



**DANGOTE CEMENT PLC**

**INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS AND NINE MONTHS ENDED 30TH SEPTEMBER 2018**

**DANGOTE CEMENT PLC**  
**For the three months and nine months ended 30th September 2018**

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## CERTIFICATION PURSUANT TO SECTION 60 OF INVESTMENTS AND SECURITIES ACT (ISA) 2007

We have reviewed the abridged separate and consolidated financial statements of Dangote Cement Plc and its subsidiaries (The Group) for the period ended 30th September, 2018.

Based on our knowledge, these abridged consolidated and separate financial statements do not:

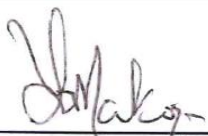
- contain any untrue statement of a material fact or;
- omit to state a material fact, which would make the statement misleading in light of the circumstances under which such statements were made;

The financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Group as of, and for the periods presented in the abridged consolidated and separate financial statements;

The Directors are responsible for establishing and maintaining internal controls,

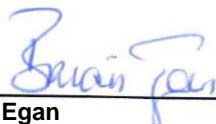
We have:

- designed such internal controls to ensure that material information relating to the Group is made known to us by others within the Group, particularly during the period in which this report is being prepared;
- continuously evaluated the effectiveness of the Group and Company's internal controls and reported to the Board's Audit and Risk Management Committee on a quarterly basis;
- disclosed to the Audit Committee, any fraud whether or not material, that involved management or other employees who have significant role in the company's internal controls.



**Joseph Makoju, UFR**

Group Chief Executive Officer  
FRC/2018/COREN/00000017767



**Brian Egan**

Group CFO/Executive Director, Finance  
FRC/2015/MULTI/00000011227

## **INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

### **TO THE MEMBERS OF DANGOTE CEMENT PLC.**

We have been engaged by the Company to review the condensed consolidated and separate financial statements of **Dangote Cement Plc and its subsidiaries (together "the Group")**, which comprise the condensed consolidated and separate statement of financial position as at 30 September 2018 and the condensed consolidated and separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the three and nine months then ended and related notes 1 to 27.

This report is made solely to the Company in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

#### **Directors' Responsibilities**

The condensed consolidated and separate financial statements are the responsibility of, and have been approved by the directors. The directors are responsible for the preparation of the condensed consolidated and separate financial statements in accordance with the requirements of the International Financial Reporting Standards (IFRS), the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Investments and Securities Act 2007 requires condensed financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards (IFRS), and also, as a minimum, contain the information required by International Accounting Standard (IAS) 34, Interim Financial Reporting.


#### **Auditor's Responsibility**

Our responsibility is to express to the company, a conclusion on these condensed consolidated and separate financial statements. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated and separate financial statements of Dangote Cement Plc and its subsidiaries for the three and nine months ended 30 September 2018 are not prepared, in all material respects, in accordance with the requirements of the International Financial Reporting Standards (IFRS), the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004 and also, as a minimum, contain the information required by International Accounting Standard (IAS) 34, Interim Financial Reporting.



**Abraham Udenani, FCA – FRC/2013/ICAN/0000000853**  
**For: Deloitte & Touche**  
**Chartered Accountants**  
**Lagos, Nigeria**  
**22 October, 2018**

## Dangote Cement Plc

### Condensed consolidated and separate statement of profit or loss

For the three months and nine months ended 30th September 2018

	Notes	Group					Company				
		3 months ended	9 months ended	3 months ended	9 months ended	Year ended	3 months ended	9 months ended	3 months ended	9 months ended	Year ended
		30/09/18	30/09/18	30/09/17	30/09/17	31/12/2017	30/09/18	30/09/18	30/09/17	30/09/17	31/12/2017
		₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	
Revenue	3	202,851	685,290	190,899	603,575	805,582	127,230	471,334	124,718	416,113	552,364
Production cost of sales	5	(90,087)	(287,682)	(82,305)	(259,854)	(351,290)	(34,095)	(129,264)	(38,273)	(121,780)	(158,594)
Gross profit		112,764	397,608	108,594	343,721	454,292	93,135	342,070	86,445	294,333	393,770
Administrative expenses	6	(13,398)	(38,112)	(11,723)	(32,673)	(45,380)	(7,296)	(20,113)	(5,779)	(16,105)	(22,571)
Selling and distribution expenses	7	(35,003)	(97,152)	(28,934)	(80,824)	(109,917)	(22,448)	(63,419)	(14,507)	(50,640)	(68,683)
Other income	8	1,980	4,516	1,704	2,915	5,213	839	2,875	795	1,386	3,386
Profit from operating activities		66,343	266,860	69,641	233,139	304,208	64,230	261,413	66,954	228,974	305,902
Finance income	9**	7,033	10,619	10,473	26,960	35,926	36,596	76,632	11,924	53,509	71,286
Finance costs	9	(11,550)	(30,115)	(15,513)	(39,917)	(52,711)	(6,722)	(16,645)	(8,553)	(24,434)	(35,035)
Share of profit from associates		-	-	-	-	2,167	-	-	-	-	-
Profit before tax	**	61,826	247,364	64,601	220,182	289,590	94,104	321,400	70,325	258,049	342,153
Income tax credit/(expense)	11.1**	(16,713)	(89,087)	(20,192)	(66,060)	(85,342)	(18,199)	(91,125)	(17,989)	(66,009)	(87,523)
<b>Profit for the period</b>	<b>**</b>	<b>45,113</b>	<b>158,277</b>	<b>44,409</b>	<b>154,122</b>	<b>204,248</b>	<b>75,905</b>	<b>230,275</b>	<b>52,336</b>	<b>192,040</b>	<b>254,630</b>
Profit for the period attributable to:											
Owners of the Company	**	45,183	157,710	43,837	153,619	198,585	75,905	230,275	52,336	192,040	254,630
Non-controlling interests		(70)	567	572	503	5,663	-	-	-	-	-
	<b>**</b>	<b>45,113</b>	<b>158,277</b>	<b>44,409</b>	<b>154,122</b>	<b>204,248</b>	<b>75,905</b>	<b>230,275</b>	<b>52,336</b>	<b>192,040</b>	<b>254,630</b>
Earnings per share, basic and diluted (Naira)	10**	2.65	9.25	2.57	9.01	11.65	4.45	13.51	3.07	11.27	14.94

\*\* represents prior year balances restated during the reporting period. (See note 9 and note 11)

**Dangote Cement Plc**  
**Condensed consolidated and separate statement of Comprehensive Income**  
**For the three months and nine months ended 30th September 2018**

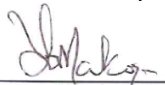
	Group					Company				
	3 months ended 30/09/18	9 months ended 30/09/18	3 months ended 30/09/17	9 months ended 30/09/17	Year ended 31/12/2017	3 months ended 30/09/18	9 months ended 30/09/18	3 months ended 30/09/17	9 months ended 30/09/17	Year ended 31/12/2017
	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million
<b>Profit for the period</b>	** 45,113	158,277	44,409	154,122	204,248	75,905	230,275	52,336	192,040	254,630
<b>Other comprehensive income, net of income tax:</b>										
<i>Items that may be reclassified subsequently to profit or loss:</i>										
Exchange differences on translating net investments in foreign operations (tax nil)	9,291	21,565	(7,910)	18,233	(3,572)	-	-	-	-	-
Other comprehensive income/(loss) for the period, net of income tax	9,291	21,565	(7,910)	18,233	(3,572)	-	-	-	-	-
<b>Total comprehensive income for the period</b>	** <b>54,404</b>	<b>179,842</b>	<b>36,499</b>	<b>172,355</b>	<b>200,676</b>	<b>75,905</b>	<b>230,275</b>	<b>52,336</b>	<b>192,040</b>	<b>254,630</b>
Total comprehensive income for the period attributable to:										
Owners of the Company	** 54,191	179,988	37,853	172,166	195,062	75,905	230,275	52,336	192,040	254,630
Non-controlling interests	213	(146)	(1,354)	189	5,614	-	-	-	-	-
	** <b>54,404</b>	<b>179,842</b>	<b>36,499</b>	<b>172,355</b>	<b>200,676</b>	<b>75,905</b>	<b>230,275</b>	<b>52,336</b>	<b>192,040</b>	<b>254,630</b>

\*\* represents prior year balances restated during the reporting period. (See note 9 and note 11)

**Dangote Cement Plc**  
**Condensed consolidated and separate statement of financial position**  
**As at 30th September 2018**

	Notes	Group		Company	
		As at 30/09/18 ₦'million	As at 31/12/17 ₦'million	As at 30/09/18 ₦'million	As at 31/12/17 ₦'million
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	1,175,487	1,192,140	534,375	549,962
Intangible assets	13	7,221	6,355	52	37
Investments in subsidiaries	14.2	-	-	162,069	161,957
Investments in associate	14.3	3,749	3,749	1,582	1,582
Prepayments	15	37,880	16,101	-	1,600
Deferred tax assets	11.4	33,185	30,625	6,674	6,674
Finance lease receivables	16	6,952	6,614	6,952	6,614
Other receivables	17	-	-	530,066	455,792
<b>Total non-current assets</b>		<b>1,264,474</b>	<b>1,255,584</b>	<b>1,241,770</b>	<b>1,184,218</b>
<b>Current assets</b>					
Inventories	18	103,128	94,594	58,891	62,259
Trade and other receivables	19	43,427	30,155	11,033	12,340
Prepayments and other current assets	20	118,100	115,496	263,389	248,194
Finance lease receivables	16	2,273	1,608	2,273	1,608
Current income tax receivables	11.2	6,207	59	6,211	-
Cash and bank balances	21	157,973	168,387	88,748	102,468
<b>Total current assets</b>		<b>431,108</b>	<b>410,299</b>	<b>430,545</b>	<b>426,869</b>
<b>TOTAL ASSETS</b>		<b>1,695,582</b>	<b>1,665,883</b>	<b>1,672,315</b>	<b>1,611,087</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	22	231,721	270,721	102,147	142,737
Current income tax payable	11.3	67,184	63,901	66,553	63,787
Financial liabilities	23	199,995	144,783	149,060	86,190
Other current liabilities	25	36,252	41,071	37,907	51,242
<b>Total current liabilities</b>		<b>535,152</b>	<b>520,476</b>	<b>355,667</b>	<b>343,956</b>
<b>Non current liabilities</b>					
Deferred tax liabilities	11.5	195,013	116,898	194,560	116,491
Financial liabilities	23	179,893	242,894	78,305	157,195
Deferred revenue	24	661	839	199	355
Long term provisions and other charges	26	2,586	3,416	1,217	2,073
<b>Total non-current liabilities</b>		<b>378,153</b>	<b>364,047</b>	<b>274,281</b>	<b>276,114</b>
<b>Total liabilities</b>		<b>913,305</b>	<b>884,523</b>	<b>629,948</b>	<b>620,070</b>
<b>Net assets</b>		<b>782,277</b>	<b>781,360</b>	<b>1,042,367</b>	<b>991,017</b>
<b>EQUITY</b>					
Share capital	27	8,520	8,520	8,520	8,520
Share premium	27	42,430	42,430	42,430	42,430
Capital contribution		2,877	2,877	2,828	2,828
Currency translation reserve		97,719	75,441	-	-
Retained earnings		617,422	639,462	988,589	937,239
<b>Equity attributable to owners of the company</b>		<b>768,968</b>	<b>768,730</b>	<b>1,042,367</b>	<b>991,017</b>
Non-controlling interest		13,309	12,630	-	-
<b>Total equity</b>		<b>782,277</b>	<b>781,360</b>	<b>1,042,367</b>	<b>991,017</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,695,582</b>	<b>1,665,883</b>	<b>1,672,315</b>	<b>1,611,087</b>

These financial statements were approved and authorised for issue by the Board of Directors on 19th October 2018 and were signed on its behalf by:

  
**Joseph Makoju, OFR**  
 Group Chief Executive Officer  
 FRC/2018/COREN/00000017767

  
**Brian Egan**  
 Group CFO/Executive Director, Finance  
 FRC/2015/MULTI/00000011227

## Dangote Cement Plc

### Condensed consolidated statement of changes in equity For the three months and nine months ended 30th September 2018

	Group							Total equity ₦'million
	Share capital	Share premium	Retained earnings	Currency translation reserve	Capital contribution	Attributable to the owners of the parent	Non - controlling interests	
	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	
Balance at 1st January 2017 (as previously reported)	8,520	42,430	677,479	78,964	2,877	810,270	(12,925)	797,345
Restatement	-	-	(71,817)	-	-	(71,817)	-	(71,817)
<b>Balance at 1st January 2017 **</b>	<b>8,520</b>	<b>42,430</b>	<b>605,662</b>	<b>78,964</b>	<b>2,877</b>	<b>738,453</b>	<b>(12,925)</b>	<b>725,528</b>
Profit for the period (as previously reported)	-	-	192,633	-	-	192,633	503	193,136
Restatement	-	-	(39,014)	-	-	(39,014)	-	(39,014)
Profit for the period **	-	-	153,619	-	-	153,619	503	154,122
Other comprehensive income/(loss) for the period, net of income tax (tax nil)	-	-	-	18,547	-	18,547	(314)	18,233
Total comprehensive income for the period**	-	-	153,619	18,547	-	172,166	189	172,355
Payment of dividends	-	-	(144,844)	-	-	(144,844)	-	(144,844)
Effect of changes in subsidiary shareholding	-	-	(13,079)	-	-	(13,079)	13,079	-
<b>Balance at 30th September 2017**</b>	<b>8,520</b>	<b>42,430</b>	<b>601,358</b>	<b>97,511</b>	<b>2,877</b>	<b>752,696</b>	<b>343</b>	<b>753,039</b>
Balance at 1st January 2018	<b>8,520</b>	<b>42,430</b>	<b>639,462</b>	<b>75,441</b>	<b>2,877</b>	<b>768,730</b>	<b>12,630</b>	<b>781,360</b>
Profit for the period	-	-	157,710	-	-	157,710	567	158,277
Other comprehensive income/(loss) for the period, net of income tax (tax nil)	-	-	-	22,278	-	22,278	(713)	21,565
Total comprehensive income for the period	-	-	157,710	22,278	-	179,988	(146)	179,842
Payment of dividends	-	-	(178,925)	-	-	(178,925)	-	(178,925)
Effect of changes in subsidiary shareholding	-	-	(825)	-	-	(825)	825	-
<b>Balance at 30th September 2018</b>	<b>8,520</b>	<b>42,430</b>	<b>617,422</b>	<b>97,719</b>	<b>2,877</b>	<b>768,968</b>	<b>13,309</b>	<b>782,277</b>

\*\* represents prior year balances restated during the reporting period. (See note 9 and note 11)



## Dangote Cement Plc

### Condensed separate statement of changes in equity

For the three months and nine months ended 30th September 2018

	Company				
	Share capital	Share premium	Capital contribution	Retained earnings	Total equity
	₦'million	₦'million	₦'million	₦'million	₦'million
Balance at 1st January 2017 (as previously reported)	8,520	42,430	2,828	927,589	981,367
Adjustment due to restatement	-	-	-	(100,136)	(100,136)
<b>Balance at 1st January 2017**</b>	<b>8,520</b>	<b>42,430</b>	<b>2,828</b>	<b>827,453</b>	<b>881,231</b>
Profit for the period (as previously reported)				242,953	242,953
Adjustment due to restatement	-	-	-	(50,913)	(50,913)
Profit for the period**	-	-	-	192,040	192,040
Total comprehensive income for the period**	-	-	-	192,040	192,040
Payment of dividends	-	-	-	(144,844)	(144,844)
<b>Balance at 30th September 2017**</b>	<b>8,520</b>	<b>42,430</b>	<b>2,828</b>	<b>874,649</b>	<b>928,427</b>
Balance at 1st January 2018	8,520	42,430	2,828	937,239	991,017
Profit for the period	-	-	-	230,275	230,275
Total comprehensive income for the period	-	-	-	230,275	230,275
Payment of dividends	-	-	-	(178,925)	(178,925)
<b>Balance at 30th September 2018</b>	<b>8,520</b>	<b>42,430</b>	<b>2,828</b>	<b>988,589</b>	<b>1,042,367</b>

\*\* represents prior year balances restated during the reporting period. (See note 9 and note 11)

# Dangote Cement Plc

## Condensed consolidated and separate statement of cash flows

For the three months and nine months ended 30th September 2018

	Notes	Group			Company		
		9 months ended 30/09/18 N'million	9 months ended 30/09/17 N'million	Year ended 31/12/17 N'million	9 months ended 30/09/18 N'million	9 months ended 30/09/17 N'million	Year ended 31/12/17 N'million
<b>Cash flows from operating activities</b>							
Profit before tax	**	247,364	220,182	289,590	321,400	258,049	342,153
Adjustments for:							
Depreciation and amortisation	12 & 13	70,437	61,167	83,939	37,225	32,934	43,959
Write off and impairment of property plant and equipment		51	-	287	51	-	197
Reversal of impairment		-	-	-	-	-	-
Interest expense	9	29,891	39,418	52,101	16,421	23,977	34,425
Interest income	9**	(8,550)	(6,092)	(9,136)	(27,444)	(23,211)	(36,383)
Net exchange (gain)/loss on borrowings and non-operating assets	**	(1,101)	(31,298)	(34,744)	(48,213)	(37,378)	(43,284)
Share of income from associate		-	-	(2,167)	-	-	-
Amortisation of deferred revenue	24	(260)	(324)	(299)	(212)	(333)	(346)
Other provisions		(830)	(228)	72	(856)	(334)	(229)
Loss/(gain) on disposal of property, plant and equipment		83	6	58	(25)	6	58
		<b>337,085</b>	<b>282,831</b>	<b>379,701</b>	<b>298,347</b>	<b>253,704</b>	<b>340,550</b>
<b>Changes in working capital:</b>							
Change in inventories		(7,855)	(5,047)	(11,691)	4,050	287	(6,409)
Change in trade and other receivables		(11,913)	1,445	(3,876)	2,484	(705)	(483)
Change in trade and other payables		(26,441)	(1,243)	2,616	(32,721)	(9,929)	(16,814)
Change in prepayments and other current assets		(7,222)	(36,687)	(33,622)	(10,566)	(33,997)	(26,819)
Change in other current liabilities		(4,529)	11,534	15,222	(7,761)	10,843	10,217
		<b>279,125</b>	<b>252,833</b>	<b>348,350</b>	<b>253,833</b>	<b>220,203</b>	<b>300,242</b>
Receipt from customers on truck finance leases		2,652	-	238	2,652	-	238
Income tax paid		(11,967)	(2,568)	(3,213)	(10,290)	(2,512)	(2,512)
<i>Net cash generated from operating activities</i>		<b>269,810</b>	<b>250,265</b>	<b>345,375</b>	<b>246,195</b>	<b>217,691</b>	<b>297,968</b>
<b>Investing activities</b>							
Interest received		7,262	6,092	9,136	4,595	4,438	6,970
Acquisition of intangible assets	13	(1,263)	(595)	(1,639)	(27)	(3)	(21)
(Increase)/decrease in net receivables from subsidiaries		-	-	-	(16,253)	12,979	5,811
Proceeds from disposal of property, plant and equipment		30	-	-	30	-	-
Acquisition of investment		-	(9)	-	(141)	-	(2,541)
Acquisition of property, plant and equipment		(82,079)	(79,615)	(107,953)	(35,868)	(55,975)	(61,497)
Additions to property, plant and equipment	12	(47,381)	(59,787)	(85,621)	(26,645)	(37,095)	(40,470)
Change in non-current prepayment		(19,041)	(948)	(2,905)	1,600	-	(1,600)
Net suppliers' credit repaid		(15,657)	(18,880)	(19,427)	(10,823)	(18,880)	(19,427)
<i>Net cash used in investing activities</i>		<b>(76,050)</b>	<b>(74,127)</b>	<b>(100,456)</b>	<b>(47,664)</b>	<b>(38,561)</b>	<b>(51,278)</b>
<b>Financing activities</b>							
Interest paid		(38,968)	(46,244)	(48,358)	(26,409)	(30,104)	(30,934)
Dividend paid		(178,925)	(144,844)	(144,844)	(178,925)	(144,844)	(144,844)
Loans obtained		211,863	273,143	310,659	203,970	243,223	263,152
Loans repaid		(227,592)	(255,813)	(308,068)	(210,887)	(251,005)	(297,106)
<i>Net cash used in financing activities</i>		<b>(233,622)</b>	<b>(173,758)</b>	<b>(190,611)</b>	<b>(212,251)</b>	<b>(182,730)</b>	<b>(209,732)</b>
Increase in cash and cash equivalent		(39,862)	2,380	54,308	(13,720)	(3,600)	36,958
Effects of exchange rate changes		16,149	9,120	(1,954)	-	-	-
Cash and cash equivalents at beginning of period		161,755	109,401	109,401	102,468	65,510	65,510
Cash and cash equivalents at end of the period	20	<b>138,042</b>	<b>120,901</b>	<b>161,755</b>	<b>88,748</b>	<b>61,910</b>	<b>102,468</b>

\*\* represents prior year balances restated during the reporting period. (See note 9)

## **Dangote Cement Plc**

### **Notes to the condensed consolidated and separate financial statements For the three months and nine months ended 30th September 2018**

#### **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 Alhaji 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 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 14.

The condensed consolidated financial statements of the Group for the period ended 30th September 2018 comprise the Company and its subsidiaries.

The separate financial statements of the Company for the period ended 30th September 2018 comprise the Company only.

#### **2 Significant accounting policies**

The Group's financial statements for the year ended 31st December 2017 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") and requirements of the Companies and Allied Matters Act (CAMA) of Nigeria and the Financial Reporting Council (FRC) Act of Nigeria.

Dangote Cement Plc. Group has consistently applied the same accounting policies and methods of computation in its abridged condensed consolidated and separate financial statements as in its 2017 annual financial statements. None of the new standards, interpretations and amendments, effective for the first time from 1st January 2018, have had a material effect on the financial statements.

##### **Basis of preparation**

These abridged financial statements have been prepared in accordance with IAS 34 and do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2017 annual report.

The condensed consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

##### **Fair Values**

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 in these condensed consolidated 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.

##### **Basis of Consolidation**

The Group condensed financial statements incorporate the financial statements of the Company and its subsidiaries made up to 30th September 2018. 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 condensed 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 period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners' of the Company and to the non-controlling interests 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.

Notes to the condensed consolidated and separate financial statements  
For the three months and nine months ended 30th September 2018

## 3 REVENUE

	Group				Company			
	3 months ended 30/09/18	9 months ended 30/09/18	3 months ended 30/09/17	9 months ended 30/09/17	3 months ended 30/09/18	9 months ended 30/09/18	3 months ended 30/09/17	9 months ended 30/09/17
Revenue (tonnes)	'000 tonnes	'000 tonnes	'000 tonnes	'000 tonnes	'000 tonnes	'000 tonnes	'000 tonnes	'000 tonnes
Cement production capacity (for the year)	44,050	44,050	44,050	44,050	29,250	29,250	29,250	29,250
Cement production volume	5,440	17,160	4,897	15,961	3,244	10,871	2,775	9,711
Trade cement purchases	147	593	446	929	-	-	-	-
Increase in stock of cement	(180)	16	(343)	(381)	(298)	(115)	-	(81)
<b>Cement sales volume</b>	<b>5,407</b>	<b>17,769</b>	<b>5,000</b>	<b>16,509</b>	<b>2,946</b>	<b>10,756</b>	<b>2,775</b>	<b>9,630</b>

An analysis of revenue in naira is as follows:

	Group				Company			
	3 months ended 30/09/18	9 months ended 30/09/18	3 months ended 30/09/17	9 months ended 30/09/17	3 months ended 30/09/18	9 months ended 30/09/18	3 months ended 30/09/17	9 months ended 30/09/17
Revenue (Naira)	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million
Revenue from the sale of cement	202,796	685,080	190,820	603,377	127,230	471,334	124,718	416,113
Revenue from the sale of other products	55	210	79	198	-	-	-	-
<b>Cement sales value</b>	<b>202,851</b>	<b>685,290</b>	<b>190,899</b>	<b>603,575</b>	<b>127,230</b>	<b>471,334</b>	<b>124,718</b>	<b>416,113</b>

All group sales exclude intra-group sales

## 4 Segment Information

## 4.1 Products and services from which reportable segments derive their revenue

The Executive Management Committee is the Company's Chief Operating Decision Maker. Management has determined operating segments based on the information reported and reviewed by the Executive Management Committee for the purposes of allocating resources and assessing performance. The Executive Management Committee reviews internal management reports on at least a quarterly 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 2 reportable segments based on location of the principal operations as follows:

- Nigeria
- Pan Africa

## Segment revenues and results

Performance is measured based on segment sales revenue, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and profit from operating activities, as included in the internal management reports that are reviewed by the Executive Management Committee. Segment sales revenue, EBITDA and profit from operating activities 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.

The following is an analysis of the Group's revenue and results by reportable segment:

## 4.1 Segment results

Group	3 months ended 30/09/18				
	Nigeria	Pan Africa	Group Central Administrative cost	Eliminations	Total
	₦'million	₦'million	₦'million	₦'million	₦'million
Revenue	127,230	75,621	-	-	202,851
EBITDA*	79,402	13,234	(1,346)	-	91,290
Profit/(Loss) from operating activities**	65,541	1,704	(1,346)	444	66,343
Other Income	839	1,141	-	-	1,980
Profit/(loss) after tax	77,212	(24,007)	(1,346)	(6,746)	45,113

Group	9 months ended 30/09/18				
	Nigeria	Pan Africa	Group Central Administrative cost	Eliminations	Total
	₦'million	₦'million	₦'million	₦'million	₦'million
Revenue	471,334	214,306	-	(350)	685,290
EBITDA*	306,277	39,128	(8,108)	-	337,297
Profit/(loss) from operating activities**	269,052	4,562	(8,108)	1,354	266,860
Other Income	2,875	1,641	-	-	4,516
Profit/(loss) after tax	237,902	(50,054)	(8,108)	(21,463)	158,277

\* represents earnings before interest, tax, depreciation and amortisation

\*\* As shown in the statement of profit or loss

## Dangote Cement Plc

### Notes to the condensed consolidated and separate financial statements For the three months and nine months ended 30th September 2018

#### 3 REVENUE

#### 4 Segment Information

Total segment operating profit agrees to the profit from operating activities. A reconciliation of profit from operating activities to profit before tax is presented on the face of the profit and loss account.

Group	3 months ended 30/09/17				
	Nigeria	Pan Africa	Group Central Administrative cost	Eliminations	Total
	₦'million	₦'million	₦'million	₦'million	₦'million
Revenue	124,718	67,406	-	(1,225)	190,899
EBITDA*	80,367	12,698	(2,439)	5	90,631
Profit/(Loss) from operating activities	69,547	2,242	(2,439)	291	69,641
Other Income	795	909	-	-	1,704
Profit/(loss) after tax	54,515	(10,191)	(2,439)	2,524	44,409

Group	9 months ended 30/09/17				
	Nigeria	Pan Africa	Group Central Administrative cost	Eliminations	Total
	₦'million	₦'million	₦'million	₦'million	₦'million
Revenue	416,113	191,853	-	(4,391)	603,575
EBITDA*	270,460	32,330	(8,487)	3	294,306
Profit/(loss) from operating activities**	237,526	3,245	(8,487)	855	233,139
Other Income	1,386	1,529	-	-	2,915
Profit/(loss) after tax	200,178	(2,746)	(8,487)	(34,823)	154,122

\* represents earnings before interest, tax, depreciation and amortisation

\*\* As shown in the statement of profit or loss

A reconciliation of Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is presented below:

	Group			
	3 months ended 30/09/18	9 months ended 30/09/18	3 months ended 30/09/17	9 months ended 30/09/17
	₦'million	₦'million	₦'million	₦'million
EBITDA	91,290	337,297	90,631	294,306
Depreciation and amortisation	(24,947)	(70,437)	(20,990)	(61,167)
Profit from operating activities	66,343	266,860	69,641	233,139
Finance income	7,033	10,619	10,473	26,960
Finance cost	(11,550)	(30,115)	(15,513)	(39,917)
Profit before tax	61,826	247,364	64,601	220,182
Income tax expense	(16,713)	(89,087)	(20,192)	(66,060)
Profit after tax	45,113	158,277	44,409	154,122

#### 4.2 Segment assets and liabilities

	Nigeria	Pan Africa	Eliminations	Total
	₦'million	₦'million	₦'million	₦'million
<b>30th September 2018</b>				
Total assets	1,704,612	900,312	(909,342)	1,695,582
Segment liabilities	663,448	968,031	(718,174)	913,305
<b>31st December 2017</b>				
Total assets	1,639,967	853,713	(827,797)	1,665,883
Segment liabilities	649,505	873,906	(638,888)	884,523

## Dangote Cement Plc

### Notes to the condensed consolidated and separate financial statements For the three months and nine months ended 30th September 2018

#### 5 Production cost of sales

	Group				Company			
	3 months ended	9 months ended	3 months ended	9 months ended	3 months ended	9 months ended	3 months ended	9 months ended
	30/09/18	30/09/18	30/09/17	30/09/17	30/09/18	30/09/18	30/09/17	30/09/17
	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million
Material consumed	30,680	92,482	29,917	87,603	8,584	26,914	8,411	24,910
Fuel & power consumed	26,277	93,370	26,116	84,979	11,156	52,309	12,569	49,287
Royalty (refer (a) below)	294	839	232	787	127	530	133	459
Salaries and related staff costs	8,675	24,166	6,225	18,802	4,248	12,266	3,485	10,706
Depreciation & amortisation	16,156	47,953	14,198	42,495	8,569	25,448	8,222	24,070
Plant maintenance cost	6,658	23,763	6,895	19,840	997	9,040	2,952	8,374
Other production expenses	1,772	9,625	816	9,918	1,223	3,139	2,570	5,617
Increase in finished goods and work in process	(425)	(4,516)	(2,094)	(4,570)	(809)	(382)	(69)	(1,643)
	<b>90,087</b>	<b>287,682</b>	<b>82,305</b>	<b>259,854</b>	<b>34,095</b>	<b>129,264</b>	<b>38,273</b>	<b>121,780</b>

(a) Royalty payable is charged based on volume of extraction made during the period.

#### 6 Administrative expenses

	Group				Company			
	3 months ended	9 months ended	3 months ended	9 months ended	3 months ended	9 months ended	3 months ended	9 months ended
	30/09/18	30/09/18	30/09/17	30/09/17	30/09/18	30/09/18	30/09/17	30/09/17
	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million
Salaries and related staff costs	2,729	9,268	3,880	10,098	1,190	4,699	1,621	5,014
Corporate social responsibility	301	2,141	371	763	114	1,331	279	590
Management fee	785	2,246	895	3,240	785	2,246	895	3,240
Depreciation and Amortisation	1,615	4,668	1,327	4,077	581	1,615	445	1,397
Audit fees	139	481	163	419	81	199	53	168
Rent, rate and insurance	1,386	3,710	533	2,657	558	1,434	(210)	338
Travel expenses	649	1,705	471	1,376	229	644	188	525
Others	5,794	13,893	4,083	10,043	3,758	7,945	2,508	4,833
	<b>13,398</b>	<b>38,112</b>	<b>11,723</b>	<b>32,673</b>	<b>7,296</b>	<b>20,113</b>	<b>5,779</b>	<b>16,105</b>

#### 7 Selling and distribution expenses

	Group				Company			
	3 months ended	9 months ended	3 months ended	9 months ended	3 months ended	9 months ended	3 months ended	9 months ended
	30/09/18	30/09/18	30/09/17	30/09/17	30/09/18	30/09/18	30/09/17	30/09/17
	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million
Salaries and related staff costs	3,650	10,591	2,578	7,615	2,698	7,846	1,908	5,790
Depreciation	7,176	17,816	5,465	14,595	4,711	10,162	2,153	7,467
Advertisement and promotion	1,250	2,535	512	2,398	897	1,683	274	1,485
Haulage expenses	22,184	63,991	19,609	54,468	13,378	41,555	8,722	34,169
Others	743	2,219	770	1,748	764	2,173	1,450	1,729
	<b>35,003</b>	<b>97,152</b>	<b>28,934</b>	<b>80,824</b>	<b>22,448</b>	<b>63,419</b>	<b>14,507</b>	<b>50,640</b>

#### 8 Other income

	Group				Company			
	3 months ended	9 months ended	3 months ended	9 months ended	3 months ended	9 months ended	3 months ended	9 months ended
	30/09/18	30/09/18	30/09/17	30/09/17	30/09/18	30/09/18	30/09/17	30/09/17
	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million
Insurance claims	74	272	154	391	74	272	157	194
Government grant	90	252	114	355	67	212	106	332
Sundry income	1,816	3,992	1,436	2,169	698	2,391	532	860
	<b>1,980</b>	<b>4,516</b>	<b>1,704</b>	<b>2,915</b>	<b>839</b>	<b>2,875</b>	<b>795</b>	<b>1,386</b>

Notes to the condensed consolidated and separate financial statements  
For the three months and nine months ended 30th September 2018

## 9 Finance income and costs

	Group				Company			
	3 months ended 30/09/18 N'million	9 months ended 30/09/18 N'million	3 months ended 30/09/17 N'million	9 months ended 30/09/17 N'million	3 months ended 30/09/18 N'million	9 months ended 30/09/18 N'million	3 months ended 30/09/17 N'million	9 months ended 30/09/17 N'million
<b>Finance income</b>								
Interest income**	1,999	8,550	815	6,092	9,141	27,444	7,053	23,211
Foreign exchange (losses)/gains ( Note 9.1)	5,034	2,069	9,658	20,868	27,455	49,188	4,871	30,298
	<b>7,033</b>	<b>10,619</b>	<b>10,473</b>	<b>26,960</b>	<b>36,596</b>	<b>76,632</b>	<b>11,924</b>	<b>53,509</b>
<b>Finance costs</b>								
Interest expenses	11,475	29,891	15,347	39,418	6,647	16,421	8,401	23,977
Others	75	224	166	499	75	224	152	457
	<b>11,550</b>	<b>30,115</b>	<b>15,513</b>	<b>39,917</b>	<b>6,722</b>	<b>16,645</b>	<b>8,553</b>	<b>24,434</b>

\*\* represents 2017 interest income for company only financial statements restated by N9.87 billion from N33.08 billion to N23.21 billion due to interest accrued for Zambia and Ethiopia subsidiaries which was reversed as it was incorrectly charged.

The average effective interest rate on funds borrowed generally is 11% per annum for Group and Company respectively. (2017: 14% per annum for both Group and Company). These are the rates used for the capitalisation on qualifying assets.

- 9.1 Foreign exchange gains arose as a result of the translation of foreign currencies denominated balances at the end of the period across the group. In 2017 foreign exchange gains for company only financial statements was restated by N2.03 from N32.33 to N30.30 billion due to interest accrued for Zambia and Ethiopia subsidiaries reversed, therefore exchange gains in respect of this interest was reversed.

## 10 Earnings per share

	Group				Company			
	3 months ended 30/09/18 N'million	9 months ended 30/09/18 N'million	3 months ended 30/09/17 N'million	9 months ended 30/09/17 N'million	3 months ended 30/09/18 N'million	9 months ended 30/09/18 N'million	3 months ended 30/09/17 N'million	9 months ended 30/09/17 N'million
Profit for the period attributable to owners of the Company	45,183	157,710	43,837	153,619	75,905	230,275	52,336	192,040
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share (million)	17,041	17,041	17,041	17,041	17,041	17,041	17,041	17,041
Basic and diluted earnings per share (naira)**	2.65	9.25	2.57	9.01	4.45	13.51	3.07	11.27

\*\* 2017 basic and diluted earnings per share has been restated by N2.29 from N11.30 to N9.01 for Group and by N2.99 from N14.26 to N11.27 for company due to restatement in interest income, exchange gains and tax charge numbers.

There are no dilutive instruments. Consequently, Basic and diluted earnings per share are the same.

## 11 Income tax

	Group				Company			
	3 months ended 30/09/18 N'million	9 months ended 30/09/18 N'million	3 months ended 30/09/17 N'million	9 months ended 30/09/17 N'million	3 months ended 30/09/18 N'million	9 months ended 30/09/18 N'million	3 months ended 30/09/17 N'million	9 months ended 30/09/17 N'million
<b>11.1 Income tax recognised in profit or loss</b>								
Current tax expense**	(6,715)	(12,927)	(114)	(2,144)	(6,046)	(10,592)	(626)	(2,087)
Deferred tax expense**	(9,998)	(73,696)	(20,078)	(63,916)	(12,153)	(78,069)	(17,363)	(63,922)
Pioneer Incentive Tax	-	(2,464)	-	-	-	(2,464)	-	-
<b>Total income tax recognised in the current period</b>	<b>(16,713)</b>	<b>(89,087)</b>	<b>(20,192)</b>	<b>(66,060)</b>	<b>(18,199)</b>	<b>(91,125)</b>	<b>(17,989)</b>	<b>(66,009)</b>

\*\* represents 2017 tax expense restated by N39.01 billion for both Group and company respectively. Group's tax charge was restated from N27.05 billion to N66.06 billion while company's was restated from N27.00 billion to N66.01 billion. This was due to the company determining its tax charge in prior years on the basis that profits earned from Ibese production lines 3 & 4 and Obajana production line 4 were entitled to a tax holiday under the Pioneer Status Incentive. The cumulative adjustment as at 1 January, 2017 of N71.82 billion and N100.14 billion for the Group and company respectively relates to tax and interest as explained above.

	Group		Company	
	30/09/18 N'million	31/12/17 N'million	30/09/18 N'million	31/12/17 N'million
<b>Per Balance sheet</b>				
<b>11.2 The movement in the current tax receivables account was as follows:-</b>				
Balance, beginning of the period	59	9	-	-
Charge for the period	6	(500)	-	-
Payments during the period	(69)	595	-	-
Other Reclassifications*	6,211	-	6,211	-
Effect of currency exchange difference	-	(45)	-	-
Balance, end of the period	<b>6,207</b>	<b>59</b>	<b>6,211</b>	<b>-</b>
* Other reclassification represents tax credit from government for infrastructure development.				
<b>11.3 The movement in the current tax payable account was as follows:-</b>				
Balance, beginning of the period	63,901	18,220	63,787	17,852
Charge for the period	15,397	48,561	13,056	48,447
Payments during the period	(12,036)	(2,618)	(10,290)	(2,512)
Effect of currency exchange difference	(78)	(262)	-	-
Balance, end of the period	<b>67,184</b>	<b>63,901</b>	<b>66,553</b>	<b>63,787</b>
<b>11.4 The movement in the deferred tax assets account was as follows:</b>				
Balance, beginning of the period	30,625	51,306	6,674	30,584
Charge for the period	4,372	(22,068)	-	(23,910)
Effect of currency exchange difference	(1,812)	1,387	-	-
Balance, end of the period	<b>33,185</b>	<b>30,625</b>	<b>6,674</b>	<b>6,674</b>
<b>11.5 The movement in the deferred tax liabilities account was as follows:</b>				
Balance, beginning of the period	116,898	103,162	116,491	101,325
Charge for the period	78,068	14,213	78,069	15,166
Effect of currency exchange difference	47	(477)	-	-
Balance, end of the period	<b>195,013</b>	<b>116,898</b>	<b>194,560</b>	<b>116,491</b>

Dangote Cement Plc

Notes to the condensed consolidated and separate financial statements  
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12 Property, plant and equipment

12.1 Group

	Leasehold improvements and buildings ₦'million	Plant and machinery ₦'million	Motor vehicles ₦'million	Aircraft ₦'million	Furniture & equipment ₦'million	Capital work-in- progress ₦'million	Total ₦'million
<b>Cost</b>							
As at 1st January 2017	153,868	904,379	144,973	4,028	7,251	181,507	1,396,006
Additions	955	5,050	11,921	-	409	67,286	85,621
Reclassifications	49,205	114,627	16,749	-	1,666	(182,247)	-
Other reclassification	-	(347)	(15,225)	-	-	(8)	(15,580)
Disposals	-	(23)	(2,173)	-	(272)	-	(2,468)
Write-off	-	-	(238)	-	(22)	-	(260)
Effect of foreign currency exchange differences	14,867	20,518	4,295	-	411	15,614	55,705
<b>Balance at 31st December 2017</b>	<b>218,895</b>	<b>1,044,204</b>	<b>160,302</b>	<b>4,028</b>	<b>9,443</b>	<b>82,152</b>	<b>1,519,024</b>
Additions	7,316	12,348	6,851	-	278	20,588	47,381
Reclassification	545	9,829	-	-	354	(10,728)	-
Other reclassification	(2,758)	(826)	(391)	-	-	(3,909)	(7,884)
Disposals	-	-	(365)	-	-	-	(365)
Write-off	-	-	-	-	-	(51)	(51)
Effect of foreign currency exchange differences	6,860	5,214	1,323	-	(262)	1,624	14,759
<b>Balance at 30th September 2018</b>	<b>230,858</b>	<b>1,070,769</b>	<b>167,720</b>	<b>4,028</b>	<b>9,813</b>	<b>89,676</b>	<b>1,572,864</b>
<b>Accumulated depreciation &amp; impairment</b>							
Balance at 1st January 2017	15,978	158,327	62,246	1,117	2,627	-	240,295
Depreciation expense	7,437	47,721	26,793	403	1,023	-	83,377
Reclassifications	898	28	(926)	-	-	-	-
Other reclassifications	-	-	(12)	-	-	-	(12)
Disposal	-	(17)	(2,121)	-	(272)	-	(2,410)
Impairment	1	62	(18)	-	(18)	-	27
Effect of foreign currency exchange differences	914	3,245	1,239	-	209	-	5,607
<b>Balance at 31st December 2017</b>	<b>25,228</b>	<b>209,366</b>	<b>87,201</b>	<b>1,520</b>	<b>3,569</b>	<b>-</b>	<b>326,884</b>
Depreciation expense	6,541	38,426	23,859	301	857	-	69,984
Other reclassifications	(193)	-	-	-	-	-	(193)
Disposal	-	-	(251)	-	-	-	(251)
Effect of foreign currency exchange differences	636	294	98	-	(75)	-	953
<b>Balance at 30th September 2018</b>	<b>32,212</b>	<b>248,086</b>	<b>110,907</b>	<b>1,821</b>	<b>4,351</b>	<b>-</b>	<b>397,377</b>
<b>Carrying amounts:</b>							
At 31st December 2017	193,667	834,838	73,101	2,508	5,874	82,152	1,192,140
<b>At 30th September 2018</b>	<b>198,646</b>	<b>822,683</b>	<b>56,813</b>	<b>2,207</b>	<b>5,462</b>	<b>89,676</b>	<b>1,175,487</b>



Notes to the condensed consolidated and separate financial statements  
For the three months and nine months ended 30th September 2018

## 12 Property, plant and equipment

## 12.2 Company

	Leasehold improvements and buildings ₦'million	Plant and machinery ₦'million	Motor vehicles ₦'million	Aircraft ₦'million	Furniture & equipment ₦'million	Capital work-in- progress ₦'million	Total ₦'million
<b>Cost</b>							
As at 1st January 2017	47,595	548,521	83,015	4,028	2,080	68,502	753,741
Additions	-	3,061	92	-	5	37,312	40,470
Reclassifications	2,709	47,525	20,668	-	1,096	(71,998)	-
Other reclassifications	-	-	(15,420)	-	-	-	(15,420)
Disposal	-	(23)	(2,173)	-	(272)	-	(2,468)
Write-off	-	-	(197)	-	-	-	(197)
<b>Balance at 31st December 2017</b>	<b>50,304</b>	<b>599,084</b>	<b>85,985</b>	<b>4,028</b>	<b>2,909</b>	<b>33,816</b>	<b>776,126</b>
Additions	4	7,270	6,367	-	87	12,917	26,645
Reclassification	515	9,231	-	-	323	(10,069)	-
Other reclassification	-	(680)	(391)	-	-	(3,892)	(4,963)
Disposal	-	-	(239)	-	-	-	(239)
Write-off	-	-	-	-	-	(51)	(51)
<b>Balance at 30th September 2018</b>	<b>50,823</b>	<b>614,905</b>	<b>91,722</b>	<b>4,028</b>	<b>3,319</b>	<b>32,721</b>	<b>797,518</b>
<b>Accumulated depreciation &amp; impairment</b>							
Balance at 1st January 2017	9,589	124,705	47,830	1,117	1,483	-	184,724
Depreciation expense	2,009	27,402	13,653	403	395	-	43,862
Other reclassification	-	-	(12)	-	-	-	(12)
Disposal	-	(17)	(2,121)	-	(272)	-	(2,410)
<b>Balance at 31st December 2017</b>	<b>11,598</b>	<b>152,090</b>	<b>59,350</b>	<b>1,520</b>	<b>1,606</b>	<b>-</b>	<b>226,164</b>
Depreciation expense	1,528	21,242	13,739	301	403	-	37,213
Disposal	-	-	(234)	-	-	-	(234)
<b>Balance at 30th September 2018</b>	<b>13,126</b>	<b>173,332</b>	<b>72,855</b>	<b>1,821</b>	<b>2,009</b>	<b>-</b>	<b>263,143</b>
<b>Carrying amounts:</b>							
At 31st December 2017	38,706	446,994	26,635	2,508	1,303	33,816	549,962
<b>At 30th September 2018</b>	<b>37,697</b>	<b>441,573</b>	<b>18,867</b>	<b>2,207</b>	<b>1,310</b>	<b>32,721</b>	<b>534,375</b>

# Dangote Cement Plc

## Notes to the condensed consolidated and separate financial statements

For the three months and nine months ended 30th September 2018

### 13 Intangible assets

#### 13.1 Group

	Computer software ₦'million	Exploration assets ₦'million	Total ₦'million
<b>Cost</b>			
As at 1st January 2017	3,856	2,212	6,068
Additions	243	1,396	1,639
Other reclassifications	8	347	355
Effect of foreign currency exchange differences	464	464	928
Balance at 31st December 2017	4,571	4,419	8,990
Additions	1,087	176	1,263
Effect of foreign currency exchange difference	139	(62)	77
<b>Balance at 30th September 2018</b>	<b>5,797</b>	<b>4,533</b>	<b>10,330</b>

#### **Accumulated amortisation**

As at 1st January 2017	1,859	64	1,923
Amortisation expense	495	67	562
Effect of foreign currency exchange differences	134	16	150
Balance at 31st December 2017	2,488	147	2,635
Amortisation expense	373	80	453
Effect of foreign currency exchange difference	25	(4)	21
<b>Balance at 30th September 2018</b>	<b>2,886</b>	<b>223</b>	<b>3,109</b>

#### **Carrying amounts:**

At 31st December 2017	2,083	4,272	6,355
<b>At 30th September 2018</b>	<b>2,911</b>	<b>4,310</b>	<b>7,221</b>

Intangible assets (computer software) represent software which is amortized on a straight line basis.

There are no development expenditure capitalised as internally generated intangible asset.

# Dangote Cement Plc

## Notes to the condensed consolidated and separate financial statements

For the three months and nine months ended 30th September 2018

### 13 Intangible assets

#### 13.2 Company

	Computer software ₦'million	Exploration assets ₦'million	Total ₦'million
<b>Cost</b>			
As at 1st January 2017	1,306	-	1,306
Additions	21	-	21
Balance at 31st December 2017	1,327	-	1,327
Additions	27	-	27
<b>Balance at 30th September 2018</b>	<b>1,354</b>	<b>-</b>	<b>1,354</b>
<b>Accumulated amortisation</b>			
As at 1st January 2017	1,193	-	1,193
Amortisation expense	97	-	97
Balance at 31st December 2017	1,290	-	1,290
Amortisation expense	12	-	12
<b>Balance at 30th September 2018</b>	<b>1,302</b>	<b>-</b>	<b>1,302</b>
<b>Carrying amounts:</b>			
At 31st December 2017	37	-	37
<b>At 30th September 2018</b>	<b>52</b>	<b>-</b>	<b>52</b>

Intangible assets (computer software) represent software which is amortized on a straight line basis.

There are no development expenditure capitalised as internally generated intangible asset.

## Dangote Cement Plc

### Notes to the condensed consolidated and separate financial statements For the three months and nine months ended 30th September 2018

#### 14 Investments

Details of the Group's subsidiaries at the end of the reporting period are as follows:

14.1 Name of subsidiary	Place of incorporation and operation	Proportion of ownership or voting power held by the Group	
		30/09/18	31/12/17
Dangote Cement South Africa (Pty) Limited	South Africa	64.00%	64.00%
Dangote Industries (Ethiopia) Plc	Ethiopia	99.97%	99.97%
Dangote Industries (Zambia) Limited	Zambia	99.96%	75.00%
Dangote Cement Senegal S.A	Senegal	99.99%	99.99%
Dangote Cement Cameroun S.A	Cameroun	99.97%	99.97%
Dangote Mines Limited, Tanzania	Tanzania	99.70%	99.70%
Dangote Cement Congo S.A	Congo	100.00%	100.00%
Dangote Cement (Sierra Leone) Limited	Sierra Leone	99.60%	99.60%
Dangote Cement Cote D'Ivoire S.A	Cote D'Ivoire	80.00%	80.00%
Dangote Industries Gabon S.A	Gabon	80.00%	80.00%
Dangote Cement Ghana Limited	Ghana	100.00%	100.00%
Dangote Cement - Liberia Ltd.	Liberia	100.00%	100.00%
Dangote Cement Burkina Faso S.A	Burkina Faso	95.00%	95.00%
Dangote Cement Chad S.A	Chad	95.00%	95.00%
Dangote Cement Mali S.A	Mali	95.00%	95.00%
Dangote Cement Niger SARL	Niger	95.00%	95.00%
Dangote Industries Benin S.A	Benin	98.00%	98.00%
Dangote Cement Togo S.A	Togo	90.00%	90.00%
Dangote Cement Kenya Limited	Kenya	90.00%	90.00%
Dangote Quarries Kenya Limited	Kenya	90.00%	90.00%
Dangote Cement Madagascar Limited	Madagascar	95.00%	95.00%
Dangote Quarries Mozambique Limitada	Mozambique	95.00%	95.00%
Dangote Cement Nepal Pvt. Limited	Nepal	100.00%	100.00%
Dangote Zimbabwe Holdings (Private) Limited	Zimbabwe	90.00%	90.00%
Dangote Cement Zimbabwe (Private) Limited	Zimbabwe	90.00%	90.00%
Dangote Energy Zimbabwe (Private) Limited	Zimbabwe	90.00%	90.00%
Dangote Mining Zimbabwe (Private) Limited	Zimbabwe	90.00%	90.00%
Dangote Cement Guinea SA	Guinea	95.00%	95.00%
Cimenterie Obajana Sprl- D.R. Congo	D.R. Congo	98.00%	98.00%
Itori Cement Plc.	Nigeria	99.00%	99.00%
Okpella Cement Plc.	Nigeria	99.00%	99.00%
Dangote Takoradi Cement Production Limited	Ghana	99.00%	99.00%
Dangote Cement Yaounde	Cameroun	90.00%	90.00%
Dangote Cement Congo D.R. S.A	D.R. Congo	99.00%	99.00%
DCP Cement Limited	Nigeria	90.00%	-
Dangote Cement Limited, Tanzania	Tanzania	99.70%	-
Dangote Contracting Services Limited, Tanzania	Tanzania	99.70%	-

During the period, Zambia issued additional shares, all of which were issued to Dangote cement Plc., resulting in the dilution of non controlling interest to 0.04%.

# Dangote Cement Plc

## Notes to the condensed consolidated and separate financial statements For the three months and nine months ended 30th September 2018

### 14 Investments

#### 14.2 Investments in subsidiaries

	Group		Company	
	30/09/18 N'million	31/12/17 N'million	30/09/18 N'million	31/12/17 N'million
Dangote Cement South Africa (Pty) Limited	-	-	27,922	27,922
Dangote Industries (Ethiopia) Plc	-	-	40,036	40,036
Dangote Industries (Zambia) Limited	-	-	105	-
Dangote Cement Senegal S.A	-	-	64,782	64,782
Dangote Cement Cameroun S.A	-	-	15,160	15,160
Dangote Cement Ghana Limited	-	-	-	-
Dangote Mines Limited, Tanzania	-	-	13,851	13,851
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 Burkina faso S.A	-	-	3	3
Dangote Cement Chad S.A	-	-	3	3
Dangote Cement Mali S.A	-	-	3	3
Dangote Cement Niger SARL	-	-	5	5
Dangote Industries Benin S.A	-	-	3	3
Dangote Cement Togo S.A	-	-	5	5
Dangote Takoradi Cement Production Limited	-	-	141	141
Dangote Cement D.R. Congo	-	-	7	-
Dangote Cement Madagascar Limited	-	-	-	-
Dangote Cement - Liberia Limited	-	-	-	-
Dangote Cement Kenya Limited	-	-	-	-
Dangote Quarries Kenya Limited	-	-	-	-
Dangote Quarries Mozambique Limitada	-	-	-	-
Dangote Cement Nepal Pvt. Limited	-	-	-	-
Dangote Zimbabwe Holdings (Private) Limited	-	-	-	-
Dangote Cement Zimbabwe (Private) Limited	-	-	-	-
Dangote Energy Zimbabwe (Private) Limited	-	-	-	-
Dangote Mining Zimbabwe (Private) Limited	-	-	-	-
Dangote Cement Guinea SA	-	-	-	-
Cimenterie Obajana Sprl- D.R. Congo	-	-	-	-
Itori Cement Plc.	-	-	-	-
Okpella Cement Plc.	-	-	-	-
Dangote Cement Yaounde	-	-	-	-
DCP Cement Limited	-	-	-	-
Dangote Cement Limited, Tanzania	-	-	-	-
Dangote Contracting Services Limited, Tanzania	-	-	-	-
	-	-	<b>162,069</b>	<b>161,957</b>

#### 14.3 Investments in associate

	Group		Company	
	30/09/18 N'million	31/12/17 N'million	30/09/18 N'million	31/12/17 N'million
Societe des Ciments d' Onigbolo	3,749	3,749	1,582	1,582
<b>Total</b>	<b>3,749</b>	<b>3,749</b>	<b>1,582</b>	<b>1,582</b>

# Dangote Cement Plc

## Notes to the condensed consolidated and separate financial statements For the three months and nine months ended 30th September 2018

15 Non-current prepayments	Group		Company	
	30/09/18 ₦'million	31/12/17 ₦'million	30/09/18 ₦'million	31/12/17 ₦'million
Advance to contractors	35,315	16,101	-	1,600
Operating lease	2,565	-	-	-
<b>Total non-current prepayments</b>	<b>37,880</b>	<b>16,101</b>	<b>-</b>	<b>1,600</b>

Advances to contractors represent various advances made to contractors for the construction of plants.

16 Lease receivables	Group		Company	
	30/09/18 ₦'million	31/12/17 ₦'million	30/09/18 ₦'million	31/12/17 ₦'million
Trucks lease to customers	9,225	8,222	9,225	8,222
Non current portion of lease receivables	<b>6,952</b>	<b>6,614</b>	<b>6,952</b>	<b>6,614</b>
Current portion of lease receivables	<b>2,273</b>	<b>1,608</b>	<b>2,273</b>	<b>1,608</b>

### 16.1 Leasing arrangements

The Group entered into finance lease arrangement for some of its trucks. All leases are denominated in Naira. The average term of finance leases entered into is 4.17 years.

17 Other receivables	Company	
	30/09/18 ₦'million	31/12/17 ₦'million
<b>Non Current</b>		
Entities controlled by the company	<b>530,066</b>	<b>455,792</b>

## Dangote Cement Plc

### Notes to the condensed consolidated and separate financial statements For the three months and nine months ended 30th September 2018

#### 18 Inventories

	Group		Company	
	30/09/18 N'million	31/12/17 N'million	30/09/18 N'million	31/12/17 N'million
Finished goods	8,126	6,389	6,419	4,768
Work-in-progress	12,875	10,096	3,242	4,511
Raw materials	6,616	5,898	1,964	1,993
Packaging materials	3,670	4,180	858	1,332
Consumables	10,334	8,287	6,419	6,079
Fuel	12,230	11,621	7,608	9,312
Spare parts	43,739	36,403	29,269	26,275
Goods-in-transit	5,538	11,720	3,112	7,989
	<b>103,128</b>	<b>94,594</b>	<b>58,891</b>	<b>62,259</b>

#### 19 Trade and other receivables

	Group		Company	
	30/09/18 N'million	31/12/17 N'million	30/09/18 N'million	31/12/17 N'million
Trade receivables	14,444	16,784	7,996	10,180
Impairment allowance on trade receivables	(532)	(645)	(505)	(616)
	13,912	16,139	7,491	9,564
Staff loans and advances	1,386	1,463	1,089	1,209
Other receivables	28,129	12,553	2,453	1,567
	<b>43,427</b>	<b>30,155</b>	<b>11,033</b>	<b>12,340</b>

#### 20 Prepayments and other current assets

	Group		Company	
	30/09/18 N'million	31/12/17 N'million	30/09/18 N'million	31/12/17 N'million
Advance to contractors	10,757	17,680	5,132	5,791
Deposits for import	12,068	13,839	9,079	9,914
Deposit for supplies	10,442	5,638	3,782	1,083
Rent and insurance	5,097	2,596	2,622	1,303
Other financial assets	9	10	-	-
<b>Total current prepayments</b>	<b>38,373</b>	<b>39,763</b>	<b>20,615</b>	<b>18,091</b>

#### Related party transactions - current

Parent company	2,499	-	2,499	-
Entities controlled by the parent company	77,228	75,733	73,633	72,706
Affiliates and associates of parent company	-	-	-	-
Receivables from subsidiaries	-	-	166,642	157,397
<b>Total current receivables from related parties</b>	<b>79,727</b>	<b>75,733</b>	<b>242,774</b>	<b>230,103</b>
<b>Prepayments and other current assets</b>	<b>118,100</b>	<b>115,496</b>	<b>263,389</b>	<b>248,194</b>

Current advance to contractors represents various advances made for the purchase of LPFO, AGO, Coal and other materials which were not received at the end of the period.

## Dangote Cement Plc

### Notes to the condensed consolidated and separate financial statements For the three months and nine months ended 30th September 2018

#### 21 Cash and cash equivalents

	Group		Company	
	30/09/18 ₦'million	31/12/17 ₦'million	30/09/18 ₦'million	31/12/17 ₦'million
Cash and bank balances	132,285	82,297	78,127	30,141
Short term deposits	25,688	86,090	10,621	72,327
	<b>157,973</b>	<b>168,387</b>	<b>88,748</b>	<b>102,468</b>
Bank overdrafts used for cash management purposes	(19,931)	(6,632)	-	-
<b>Cash and cash equivalents</b>	<b>138,042</b>	<b>161,755</b>	<b>88,748</b>	<b>102,468</b>

#### 22 Trade and other payables

	Group		Company	
	30/09/18 ₦'million	31/12/17 ₦'million	30/09/18 ₦'million	31/12/17 ₦'million
Trade payables	51,592	78,561	27,112	50,235
Payable to contractors	15,988	30,933	12,327	21,148
Value added tax	2,355	2,775	411	873
Withholding tax payable	6,531	9,485	847	1,118
Defined contribution plan	1,664	266	12	8
Advances from customers	20,990	27,163	12,461	16,592
Suppliers' credit *	27,010	41,492	13,541	23,337
Other accruals and payables	105,591	80,046	35,436	29,426
	<b>231,721</b>	<b>270,721</b>	<b>102,147</b>	<b>142,737</b>

\* represents amounts payable for property, plant and equipment acquired on suppliers' credit.

#### 23 Financial liabilities

	Group		Company	
	30/09/18 ₦'million	31/12/17 ₦'million	30/09/18 ₦'million	31/12/17 ₦'million
<b>Unsecured borrowings at amortised cost</b>				
Subordinated loans	-	29,998	-	29,998
Loans from Parent company (a)	72,485	129,597	72,486	129,597
Bulk Commodities loans (b)	17,947	16,159	1,192	1,093
Loans from Dangote Oil & Gas Ltd	35,349	39,262	35,349	39,262
Commercial paper	91,338	-	91,338	-
	<b>217,119</b>	<b>215,016</b>	<b>200,365</b>	<b>199,950</b>
<b>Secured borrowings at amortised cost</b>				
Power intervention loan (c)	8,445	10,225	8,445	10,225
Bank loans	148,681	146,853	14,211	18,015
	<b>157,126</b>	<b>157,078</b>	<b>22,656</b>	<b>28,240</b>
<b>Total borrowings</b>	<b>374,245</b>	<b>372,094</b>	<b>223,021</b>	<b>228,190</b>
<b>Non-current portion of financial debts</b>	<b>179,893</b>	<b>242,894</b>	<b>78,305</b>	<b>157,195</b>
Current portion repayable in one year and shown under current liabilities	174,421	122,568	144,716	70,995
Overdraft balances ( Note 21)	19,931	6,632	-	-
<b>Short-term portion</b>	<b>194,352</b>	<b>129,200</b>	<b>144,716</b>	<b>70,995</b>
Interest payable	5,643	15,583	4,344	15,195
<b>Financial liabilities (current)</b>	<b>199,995</b>	<b>144,783</b>	<b>149,060</b>	<b>86,190</b>



**Notes to the condensed consolidated and separate financial statements  
For the three months and nine months ended 30th September 2018**

**23 Financial Debts (Contd.)**

(a) Interest on loan from Parent company is charged at MPR + 1%

(b) The loans from Bulk commodities, a related party, are denominated in USD with interest rate ranging from 6% to 8.5%

(c) 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.

**24 Deferred revenue**

	Group		Company	
	30/09/18 ₦'million	31/12/17 ₦'million	30/09/18 ₦'million	31/12/17 ₦'million
Deferred revenue arising from government grant (refer to (a) below)	887	1,147	417	629
Current portion of deferred revenue	226	308	218	274
Non-current portion of deferred revenue	<b>661</b>	<b>839</b>	<b>199</b>	<b>355</b>

(a) The deferred revenue mainly arises as a result of the benefit received from government loans received in 2011 and 2012. The revenue was recorded in other income line in line with IAS 20

**25 Other current liabilities**

	Group		Company	
	30/09/18 ₦'million	31/12/17 ₦'million	30/09/18 ₦'million	31/12/17 ₦'million
Current portion of deferred revenue (Note 24)	226	308	218	274
<b>Related party transactions</b>				
Parent company	-	8,133	-	8,133
Entities controlled by the parent company	18,214	12,741	10,997	9,346
Affiliates and associates of parent company	17,812	19,889	13,594	15,083
Payables to subsidiaries	-	-	13,098	18,406
	36,026	40,763	37,689	50,968
<b>Other current liabilities</b>	<b>36,252</b>	<b>41,071</b>	<b>37,907</b>	<b>51,242</b>

## Dangote Cement Plc

### Notes to the condensed consolidated and separate financial statements For the three months and nine months ended 30th September 2018

#### 26 Long term provisions

	Group		Company	
	30/09/18 ₦'million	31/12/17 ₦'million	30/09/18 ₦'million	31/12/17 ₦'million
Balance at beginning of the period	3,416	3,344	2,073	2,302
Effect of foreign exchange differences	(52)	153	-	-
Provisions made during the period	(1,002)	(691)	(1,080)	(839)
Unwind of discount	224	610	224	610
<b>Balance at the end of the period</b>	<b>2,586</b>	<b>3,416</b>	<b>1,217</b>	<b>2,073</b>

The above provision represents 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.

#### 27 Share capital

	Group & Company	
	30/09/18 ₦'million	31/12/17 ₦'million
<i>Issued and fully paid:</i>		
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
	<b>50,950</b>	<b>50,950</b>