DANGOTE CEMENT

Unaudited results for the Three months to 31st March 2017

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Q1 2017 highlights

- Strong financial performance despite volume fall
- Revenues up 48.1%
- Group EBITDA up 42.3%
- Nigeria EBITDA / tonne up 78.4%
- Improved fuel mix in Nigeria, own-mined coal
- Pan-African volumes up 21%
- Gaining share across Africa
- Strong cash generation cuts net debt to ₦180.2B

3m to 31st March	2017	2016	Change
Sales volumes	**'000t**	**'000t**	
Nigeria	3,770	4,513	(16.5%)
Pan-Africa	2,342	1,937	21.0%
Inter-company sales	(87)	(15)	
Total	**6,025**	**6,435**	**(6.4%)**
Revenues	**₦m**	**₦B**	
Nigeria	152.4	107.2	42.2%
Pan-Africa	58.7	33.7	74.2%
Inter-company sales	(2.9)	(0.3)	
Total	**208.2**	**140.5**	**48.1%**

EBITDA	**₦B**	**₦B**	
Nigeria	98.7	66.2	49.0%
Pan-Africa	7.5	7.3	2.2%
Inter-company and central costs	(3.2)	(1.1)	
Total	**103.0**	**72.4**	**42.3%**
EBITDA margin	**%**	**%**	
Nigeria	64.8%	61.8%	
Pan-Africa	12.7%	21.7%	
Group	**49.5%**	**51.5%**	

Financial overview

Income Statement				
Three months to 31st March	**2017 ₦B**	**2016 ₦B**	**% change**	**Comments**
Revenue	208.2	140.5	48.1%	
Cost of sales	(87.8)	(62.2)	41.2%	
Gross profit	**120.4**	**78.3**	**53.7%**	
Gross margin	*57.8%*	*55.7%*		
EBITDA	**103.0**	**72.4**	**42.4%**	*Strong uplift from Nigeria after price increase*
EBITDA margin	*49.5%*	*51.5%*		
EBIT	**83.2**	**56.1**	**48.3%**	
EBIT margin	*40.0%*	*39.9%*		
Net finance income / (cost)	(5.9)	(1.6)		
Profit before tax	**77.3**	**54.5**	**41.8%**	
Income tax (expense)/credit	(6.7)	(1.7)		
Profit for the period	**70.6**	**52.8**	**33.7%**	
Earnings per share	**4.25**	**3.12**	**36.2%**	

Financial overview (cont'd)

Movement in net debt

	Cash ₦B	Debt ₦B	Net debt ₦B
As at 1st January 2017	**115.7**	**(356.5)**	**(240.8)**
Cash generated from operations before changes in working capital	108.2	-	108.2
Changes in working capital	(9.1)	-	(9.1)
Income tax paid	(0.1)	-	(0.1)
Additions to fixed assets	(16.4)	-	(16.4)
Other investing activities	(0.6)	-	(0.6)
Change in non-current prepayments	(3.6)	-	(3.6)
Net interest payments	(17.0)	-	(17.0)
Net loans obtained (repaid)	(42.1)	42.1	-
Other cash and non-cash movements	8.9	(9.7)	(0.8)
Dividend paid	-	-	-
As at 31st March 2017	**143.9**	**(324.0)**	**(180.2)**

Financial overview (cont'd)

Balance sheet	As at 31/3/17 ₦B	As at 31/12/16 ₦B
Property, plant and equipment	**1,151.3**	**1,155.7**
Other non-current assets	**67.6**	**64.9**
Intangible assets	**5.0**	**4.1**
Current assets	**211.0**	**187.5**
Cash and cash equivalents	**143.9**	**115.7**
Total Assets	**1,578.8**	**1,527.9**
Non-current liabilities	**67.6**	**65.8**
Current liabilities	**317.9**	**308.3**
Debt	**324.0**	**356.5**
Total liabilities	**709.6**	**730.6**
Net Assets	**869.2**	**797.3**
Net debt as % of net assets	**20.7%**	**30.2%**

Analysis of debt

₦bn	Short-term*	Long-term	Total	%
Naira	159	20	179	**55%**
US$	40	13	53	**16%**
Rand	7	40	47	**15%**
Other	11	34	45	**14%**
Total	217	107	**324**	**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
- DCP Nigeria lends to country operations in US$, which results in gain on translation as Naira devalues

Strong Nigeria performance

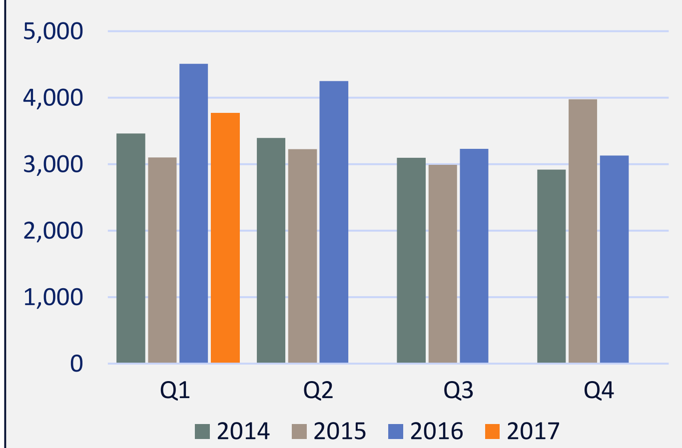
- Strong improvement in Q1 EBITDA
  - EBITDA per tonne of ₦26,175 (Q1 2016: ₦14,674)
  - Higher pricing
  - Better fuel mix including own-mined coal
- Q1 sales down 16.5% to 3.8Mt including exports
  - 3.7Mt sold within Nigeria, despite recession
  - Exports of 87kt
- Coal now available for all Nigerian kilns
  - Own-mined coal now available to all plants
  - Reduced importation of coal
  - 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

Nigeria performance

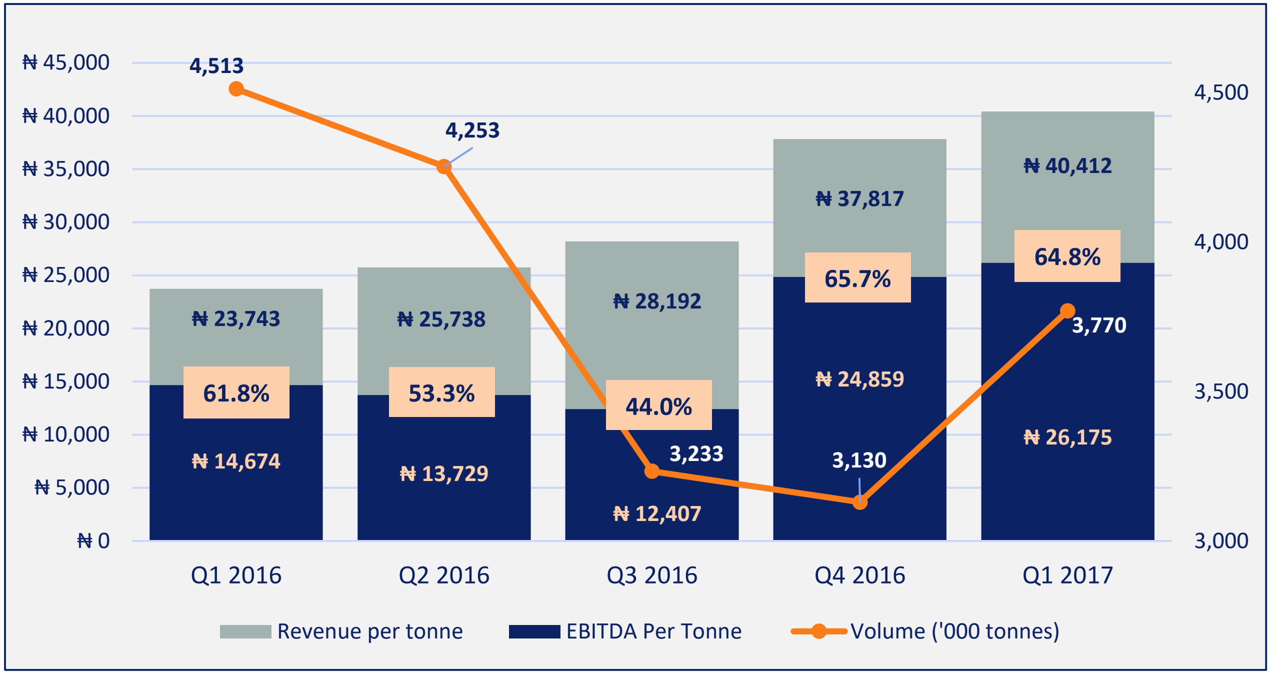
Three months to 31st March	2017	2016	Change
Volumes* (kt)	3,770	4,513	(16.5%)
Revenue* (₦B)	152.4	107.2	42.2%
EBITDA* (₦B)	98.7	66.2	(49.0%)
EBITDA margin	64.8%	61.8%	

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

Quarterly sales ('000 tonnes)



Strong uplift in Nigeria Q1 EBITDA



- EBITDA momentum maintained in Q1 2017
- 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, ₦250 in February and ₦75 (inc VAT)

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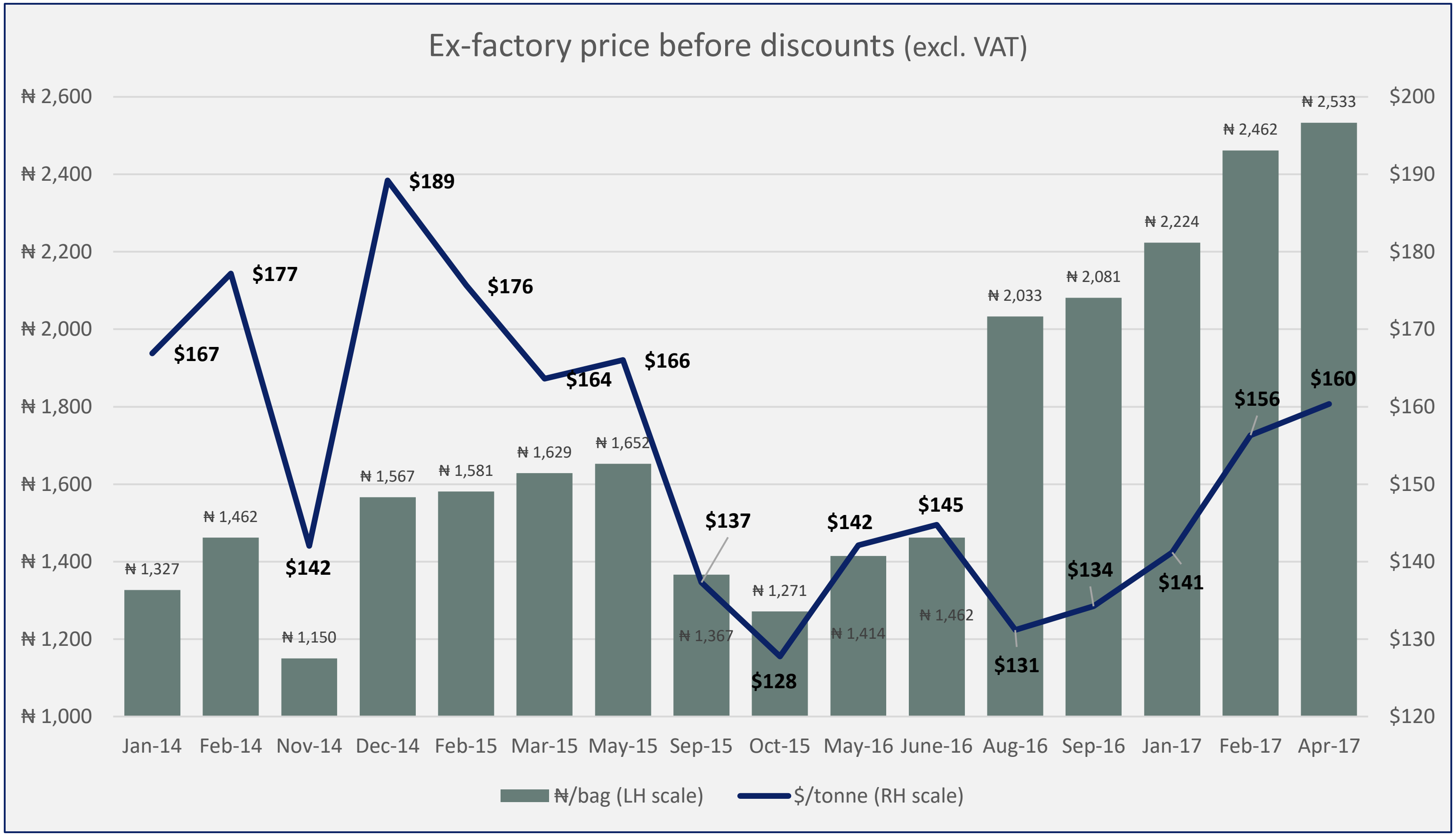
Nigeria price evolution



- Price remains well below highest level in US$ terms

Nigeria fuel mix greatly improved

Three months to 31st March	Obajana		Ibese	
	2017	**2016**	**2017**	**2016**
Gas	47.9%	66.8%	53.5%	43%
Imported coal	8.0%	14.6%	30.9%	43%
Nigerian coal	37.9%	0%	12.2%	0%
LPFO	6.2%	18.6%	3.4%	14%
	100%	**100%**	**100%**	**100%**

Pan-Africa gaining momentum

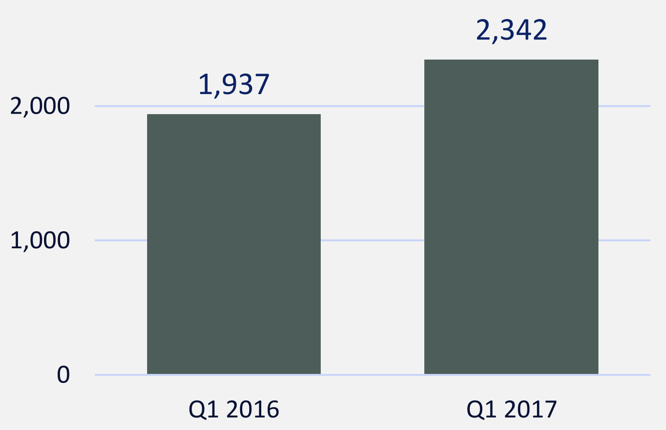
- Strong performance despite economic downturn across much of Africa
- Sales volumes up 21.0% to 2.3Mt
- Revenues up 74.2% to ₦58.7B
- EBITDA up 2.2% to ₦7.5B
  - Strong margins in Ethiopia and Senegal
  - Diesel costs in Tanzania still weigh on margins
  - Start-up costs in Sierra Leone, Congo
- Gaining/consolidating market shares across Africa
- Sierra Leone now selling cement
- Congo expected operational in Q2

Rest of Africa performance

Year ended 31st December	2017	2016	Change
Volumes sold (kt)	2,342	1,937	21.0%
Revenue (₦B)	58.7	33.7	74.2%
EBITDA* (₦B)	7.5	7.3	2.2%
EBITDA margin	12.7%	21.7%	

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

Cement sales ('000 tonnes)



Country updates

Cameroon

- GDP expected to grow by nearly 6% in 2017
- Over 300kt cement sold in Q1 2017, up 14% on the 261kt old in Q1 2016
- Market share 43%
- Improvement in sales and marketing strategies
- Prices stable at around $99/tonne
- Ban on imported cement
- Gap in housing creating opportunity for cement industry

Ghana

- 287kt cement sold, up 17%
- 26% market share (Q1 2016; 18.5% market share)
- Average price $97/tonne
- Increasing importation of cement from Nigeria, providing non-duty alternative to imports
- Greater number of trucks for cement distribution

Ethiopia

- Economy remains robust; increasing number of government driven projects
- Dangote Cement sold 527kt cement in Q1 2017, up 17% on the 451kt sold in Q1 2016
- Largest market share of 28% due to quality of cement
- Average price of $83/tonne achieved in Q1 2017 Reduced cost of delivered cement

Senegal

- Nearly 10% increase in sales to 360kt
- Market share now almost 35% from 27%
- Recent introduction of 32.5R-grade cement well received by the market
- Slight decrease in cement prices
- Continued government commitment to infrastructure investment
- Plans to stimulate export sales neighbouring Mali and Guinea-Bissau

Country updates

Sierra Leone

- Surge in building activities after Ebola epidemic
- Dangote Cement operations began in January 2017, making first contributions to Group results
- Nearly 23kt cement sold in Q1
- 25% market share
- Average price achieved was $120/tonne

South Africa

- 5% price increase in February 2017
- Drive to increase volumes in the bulk sector and 42-R grade cement bags sales
- Decrease in transport diversions and diversion cost
- More favourable outlook for economic growth; cement demand growth projected at 5.9% in Q1 2017
- Rand recovering
- Lower than expected inflation and interest rates

Tanzania

- Volumes up 340% to 228Kt
- Market share of 21% just 12m after launch
- Diesel gensets to be replaced by gas
- $100m investment in permanent power plant
- Allocation of land to mine coal

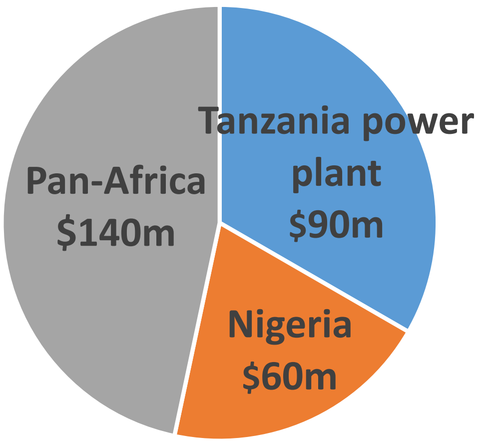
Zambia

- 147kt sold in Q1, 80% delivered with own fleet
- Slightly lower than Q1 2016 owing to heavy rains
- Market share of 43%
- Market expected to improve this year
- IMF funds expected to be released
- Mining activity expected to pick up

Update on trading and outlook for 2017

- Sharp increase in Nigerian EBITDA/tonne will drive substantial margin gains in 2017, even if volumes are flat
- Focus remains on EBITDA in US$
- Volume growth expected from:
  - Increased exports from Nigeria to Ghana
  - Tanzania ramp-up in 2017
  - New capacity making first contributions
    - Sierra Leone (0.7Mta) selling cement since February
    - Congo (1.5Mta) first sales expected April
- Own-mined coal soon arriving at plants, further improving margins
- Pan-Africa margins will be 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



Investor Relations contacts

For further information contact:

Carl Franklin
Head of Investor Relations
Dangote Cement Plc

+44 207 399 3070
+44-7713 634 834
carl.franklin@dangote.com

www.dangotecement.com

@DangoteCement

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