DANGOTE CEMENT

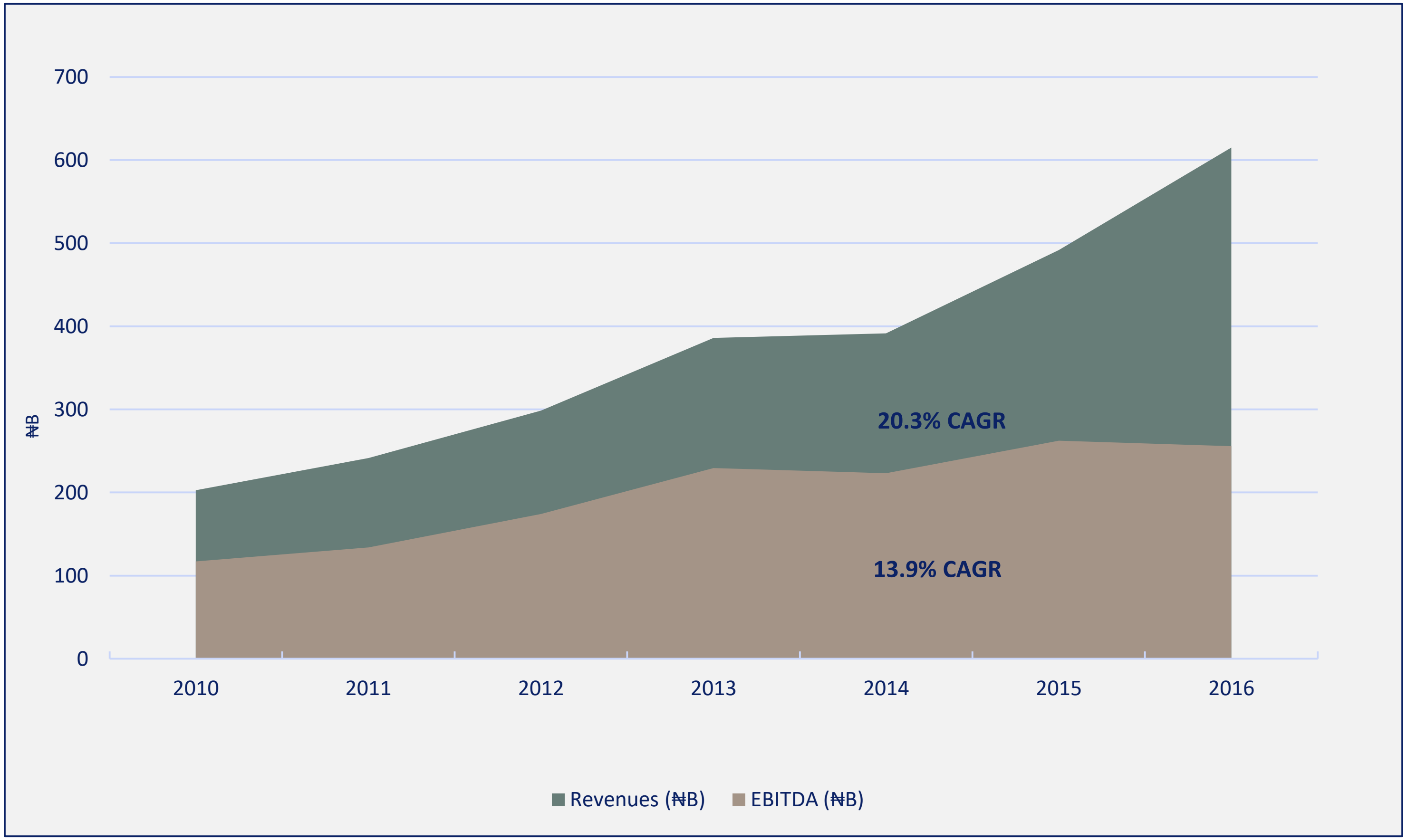
PREMIUM BOARD LISTED

Group presentation
March 2017

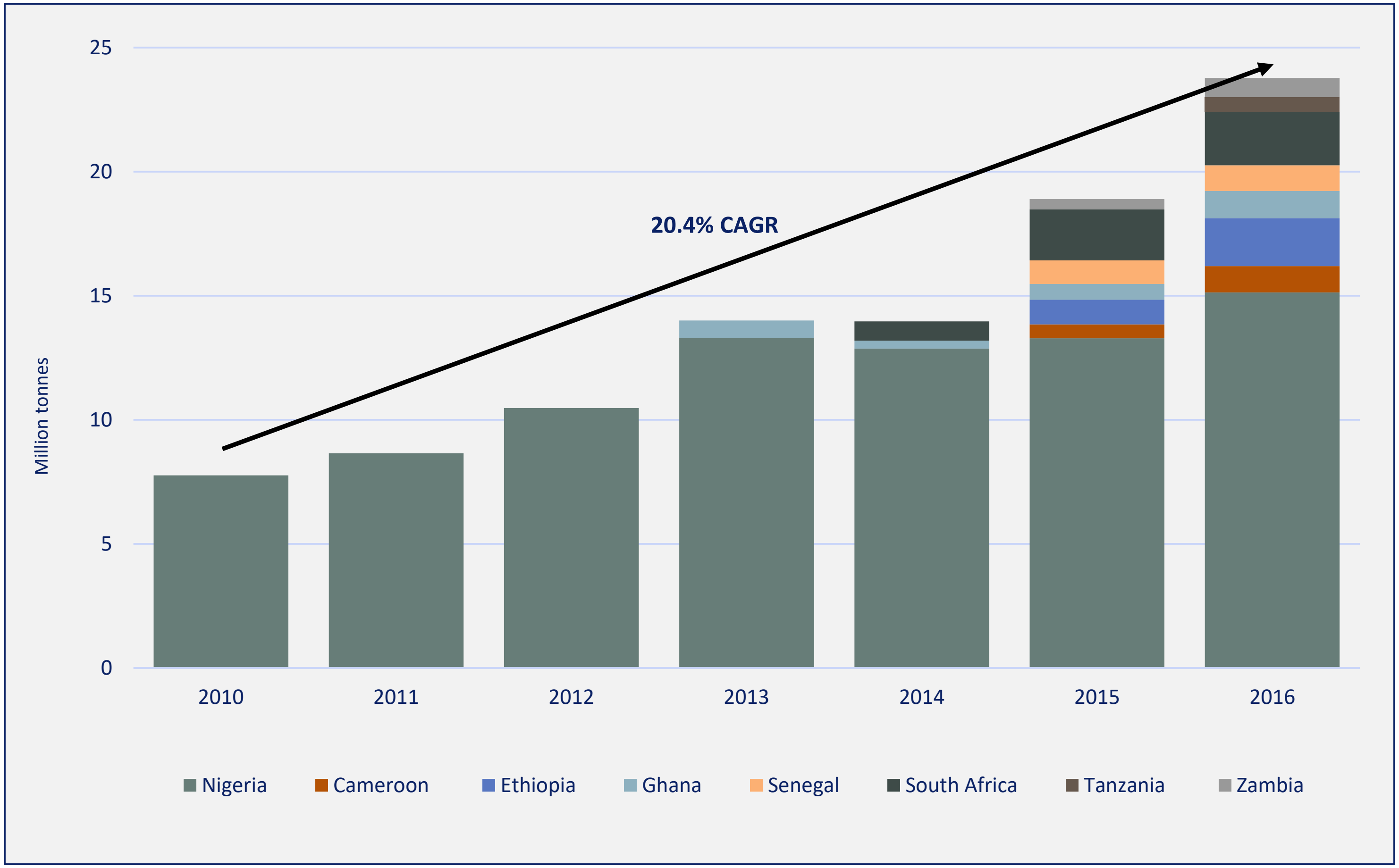
At a glance

- Largest cement producer in Africa, 45.8Mta capacity as of March 2017
  - Operations in 10 countries across Africa
- Delivering strong financial and operating performance
  - 23.6Mt cement sold through operations in eight countries in 2016, up 25% on 2015
  - FY 2016 revenues of ₦615.1bn, up 25% on 2015
  - FY 2016 EBITDA of ₦257.2bn at 41.8% margin
  - Net debt of ₦240.8B, 0.94x EBITDA
- Creating a diversified pan-African business profile
- Largest company on Nigerian Stock Exchange
  - Market capitalisation $9bn; ca. 30% of total NSE capitalisation
  - A bellwether on the cement sector and on Africa’s growth

Strong financial growth



Strong volume growth



DANGOTE CEMENT

Our presence

Why Sub-Saharan Africa? Why cement?

- Cement is an essential building material with no viable substitutes, Africa needs billions of tonnes in the coming decades
- Sub-Saharan Africa significantly lags global average per-capita cement consumption
- Africa is the last major growth market for cement with relatively little surplus capacity at present
- Cement demand driven by increasing population, urbanisation and prosperity
- Huge opportunity for African producers to expand, replace imports, especially in West Africa, much of which lacks limestone
- Many incumbents are sub-scale, use older technologies, so are vulnerable to well-funded industry disruptors
- High capital cost of entry, construction time and access to resources are key barriers to entry
- Key markets are Nigeria, Ethiopia, South Africa; cement 'majors' with high net debt/EBITDA are less able to take on additional debt to to finance entry to these markets

Overview of African cement market

Positive long-term mega-trends

- Increasing political stability enabling rapid economic growth
- Steady population growth, younger profile increases need for building
- Emerging middle-class, increasing consumerisation and access to financial services e.g. banking, mortgages, credit
- Increasing demand for more and higher grades of cement as urbanisation continues across the continent, demanding more infrastructure, housing and commercial building

Supportive growth factors

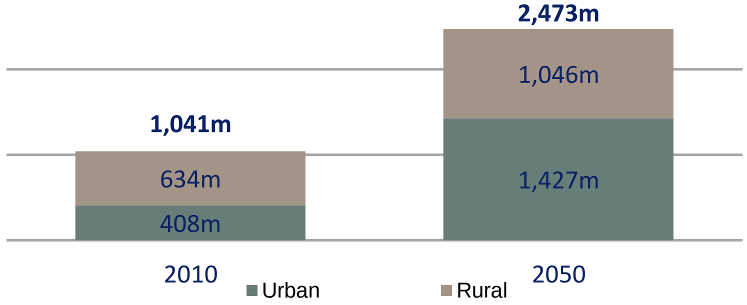
- Unlocking of natural resources (oil, commodities)
- Increased manufacturing capabilities (for both domestic consumption and exports)
- Increasing inward investment as aid is replaced by commercial funding
- Accelerating technological adoption, enabling 'leap-frogging'
- In early build-out phase of development, cement is used in 'economic multipliers' e.g. infrastructure, with positive feedback for cement demand

Attractive long-term economic potential

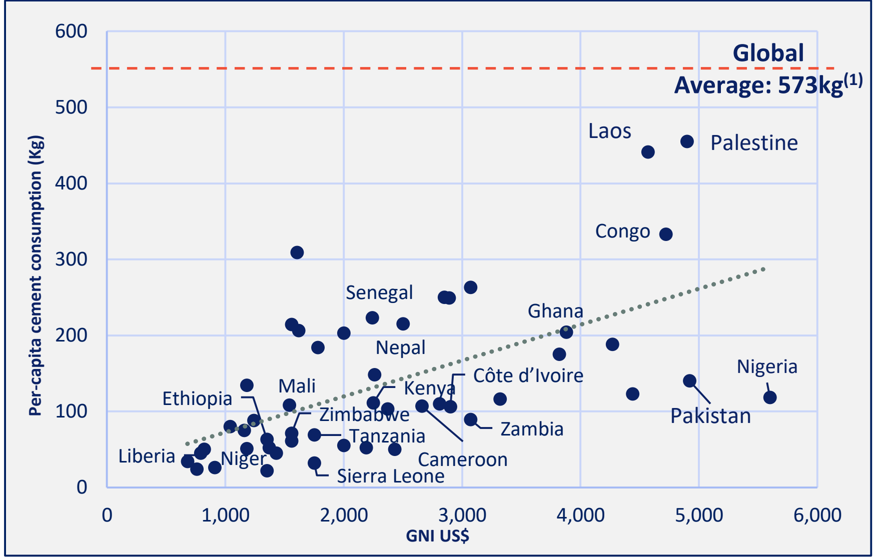
- Historical SSA GDP growth of 4.0% between 2011 – 2016
- Expected SSA GDP growth to recover to 2.9% in 2017 after downturn (IMF)

Rapid Increase in Urbanisation Presents Strong Opportunity

- Over 1.4B Africans are forecast to live in urban areas by 2050, which is > 4x North America's current population



Materially Lower Cement Consumption in Africa

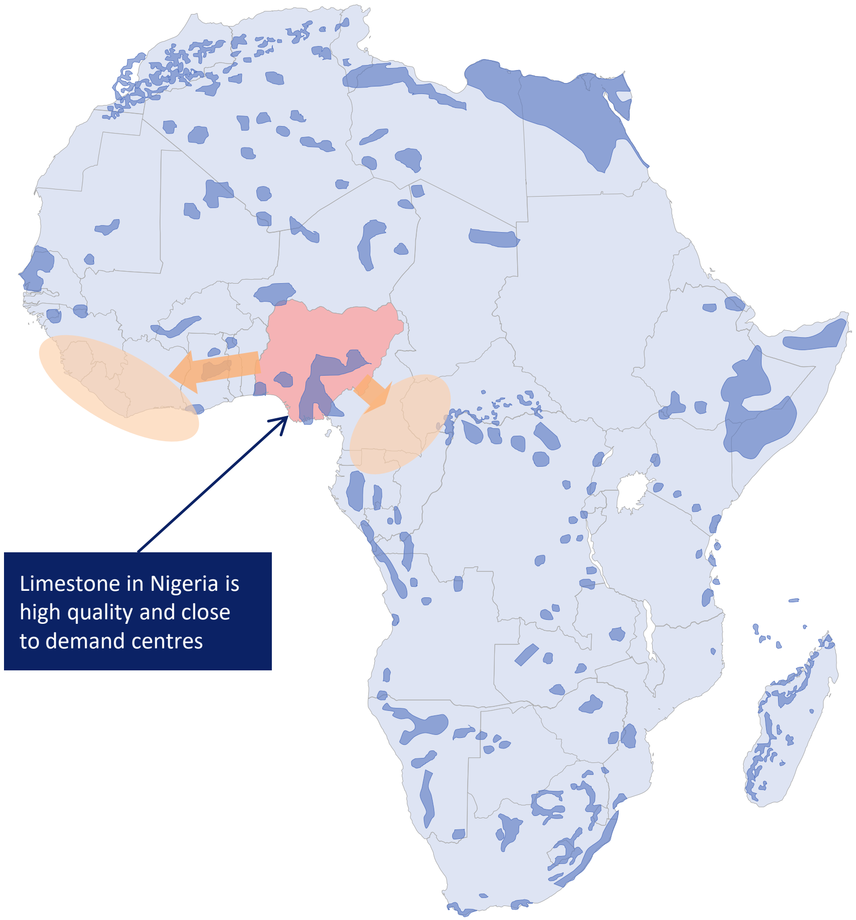


Source: Industry Sources, BMI, World Bank, IMF

1. Global average includes China.

Strategic raw material access

- Limestone is the key and irreplaceable ingredient of all types of modern cement
- Commercially viable deposits of limestone are relatively scarce across many parts of Africa
  - Ideally need high-quality limestone to be near demand centres, fuel and distribution network
- Nigeria has a relative abundance of quality limestone especially in key southern regions near to demand centres, export facilities
  - Nigeria also has good-quality coal that we will mine to achieve self-sufficiency in fuel
- Absence of limestone in much of West and East Africa, especially coastal states, forces those countries to import bulk cement or its intermediate product, clinker, usually from Far East and Nigeria
- Limestone reserves close to existing facilities each with a life of mine in excess of 30 years
- Dangote Cement plans an ‘export to import’ strategy to serve West Africa and Cameroon from Nigerian factories, exporting by road and in time by sea



Strategic initiatives and goals

Vision	**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**
Goal	**To deliver superior and sustainable risk-adjusted ROI, IRR on our investments**

- Key elements of business model
  - Target high-growth, populous markets with cement deficits and older/less efficient producers
  - Be the leader in quality, costs and service wherever we operate
  - Expand quickly and profitably when rivals are hampered by debt or smaller scale

Strategic Pillars / Long-Term Goals

Consolidate expansion across Africa	Achieve leadership in key markets	Tap high-value export markets	Capture local markets with superior quality and service	Adhere to global standards of governance	Improve sustainability
Grow and diversify across the last and potentially most attractive major growth market for cement	Strive to obtain a #1 or #2 position in each market, with at least 30% share	Serve landlocked markets with high sales prices and margins, generate FX to offset imported raw materials	Serve markets with delivered product instead of factory gate sales; use financial strength to improve service, reduce costs	Achieving international standing through good governance enables us to access global financial markets	Be most energy and CO_2 efficient company in our industry, with low environmental footprint when compared to peers

How we create value

Size and buying power enables favourable procurement of plants at lower cost; brownfield increases returns

Careful market selection looks for countries with good resources, cement deficit, ageing peers and investment incentives

Larger scale of plants built with high degree of standardisation and prefabrication to reduce capex, improve returns

New quarries enable optimal mining of highest quality raw materials, improving product quality

Larger kiln sizes enables higher-efficiency production of clinker in most expensive step of production

Fuel strategy improves margins by bulk procurement, switch to lower-cost kiln/power fuels e.g. coal

Strong focus on quality ensures best-quality materials, manufacturing processes and end products, reduces waste

Good emissions control helps environment, improves competitiveness in face of increasing industry regulation

Use of modern vertical rolling mills enables finer cement grinding, improves quality with positive impact on setting time for block makers

Highly automated packing and loading reduces manual loading, enables higher throughput through packing lines

Ability to buy/operate trucks in bulk enables superior distribution capabilities, extends market reach

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Strong competitive advantages delivering improved returns for shareholders

Board and Committees

Board of Directors

Aliko Dangote [1]
Onne van der Weijde
Olakunle Alake
Sani Dangote
Abdu Dantata
Ernest Ebi*
Devakumar Edwin
Emmanual Ikazoboh*
Fidelis Madavo
Joseph Makoju
Olusegun Olusanya *
Dorothy Ufot *
Douraid Zaghouani

Finance & General Purpose Committee	Audit, Compliance & Risk Committee	Remuneration & Governance Committee	Nomination Committee	Technical Committee	Statutory Audit Committee[2]
Olusegun Olusanya[1]	Ernest Ebi[1]	Emmanuel Ikazoboh	Aliko Dangote[1]	Fidelis Madavo[1]	Robert Ade-Odiachi[1]
Olakunle Alake	Olakunle Alake	Sani Dangote	Ernest Ebi	Olakunle Alake	Nicholas Nyamali
Sani Dangote	Sani Dangote	Abdu Dantata	Emmanuel Ikazoboh	Abdu Dantata	Sheriff Yussuf
Ernest Ebi	Devakumar Edwin	Ernest Ebi	Olusegun Olusanya	Ernest Ebi	Olakunle Alake
Devakumar Edwin	Emmanuel Ikazoboh	Devakumar Edwin	Fidelis Madavo	Devakumar Edwin	Olusegun Olusanya
Emmanuel Ikazoboh	Fidelis Madavo	Joseph Makoju		Joseph Makoju	Emmanuel Ikazoboh
Fidelis Madavo	Olusegun Olusanya	Olusegun Olusanya		Douraid Zaghouani	
	Dorothy Ufot	Dorothy Ufot			

Note: * denotes Independent Non-Executive Directors.

1. Chairman of Committee.
2. The Statutory Audit Committee is not a Committee of the Board.

Strong corporate governance

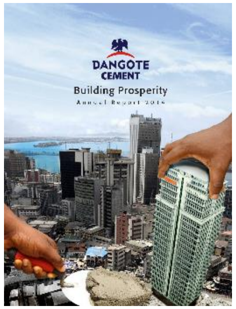
International standards of governance

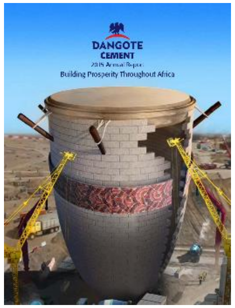
- Achieved Premium Listing status on the Nigerian Stock Exchange, August 2015
  - Followed rigorous audit of governance policies
- June 2016 appointment of first female director, Mrs Dorothy Ufot, SAN
  - Adds strong legal knowledge
- Four Independent Non-Executive Directors
- Group-wide risk management initiative
- Improved Annual Report providing stakeholders with more information and greater transparency
- Implementation of key policies to meet international standards of governance

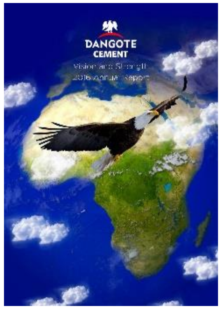
Improving corporate disclosure

EHSS commitments

- EHSS Head Massimo Bettanin appointed Q2 2016
  - Formerly adviser to DCP during its work with ERM consultancy
- Major Environment, Health & Safety and Social initiative
  - Standard approaches to be rolled out across all territories
  - Occupational Health & Safety Management System
  - Improves on plant-by-plant approach adopted so far
  - Teams being recruited to Dangote Cement EHSS programme in 2016
- Working to adopt IFC Performance Standards
- Plan to adopt global sustainability reporting standards in FY2018
  - Likely to be based upon GRI G4 Sustainability reporting Guidelines







THE NIGERIAN STOCK EXCHANGE PREMIUM BOARD LISTED

Our achievements so far

Before we began manufacturing, Nigeria was one of the world's biggest importers of cement.

In 2012 we opened 11Mta new capacity that enabled it to become self-sufficient

In 2016 we transformed Nigeria into a NET EXPORTER OF CEMENT

Highlights of 2016

Financial results

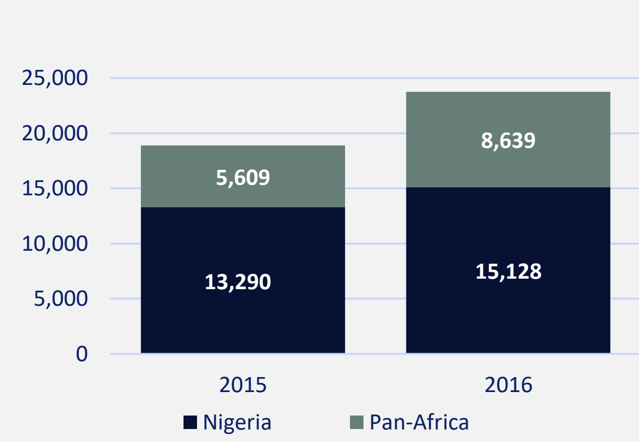
- Revenue up 25.1% to ₦615.1B
- Strong increase in Q4 EBITDA after price increase
- EPS up 4.5% to ₦11.34
- Dividend up 6.25% to ₦8.5 per share, 74.9% payout ratio
- Net debt of ₦240.8B, or 0.94x EBITDA

Regional revenues (₦B)			
Year to 31st December	**2016**	**2015**	**Change**
Nigeria	426.1	389.2	9.5%
Pan Africa	195.0	103.5	88.5%
Inter-company sales	(6.1)	(1.0)	526%
Total	**615.1**	**491.7**	**25.1%**

Operational highlights

- Dangote Cement's export sales transform Nigeria into net exporter of cement
- Overall Group volumes up 25.0% to 23.6Mt
- Record sales volumes in Nigerian market, up 13.8% to 15.1Mt
- Pan Africa sales volumes up 54.0% to 8.6Mt
- Good start in Tanzania with rapid gains in market share
- Gaining/consolidating share across Africa
- Coal conversions completed in Nigeria, LPFO no longer used

Regional sales volumes ('000 tonnes)



Before inter-company eliminations

Financial overview

Income Statement				
Year ended 31st December	**2016 ₦B**	**2015 ₦B**	**% change**	**Comments**
Revenue	615.1	491.7	25.1%	*Driven by strong volume growth*
Cost of sales	(323.8)	(201.8)	60.5%	
Gross profit	**291.3**	289.9	**0.5%**	
Gross margin	*47.4%*	*59.0%*		
EBITDA	**257.2**	**262.4**	**(2.0%)**	*Lower average pricing, unfavourable fuel mix, Pan-Africa dilution*
EBITDA margin	*41.8%*	*53.4%*		
EBIT	**182.5**	**207.8**	**(12.2%)**	
EBIT margin	*29.7%*	*42.3%*		
Net finance income	(1.6)	(19.5)	**(92.0%)**	*Includes net FX gain of ₦41B*
Profit before tax	**180.9**	**188.3**	**(3.9%)**	
Income tax (expense)/credit	5.7	(7.0)		*2% effective tax rate in Nigeria*
Profit for the period	**186.6**	**181.3**	**2.9%**	
Earnings per share	**11.34**	**10.86**	**4.5%**	
Dividend per share	**8.5**	**8.0**	**6.25%**	

Financial overview (cont'd)

Movement in net debt	Cash ₦B	Debt ₦B	Net debt ₦B
As at 1st January 2016	**40.8**	**(245.0)**	**(204.2)**
Cash generated from operations before changes in working capital	243.9		243.9
Changes in working capital	35.9		35.9
Income tax paid	(1.1)		(1.1)
Additions to fixed assets*	(136.2)		(136.2)
Other investing activities	(0.7)		(0.7)
Change in non-current prepayments	17.3		17.3
Net interest payments**	(36.4)		(36.4)
Net loans obtained (repaid)	84.2	(84.2)	-
Other cash and non-cash movements	4.4	(27.3)	(22.9)
Dividend paid	(136.3)		(136.3)
As at 31st December 2016	**115.7**	**(356.5)**	**240.8**

*Completion of Tanzania, Congo, Sierra Leone, coal conversions and trucks
**Average rate on loans is 13%

Financial overview (cont'd)

Balance sheet	As at 31/12/16 ₦B	As at 31/12/15 ₦B
Property, plant and equipment	**1,155.7**	917.2
Other non-current assets	**64.9**	25.1
Intangible assets	**4.1**	2.6
Current assets	**187.5**	125.2
Cash and cash equivalents	**115.7**	40.8
Total Assets	**1,527.9**	**1,110.9**
Non-current liabilities	**65.8**	57.2
Current liabilities	**308.3**	164.1
Debt	**356.5**	245.0
Total liabilities	**730.6**	**466.2**
Net Assets	**797.3**	**644.7**
Net debt as % of net assets	**30.2%**	**31.2%**

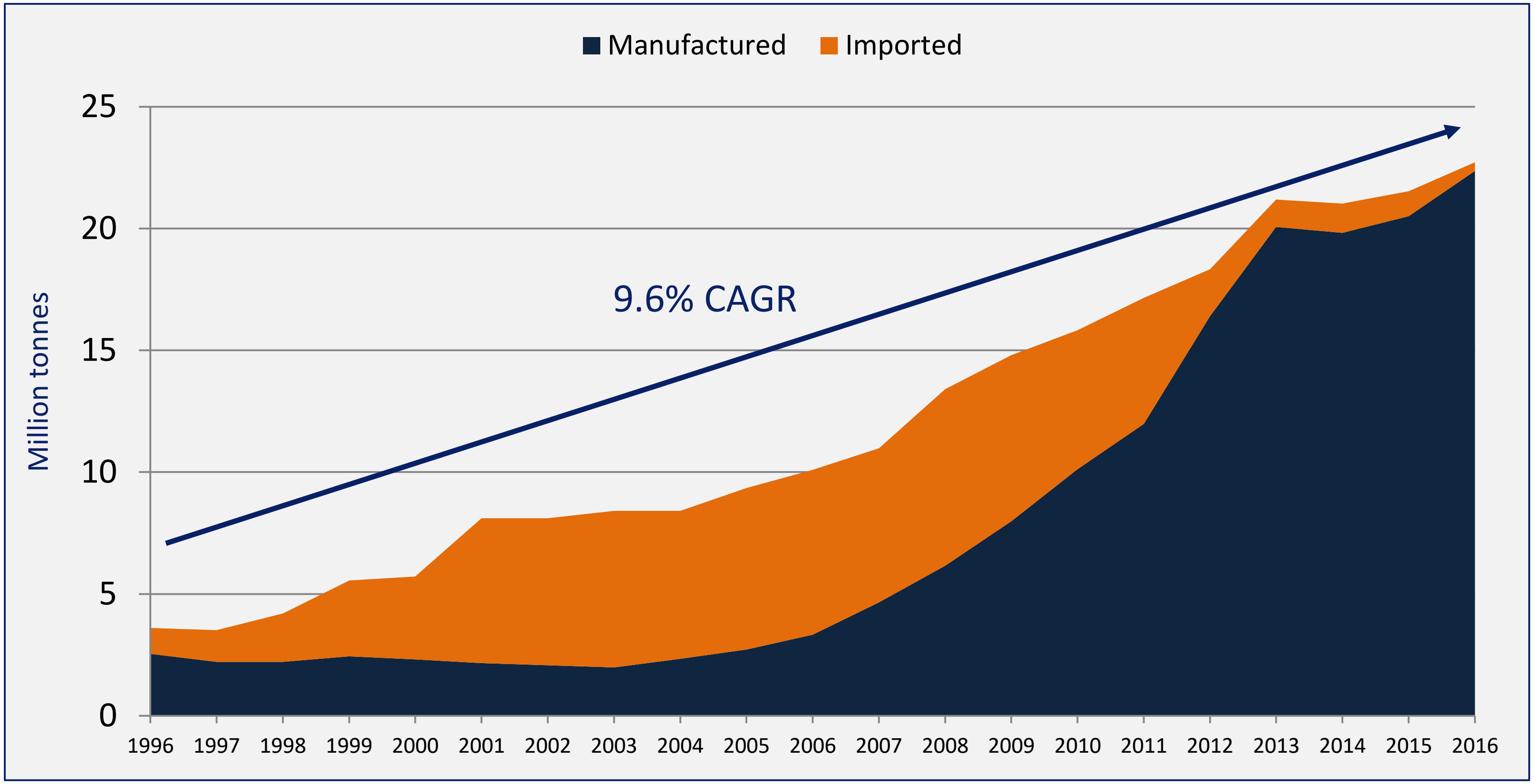
Analysis of debt

₦bn	Short-term*	Long-term	Total	%
Naira	146.6	78.3	224.8	**63.1%**
US$	57.4	-	57.4	**16.1%**
Rand	-	50.2	50.2	**14.1%**
Other	-	24.0	24.0	**6.7%**
Total	**204.0**	**152.4**	**356.4**	**100%**
	57.2%	**42.8%**	**100%**	

*Including overdraft

- Most short-term debt is to parent; plan to refinance with Naira bond
- Low US$ debt exposure, mainly in relation to LCs (₦47.6B)
- DCP Nigeria lends to country operations in US$,
  which results in gain on translation as Naira devalues

Nigerian market remains robust



Strong Nigeria performance

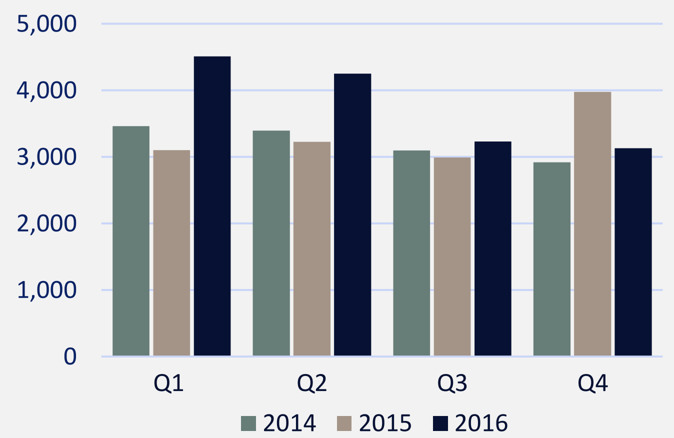
- Record FY sales up 13.8% to 15.1Mt including exports
  - 14.8Mt sold within Nigeria, despite recession
- Sharp increase in Q4 EBITDA/tonne after price increase
  - Most of uplift was from pricing, but cheaper fuel mix helped
- Nigeria transformed into net exporter of cement
  - Exports of 366kt higher than imports of c350kt
- Coal now available for all Nigerian kilns
  - Own-mined coal expected soon
  - Advantage of self-sufficiency and reduced need for FX
- Strong marketing activity, 15,000 retailers now active
  - National promotions reward consumers and retailers
  - Strong brand recognition
- 65% of volumes delivered to customers by own trucks
  - 241,000km covered

Nigeria performance

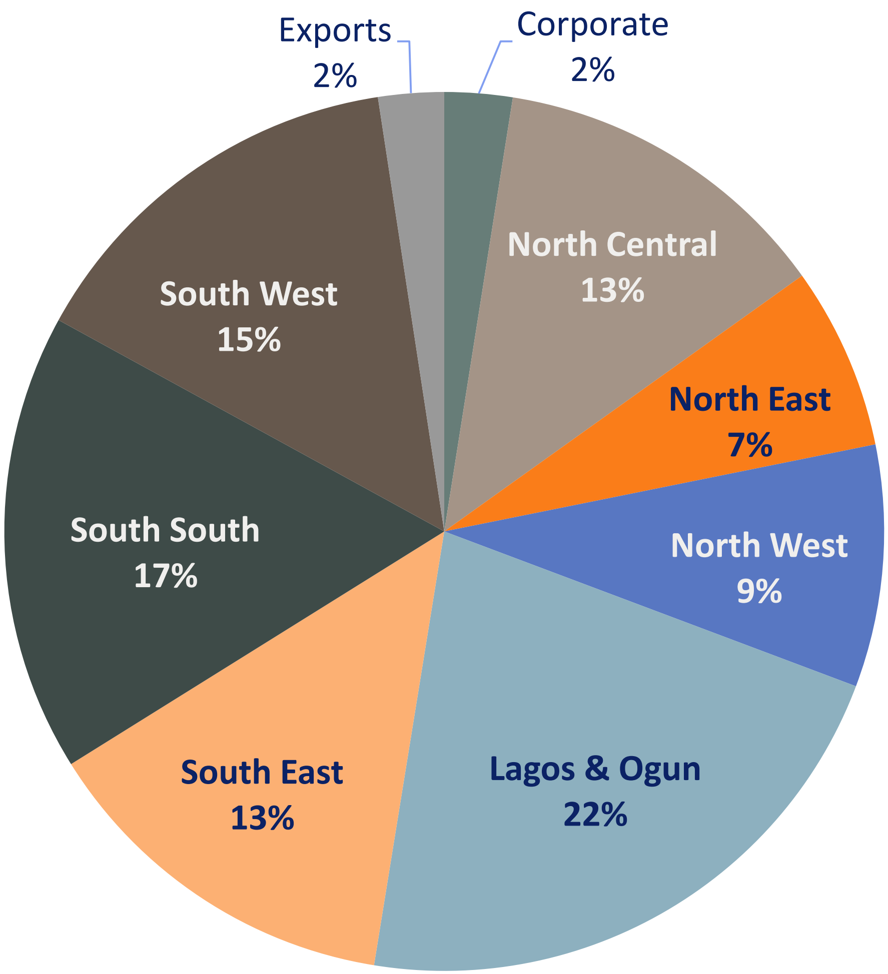
Year to 31st December	2016	2015	Change
Volumes* (kt)	15,128	13,290	13.8%
Revenue* (₦B)	426.1	389.2	9.5%
EBITDA* (₦B)	242.0	247.5	(2.2%)
EBITDA margin	56.8%	63.6%	

* **Excl. corporate costs and inter-company eliminations** (see note 4 to accts)

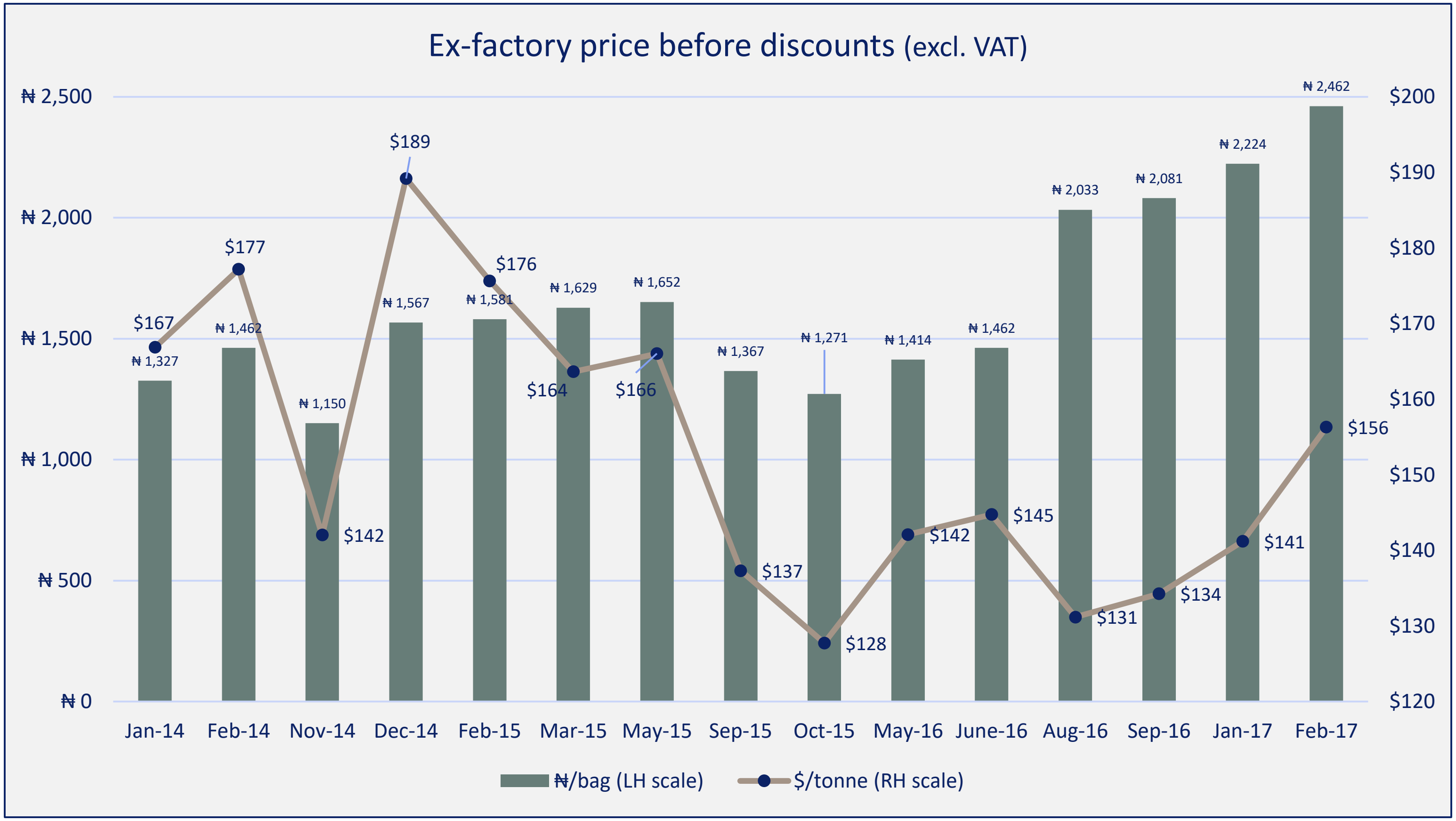
Quarterly sales ('000 tonnes)



Nigeria sales by market

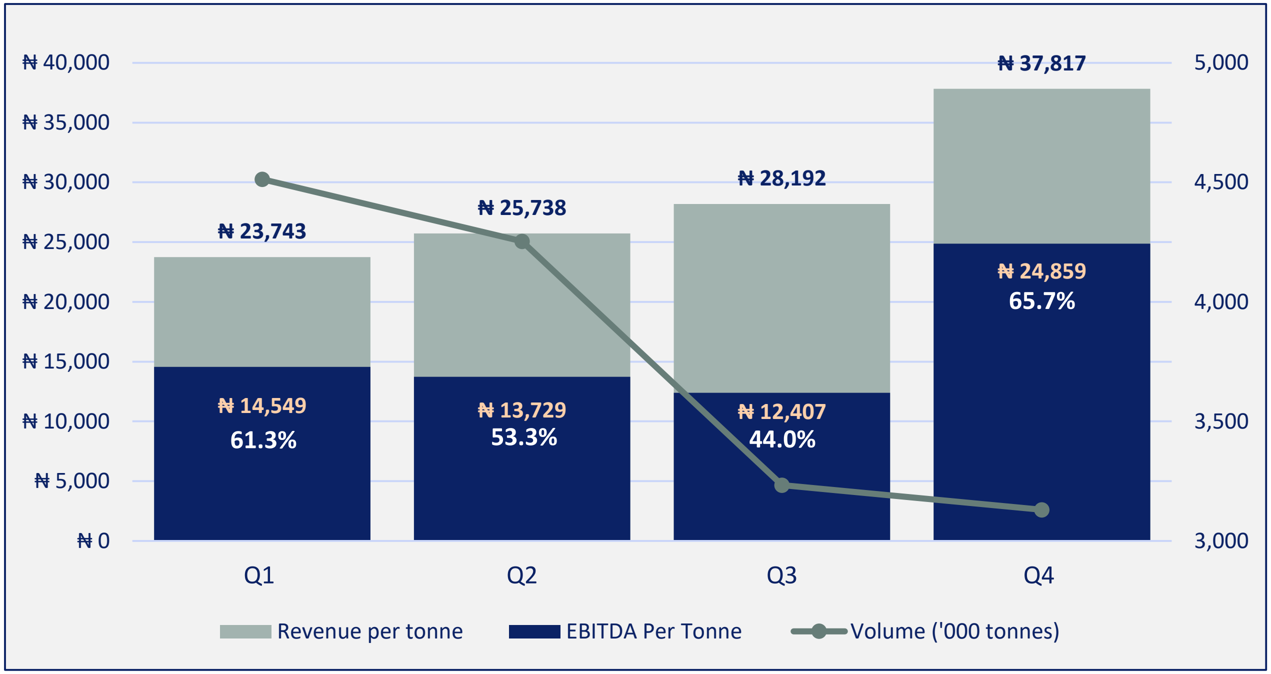


Price evolution



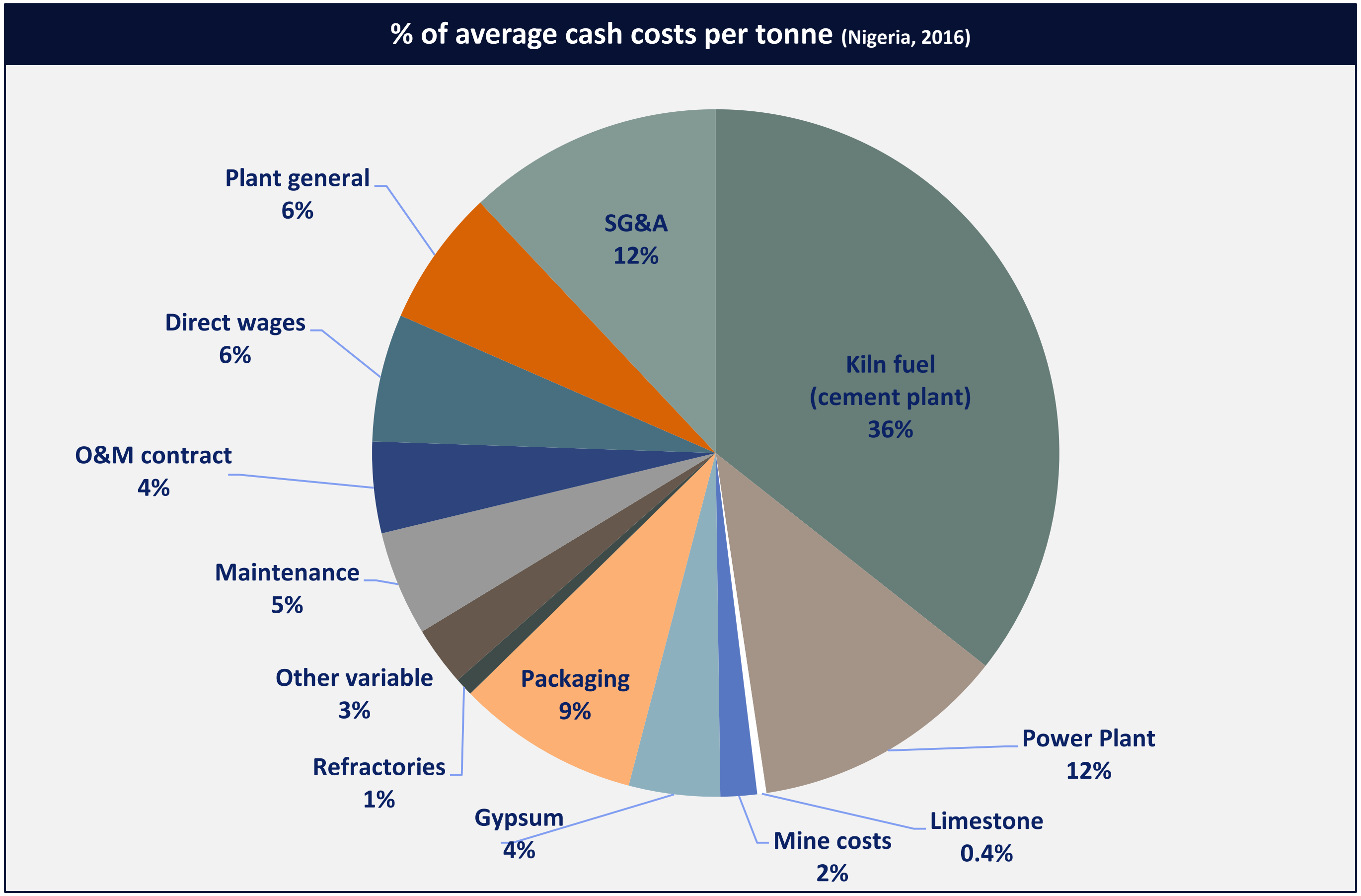
- Price remains well below highest level in US$ terms

Focus on Q4 performance



- Demand easing BEFORE price increase in late Q3
- EBITDA rose in Q4 after price increase of ₦600/bag, or ₦12,000/tonne and improvement in fuel mix
- Indication of **strong improvement in profitability for 2017** even if volumes are same or lower than 2016
  - Better fuel mix
  - Additional price adjustment of +₦150/bag at start of Q1 and ₦250 in February, inc VAT

Nigeria cash cost analysis



Approximately 55%-60% of cash costs are US$ based

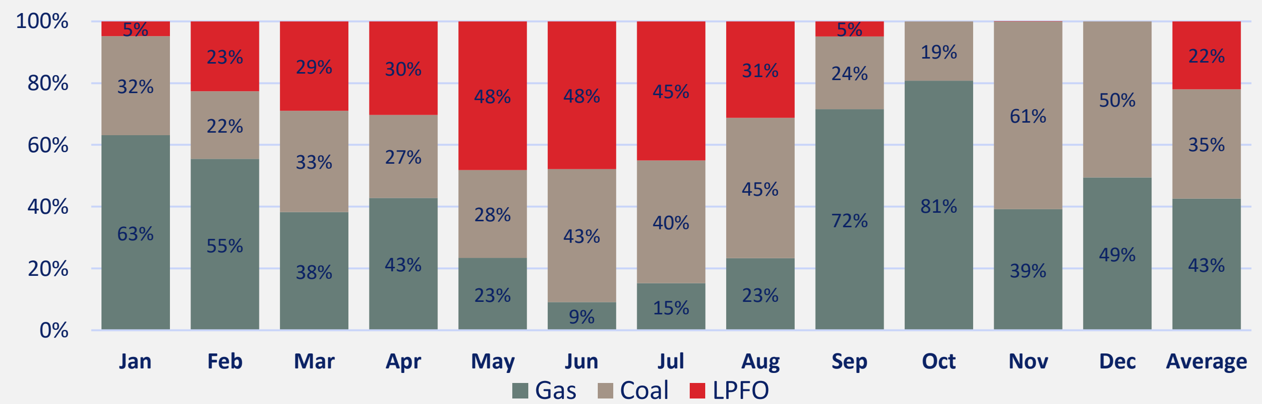
Importance of optimal fuel mix

- Kiln fuel is the major cost of cement production
  - LPFO use hurts margins
- Preference has previously been to run on gas, but:
  - Disruption and maintenance have lead to shortages since 2014
  - Back-up LPFO often not available locally, forcing production shutdowns prior to use of coal (especially 2014)
- Gas priced in US$ but paid in Naira, so affected by FX
- Switch to coal brings multiple benefits

Relative cost of alternative fuels vs gas per tonne of clinker

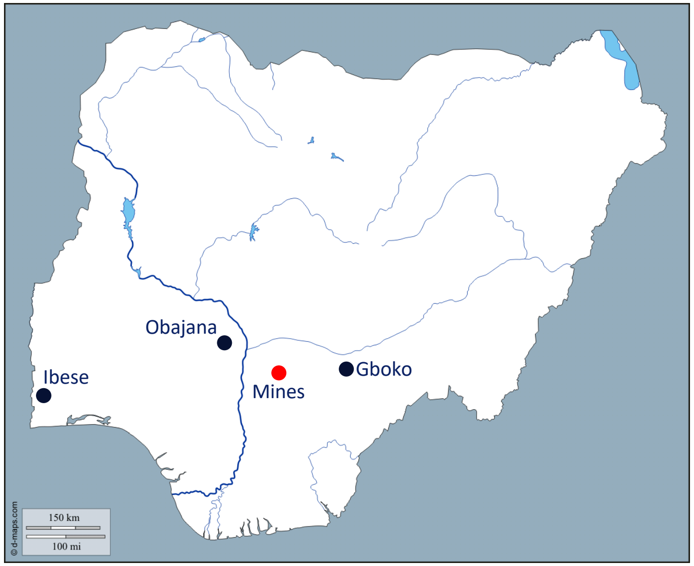
	Obajana	Ibese
Own-mined coal	0.7x	0.7x
Locally bought coal	0.8x	0.8x
Imported coal	1.2x	0.9x
Gas	**1.0x**	**1.0x**
LPFO	2.5x	1.8x

Obajana & Ibese fuel mix



Coal programme delivered

- All Nigerian kilns now able to run on coal
- LPFO use eliminated since Q4 2016 with positive impact on margins
- Dangote Industries supplying coal from mines in Kogi from March
- Switch to own-mined coal has several benefits
    - Cheaper and more reliable than gas, thus improving margins
    - Eliminates need for expensive LPFO as back-up
    - Reduces FX need for imported fuel
- Could potentially run all lines 100% on local coal at lower cost than gas
- DCP committed to disclosing CO2 emissions in line with good practice and potential NSE requirements



Pioneer Tax schedule

Gboko	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Line 1												
Line 2												
Ibese	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Line 1												
Line 2												
Line 3												
Line 4								Feb				
Obajana	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Line 1												
Line 2												
Line 3												
Line 4								Feb				

Tax holiday

Pan-Africa gaining momentum

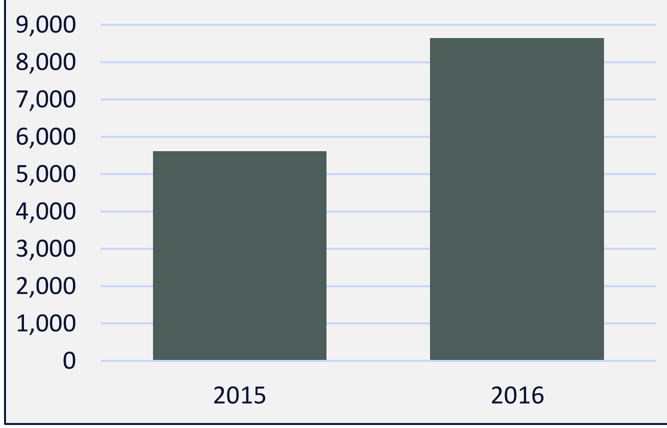
- Strong performance despite economic downturn across much of Africa
- Sales volumes up 54.0% to 8.6Mt (excl. eliminations)
- Revenues up 88.5% to ₦195.0B
- EBITDA up 5.5% to ₦26.5B
  - Start-up and diesel costs in Tanzania weighed on margins
- Gaining/consolidating market shares across Africa
- Local disruptions in Ethiopia, Tanzania
  - But proves benefits of diversified production/revenue base
- Sierra Leone and Congo expected to begin sales in Q1 2017

Rest of Africa performance

Year ended 31st December	2016	2015	Change
Volumes sold (kt)	8,639	5,609	54.0%
Revenue (₦B)	195.0	103.5	88.5%
EBITDA* (₦B)	26.5	25.1	5.5%
EBITDA margin	13.6%	24.2%	

* Excluding corporate costs and eliminations (see note 46to accounts)

Cement sales ('000 tonnes)



Country updates

Cameroon

- Nearly 1.1Mt sold in 2016
- Market share 43%
- Ban on imported cement is opportunity for our clinker grinding plant to increase sales
- GDP increased by 5.6%, with slightly higher growth forecast for 2017
- Inflation falling and currency appreciating against US$ Average cement pricing of $103 in 2016

Ghana

- 1.1Mt cement sold, up 73.9%; 23% share in December
- Pricing averaged at $115 during the year
- Importing from Nigeria provides non-duty alternative to imports from outside ECOWAS
- Planning a 1.5Mta clinker grinding facility to import clinker to manufacture cement within Ghana

Ethiopia

- Nearly 2.0Mt cement sold in 2016
- Market share now 24%
- Cement prices fluctuated, averaging $90 and ending the year at $96, following the civil unrest and its impact on distribution to markets
- 400 trucks for distribution of cement into key markets

Senegal

- Volumes up 9% to just over 1Mt
- 25% market share achieved
- Cement pricing relatively stable, averaging $76 across the year
- Government has approved $370m for investment in roads and power

Country updates

South Africa

- Dangote Cement South Africa increased sales by 3.8% during the year
- Continued focus on an optimisation programme to improve logistics, sales and plant efficiency
- Economy remained muted with GDP growth of 0.4%, following Brexit
- But the government is increasing its commitment to infrastructure investment

Tanzania

- Sold 0.6Mt cement in 2016
- Lack of agreement on gas pricing meant use of expensive diesel gensets, but agreement now in place for gas supply, which will significantly reduce energy costs when we deploy temporary gas turbines for power
- Will begin construction of a coal/gas power station to provide electricity

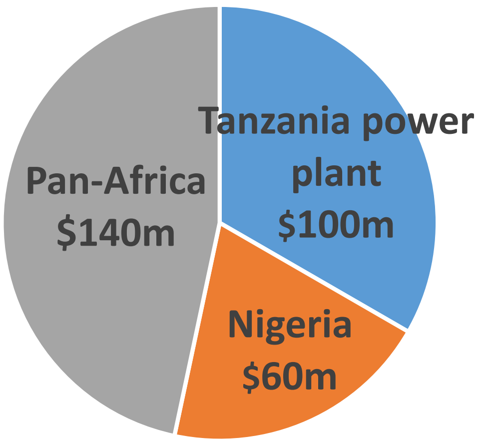
Zambia

- Dangote Cement increased sales to nearly 0.8Mt
- 40% market share
- Downturn in copper mining, lower export revenues, high inflation, high unemployment , power shortages and rising national debt
- GDP achieved 2.9% growth in 2016 and is expected to recover to about 4% over the next few years
- Increasing middle-class demand for household goods, consumer electronics and higher-quality foods
- Cement prices averaged about $79/tonne during the year and ended 2016 at the same price

Update on trading and outlook for 2017

- Volume growth expected from:
  - Increased exports from Nigeria to Ghana
  - Tanzania ramp-up from 0.6Mt sold in 2016
  - New capacity making first contributions
    - Sierra Leone (0.7Mta) selling cement since February
    - Congo (1.5Mta) first sales expected April
- Sharp increase in Nigerian EBITDA/tonne will drive substantial margin gains in 2017, even if volumes are flat
  - Additional ₦150/bag price increase in January 2017 and ₦250/bag in February
- Own-mined coal soon arriving at plants, further improving margins
- Pan-Africa margins boosted by gas in Tanzania, H2
  - Will enable replacement of expensive diesel gensets by gas turbines in June/July
  - Construction of dual coal/gas power plant
  - Gas also an option for kilns

Projected capex, 2017
$m



Sustainability

- Dangote Cement is committed to introducing sustainability reporting in its 2018 Annual Report
- Reporting will be guided by:
    - Nigerian Stock Exchange requirements on sustainability reporting
    - Cement Sustainability Initiative
    - Global Reporting Initiative G4 Sustainability Reporting Guidelines
- Initial focus likely to be upon:
    - Carbon disclosure
    - Emissions monitoring
    - Responsible use of fuel and raw materials
    - Employee health and safety
    - Biodiversity impacts
    - Water impacts
- Timetable
    - 2016: Benchmark industry standard reporting, identify relevant reporting standards, develop pilot monitoring studies
    - 2017: Review pilot studies, develop policies and finalise KPIs, staff training
    - 2018: Roll out monitoring and reporting system across entire business, data assurance, regular management reviews
    - 2019: Produce first Sustainability Report

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