of 2016 to ₦603.6B in 2017, despite a 10.1% fall in Group cement volumes to 16.5Mt, as the impact of price increases dampened demand in Nigeria.

Sales volumes from Nigerian operations fell from 11.9Mt to 9.6Mt, although the new pricing structure more than offset the 19.2% fall in volumes, with revenues from Nigeria increasing by 35.2% to ₦416.1B (9m 2016: ₦307.8B).

Across our Pan-African operations, sales volumes increased by 7.5% to 7.0Mt, with 68kt and 5kt maiden contributions from Sierra Leone and Congo respectively, 1.7Mt of cement sold in Ethiopia, 1.0Mt sold in Senegal, 0.9Mt sold in Cameroon, nearly 0.7Mt in Ghana, 0.5Mt in Tanzania and 0.5Mt in Zambia.

Pan-Africa revenue increased by 40.4% to nearly ₦191.9B mainly as a result of increased volumes and foreign exchange gains when converting the sales from country local currency into Naira. Sierra Leone and Congo made their first contributions to Pan-African revenues during 2017.

Manufacturing and operating costs

Nine months ended 30th September 2017	2017 ₦m	2016 ₦m
Materials consumed	87,603	64,248
Fuel & power consumed	84,979	86,982
Royalties	787	1,045
Salaries and related staff costs	18,802	14,920
Depreciation & amortisation	42,495	36,246
Plant maintenance costs	19,840	20,349
Other production expenses	9,918	16,053
Increase/(decrease) in finished goods and work in progress	(4,570)	(8,159)
Total manufacturing costs	**259,854**	**231,684**

Manufacturing costs increased by 12.2% as a result of increased production volumes in the Pan-African operations. However, the main impact resulted from foreign exchange when converting the Pan-African costs from local currencies to Naira. The total increase from the Pan-Africa operations amounted to ₦40.1B, representing a 41% increase in line with the 40.4% increase in Pan Africa revenue

In Nigeria, manufacturing costs decreased by ₦12.0B mainly as a result of the reduced volumes. The reduction due to lower volumes was partially offset by the increase in the price of gas and other dollar denominated costs.

The average exchange rate during the first nine months of 2017 was ₦314 per US dollar as compared to an average of ₦245 per US dollar during the first nine months of 2016.

Administration and selling expenses

Nine months ended 30th September 2017	2017 ₦m	2016 ₦m
Administration and selling costs	113,497	92,005

Total selling and administration expenses rose by 23.4% to ₦113.5b, mostly as a result of increased operations in Pan-Africa and the associated administration & distribution costs. Haulage costs in Pan Africa increased by ₦6.0B in line with the increased volumes.

In addition, the depreciation of the Naira resulted in increased haulage costs in Nigeria with the diesel costs increasing by ₦3.8B. The average exchange rate during 9M 2016 was ₦245 per US dollar as compared to an average of ₦314 per US dollar during 9M 2017. This also contributed to the overall increase in operating costs for the Pan-Africa operations, as costs incurred in local currency were converted into Naira.

Profitability

Nine months ended 30th September 2017	2017 ₦m	2016 ₦m
EBITDA	294,306	178,444
Depreciation and amortisation	(61,167)	(56,078)
Operating profit	**233,139**	**122,366**
EBTIDA by operating region		
Nigeria	270,460	164,161
Pan-Africa	32,330	22,535
Central administrations costs and inter-company sales	(8,484)	(8,252)
Total EBITDA	**294,306**	**178,444**

Because of the average higher prices in Nigeria, foreign exchange gains on converting Pan-African sales detailed above, Group earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 64.9% to ₦294.3B at a margin of 48.8% (9m 2016: ₦178.4B, 40.4%). Excluding eliminations and central costs, EBITDA increased by 64.8% in Nigeria, to ₦270.5B at a margin of 65.0% (9m 2016: ₦164.2B, 53.3%). Despite lower sales volumes, EBITDA rose significantly because of new prices introduced in September 2016 and 2017. Pan-African EBITDA rose by 43.5% to ₦32.3B (9m 2016: ₦22.5B), but at a slightly higher margin of 16.9%. As a result, operating profit of ₦233.1B was 90.5% higher than 2016, with margins up to 38.6% from 27.7%.

Interest and similar income/expense

Nine months ended 30th September 2017	2017 ₦m	2016 ₦m
Interest income	6,092	1,338
Net exchange gain	20,868	54,365
Finance income	**26,960**	**55,703**
Finance costs	(39,917)	(29,353)
Net finance income / (cost)	**(12,957)**	**26,350**

During the first nine months of 2016 the Naira depreciated from ₦199/USUS$ to ₦305/USUS$ resulting in significant exchange gains from assets denominated in US dollars. During the same period in 2017, the Naira depreciated from ₦305 per US dollar to ₦329 per US dollar, resulting in net exchange gains amounting to ₦20.9.0B. Increased borrowings, coupled with increased finance costs when converting Pan-African interest expenses to Naira, resulted in finance costs increasing by 36.0% to ₦39.9B from ₦29.3B.

Taxation

Nine months ended 30th September 2017	2017 ₦m	2016 ₦m
Tax charge	(27,046)	(15,195)

The effective tax rate for Nigerian operations was 10%, representing a mix of non-taxable profits from cement produced on lines still under Pioneer tax exemption and lines on which profits are now taxed. The Group's effective tax rate was 12.3%.

The Group's profit for the period was ₦193.1B, up 44.6% compared to ₦133.5B in 2016. As a result, earnings per share increased by 39.0% to ₦11.30, from ₦8.13.

Financial position

	30th September 2017 ₦m	31st December 2016 ₦m
Property, plant and equipment	1,197,425	1,155,711
Other non-current assets	78,297	64,888
Intangible assets	5,119	4,145
Total non-current assets	**1,280,841**	**1,224,744**
Current assets	234,597	187,471
Cash and bank balances	130,124	115,693
Total assets	**1,645,562**	**1,527,908**
Non-current liabilities	97,846	65,841
Current liabilities	294,509	308,257
Debt	389,337	356,465
Total liabilities	**781,692**	**730,563**

The balance sheet remains strong with non-current assets increasing from ₦1,225B at 31st December 2016 to ₦1,281B at 30th September 2017. This was mainly the result of additions to fixed assets amounting to ₦59,8B, exchange gains on retranslating subsidiary assets of ₦60.2B being partially offset by depreciation amounting to ₦60.8B. Additions to property, plant and equipment were ₦59.8B, of which ₦37.8B was spent in Nigeria and ₦22.0B in Pan-Africa.

Movement in net debt

	Cash ₦m	**Debt ₦m**	**Net debt ₦m**
As at 1st January 2017	115,693	(356,465)	(240,772)
Cash generated from operations before working capital changes	282,831		282,831
Change in working capital	(29,998)		(29,998)
Income tax paid	(2,568)		(2,568)
Additions to fixed assets	(59,787)		(59,787)
Other investing activities	(604)		(604)
Change in non-current prepayments and payables	(19,828)		(19,828)
Net interest payments	(40,152)		(40,152)
Net loans obtained (repaid)	20,261	(20,261)	-
Dividend paid	(144,844)		(144,844)
Other cash and non-cash movements	9,120	(12,611)	(3,491)
As at 30th September 2017	**130,124**	**(389,337)**	**(259,213)**

The Group generated cash of ₦282.8B before changes in working capital. After outflows of ₦30.0B in working capital and tax payments of ₦2.6B, the net cash flow from operations was ₦250.3B. Financing outflows of ₦173.8B (9M 2016: ₦68.2B) reflected loans taken of ₦273.1B, loans repaid of ₦255.8B, interest of ₦46.2B paid and a dividend of ₦144.8B.

Capital Expenditure by Region

	Nigeria ₦m	**Pan-Africa ₦m**	**Total ₦m**
Nigeria	37,781	-	37,781
Senegal		230	230
Cameroon		1,413	1,413
Congo		9,180	9,180
Ghana		150	150
Cote d'Ivoire		2,999	2,999
Sierra Leone		438	438
South Africa		97	97
Ethiopia		1,423	1,423
Tanzania		4,993	4,993
Zambia		894	894
Other		189	189
Total	**37,781**	**22,006**	**59,787**

Capital expenditure was mainly to improve energy efficiency in Nigeria and expenditure to complete the recently opened plant in Congo.

Publication of credit ratings

On 5th July 2017, Dangote Cement published the following credit ratings:

Moody's Investors Service

Moody's Investors Service, ("Moody's") has assigned a first-time Ba3 Local Currency Corporate Family Rating (CFR), Ba3-PD Probability of Default Rating and Aaa.ng National Scale Rating (NSR) to Dangote Cement Plc (DCP). The outlook on the ratings is stable.

"Dangote Cement Plc's Ba3 local currency corporate family rating, one-notch above the Government of Nigeria's own rating, reflects the company's strong standalone credit profile and track record of demonstrated financial support from a larger and more diversified parent Dangote Industries Limited," says Douglas Rowlings, Assistant Vice President and lead analyst for Dangote Cement at Moody's.

The full rating can be viewed on Moody's website:

https://www.moodys.com/research/Moodys-assigns-first-time-Ba3-and-Aaang-ratings-to-Dangote--PR_368830

Global Credit Ratings

Global Credit Ratings has assigned long term and short term national scale issuer ratings of AA+(NG) and A1+(NG) respectively, to Dangote Cement Plc, with the outlook accorded as Stable. The ratings expire in September 2017.

The full rating can be viewed on Global Credit Ratings' website:

http://globalratings.com.ng/news/article/gcr-accords-an-initial-national-scale-rating-of-aang-to-dangote-cement-plc