DANGOTE
CEMENT

Dangote Cement PLC

Annual Report 2017

Our Vision

Our vision is to be a global leader in cement production, respected for the quality of our products and services and for the way we conduct our business.

Our Mission

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

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

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

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

Our Values

Service
As a world-class organisation, we understand that we exist to serve and satisfy our customers. Accordingly, our customer orientation reflects intimacy, integrity and learning.

Leadership
We thrive on being leaders in our business, markets and communities. To drive this, we focus on continuous improvement, partnership and professionalism.

Entrepreneurship
We continuously seek and develop new business, employing state-of-the-art methods to retain our market leadership.

Excellence
We are a large organisation, working together to deliver the best products and services to our valuable customers and stakeholders. To achieve this, we demonstrate teamwork, respect and meritocracy.

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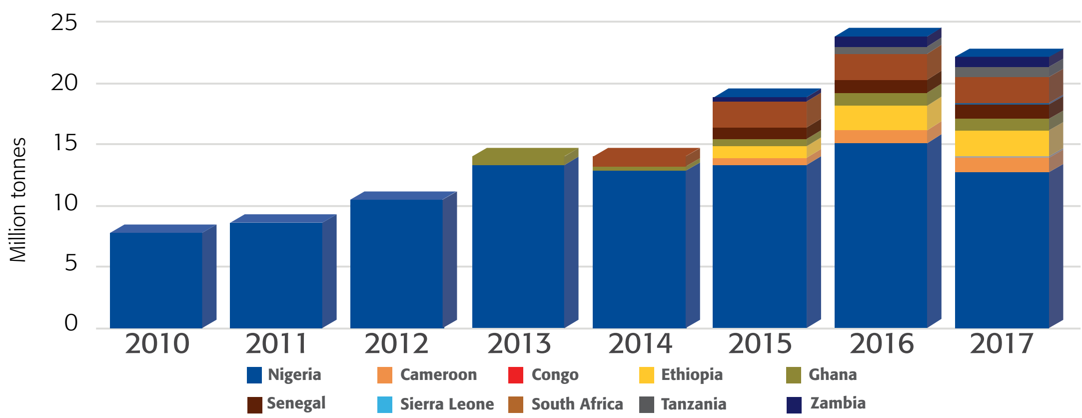
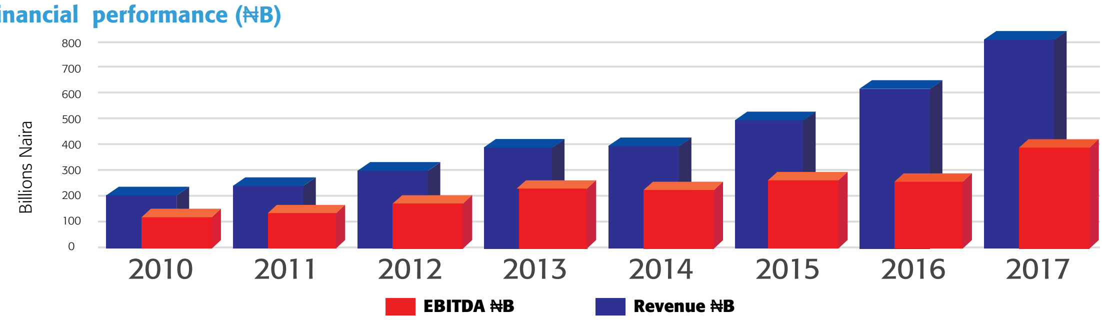
45.6 Mta Capacity

24,040 Employees

Volume Growth

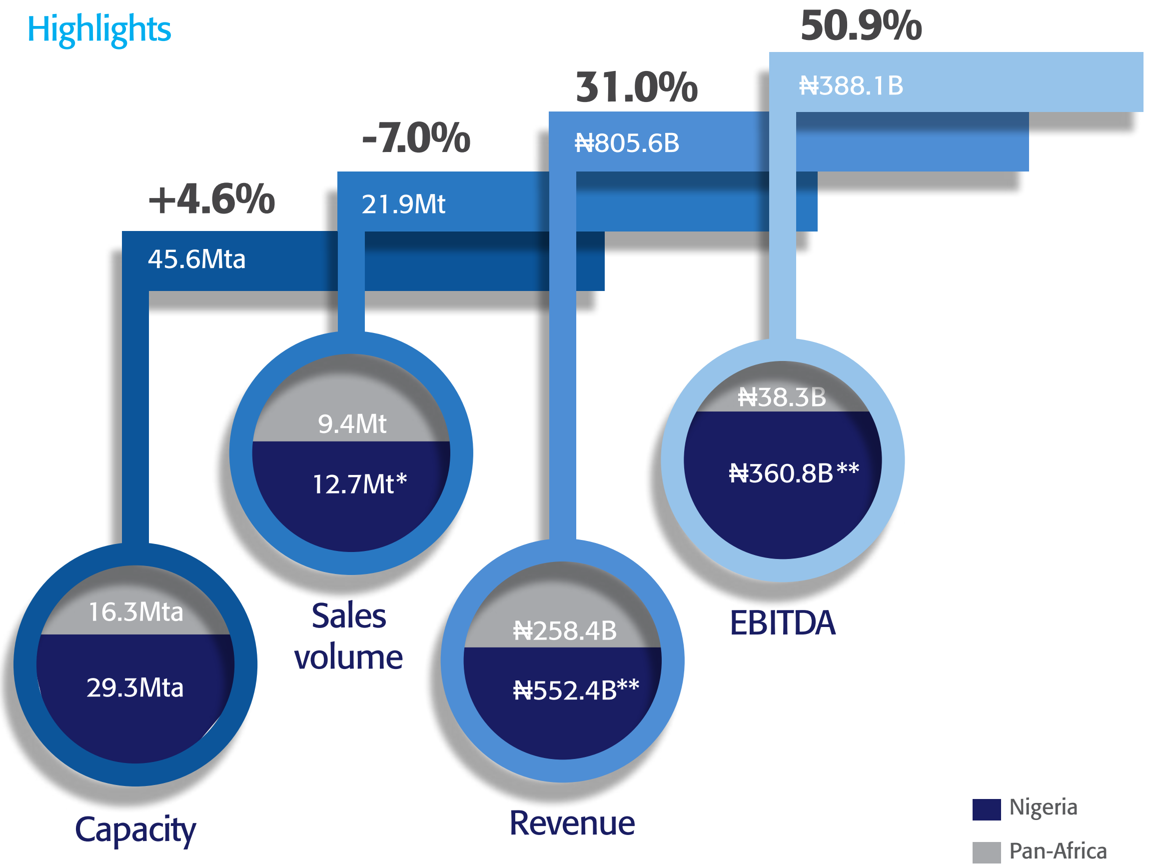


Financial performance (₦B)

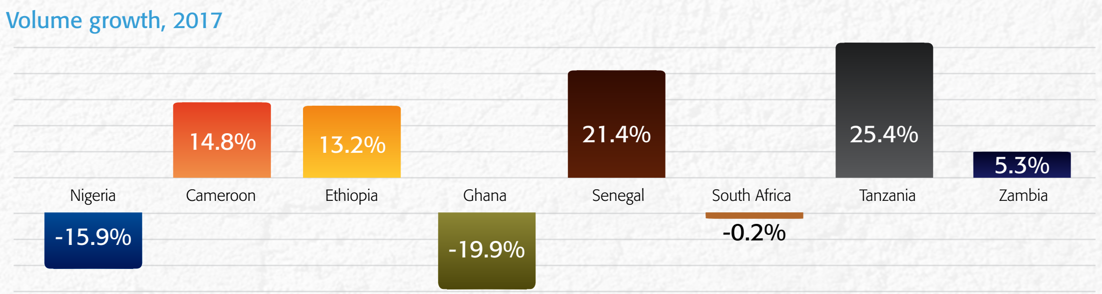


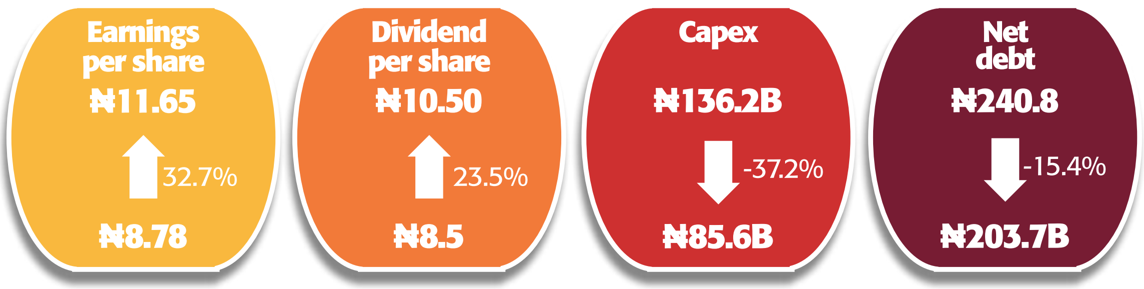
2017 in summary

Highlights



*Including inter-company sales to Ghana **Excluding inter-company adjustments and central costs





KEY ratios				
	EBITDA margin	Net debt/EBITDA	Net gearing	ROCE
2017	**48.2%**	**0.52**	**26.1%**	**26.8%**
2016	41.8%	0.94	33.2%	18.5%


E1304
E1304

2017 in detail

Cement volumes sold	Q1 2017 '000 tonnes	Q2 2017 '000 tonnes	Q3 2017 '000 tonnes	Q4 2017 '000 tonnes	FY 2017 '000 tonnes	FY 2016 '000 tonnes	% change
Nigeria	3,770	3,085	2,774	3,095	12,724	15,128	(15.9%)
Pan-Africa	2,342	2,401	2,280	2,342	9,365	8,639	8.4%
Inter-company sales	(87)	-	(54)	(33)	(174)	(192)	
Total cement sold	**6,025**	**5,486**	**5,000**	**5,404**	**21,915**	**23,575**	**(7.0%)**

Regional revenues	₦m	₦m	₦m	₦m	₦m	₦m	
Nigeria	152,355	139,040	124,718	136,251	552,364	426,129	29.6%
Pan-Africa	58,715	65,470	67,668	66,591	258,444	195,028	32.5%
Inter-company sales	(2,904)	-	(1,487)	(835)	(5,226)	(6,054)	
Total revenues	**208,166**	**204,510**	**190,899**	**202,007**	**805,582**	**615,103**	**31.0%**

EBITDA	₦m	₦m	₦m	₦m	₦m	₦m	
Nigeria	98,679	91,414	80,367	90,299	360,759	241,969	49.1%
Pan-Africa	7,483	12,149	12,698	5,946	38,276	25,774	48.5%
Central costs & eliminations	(3,159)	(2,891)	(2,434)	(2,404)	(10,888)	(10,500)	
Total EBITDA	**103,003**	**100,672**	**90,631**	**93,841**	**388,147**	**257,243**	**50.9%**

EBITDA margins

Nigeria*	64.8%	65.7%	64.4%	66.3%	65.3%	56.8%
Pan-Africa*	12.7%	18.5%	18.8%	8.9%	14.8%	13.2%
Group	**49.5%**	**49.2%**	**47.5%**	**46.5%**	**48.2%**	**41.8%**

* Excluding central costs / eliminations

Chairman's statement

Aliko Dangote, GCON

Dear shareholders,
It is my pleasure to deliver this Annual Report at the 9th Annual General meeting of Dangote Cement. This report contains information about our Company's activities across Africa during 2017.

I am pleased to report that 2017 was our best-ever year. Revenues increased by 31.0% to ₦805.6B, with earnings before interest, tax, depreciation and amortisation (EBITDA) rising by 50.9% to ₦388.1B.

During the year we opened new capacity in the Republic of Congo and Sierra Leone totaling 2.0Mta, increasing our total capacity to 45.6Mta and extending our reach across Sub-Saharan Africa from eight countries of operation to ten, consolidating our leadership in Africa.

Our success in 2017 has enabled the Board to recommend for your approval a dividend of ₦10.5 per 50 kobo share, representing 90% of net profit and an increase of 23.5% on the ₦8.5 per share we paid last year. It will be payable to shareholders whose names are on the Company's Register at the close of business on 13th April 2018.

The Board believes that the recommended dividend is at an appropriate level and is consistent with our aim of delivering superior returns to shareholders, while at the same time balancing the Company's need to invest in growth.

Our strength and success are being recognised in the international financial markets. In July 2017, we gained a significant new investor as foreign funds returned to the Nigerian market with a renewed sense of confidence in our country's economy and the potential of what its leading manufacturers can achieve.

As a company, we were accorded international credit ratings that were actually higher on a standalone basis than the sovereign country of Nigeria in which we are headquartered.

This recognition should assure you, our shareholders, that our long-term view and prudent management are serving us well at a time when others in our industry are facing difficulties that challenge their independence and only serve to erode shareholder value.

In last year's Annual Report I described how decisions made in previous years had fortified us against the economic downturn being experienced in Nigeria and elsewhere.

As a Nigerian, I am particularly pleased that my country has emerged from this recession, posting 1.9% growth in GDP in the final quarter of 2017, when compared to a decline of 1.7% in the last quarter in 2016. With a rising oil price and a government committed to capital spending in 2018, I believe we will see a good recovery in cement demand this year.

A significant development for Nigeria came in April when the Central Bank of Nigeria (CBN) decided to relax its control of our currency and allow the Naira to trade at an exchange rate more palatable to the foreign investors whose funds could help to fuel the country's future growth.

Following the introduction of the Investors' and Exporters' FX Window on 24th April 2017, we saw an almost immediate impact on stock market activity as foreign investors returned in the confidence that, having made investments in Nigerian companies, they could liquidate them and repatriate their funds.

Having watched share prices stagnate in the year or more before, because investors had been reluctant to enter the Nigerian market, we began to see demand for high-quality Nigerian shares return, with rising daily volumes driving the Nigerian Stock Exchange to higher levels.

It was consistent with what investors had been telling us for a while that, liking the "Nigeria story", they would return but focus on a handful of quality companies judged by the good management and strong governance that are required to sustain a healthy and competitive business capable of delivering superior returns to investors.

As part of our drive to increase international investor participation in our Company, we submitted ourselves for credit rating by the international credit rating agencies Moody's and Standard & Poor's. In July, Moody's assigned Dangote Cement a Ba3 local currency Corporate Family Rating, one notch above the Government of Nigeria's own rating.

The rating, Moody's noted, "reflects the company's strong standalone credit profile and track record of demonstrated financial support from a larger and more diversified parent Dangote Industries Limited."

The Board of Dangote Cement continues to consider all strategic and financial options for the Company, which may include the issuance of debt and a possible international listing of its shares. Having such a strong rating will enable us to access the international bond markets at a time of our choosing and enable us to raise money for the refinancing of debt and for other Company needs, including investment in our expansion across Africa.

Turning to our operational and financial performance, our sales volumes fell by 7.0% to 21.9 million tonnes (Mt), mostly because of a 15.9% fall in our home market of Nigeria, which was in recession. However, Pan-African operations increased volumes by 8.4%, with Ethiopia, Senegal, Cameroon and South Africa all performing strongly and close to their operating capacity.

Despite the lower volumes, we increased revenue by 31.0% to ₦805.6B. Pan-African revenue increased from ₦195.0B in 2016 to ₦258.4B in 2017, representing 32% of total Group revenue. The increase in revenue drove the 50.9% increase in earnings before interest, taxation, depreciation and amortisation (EBITDA), which rose from ₦257.2B to ₦388.1B in 2017, with our EBITDA margins at Group level increasing from 41.8% to 48.2%.

In previous years we have prepared our accounts on the basis that we would benefit from the full five-year Pioneer Tax Incentive for which we applied at our factories at Obajana and Ibese. Indeed, these incentives were a major factor in deciding to invest billions of dollars building them.

Specifically, for Ibese lines 1&2 and Obajana Line 3, we have already received the initial three-year tax holiday from the Nigerian Investment Promotion Commission (NIPC) and await approval of tax-exempt status for the additional two-year period for which we have applied. We have complied in full with all necessary requirements to receive these additional tax benefits and have incorporated these benefits into our accounts for 2017, 2016 and 2015, as detailed in Note 4.1.2 to our accounts. The tax benefits equate to ₦8.3B in 2017, ₦24.0B in 2016 and ₦27.8B in 2015.

We have also applied for the Pioneer Tax Incentive on Ibese lines 3&4 and Obajana Line 4 and have complied with all requirements. However, we have yet to receive approval from the NIPC.

As a consequence, we have decided to make a provision against tax relief on these lines until such time as approval has been received.

The tax charge has therefore been restated for the 2016 and 2015 financial years, resulting in increases to 2016 and 2015 tax charges of ₦43.8B and ₦28.1B respectively. The impact on the 2017 tax charge is ₦62.2B.

If the NIPC approves the Pioneer Status on Ibese 3&4 and Obajana 4, the tax benefit will be recognised for these lines.

Following these tax adjustments, our earnings per share increased by 32.7%, from ₦8.78 in 2016 to ₦11.65 in 2017.

During 2017 we invested ₦85.6B, which included the completion of new capacity we opened in the Republic of Congo and Sierra Leone.

Group margins were helped by the increased use of coal in Nigeria, thereby reducing our use of expensive liquid fuels in our kilns. We now source much of our coal from within Nigeria, either from mines operated by our parent company, Dangote Industries, or from other Nigerian coal miners.

This strategy of self-sufficiency reflects the high levels of business integration we have in Dangote Cement, as we outline on pages 20-25. Sub-Saharan Africa can be a challenging place to do business; fuel supplies can be disrupted, electrical power may be non-existent where we choose to site our factories and transport and distribution capabilities may not exist at the scale we require for market.

Our philosophy is that if we cannot rely on others to provide what we need, we will invest and develop the necessary capabilities ourselves.

We have invested in improving fuel security in Nigeria, begun to look at mining our own coal in Tanzania, where imports are now banned, and developed possibly the largest delivery fleet in the whole of Sub-Saharan Africa's cement industry, with more than 9,000 trucks.

I believe these initiatives give us significant competitive advantages compared to other manufacturers in the region, where third-party fuel supply, power distribution and logistical capabilities may not be sufficient enough for our needs.

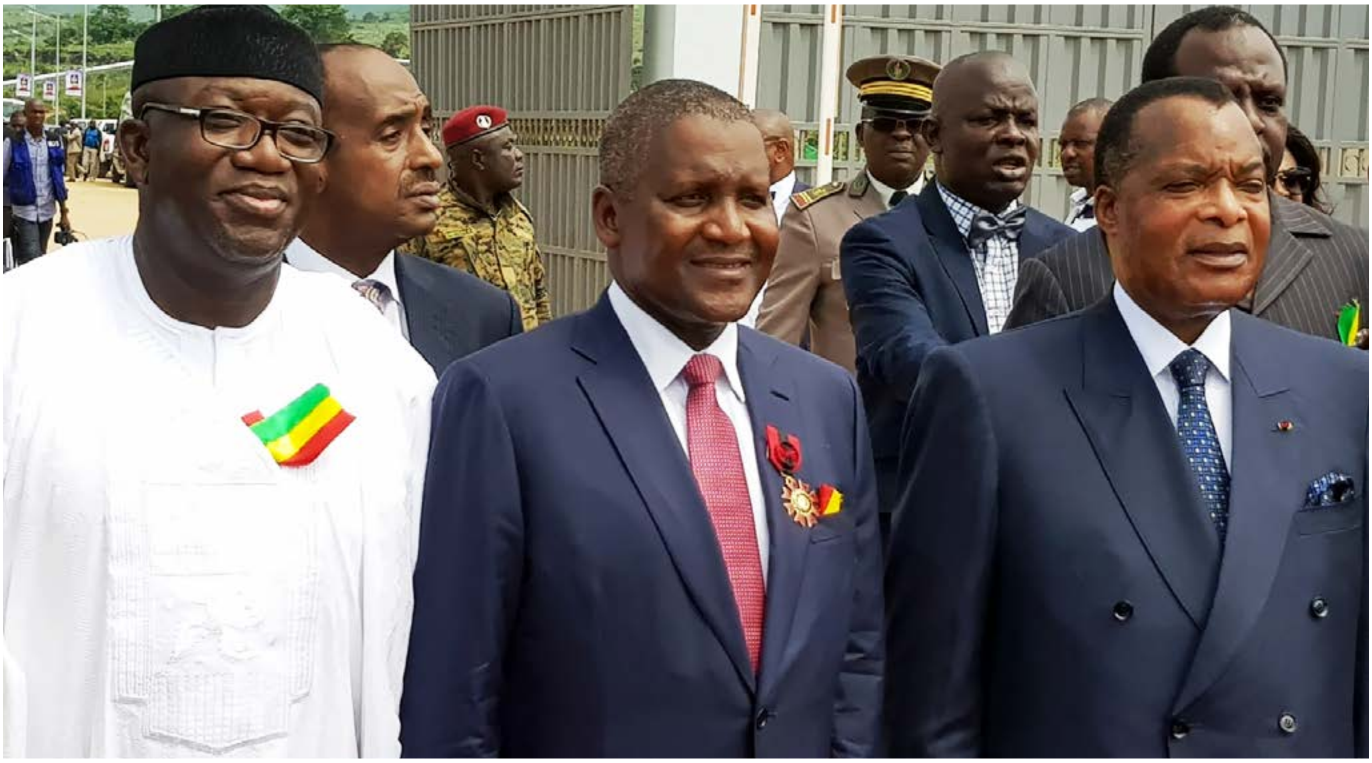
Furthermore, as you will read on page 38, our own Dangote Academy does a fine job of providing the specialist training our staff needs to maintain these competitive advantages across the region, because we cannot rely on local educational institutions to provide such specialist training.

During the year we experienced some of the challenges of operating in Sub-Saharan Africa. Our Tanzanian operation was beset by problems associated with sourcing a gas supply for temporary gas turbines we had hoped to install in 2017 to stem losses caused by the use of temporary diesel generators. These gas turbines will be operational from March 2018.

As an industrialist committed to improving the lot of countries in which my companies operate, I believe that African economies are best served by policies and attitudes that encourage foreign businesses to invest and employ local people, rather than make it difficult to operate a business.

There were also challenges in Ethiopia as civil unrest targeted many foreign businesses that were in their country creating jobs and prosperity for local people. Furthermore, like Nigeria, Ethiopia has proved to be a difficult place from which to repatriate cash, a situation that may discourage foreign investment to the detriment of local people.

In the Republic of Congo, we invested in a plant believing it would have a readily available export market in the



Inauguration of the 1.5Mta plant in Republic of Congo, 23rd November 2017
L-R: Nigeria's Minister of Mines and Steel Development, Dr. Kayode Fayemi, Aliko Dangote, President of Republic of Congo, Denise Sassou Nguesso.

Commissioning of the new 1.5Mta cement plant in Mfila, Republic of Congo

neighbouring Democratic Republic of Congo, but that has now closed its borders to cement importation, a move we have seen elsewhere in Sub-Saharan Africa as countries try to end reliance on imports and build key industries of their own.

We are, however, confident that our plant will soon be the most successful in its market, as we have proved to be in others.

With our factory operations now spread across ten countries, we are by far the leading cement manufacturer in Sub-Saharan Africa, which I have frequently said is the most promising market in the world.

Our large capacity, financial strength, vertical integration and prudent management have enabled us to enter markets, gain share and withstand competitive and pricing pressures that have wrought more damage on the smaller, less well-funded manufacturers who initiated them.

Furthermore, we are an African company, proudly serving Africa's needs. As we have discovered, even we have been challenged by the difficulties of doing business in this continent, but I believe we have responded in robust fashion and benefited from the diversity we have created across our business and because of our local knowledge and attitudes towards doing business in neighbouring countries in Africa.

Over the past three years our expansion has been managed by our Group Chief Executive, Onne van der Weijde, who joined in February 2015. In October 2017 we announced that Onne had decided to leave the Company and return to his homeland, The Netherlands, after a long absence. He stepped down from the Board on 31st December 2017.

In the interim, the Company is in the reliable hands of Engineer Joe Makoju, who has served on our Board for many years. His long experience with Dangote Cement will assure a smooth transition.

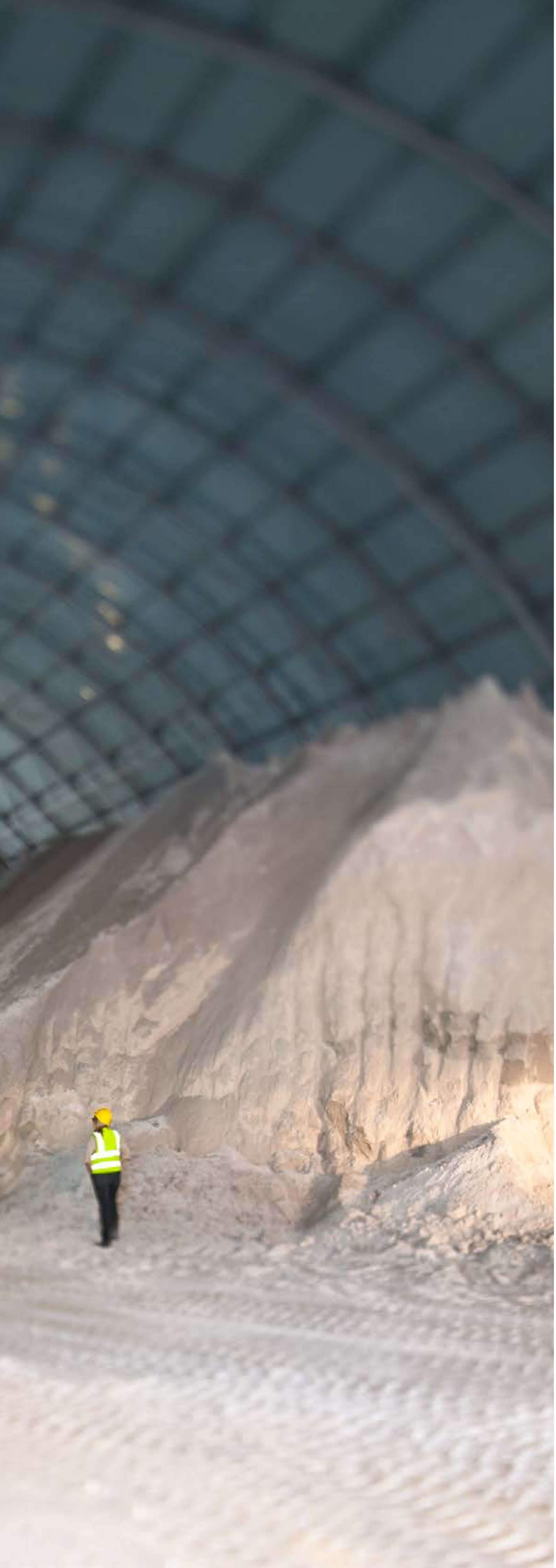
We continued to strengthen our governance in 2017. In July, Brian Egan, our Group Chief Financial Officer joined the Board.

In December, Viswanathan Shankar also joined the Board. Based in Dubai, he is CEO of Gateway Partners and a seasoned financial sector professional with significant experience in Africa.

I am pleased that this Annual Report contains a detailed Sustainability Report on pages 50 to 75 which, for the first time, tries to convey our efforts in sustainability *The Dangote Way*, our impact on the environment and a sense of the economic and social impact we are having as we expand our footprints across Africa.

This development of our reporting reflects our desire to improve the governance and transparency of our Company for you, our shareholders, whom I thank for your continuing support. I am confident your faith in our Company will continue to be rewarded in the coming years.

Aliko Dangote GCON
Chairman
19th March, 2018



About Us

Dangote Cement is the largest cement producer in Sub-Saharan Africa, with nearly 46 million tonnes of capacity.

Based in Lagos, Nigeria, we operate modern, efficient cement factories in ten countries across a rapidly growing continent.

Group overview

Dangote Cement plant in Congo

Dangote Cement is Africa's leading cement producer with 45.6 Mta production, import and clinker grinding capacity operational at the end of 2017.

In 2017 we added new facilities totaling 2.0Mta, in Sierra Leone and the Republic of Congo, to our existing capacity in Nigeria, Cameroon, Ethiopia, Ghana, Senegal, South Africa, Tanzania and Zambia. This has given us an unrivaled reach across Sub-Saharan Africa, which we see as the world's most exciting market for cement.

Headquartered in Lagos, our Group is managed by an executive team led by the Group Chief Executive Officer (GCEO), who reports to the Chairman and the Board of Directors. Dangote Cement has two operating regions: Nigeria and Pan-Africa. Each has its own Chief Executive and Chief Financial Officer reporting to the Group Chief Executive Officer and Group Chief Financial Officer respectively.

The Company that became Dangote Cement was founded at a time when Nigeria was highly dependent on imports. In fact, importation was our business for many years until the Federal Government launched its industrial policy of Backward Integration in 2002. This initiative aimed to reduce Nigeria's dependence on imports by encouraging the industry to build enough capacity to serve Nigeria's long-term needs.

Seeing the great potential ahead of us, we took risks and began to build massive cement plants in Nigeria, which is probably Africa's most attractive market for cement, because of its ample limestone and energy resources, a large and increasingly prosperous population and a massive need for infrastructure and housing.

We invested billions of dollars building capacity that made Nigeria not just self-sufficient in cement but also an exporter. In the process we created thousands of jobs across the country in factories, logistics, sales and support services.

Our 13.25Mta Obajana Cement Plant in Kogi State, Nigeria, is the largest in Africa and one of the largest and most profitable cement factories in the world, employing thousands of people directly and indirectly. It opened in 2008 as a 5Mta plant and has twice been extended in size. The plant is capable of using both natural gas and coal in its kilns, following investment in coal storage, crushing and firing equipment that has eliminated the use of expensive liquid fuels as a back-up to the gas we normally use.

Our Ibese plant in Ogun State has four lines with a total capacity of 12.0Mta. Its first two lines opened in February 2012 and the second pair came onstream in February 2015. Like Obajana, Ibese has been upgraded to run on gas and coal across all four of its 3.0Mta lines.

Our Gboko Cement Plant in Benue State has 4.0Mta of capacity. Acquired originally during a privatisation exercise in Nigeria, we refurbished and upgraded the plant to its present capacity.

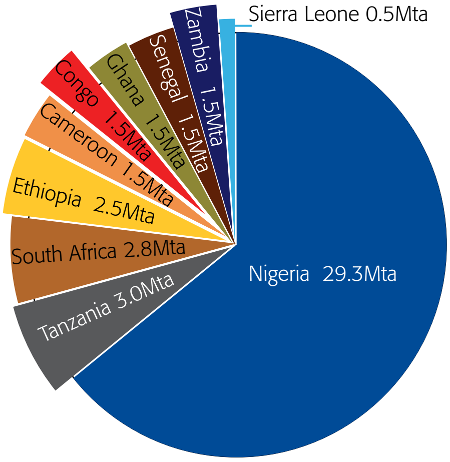
Originally designed to use just fuel oil in its kilns, because no gas pipelines ran close to the plant, Gboko has recently been upgraded with coal facilities so that its kilns can run more cost-effectively on the cheaper, locally mined fuel.

Gboko was mothballed throughout most of 2016 and 2017 as we shifted production to alternate lines at Obajana and Ibese, which still enjoy Pioneer Tax exemptions.

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

We began 2017 with 43.6Mta of capacity across eight countries in Sub-Saharan Africa. Our 0.5Mta import facility in Sierra Leone made its maiden contribution to Group revenues in the first quarter of 2017, with our 1.5Mta integrated plant in Republic of Congo contributing from the final quarter of the year.

The rapid and proven success of plants outside of Nigeria is testament to our strategy of competing on costs, service and selling higher-quality cement at competitive prices for the differing needs of local cement markets.



Dangote Cement has grown at an unprecedented rate. From a single factory that opened in Nigeria back in 2007, we have expanded to launch operations in nine other African countries, bringing our cement manufacturing capacity to nearly 46 million tonnes per annum.

In 2017, our Pan-African operations accounted for 36% of our manufacturing capacity but sold more than 42% of total group sales volume.

Furthermore, we will take advantage of being able to operate within regional trading blocks such as the Economic Community of West African States (ECOWAS) that enable us to export clinker or cement from one member country and import it into our own grinding or distribution facilities in another member country elsewhere in the region.

Such a strategy makes great sense in West Africa, where many countries lack limestone to make cement and are therefore obligatory importers of what is the world's most basic and most essential commodity, one that has no substitutes when it comes to building the modern infrastructure and housing that Africa needs.

As a result of the profitability and financial strength we worked hard to achieve, we created opportunities to enter promising markets and gain share very quickly. This is our strategic advantage.

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

We then take high-quality limestone from newly mined quarries and produce higher-quality, stronger and quicker-setting cement at lower cost than many other producers can achieve in these markets. We support these production facilities with strong marketing and logistics capabilities and the ability to procure resources in bulk across the Group, thereby reducing our operational costs.

Furthermore, we have developed a high level of business integration that addresses many of the challenges of operating businesses across Africa, for example in areas such as fuel supply, logistics and staff training.

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

We are therefore confident that the strategy we are pursuing will ensure that Dangote Cement becomes and remains the partner of choice for those who are building a new African continent.

The experience of other emerging markets shows that this modernisation will take more than one generation of Africans to complete, but we believe it is a great opportunity for us to become a global force in cement production.

Executive team

JOSEPH MAKOJU
Acting Group Chief Executive

Joe was appointed to the Board of Dangote Cement in 2010 and became its Acting Group Chief Executive in January 2018.

He has worked in several world-class corporations including Shell BP, Blue Circle (UK) and WAPCO (now Lafarge Africa), which he led as Managing Director/CEO for a decade before taking up the appointment as Managing Director/CEO of the National Electric Power Authority.

He also served as Special Adviser (Electric Power) to the President of the Federal Republic of Nigeria, under two separate administrations.

Joe's rich engineering and cement industry experience, as well as his extensive managerial, governance and policy development experience are of immense benefit to the Company. He has a B.Sc. and an M.Phil in Mechanical Engineering.

BRIAN EGAN
Group Chief Financial Officer

Brian joined Dangote Cement as Group Chief Financial Officer on 20th April, 2014 and was elevated to the Board as Executive Director, Finance, in July 2017. He has previously been an Executive Director and Chief Financial Officer of Petropavlovsk PLC and of Aricom PLC, both of which were listed on the London Stock Exchange.

Before joining Aricom he was Chief Financial Officer of Gloria-Jeans Corporation, a leading Russian apparel manufacturer and retailer. He has more than 20 years' international experience in senior financial roles with Associated British Foods PLC, Georgia-Pacific Ireland Limited and Coca-Cola HBC.

He trained as an accountant with KPMG and is a member of The Institute of Chartered Accountants in Ireland.

ARVIND PATHAK
Chief Operating Officer

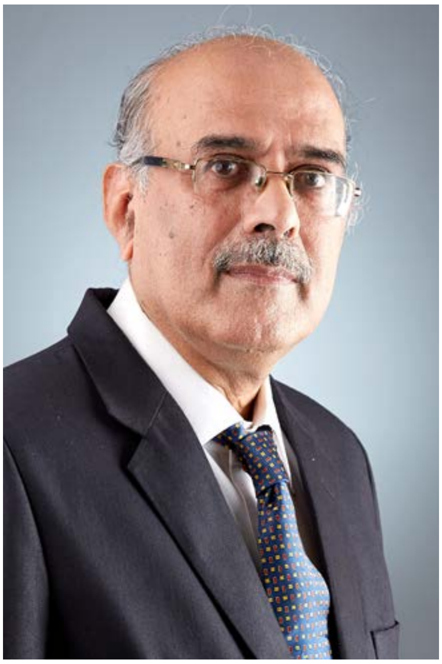
Arvind was appointed Chief Operating Officer in January 2018 after previously being Regional CEO of Dangote Cement Nigeria. He has more than 30 years' experience in the cement industry.

Before joining Dangote Cement, Mr Pathak worked at Reliance Cement as CEO and was responsible for top and bottom line of the business.

He was previously the Regional CEO in ACC Limited, having worked most of his tenure in operations and maintenance of plant as well as leading important Greenfield projects for the company.

He holds a degree in Electrical Engineering and a Post Graduate degree in Industrial Engineering and Management.

He has also been trained in a number of international management colleges.



ANANTHARAMAN VELLORE
Acting Regional CEO, Nigeria

Anantharaman joined Dangote Cement as Managing Director of Benue Cement in 2008. He previously had a long career in the Indian cement industry, spending 31 years with ACC Limited, one of the country's leading producers, where he held various roles overseeing plant operations in India and abroad.

He led the ACC team that provided consulting services to Dangote Industries Limited during the planning stages of Benue and Obajana Cement Plants. In 2010, he became Director of Technical Services for cement plant operations in Nigeria.

He became the Group Technical Director in 2015 and is now Acting Regional CEO for Nigeria. He obtained a Bachelor's Degree and a Master's Degree in Industrial Engineering & Operations Research from IIT, Kharagpur in 1975

RAO KALLEPALLI
Acting Regional CEO, Pan-Africa

Rao joined Dangote Cement in 2006 to manage some of the Group's expansion projects. His experience in project management spans 30 years holding senior positions in management consultancy and industrial Engineering.

He is currently the Acting Regional CEO for Pan-African operations.

He holds a B.Tech in Electrical Engineering which he obtained at JN Technological University, India in 1977 and an M.Tech in Industrial Engineering and Operations Research from the Indian Institute of Technology.

KASHINATH BHAIRAPPA
Director of Projects

Kashinath joined Dangote Cement in February 2001 as a General Manager and was subsequently elevated to Deputy Director of Projects, responsible for looking after Dangote Cement's projects.

He previously worked with different cement manufacturers in India, including BK Birla Group (Cement), Ambuja Cements and Grasim Industries Limited at different levels in project management and execution.

He obtained a Bachelor's Degree in Mechanical Engineering from Karnataka University, Karnataka State in 1973.

OARE OJEIKERE
Group Chief Sales & Marketing Officer

Oare joined Dangote Cement in February 2014, with significant cross-industry marketing experience, after having previously worked as Marketing Director, Coca-Cola Nigeria and Airtel Ghana.

He also held the position of Group Brand Director Africa, for the Zain Group in the Netherlands and Kenya, as well as management roles in Coca-Cola, Accenture and Xerox.

He brings vast experience of fast-moving consumer goods and has driven Dangote Cement's new marketing initiatives since 2015, with a strong focus on the development of retail sales outlets.

He obtained a Bachelor's Degree in History at the University of Benin, Benin-City in 1983 and also has an MBA from the University of Benin.

JUAN-CARLOS RINCON
Head of Transport

Juan-Carlos joined Dangote Cement in 2012 and has 24 years' experience in the cement industry, having worked in multinational cement groups such as Diamante, Cemex, Asamer, and the Austrian engineering consultancy firm Austroplan.

He brings to the Group a high degree of managerial knowledge and international experience gained from working in the global cement industry at sites in different countries.

He has held senior management positions in different parts of the world, including time as Chief Executive Officer of the Libyan Cement Company, as President of Dalmatia Cement in Croatia, and as Regional Human Resources Director for Cemex in South-East Asia.

KNUT ULVMOEN, MFR
Supply Chain Director

Knut joined Dangote Industries Limited in 1996 as Finance Director. He previously had extensive finance experience in companies including Revisor-Centret, Norcem, Bulkcem and Scancem.

As Group Managing Director of Dangote Group, from 2002 to 2007, he was instrumental in Dangote Cement's transition from importing cement to becoming Nigeria's leading manufacturer.

As part of this expansion, he was a key figure in the acquisition of Benue Cement Company and in the development of plans to build the Obajana Cement factory in Kogi State.

In addition to his work in cement, he was also involved in the development of Dangote Industries Limited's flour and sugar operations.

MAHMUD KAZAURE
Group Chief Legal Counsel

Mahmud joined Dangote Cement in 2011 and has broad legal experience including commercial law, international business and civil litigation as well as contractual and legislative drafting.

He is licensed to practice law in Nigeria, in the States of Maryland and New York in the United States of America, and also before the Supreme Court of the United States.

He obtained a Bachelor of Laws Degree from Ahmadu Bello University, Zaria, in 1986 and was called to the Nigerian Bar in 1987. He also obtained a Master of Comparative Jurisprudence Degree from Howard University School of Law, Washington DC in 1994.

MUSA RABIU
Group Chief Human Resources Officer

Musa joined Dangote Cement in March 2017 as Group Chief Human Resources Officer. He is a strategic management professional with over 30 years' experience acquired while working for a number of leading companies in the country including the Nigerian National Petroleum Corporation (NNPC).

He also worked for Shell Petroleum Development Company, between 1990 and 2008, in various capacities. He was previously Registrar/ CEO, Chartered Institute of Personnel Management (CIPM) and a Fellow of the institute.

He holds a BSc. in Economics, an MSc. in Economics, with specialization in Econometrics, both from Ahmadu Bello University, Zaria. He also gained the degree of Doctor of Business Administration at Leeds Beckett University, in the United Kingdom.

He is a member of several leading professional bodies including the Nigerian Economic Society and the Nigerian Institute of Management.

OLIVER OBU
Group Financial Controller Designate

Oliver joined Dangote Industries as a management trainee in 2012, specialising in finance. After substantial in-house training he was assigned to Dangote Cement in 2015, as Head of Internal Reporting and Planning.

He is a key member of the Company's Finance team, shaping its internal reporting and planning framework as well as working on the development of financial models for numerous projects undertaken by the Group.

In addition, he plays an important role in the corporate finance activities of Dangote Cement. Oliver holds a Bachelor's degree in Economics & Statistics from the University of Benin and an MBA from the Lagos Business School in Nigeria.

Our strategy

Dangote Cement staff Congo

Dangote Cement's business focus is to provide value-added products and services that meet the needs of local construction markets across Africa.

Sub-Saharan Africa is home to a billion people and has a population growth rate of nearly 3% per year. By 2050, the United Nations estimates, the region will have a population of more than two billion, all of whom will needs homes in which to live, roads on which to drive, places to work and shop and all the infrastructure necessary to support a modernising society.

Furthermore, Sub-Saharan Africa is experiencing greater stability, less conflict and economic growth above global averages. Despite the recent slowing of key economies such as Nigeria, Sub-Saharan Africa still requires considerable investment in infrastructure and housing as urbanisation increases and economies diversify from agriculture, minerals and oil towards manufacturing, retailing and services.

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

The combination of these drivers will see Sub-Saharan Africa's demand for cement increase significantly in the coming years, from an estimated 115Mt in 2017. Although the market had an estimated 177Mta of production and import capacity in 2017, we believe this capacity, much of which is ageing and inefficient, will be overwhelmed by demand as population growth, increasing urbanisation and rising GDP continue to drive consumption upwards.

To meet this increase in demand, we believe that Sub-Saharan Africa will pursue two strategies: countries that have limestone will need to invest in new capacity to augment or replace existing factories that may be more than 30 years old; at the same time, there will be a desire in those countries that lack limestone to abandon importation of bulk cement or clinker from outside of Africa and instead import from neighbouring

African countries, which can provide the product at a lower cost and within duty-free trading zones.

We are at the forefront of both approaches. Our production base now consists of almost 46Mta of production and import capacity in a total of ten countries spanning Africa, from Senegal to Ethiopia and down to South Africa.

The success of our expansion is seen in the rapid gains in market share we achieved across Africa soon after our plants were opened, despite the presence of strong incumbents.

In previous years we have defined our vision "to be Africa's leading cement producer". But with a 46Mta footprint across Africa and the rapid success of our operations we believe we can justifiably claim to have fulfilled this vision already.

Therefore, we will now pursue a wider vision, which is "to be a global leader in cement production, respected for the quality of our products and services and the way we conduct our business".

Such a vision commits us to more than just the expansion of our capacity and the number of countries in which we operate. It commits us to a more international approach to the way we conduct our business, by adopting globally recognised best practices in our operations, our corporate governance and in the way we care for our people and the communities and environments in which they live.

As we pursue this vision we will, of course, remain mindful that our long-term goal is to deliver superior and sustainable returns for our shareholders.

In order to achieve our vision we will focus on four key strategic objectives: consolidation, leadership, sustainability and governance.

Dangote Cement's strategy focuses on optimising the efficiency of its assets, increasing market share in all territories, expanding into promising markets and developing export channels where possible.

We operate with a high degree of business integration so that we can be as self-sufficent as possible in markets where key inputs such as fuel, power and logisitcs may not easily be sourced form third-party providers. We believe this self-sufficiency, as well as our size and financial strength, give us many competitive advantages in Sub-Saharan Africa.

We will consolidate our position in Africa by building new capacity in carefully selected markets that have the greatest potential for growth and shareholder returns.

At the same time, we will focus on increasing the utilisation of our existing plants, through technological initiatives to increase our output and through better marketing to improve our sales.

We will focus on achieving leadership in every market in which we operate. Our aim is to be the market leader by capacity and sales, producing the best products in the market at the lowest cost and supporting them with excellent customer service and distribution.

We will achieve this by operating the most modern plants, having the highest standards of quality and by deploying the best marketing and logistics to reach the furthest customer.

Improving our operations, furthering our leadership and enhancing our stature as a good corporate citizen will also require continuing improvements to the way we manage our company.

Achieving the vision, goals and objectives outlined above will depend on our building and maintaining strong competitive advantages across all our operating markets. We see these advantages as our strength, our high level of business integration and the efficiency of our operations.

Our size and financial strength enable us to procure plants, logistics fleets and operating essentials on larger scale and lower cost than smaller, less well funded operators, thus enhancing returns and improving cash generation.

We have a high level of business integration that addresses many of the challenges of doing business in Sub-Saharan Africa.

For example, we operate large fleets of cement distribution trucks in countries such as Nigeria, Ethiopia and Tanzania, where third-party logistic are not as well developed.

We build our own power stations to power our plants in areas where grid power is unreliable, undeveloped or inaccessible. We buy coal in Nigeria from our parent company, Dangote Industries, and buy cement bags from a subsidiary of Dangote Industries.

We train our own staff at our Dangote Academy, in Nigeria, to produce the specialised engineers we need to run our operations.

Our plants are modern with new mines that enable us to optimise limestone extraction. Our kilns are larger and more efficient, capable of producing more clinker at lower costs. We have a strong focus on cost control and lean head office functions.

By maintaining our focus and enhancing our competitive advantages, we are confident of becoming a global force in cement production and an internationally respected African manufacturer.

VISION

To be a global leader in cement production, respected for the quality of our products and services and for the way we conduct our business

STRATEGIC OBJECTIVES

CONSOLIDATION

- Increase utilisation of all plants and improve market share in all existing territories, to be #1 or #2 in each market
- Identify and enter new markets with strongest potential for growth and superior return on investment
- Develop export-to-import capabilities in appropriate markets to generate foreign currency sales

LEADERSHIP

- Build and operate the newest, most modern plants in Sub-Saharan Africa
- Be the market leader in quality, costs and service, wherever we operate
- Deploy superior distribution and retail capabilities to increase customer engagement

SUSTAINABILITY

- Develop and implement strong environmental and H&S policies to global standards
- Improve engagement with local communities
- Increase social investment
- Increase in-house training to develop and maintain a competitive workforce

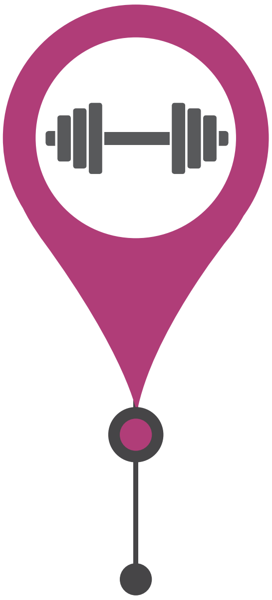
GOVERNANCE

- Continue improvements in governance to achieve world-class standing
- Build upon and enhance stakeholder engagement
- Improve the management of all our assets

GOALS

To deliver superior and sustainable risk-adjusted returns on our investments

COMPETITIVE ADVANTAGES

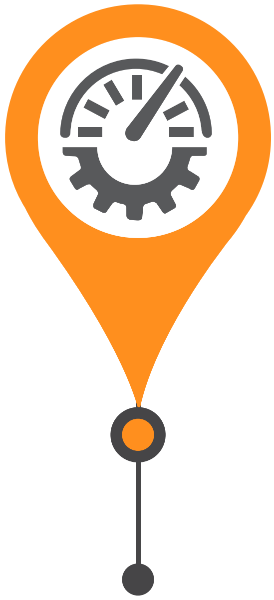


STRENGTH

- Largest African manufacturer, with strong local expertise and proven ability to enter and disrupt new markets
- Able to procure plants and equipment at substantial discounts, thereby increasing ROI
- Able to build larger, more efficient plants that cannot be matched by smaller, less well funded peers
- Able to fund and develop superior distribution and retail networks to extend reach into all markets
- Unassailable #1 position in SSA's biggest and most exciting cement market, Nigeria, with strong potential for export to neighbouring countries that lack limestone
- Strong balance sheet and cash generation provides funds for investment and dividends
- Excellent global and local credit ratings, low debt level despite huge investment to reach nearly 46Mta capacity leadership in Africa

BUSINESS INTEGRATION

- High levels of business integration address many challenges of operating in Sub-Saharan Africa, where power infrastructure can be poor, fuel supply intermittent and outsourcing is less developed
- Greater control of fuel supply in Nigeria through own coal mining operations, thus improving fuel security, reducing disruption and reducing FX need
- Built own power generation facilities at plants where grid is unreliable or non-existent
- Large distribution fleets address lack of high-quality logistics providers in much of Sub-Saharan Africa
- Own staff training at Dangote Academy enhances specialised workforce skills for cement operations
- Self-sufficiency reduces loss of value to 3rd-party outsourcing



EFFICIENCY

- Larger-scale plants enable significant cost efficiencies in manufacturing, compared to smaller, more distributed manufacturers
- New plants require less maintenance
- Modern technologies reduce costs, improve energy efficiency
- Larger kilns are more thermally efficient and cleaner
- New mines enable efficient mineral extraction at lower cost than mines that have been operated for decades
- High degree of process automation
- Automated bag packing increases throughput of trucks in loading bay, vs manual loading
- Strong focus on cost control
- Lean Head Office and administrative functions

Our operations

Dangote Cement has 45.6 million tonnes per annum capacity in Sub-Saharan Africa, with integrated factories in seven countries, a clinker-grinding plant in Cameroon and import and distribution facilities in Ghana and Sierra Leone.

Our business is organised into two strategic regions: Nigeria and the rest of Africa. Each region pursues its business plan in line with the overall corporate strategy set out by the Group's Board and Executive Management, but mindful of the prevailing conditions in each market.

When looking at potential manufacturing sites in Sub-Saharan Africa we take into account numerous factors. Firstly, we establish whether raw materials such as limestone, laterite and shale are available in large quantities that can support decades of production, and if so, that they are located close to population centres and sources of fuel.

We look for markets with good economic growth, high populations, low per-capita consumption and governments that are committed to building infrastructure and housing stock and encouraging commercial building. Investment incentives are another attractive factor.

In addition, we consider whether the existing cement industry is old and fragmented and ready for disruption by a large-scale, well financed competitor.

Our home market of Nigeria is Sub-Saharan Africa's largest market for cement, consuming more than 18.6Mt in 2017. From the 29.25Mta capacity of our three factories, all located south of the country's two main rivers, we can reach every local market in Nigeria with our extensive and market-leading fleet of distribution trucks and extensive network of retailers across the country's key demand centres.

In 2017, we sold 12.0Mt of cement, representing nearly 65% of total cement sales in the Nigerian market.

Nigeria has substantial limestone deposits and is surrounded by countries that do not have sufficient limestone to make their own cement. Because of this deficiency they must import bulk cement or clinker. In fact, many of the 15 countries in the Economic Community of West African States (ECOWAS), especially those on the coast, are obligatory importers of cement, reliant mainly on imports from outside ECOWAS.

Our operations in West Africa and Central Africa are located in Senegal, Sierra Leone, Ghana, Cameroon and the Republic of Congo. Of these, only Senegal and Congo have limestone in sufficient quantities for long-term cement manufacturing. In the coming years we plan to extend our reach with new clinker-grinding facilities in Ghana, Côte d'Ivoire and Liberia.

Because we import bulk cement into Ghana and clinker into Cameroon, our goal is to substitute these imports for products we make in Nigeria. By manufacturing additional cement in Nigeria, we will increase the capacity utilisation of our plants, thereby increasing their efficiency and profitability, which is an obvious benefit to our Nigerian business.

We plan to build new facilities in Nigeria's key ports that will enable the export of clinker and the import and backhaul of gypsum for our plants, using the same trucks that delivered clinker to the ports. This will obviously improve the efficiency of our fleet.

By trading within the ECOWAS region we are able to offer a product that is free of import duties, compared to the non-ECOWAS products the region currently imports. Furthermore, exports from Nigeria enjoy tax benefits and generate valuable foreign currency.

In the east and south of Africa we have operations in Ethiopia, South Africa, Tanzania and Zambia. All these countries have ample native limestone, so all our facilities there are integrated factories, with the exception of the Delmas cement milling plant in South Africa.

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

We have achieved successful market entries throughout the length and breadth of Sub-Saharan Africa because of our strategy to be the leader on costs, quality and service, creating higher-quality cements at lower cost.

The markets we have entered have been characterised by competitors operating older factories that are smaller-scale and less efficient than our own, and which may be less able to invest to remain competitive.

As a result, we believe we will benefit from the many competitive advantages we have created for ourselves in Sub-Saharan Africa's rapidly growing markets for cement.

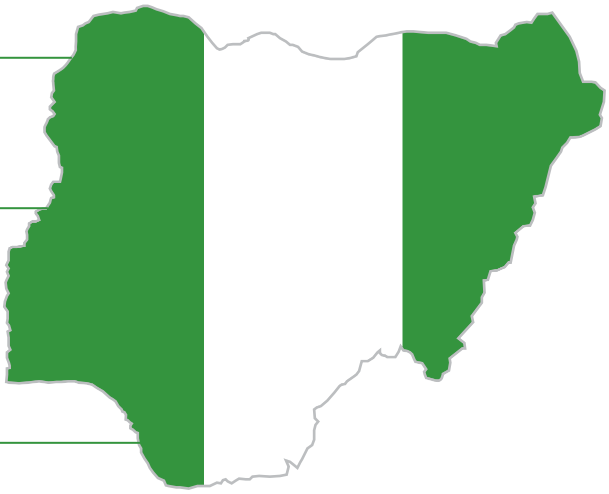

29.3 Mta Nigeria
2.5 Mta Ethiopia
1.5 Mta Senegal
1.5 Mta Congo
0.5 Mta Sierra Leone
3.0 Mta Tanzania
1.5 Mta Ghana
1.5 Mta Zambia
1.5 Mta Cameroon
2.8 Mta South Africa

Nigeria

DEMOGRAPHICS		
Population	Urbanisation	2017 GDP Growth
186m	50%	0.8%

DEMOGRAPHICS		
Total Capacity	Cement Consumption	Total Mkt
43.7Mta	100kg/person	18.6Mt

DANGOTE PRESENCE		
Location	Capacity	Type
Obajana, Ibese, Gboko	29.3Mta	Integrated
Trucks	Kiln Fuel	Power
6,872	Gas/Coal	Gas/Diesel



Nigeria is the largest market for cement in Sub-Saharan Africa, consuming approximately 18.6 million tonnes in 2017. Although this was 18% down in 2016, due to exceptional economic circumstances, the country has delivered long-term growth of 8% per year since 1996.

We operate three large plants to serve market needs: Obajana in Kogi State (13.3Mta), Ibese in Ogun State (12Mta) and Gboko in Benue State (4.0Mta). Between them, they can more than satisfy Nigeria's steadily growing demand for cement. From them we can reach almost every market in Nigeria and serve export markets in neighbouring or nearby countries, by road at present, but in time by sea to countries along the coast of West Africa, many of which lack limestone.

By contrast, Nigeria benefits from having very large deposits of limestone within easy reach of population centres and local supplies of fuel, notably natural gas and, more recently, coal.

By using Nigerian coal we have reduced our costs, particularly when compared to our use of low-pour fuel oil as a back-up fuel to gas. Nigerian coal is also cheaper than natural gas.

We support our manufacturing facilities in Nigeria with an unrivaled distribution fleet of more than 7,100 trucks that enable us to reach markets as distant as Ghana and Niger.

We have built strong relationships with Nigeria's cement distributors, who are our main customers, but we also provide excellent and high-profile marketing materials and support for small-scale retailers who represent the front line of cement sales in Nigeria.

We now support 15,000 retail outlets across the country, which gives us an extensive reach throughout the Nigerian cement market.

Cameroon

DEMOGRAPHICS		
Population	**Urbanisation**	**2017 GDP Growth**
23.4m	52%	4.0%

DEMOGRAPHICS		
Total Capacity	**Cement Consumption**	**Total Mkt**
4.3Mta	111kg/person	2.7Mt

DANGOTE PRESENCE		
Location	**Capacity**	**Type**
Douala	1.5Mta	Grinding
Trucks	**Kiln Fuel**	**Power**
181	n/a	Grid

We entered Cameroon in March 2015, opening a clinker-grinding facility in Douala with a capacity of 1.5 million tonnes per annum.

Because Cameroon lacks sufficient native limestone to support cement production, it is therefore an obligatory importer. The country banned imports of bulk cement at the start of 2016 to encourage higher-value production from clinker by local manufacturers.

This presented an opportunity for Dangote Cement Cameroon to substitute imports of bulk cement with its own products, thereby gaining market share very rapidly and achieving sales of almost 1.1 million tonnes of cement in 2016, its first full year of operation.

We estimate this represented a market share of 43%. In 2017 we sold more than1.2Mt of cement. The 14.8% increase in volumes is attributable to a number of factors, including stronger brand recognition, improvements in our sales and marketing strategies and processes, new promotions to incentivise distributors, higher visibility through trade shows and advertising, improved relationships with key distributors and better analysis of customer needs.

The Douala factory is served by its own jetty to offload imported clinker from suppliers in Europe and Asia and transport it by conveyor directly into the factory. In the future, we will supply Cameroon with clinker from our factories in Nigeria.

Distribution is supported by a fleet of more than 200 trucks that delivers about 20% of cement from the factory, while the remaining 80% of cement manufactured is collected by customers.

The key drivers for cement demand in Cameroon are infrastructure projects, with focus on port development, power generation, new roads and dams. In addition, the cement market in Cameroon is being driven by individual house building projects, state housing, small-scale infrastructure and the construction of new football stadiums in Yaounde and Douala in preparation for the 2019 Africa Cup of Nations. Per-capita consumption was about 111Kg in 2016, the last year for which figures are reliable.

Congo

In September 2017, we opened the largest and by far the most modern cement plant in the Republic of Congo.

The 1.5Mta, fully integrated factory is near Madingou, close to the highway that links the key port of Pointe Noire with the capital, Brazzaville. As a result, the plant's inward and outward logistics benefit from the country's relatively good road network.

The plant uses coal for cement production and takes its power from Congo's national electricity grid. The factory's mines have an estimated reserve of 216Mt of limestone, sufficient for 100 years of operations.

Prior to our entry, the country had limited production capacity from sub-scale plants and demand for cement was mostly satisfied through importation, which accounted for as much as 80% of sales in the country.

Unlike other countries in which we operate, the government has not introduced a ban on imported cement but we expect it to do so once self-sufficiency has been demonstrated.

We estimate total capacity in Congo to be 3.2Mta, meaning we have a market share by capacity of approximately 47%, which should in time position us as the country's leading producer.

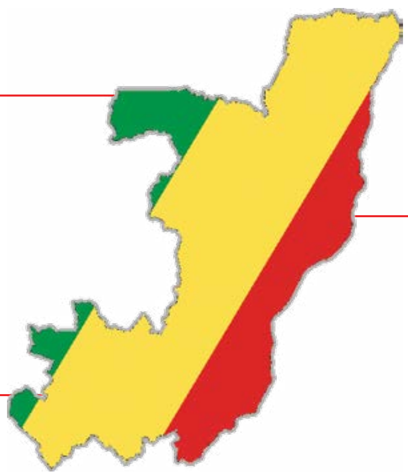
We expect to sell a high proportion of 32.5-grade cement into the local market but will also produce 42.5 and 52.5 grades to suit local market needs.

Per-capita consumption is high in Congo, at 349Kg, reflecting a well-developed economy. Key domestic drivers of cement consumption including ongoing construction activities across the residential, commercial and infrastructure sectors.

Although we hope to build an export market to serve the neighbouring Democratic Republic of Congo, that country has recently banned the import of bagged cement.

DEMOGRAPHICS

Population	Urbanisation	2017 GDP Growth
5.1m	64%	-3.6%



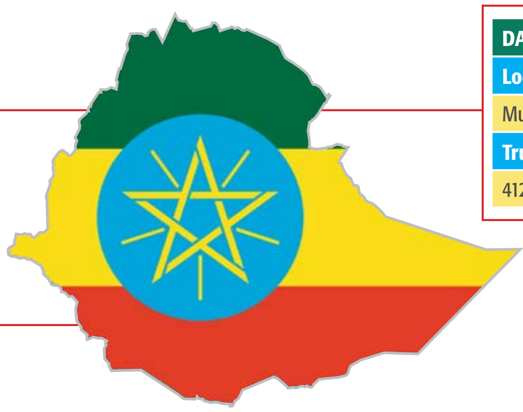
DANGOTE PRESENCE

Location	Capacity	Type
Mfila	1.5Mta	Integrated
Trucks	**Kiln Fuel**	**Power**
30	Coal	Grid

CEMENT MARKET

Total Capacity	Cement Consumption	Total Mkt
3.2Mta	349kg/person	1.7Mt

Ethiopia



DEMOGRAPHICS		
Population	Urbanisation	2017 GDP Growth
102m	17%	8.5%

DANGOTE PRESENCE		
Location	Capacity	Type
Mugher	1.5Mta	Integrated
Trucks	Kiln Fuel	Power
412	Coal	Grid

CEMENT MARKET		
Total Capacity	Cement Consumption	Total Mkt
15.6Mta	82kg/person	8.3Mt

Our 2.5Mt cement plant in Mugher opened in May 2015 and has achieved a strong presence in the market, being just 90km from the capital, Addis Ababa, and linked by good road networks.

The plant uses imported coal to fire its kilns and takes electrical power from Ethiopia's well-developed grid, thereby avoiding the need to import additional fuel for power generation.

The plant is Ethiopia's largest and most modern, giving it significant advantages in a country where many producers are sub-scale and using outdated vertical kilns that cannot produce high-quality cement at a competitive cost. In addition, we have nearly 400 trucks for distribution of cement into key markets such as Addis Ababa.

The plant achieved rapid success after its opening and by the end of 2016 it had sales of 2.0Mt, representing a market share of about 24%. It continued this strong performance in 2017, despite local political unrest that affected production in the first quarter of the year.

We increased deliveries of cement to the more remote regions of Ethiopia, while improvements in fleet management resulted in higher fuel efficiency, avoidance of misuse of trucks and quicker turnaround times. In addition, we used our own cement delivery trucks to backhaul coal and other raw materials from Djibouti, thereby saving on logistics costs.

Ethiopia's economy is recovering from the drought of 2016, but cement demand continues to grow, driven by infrastructure and housing projects.

Key drivers for cement demand in Ethiopia include power and transport infrastructure projects under the country's Growth & Transformation Plan II, as well as an ambition to build more than two million homes by 2020, extend Ethiopia's road network from 98,000 kilometers to 180,000 kilometers and improve rail links with 5,000 kilometers of new lines.

Approximately 85% of all cement sold is bagged. Per-capita consumption is relatively low, at about 82Kg in 2016, according to Global Cement Report 12, published in June 2017. However, Ethiopia's large population and commitment to building make it a significant market for Dangote Cement.

Ghana

We have a bulk cement import and distribution facility in Tema, Ghana, which can handle up to 1.5Mt of cement per year.

Bulk cement is imported from Europe and the Far East, while bagged cement is imported from Dangote Cement's Ibese plant in Ogun State. The facility in Tema employs 300 people and is supported by more than 1,100 trucks, some of which travel to Nigeria to collect bagged cement for delivery direct to customers in Ghana.

Lacking viable quantities of native limestone to support full-scale production, Ghana is an obligatory importer and therefore a significant market for cement in West Africa with per-capita consumption of more than 200Kg.

We sold nearly 0.9Mt of cement in Ghana in 2017, of which around 174,000 tonnes was imported from our Ibese plant in Ogun state, Nigeria. Exports from Nigeria to Ghana are duty free as both countries are member states of ECOWAS. By comparison, imports from non-ECOWAS countries are subject to higher tariffs on landing. In addition, as a Nigerian exporter we can claim export incentives in Nigeria and our exports help to generate valuable foreign currency for the country.

The Tema facility has good road links, being part of a major port complex, and the Ghanaian road network is relatively well developed and maintained. We sell higher-quality 42.5R (rapid-setting) against 32.5R and 42.5N (normal-setting) products available from competitors.

Per-capita consumption was 192Kg in 2016, with demand being driven by housing and infrastructure expansion as the economy continues to grow.

With Ghana expected to limit the importation of bulk cement, we plan to build a clinker grinding facility at Takoradi port to enable the import of clinker, most likely from Nigeria, to manufacture cement within Ghana. The new facility is expected to commence operations late in 2019.

DEMOGRAPHICS		
Population	**Urbanisation**	**2017 GDP Growth**
28m	51%	5.9%

DEMOGRAPHICS		
Total Capacity	**Cement Consumption**	**Total Mkt**
9.9Mta	202Kg/Capita	5.7Mt

DANGOTE PRESENCE		
Location	**Capacity**	**Type**
Tema	1.5Mta	Import
Trucks	**Kiln Fuel**	**Power**
1,097	n/a	Grid

Senegal

Senegal has large deposits of limestone in a region where many countries have none and so the country is a well-established producer and an exporter of cement to neighbours such as Mali and to a lesser extent, Gambia.

Exports were estimated at 2.9Mt in 2016, according to Global Cement Report 12, published in June 2017. Senegal's total cement production capacity is 8.2Mta, shared between three manufacturers, including Dangote Cement, Ciments du Sahel and Vicat-owned Sococim.

Per-capita consumption was 222Kg in 2016, which nearly double the per-capita consumption of Nigeria.

The main demand drivers for cement are housing and infrastructure projects and consumption is expected to grow in the coming years as newly discovered oil fields begin to boost Senegal's economy.

Our 1.5Mta integrated factory in Pout, Senegal opened in December 2014 and immediately established itself as a formidable new entrant into a market dominated by the two well-entrenched incumbents.

We believe this rapid success was achieved by selling superior 42.5-grade cement at a competitive price as against the manufacturers' 32.5-grade cement. By the end of 2016, we became the number two domestic vendor, selling slightly more than 1.0Mt of cement in a market of 4.0Mt, which represented a market share of 25%. In 2017, we sold 2.2Mt of cement, representing a capacity utilisation of 88% and market share of about 24%.

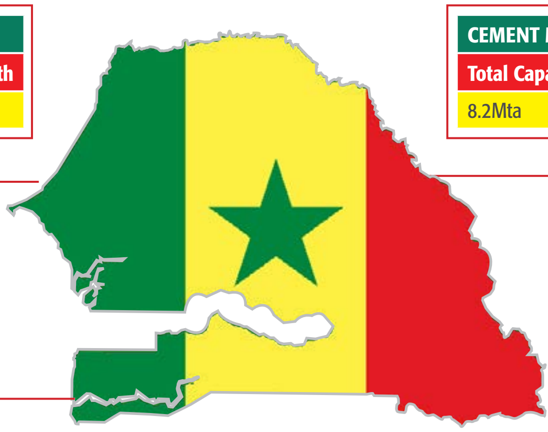
The plant uses coal as the fuel for its kilns and also for power generation at its 30MW power plant located onsite. It is served by very good roads and has easy access to the capital, Dakar, which is a short drive away. We have a small fleet of 34 trucks used for distribution as most of the plant's cement is self-collected by distributors. In addition to domestic sales, we plan to increase our export sales to Mali and other neighboring countries.

DEMOGRAPHICS

Population	Urbanisation	2017 GDP Growth
15.4m	47	6.8%

CEMENT MARKET

Total Capacity	Cement Consumption	Total Mkt
8.2Mta	222kg/person	3.3Mt



DANGOTE PRESENCE

Location	Capacity	Type
Pout	1.5Mta	Integrated
Trucks	**Kiln Fuel**	**Power**
38	Coal	Coal

Sierra Leone

DEMOGRAPHICS

Population	Urbanisation	2017 GDP Growth
7.4m	41%	6.0%

CEMENT MARKET

Total Capacity	Cement Consumption	Total Mkt
1.6Mta	82kg/person	0.5Mt

DANGOTE PRESENCE

Location	Capacity	Type
Freetown	0.5Mta	Bulk import
Trucks	**Kiln Fuel**	**Power**
n/a	n/a	Grid

The economy of Sierra Leone, which had grown quickly over many years because of mining, is now recovering from the serious downturn caused by the Ebola crisis and its impact on the mining industry.

The economy contracted by more than 20% in 2016, according to IMF, but following the end of the Ebola crisis, the IMF predicts a rapid turnaround to nearly 5% growth in 2017. Even at that rate of growth, overall output levels will take a few years to recover. Agriculture makes up 50% of Sierra Leone's economy, with extractive industries contributing 20% of GDP. The construction industry is estimated to have contributed less than 1% of GDP in 2016.

Cement demand is modest, at an estimated 500,000 tonnes in 2017, with per-capita consumption low at 82Kg. Given the country's low consumption at present, our 0.5Mta import and bagging facility in Freetown is capable of satisfying much of the demand for the entire country.

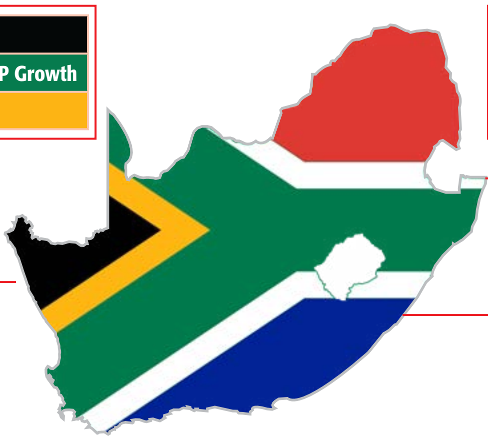
The facility received its first shipment of bulk cement in January 2017 and began selling to customers that month. It made a slow but steady start, selling 68,000 tonnes of cement in the first nine months and ending the year having sold 91,000 tonnes.

Cement distribution is on a 'self-collect' basis as the facility does not have a truck fleet of its own, given the relatively small size of the local market.

Sales activities were supported by marketing visits to all major and some smaller towns, visits to building materials suppliers and small general retailers, as well as radio and TV commercials to build awareness of the Dangote brand of cement.

South Africa

DEMOGRAPHICS		
Population	Urbanisation	2017 GDP Growth
56m	62.0%	0.7%



CEMENT MARKET		
Total Capacity	Cement Consumption	Total Mkt
20.5Mta	234kg/person	13.0Mt

DANGOTE PRESENCE		
Location	Capacity	Type
Aganang, Delmas	2.8Mta	Integrated
Trucks	Kiln Fuel	Power
Outsourced	Coal	Grid

South Africa's economy remains muted with consequent impacts on construction and cement demand. The country has approximately 20Mta capacity, though much of it is more than 30 years old.

Our South African operation, Dangote Cement South Africa, is a joint venture in which DCP holds 64% and JSE-listed Sephaku Holdings holds the remainder.

The operation of the company is split between two facilities. Near Lichtenburg, to the West of Johannesburg, is the 1.3Mta Aganang integrated cement factory, complete with its own mines. To the East of Johannesburg, at Delmas, is a 1.5Mta clinker-grinding station that is supplied with clinker from Aganang. Between them, the two facilities have the capacity to produce 2.8Mt of cement a year.

The Aganang plant uses coal to fuel its kilns and obtains electrical power from South Africa's well-developed grid. The Delmas plant also uses grid electricity. Both plants are served by very good road infrastructure. The Delmas grinding facility uses fly ash as an extender, rather than limestone, and the fly ash is supplied by the nearby Kendall power station.

Both facilities opened in 2014 and quickly gained market share in a country where product and service levels were perceived by customers to have declined.

Our strongest markets in South Africa include Limpopo province, Kwa-Zulu Natal, Mpumalanga and North West Province, which are predominantly rural, and distribution to these markets is completely outsourced.

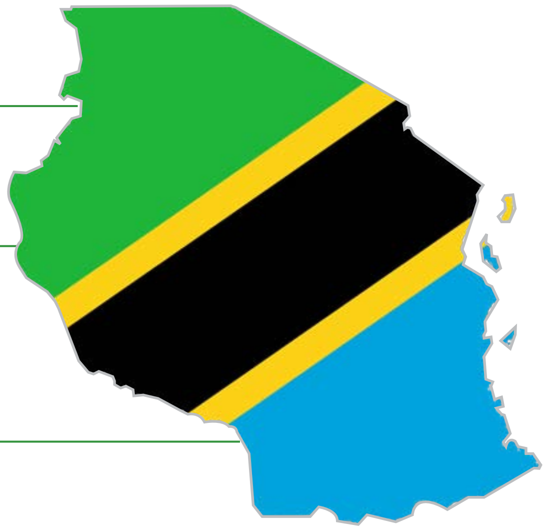
South Africa's cement market is expected to experience little growth in the short term, according to the Global Cement Report 12, although cement sales are expected to outpace the economy slightly, driven by continued public sector investments in infrastructure, rapid urbanization, initiatives to encourage private sector spending on infrastructure, a rapidly growing middle-class population and rising income levels. In 2016, per-capita consumption was 234Kg, which is relatively high for Sub-Saharan Africa.

Tanzania

DEMOGRAPHICS		
Population	Urbanisation	2017 GDP Growth
56m	30%	6.5%

DEMOGRAPHICS		
Total Capacity	Cement Consumption	Total Mkt
11.0Mta	88kg/person	4.8Mt

DANGOTE PRESENCE		
Location	Capacity	Type
Mtwara	3.0Mta	Integrated
Trucks	Kiln Fuel	Power
612	Coal/Gas	Diesel/Gas



Tanzania's economy remains robust and cement sales in Tanzania have primarily been driven by growth in the housing sector and government spending on infrastructure, especially road projects, new railways and airports.

In February 2016, Tanzania's cement market was transformed by the entry of our 3.0Mta factory in Mtwara, on the south coast of Tanzania. The plant is the largest in the country but is 600km from the key market of Dar es Salaam. However, with the help of a 600-truck fleet, we gained strong recognition in the capital, increasing competition which resulted in price pressure in the market.

Our plant is coal fired and was opened with temporary diesel turbines providing electrical power at significantly higher costs than expected, resulting in losses.

Plans to fuel the plant with local natural gas were delayed due to numerous obstacles, but these have since been resolved, enabling us to connect a 5km gas pipeline to temporary gas turbines that will become operational in March 2018.

We are building a thermal power station capable of running on gas or coal and plan to have a dual-fuel kiln for cement production, which can run or gas or coal as required.

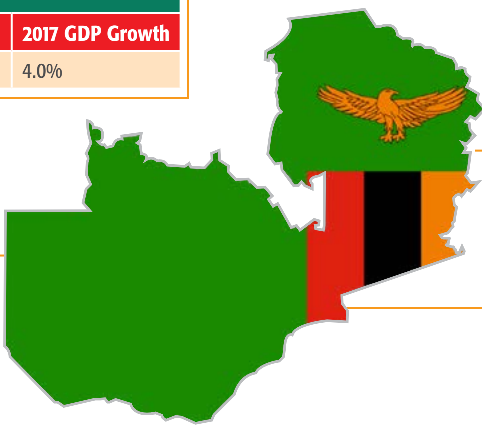
In August 2016, the government of Tanzania issued a directive for an immediate ban on coal imports, thus obliging coal consumers to negotiate supply contracts from local producers within Tanzania.

As a result, the Government has allocated Dangote Cement a land plot in the Songea region of Tanzania from which, in time, we expect to be able to mine coal. We have applied for a mining license from the Ministry of Energy and Materals of Tanzania, and began exploration drilling late in 2017.

By mining our own coal, we should reduce costs and ensure stable supplies.

Zambia

DEMOGRAPHICS		
Population	Urbanisation	2017 GDP Growth
16.6m	40%	4.0%



DEMOGRAPHICS		
Total Capacity	Cement Consumption	Total Mkt
3.9Mta	101kg/person	1.6Mt

DANGOTE PRESENCE		
Location	Capacity	Type
Ndola	1.5Mta	Integrated
Trucks	Kiln Fuel	Power
367	Coal	Grid

Zambia's economy remains relatively strong and the Zambian Kwacha strengthened in the second half of 2017, helping copper prices that are important for the economy.

Cement demand has continued to grow on the back of the country's infrastructure drive and housing, with consumption exceeding 1.6Mta in 2016, representing a per-capita consumption of 101kg, somewhat less than Nigeria's 122kg.

We expect to see some recovery in mining-related construction activity in Zambia as copper prices increase and also as a result of infrastructure projects due to be launched when the International Monetary Fund releases funding for them.

Zambia has large deposits of high quality limestone near the capital, Lusaka, and in the Copperbelt region, where our 1.5Mta plant is located, at Ndola, near the border with the Democratic Republic of Congo.

The plant, which opened in 2015, is the country's largest and most modern. It is fired by coal with a 30MW captive power plant that also runs on coal. We support it a fleet of nearly 370 trucks that enable deliveries across the country and sell high-quality 32.5 and 42.5-grade cements to meet a wide variety of building needs.

In 2016, its first full year of operations, the plant sold nearly 0.8Mt of cement, with an estimated market share of approximately 40%.

Sales were 5% higher in 2017 despite heavy rains that affected construction activity and delays to government payments that affected construction.

We estimate that our market share was slightly more than 40% in 2017.

During the year the retail market was constrained by tighter monetary policy and pressures on disposable income following the drought of 2015-2016.

Our people

Dangote Cement PLC is one of the largest employers in Nigeria with more than 15,400 staff working in production, maintenance, administration, marketing, human resources, transport and many other functions. In total, we have more than 24,000 payroll and contractor employees across Africa.

With such a large workforce comes a responsibility to those we employ and so Dangote Cement strives to respect the dignity of its employees and their rights to decent working conditions.

We believe in 'unity in diversity' and accordingly we seek to employ and retain the best human resources irrespective of disability, gender, race, ethnic origin or religion. We strive to provide employees with an atmosphere that promotes their productivity and develops their potential.

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

In line with our strategy to become a global force in the cement industry, we continue to focus our efforts on expanding our operations beyond Nigeria, aligning our manpower requirements and organisational development to support our ambitious business goals in the other nine countries in which we operate.

In 2017, our efforts in Human Resources were centered around an Employee Value Proposition that was anchored upon:

1. Talent management and organisational development
2. Learning and development
3. Compensation and benefits
4. Workplace operational excellence

1. Talent management and organisational development

Talent management comprises recruitment activity, performance management and succession.

Most of our recruitment efforts in 2017 were channeled towards:

- Filling top-priority positions across the Group
- Continuing our efforts in the engagement of both local and expatriate employees to replace, in particular, the Sinoma contractors in our plants in Nigeria, Zambia and Senegal
- Filling vacant positions including senior transport managers in various functions resulting from operational changes
- Recruitment for new operations in Congo, Sierra Leone and Côte d'Ivoire

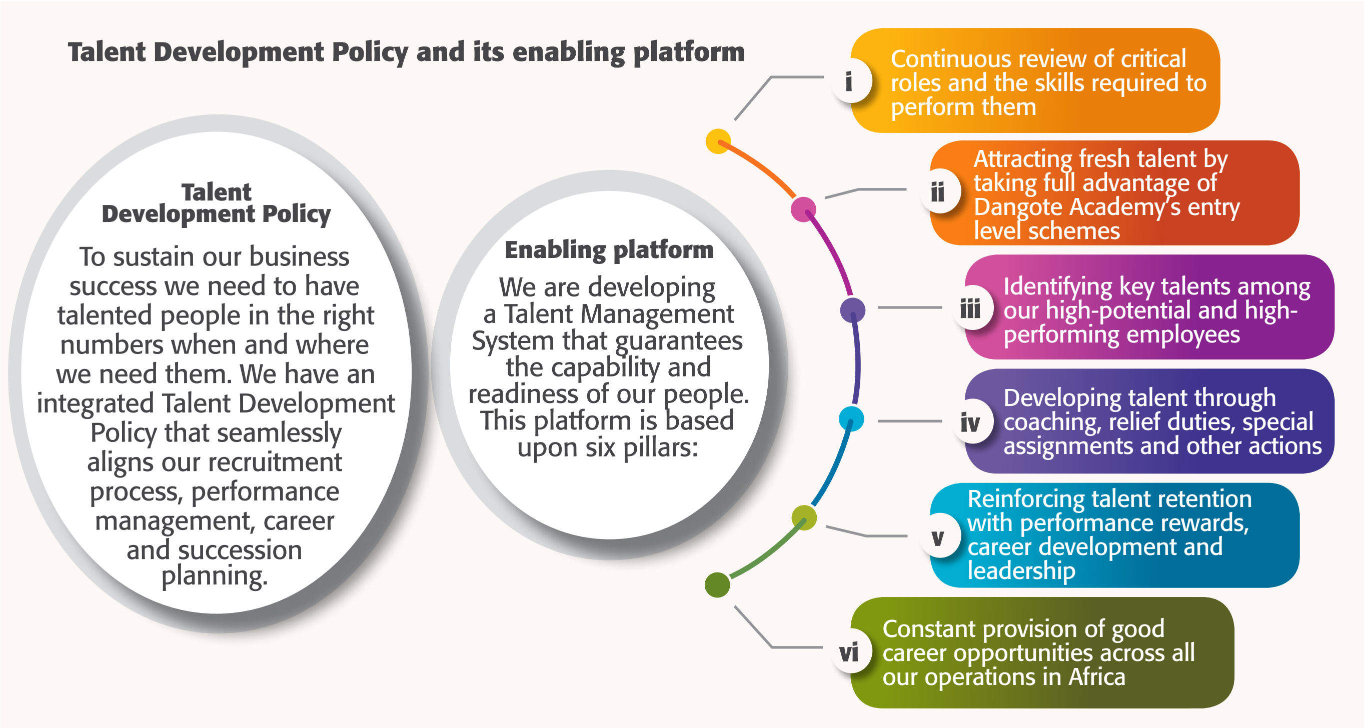
Our Total Headcount in 2017 was 24,040. We include in this figure all payroll staff (Head office, plant and transport) as well as staff working at our plants but employed by third-party contractors such as Sinoma and Ayoki. The following table sets out information on the employees by country.

Country	Total staff
Nigeria	15,416
Cameroon	698
Congo	374
Ethiopia	1,752
Ghana	1,822
Senegal	681
Sierra Leone	126
South Africa	667
Tanzania	1,258
Zambia	1,245
Total	**24,040**

Performance management

Dangote Cement implemented a Performance Management System (PMS) in 2017 with a view to recognising and rewarding staff for their performance. Our focus was on both individual and team contributions to business performance.

The implementation of the PMS has now been consolidated in Nigeria region and this will be extended to Pan-Africa operations in 2018.



Succession planning and talent development

In 2017, succession planning guidelines were developed for short and long-term succession job cover and person cover. Specifically, the absence cover for the Executive Committee was implemented. The succession job cover will assure our business continuity while the person cover will enhance attraction and retention of high potential employees.

Our Talent Development Policy and its enabling platform are detailed in the graphic above.

In pursuit of our commitment to identify and develop the best talent for the Company, the selection of suitable candidates for the Management Trainee Programme (MTP) began in 2017, with more than 16,000 applications received after a two-week advertisement in two national newspapers in Nigeria.

The Management Trainee Programme will take 18 months to complete and we intend to roll it out across our other operating locations in Sub-Saharan Africa.

Organisational development

The organisational development strategy of Dangote Cement is focused on ensuring continuous improvement in the organisation's people-management structures, processes and systems.

Initiatives started in 2017 include:

- Review of the organisational structure
- Review of marker job descriptions
- Job evaluation and grading of all marker job descriptions
- Development of career paths and learning ladders.

The aim of these initiatives is to improve our operational excellence and ensure that Dangote Cement remains a powerful leader in the cement industry.

2. Learning and development

With the changing face of the business environment, globalisation and emerging technologies, quality learning and human capital development have become critical success factors for major organisations such as Dangote Cement.

The ongoing success of our business depends on our ability to innovate, to continuously acquire unique knowledge, develop expertise and embed these in the quality of our products and services.

Therefore, our learning and development policy and procedures are designed to empower all employees to attain their optimal potentials and enhance their competencies by providing them with the skills, knowledge and attitudes required for higher productivity.

Our learning and development agenda is focused on both delivering learning (i.e. knowledge) and enabling application of the learning in the workplace. In this way, we are able to bridge any identified competency gaps in the core, interdisciplinary and leadership competencies required to achieve our business objectives.

To this end, Dangote Cement relies significantly on the educational resources available at the Dangote Academy for the continuing development of its employees.

Dangote Academy

The Dangote Academy was launched in 2010 to provide training in technical and management skills for employees and people wishing to join the Dangote Group of companies.

It was created in recognition of the fact that we cannot rely on universities and colleges to provide the very specialized technical and managerial training required to run major industrial factories such as ours, particularly in the large numbers of such people that we need.

In this regard, the Academy was established to:

- Be the umbrella organisation for all talent development and learning initiatives in the Group
- Provide facilities and platforms for technical skills acquisition benchmarked to world-class standards
- Attract and develop high-quality talent from secondary and tertiary institutions through a structured process
- Align our skills development to the rapid changes in technologies by building long-term relationships with OEMs and institutions of learning.

The Academy opened its first campus in Oshogbo in 2011 and later that year a second campus was opened at Obajana Cement Plant in Kogi State.

The campus began operating from inside the cement plant before moving to the Dangote Academy complex in 2013. The complex has eight classrooms, five workshops, a simulation room, library, a 450-seat auditorium, as well as two hostel buildings that can jointly accommodate more than 400 trainees. The Academy complex also has sporting facilities for the convenience of our trainees.

The Dangote Academy, Obajana Campus, is the flagship centre of learning in the Group. It is already providing training for staff from Dangote Cement factories across Africa and other companies within Dangote Industries.

So far more than 550 engineers and technicians have graduated from the Academy's 12-month Graduate Engineer and Vocational Trainee schemes and from the 18-month Junior Technicians Scheme. More than 90% of those that graduated from our major training schemes are presently working for the Group. These training programmes are explained below:

Graduate Engineers Training Scheme (GETS)

The GET Scheme enables young Engineers to pursue a career in the Dangote Group. The scheme prepares fresh engineering graduates with the necessary technical and supervisory skills to become team leaders, thus meeting our middle-level manpower requirements.

Operating in four phases, GETS begins with basic engineering theory, workshop skills progressing to IT and personal effectiveness skills, plant skills and more advanced training in management and leadership. Graduates from this scheme will go on to become highly skilled plant engineers in Nigeria and Africa.

Vocational Training Scheme (VTS)

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

Junior Technician Scheme (JTS)

The JTS is the latest addition to the Academy's learning initiatives and was conceived as a supporting scheme to the Vocational Training Scheme. The intakes usually come from various technical colleges in Nigeria.

The 18-month scheme has graduated its first and second batches of JTS trainees, totaling 143. They were trained in areas such as workshop skills, welding and fabrication, fitting and mechanical maintenance, heavy earth-moving machine maintenance, electrical and instrumentation skills, all of which are vital to the continuing good maintenance of our plants.
In addition, they were exposed to intensive "on-the-job" training at our plants at Obajana and Ibese.

The second batch of Junior Technician Scheme trainees completed their 18-month training programme at the Academy in April 2016 and virtually all of them have been offered employment in the Dangote Group. Furthermore, the third batch of JTS is expected to commence training in January 2018.

The Dangote Academy collaborates with many OEMS such as Haver & Boecker, FLSmidth, Loesche, Siemens and others to provide high-quality technical training in cement production and maintenance. In addition, the Dangote Academy has a strong relationship with the German Association of Equipment Manufacturers (VDMA) to establish the German model of dual Technical Vocational Education and Training (TVET) System in Nigeria.

Specifically, a new scheme, the Technicians Training Scheme (TTS) will be launched in 2018 in collaboration with VDMA for the training of 200 technicians covering such areas as basic mechanic and filter work, welding and brazing, vulcanizing, control and maintenance, advanced measuring techniques, electrical installation and electrical machines. The goal is to produce high calibre and well-trained technicians who will continue to support the nation's manufacturing sector, most likely within the wider Dangote Group, but also with other Nigerian companies.

Management development and Foundational Skills Programme.

The Dangote Academy also provides leadership and management training to members of staff. The Management Development Centre at Ikeja, Lagos, was established with focus on equipping existing staff with basic skills and sharpening their management and leadership skills to become more productive in their current roles, preparing them for future leadership positions in the Group. Some of these training initiatives are provided under the Foundation Skills Programme launched in 2015.

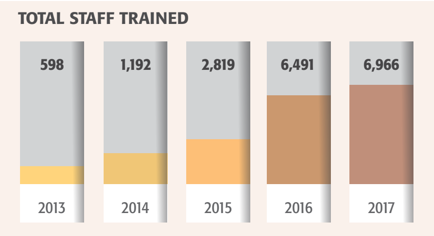
The content of this programme was designed to keep in mind the roles and responsibilities, level of participants' experience and the skills gaps that have been identified in respect of the various target groups. The programme also support the various needs of different business units within Dangote Industries.

By the end of 2016, the Dangote Academy had delivered 202 programmes covering approximately 35 business-relevant themes critical to the organisation.

In addition, since the commencement of the Foundation Skills and Function Specific programmes in 2015 at the Dangote Academy (both at Obajana and Ikeja Centres), more than 16,200 participants had benefited from the training programmes as of September 2017.

Beyond the needs of our Nigerian operations, we began implementing the Foundational Skills Programme and associated training across our Pan-African operations from early 2017.

These initiatives cater to the needs of staff working at our various operations across Africa.



Future of the Dangote Academy

As our Group expands, the Academy will expand in both geography and scope with the establishment of regional satellite academies to support the Pan-African businesses. The operations of these academies will remain centrally guided, for consistency and quality, but will be executed locally. The ambition is to develop the Dangote Academy beyond its technical training roots and transform it into a Technology & Management Institute or University.

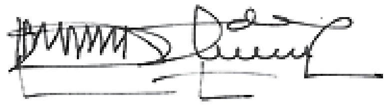
3. Compensation and Benefits

Our compensation philosophy provides for a fair, consistent and competitive employee compensation program that will attract, reward and retain high-performing talent at all levels. We are committed to providing a total employee compensation package that is location sensitive and tied to the attainment of individual and team results and the achievement of organizational short and long term strategic goals.

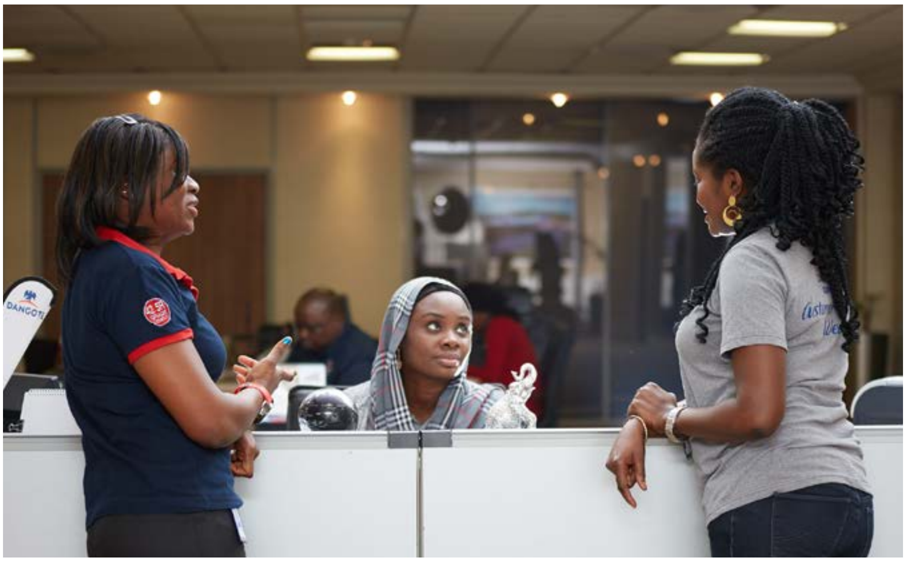
We ensure regular review of our total compensation and employment conditions in line with industry standards and directly tied to performance. In the year under review, DCP participated in such industry total reward survey to benchmark our compensation against our comparators and the larger market in Nigeria and in other countries.

4. Workplace Operational Excellence

In 2017, efforts were made to improve the workplace in terms of information technologies deployed and to create a better working environment. These efforts will be extended and intensified in 2018 to attract and retain the right talent so we can ensure the continuing success of the Company.



MUSA RABIU
Group Head of Human Resources



Our approach to risk management

DR ADENIKE FAJEMIROKUN
Group Chief Risk Officer

Dangote Cement embraces the risks of doing business in Africa but manages these risks by optimising our risk response strategies to fulfil our business goals and improve shareholder value.

With the incessant and somewhat cyclical trend of market turbulence globally, the viability of organizations against these adverse business and investment climes have been increasingly threatened. The need to create and maintain a sustainable competitive edge therefore requires that risks be taken to ensure that strategic goals and business objectives are achieved. Risk taking is an inherent part of doing any kind of business anywhere in the world.

At Dangote Cement, risk management is a strategic tool in the pursuit of business success and the achievement of corporate goals. Risk taking is done strategically in a manner that is fit for purpose to suit our entrepreneurial mindset and focused on value creation for all stakeholders. To ensure that this is achieved we attract and build required competencies, capabilities, expertise, processes and controls to maintain an efficient and cost effective risk management machinery.

Our definition of risk encompasses all active and passive actions that may threaten the achievement of our goals, such as risks to the capital we invest, risks of project failure, risks of inadequate skillsets, risks of non-performance in new markets, supply chain risks, risks that our Information Technology systems may fail, risks that money and foreign exchange trends might result in a higher cost of doing business, physical risks to our assets and our staff and risks to the brand equity that has been built through the years and which is associated with high-quality products and services.

The Risk Management function of Dangote Cement remains dynamic and responsive to the needs of the Group as it constantly improves its focus on the inter-relationship between these diverse risk types.

It uses periodic reviews of risk exposure limits and risk control to position itself against adverse scenarios. This has remained an invaluable tool with which the Group has predicted and successfully managed headwinds both in Nigeria and across our Pan-African territories.

Bespoke enterprise risk management framework

Enterprise Risk Management or "ERM" is our chosen approach to ensuring the timely and proper identification, assessment, measurement and treatments of prevalent and likely risks and opportunities in a holistic way. Our ERM approach is designed specifically for our business model with appropriate contexts and structures defined in a robust framework that serves as a guide for risk management implementation across the Group.

The framework is governed by our Board and driven by a specialist team that takes a formalised approach to risk management across all our operations, using well-established methodologies and tools. They do this by constantly establishing, implementing and sustaining tested practices in risk management to match the dynamic business landscape both locally and across Africa.

Given the breadth and seemingly limitless span of risks we continuously monitor, we must focus our risk management efforts in order to remain a value-enhancing centre within the organisation. Therefore, we take and retain only risks consistent with our defined risk appetite to ensure that we can fulfill our long term commitments to our stakeholders, whilst minimising the consequences for our staff, our assets, our business, our reputation, our valuation and for you, our shareholders in the event that a key risk crystallises.

The 2017 business landscape for Dangote Cement

The World Bank reported a global GDP growth projection of 2.7% for the 2017 financial year, considering it a positive sign of accelerating activities and rising consumer and business confidence in the early months of 2017 in both the advanced economies and a number of emerging economies.

The contribution of emerging economies was forecast at 60% of global growth, based upon higher commodity prices and an easing of inflation as economies recovered from the recessionary pressures of 2016.

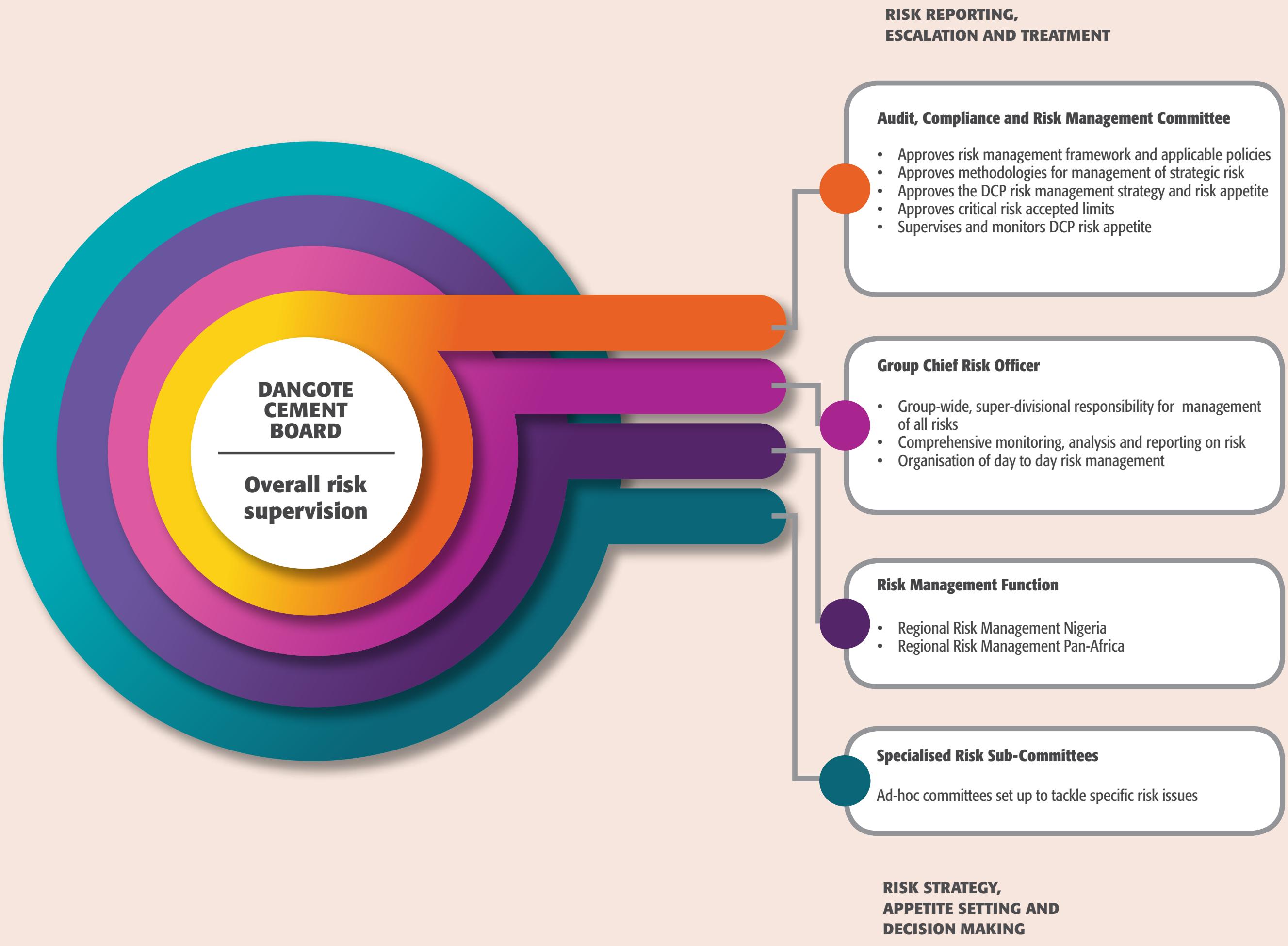
By the third quarter of 2017, the World Bank duly noted an easing of inflation in a number of emerging-market economies as the effect of past exchange rate depreciation faded and the impacts of monetary policy interventions came through.

The World Bank feared, however, that the positive growth prospects it saw could be limited by short-term oil supply restrictions that could offset the positive impact of higher oil prices on production in some countries, alongside uncertainties about global trade and its associated policies in the more advanced economies.

The 2017 financial year was eventful for our business, with positive developments in some countries and challenges in others. In some countries, there were both.

Our major market, Nigeria, returned to growth in the second quarter after a period of recession that lasted for more than a year, with higher oil prices and a return to normal oil production giving a boost to Nigeria's export revenues. Also, the easing of currency controls attracted inward investment.

Risk management



The 2017 Nigerian budget was not passed until mid-2017. Although this was a major disappointment for a business that is significantly dependent on infrastructure investment, we successfully managed the risks it created by pursuing a sales strategy that took into account the possibility of such a delay.

The success of our sales and marketing strategy, which was based upon market diversification, was evident in the volumes that were sold into a market that was depressed for the better part of two quarters.

The scarcity of foreign currency continued to be a key concern for the Group, considering its dependence on some necessities such as gypsum, coal and spare parts. We continued to manage this proactively through sound risk management solutions.

Furthermore, our decision to diversify our energy source through the use of coal to power our cement plants in Nigeria significantly improved our EBITDA margins, at the same time improving fuel security and reducing our need for foreign exchange.

In addition, Dangote Cement's exports to Niger, Togo and Ghana also helped ease the effects of the scarcity of foreign currency.

Risk Management commenced tracking of the foreign currency situation through a Key Performance Indicator (KPI) "Percentage of FX Requirement Funded by Export Proceeds" with a threshold set for escalation when monthly targets were not being met.

This KPI helped to align our Board in supporting our export business for optimal growth. In addition, some of our Pan-African operations began repayment of shareholder or inter-company loans in US Dollars, which also helped to improve our foreign currency inflows during 2017.

Risk governance supported by our "risk management model"
Our Risk Governance Framework ensures appropriate oversight and accountability for the effective management of risks. Our Board Audit Compliance and Risk Management Committee (BACRMC) takes overall responsibility for the management of risk and sets our overall risk management objectives at Board level.

Dangote Cement's Risk Management function provides a central oversight of risk management across the Group to ensure that the full spectrum of risks facing the Group are properly identified, measured, monitored and controlled to minimise adverse outcomes. This function is complemented by the Finance Group in the management of market and tax-related risks.

The Group Chief Risk Officer coordinates the process of monitoring and reporting risks across Dangote Cement. Internal Audit has responsibility for auditing Risk Management to ensure that the Department performs its role effectively and on a continuous basis. Internal Audit also tests the adequacy of controls and makes appropriate recommendations where there are weaknesses.

Our approach to Risk Governance is expressed in our "Risk Management Model" as seen in the chart on page 43, which is based upon three lines of defence.

Our risk management philosophy and culture remain fundamental to the delivery of our strategic objectives. Hence, we take the view that risk management is the concern of everyone in the Group, so that people at all levels become involved in and responsible for the identification and analysis of risk and play a part in its mitigation. We seek to limit adverse impacts on our earnings by managing risk exposures within our risk appetite.

Our appetite for risk
The BACRMC operates within the scope of a clearly defined appetite for risk across the Group. This is articulated through "Risk Appetite Statements" that are high-level principles governing the maximum level of risk that we are prepared to accept in the achievement of our goals. These are reviewed periodically to ensure consistency with our strategy, business environment and stakeholder requirements.
They provide guidelines for achieving our corporate strategy within the confines of our risk appetite for different types of risk, they guide the setting of clear thresholds of risk tolerance and require that all forms of risk prevalent in our business model are proactively monitored in the conduct of all our business activities.

Using the Risk Appetite Statements, our tolerance levels, thresholds and targets are set at different trigger levels, with clearly defined escalation requirements that enable appropriate actions to be considered and implemented as required. These statements are aligned with the core values of our Company, as expressed in our Mission Statements below.

1. Deliver strong returns to our shareholders by selling high-quality products at affordable prices backed by excellent service.
2. Help Nigeria and other African countries towards self-reliance and self-sufficiency in the production of the world's most basic commodity, cement, by establishing efficient production facilities in strategic locations close to key growth markets.
3. Provide economic benefits to local communities by way of direct and indirect employment in all countries in which we operate.
4. Lead the way in areas such as governance, sustainability and environmental conservation and to set a good example for other countries to follow.

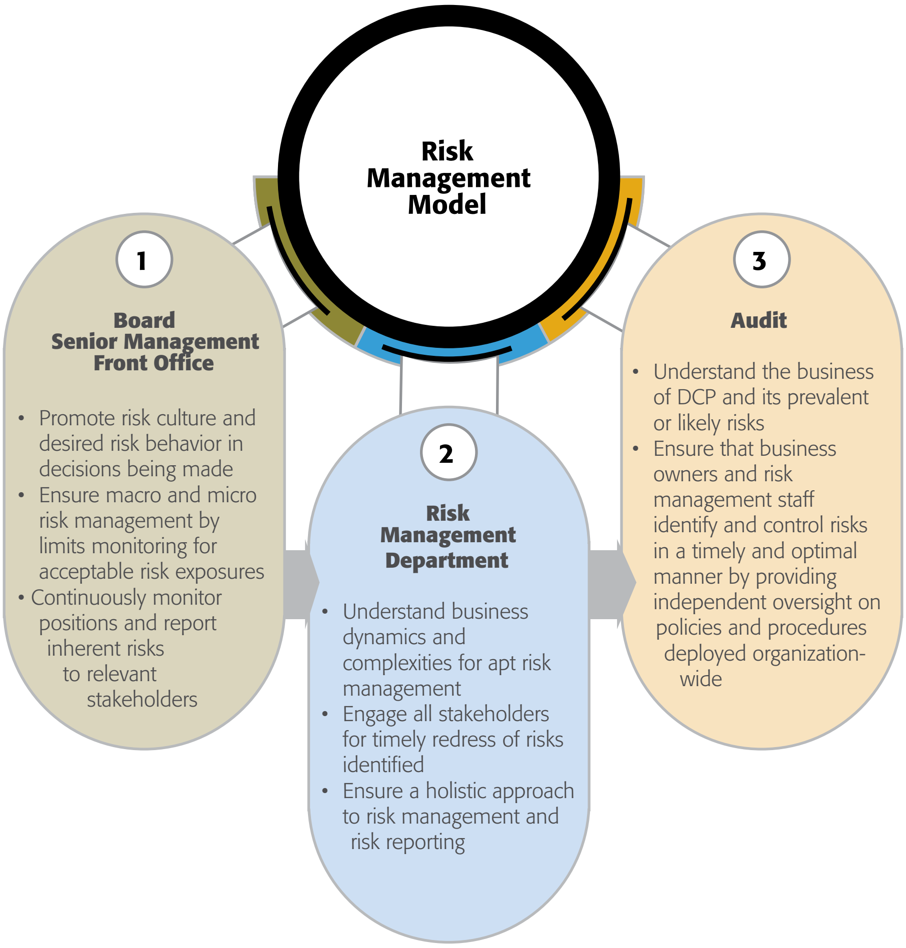
Dangote Cement's Risk Appetite Statements are given below:	
Profitability	Dangote Cement should always have the ability, but not be required, to pay a dividend even under a severe downturn in the economy or in key markets
Solvency	Dangote Cement will manage its financial resources such that it can withstand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

At Dangote Cement we are constantly guided by our Risk Appetite Statements in the delivery of our strategic objectives and we are constantly anticipating the risks in our activities. We reward behaviour that aligns with our core values and controls and this has significantly shaped the views of our employees towards Enterprise Risk Management.

Our risk culture is driven by our Key Risk Principles as enshrined in our Enterprise Risk Management framework.

These principles are:

- **Responsibility**: All risks need to be owned by named individuals or units to ensure sufficient attention is focused on managing the risk.
- **Accountability**: Staff can only take actions that expose Dangote Cement to risk when they have the authority or have received the appropriate clearance from those with higher authority.
- **Balancing risk/reward**: All decisions must balance risk and reward to ensure that all activities are economically profitable.
- **Measurement and monitoring:** Dangote Cement must have appropriate systems in place to measure and monitor risk and facilitate limit setting. This information must be presented to Senior Management to allow for monitoring.
- **Communication**: All potential and likely risks identified by any member of staff or the Board of Directors must be reported to appropriate Risk Officers within Dangote Cement's Risk Management Department for prompt assessment, measurement and treatment.



The risk management process

Our risk management process is disciplined and methodical to ensure value addition and value protection for the Group.

The process ensures the appropriate ownership of risk and accountability of all stakeholders in the risk management value chain whilst ensuring collaboration between Risk Management and process owners across the business.

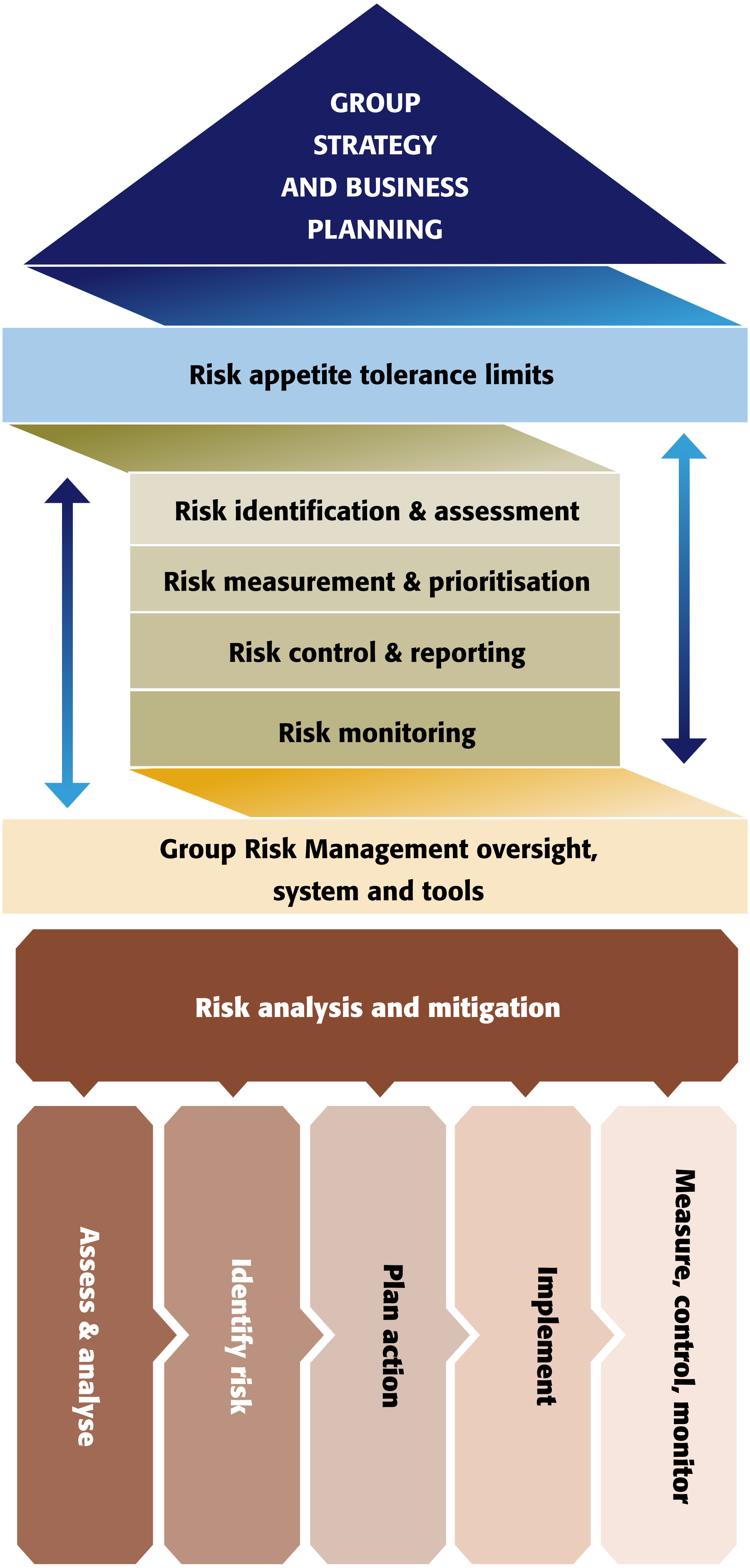
Measurement of risk takes into consideration our risk appetite tolerance limits to avoid misrepresentation of our risk profile.

Risk identification and assessment
Procedures for identifying risks are applied at department, country, regional and group levels. Qualitative and quantitative tools such as Risk and Control Self Assessments, Key Risk Indicators, Monitoring and Loss Incident Reporting are deployed to manage this process effectively. These processes are supplemented with ad-hoc, on-site assessments or incident assessments when unexpected high risks are envisaged or occur.

Risk measurement and prioritisation
This requires the quantification of the consequences of potential risks or actual risk incidents for the proper understanding of risk taking or risk exposure by relevant stakeholders. Dangote Cement's overall risk rating is based on the severity of impact for damage from any specific risk, multiplied by its probability of occurrence.

Risk control and reporting
Upon proper identification, quantification and treatment of existing and potential risks, mitigation strategies are recommended, implemented, monitored and reported to the Executive Committee on a monthly basis and to the Board on a quarterly basis. Where necessary, special risk reports are sent to relevant stakeholders on a need-to-know basis. The Board Audit and Risk Management Committee reviews risk reports and approves the implementation of recommended risk control measures.

Risk monitoring
The Group Risk Management Department, headed by the Group Chief Risk Officer, is responsible for coordinating all the risk management processes implemented across the Group and ensures that risk controls are duly implemented. Where risk controls remain outstanding, the Department ensures timely escalation to relevant approving authorities for



Likelihood of risk event	Frequency of occurrence
Almost certain	Occurs once a month
Likely	Occurs once every 3-6 months
Possible	Occurs at least once a year
Unlikely	Occurs every two years
Rare	Occurs every three years

Quantifying the level of impact					
	Catastrophic	**Major**	**Moderate**	**Minor**	**Insignificant**
Financial risk	>25% of gross income	15%-25% of gross income	5%-15% of gross income	1%-5% of gross income	<1% of gross income
Reputational risk	Negative publicity lasting more than six months; high customer defections; irreparable share-price decline; major investor divestments.	Negative publicity lasting more than three months; some customer defections; large decline in share price; instances of investor divestments.	Negative publicity lasting a month; some customer defections; moderate decline in share price; few or no investor divestments.	Little or no negative publicity; no loss of customers; little or no effect on share price or investor appetite.	No impact on reputation, share price or customers.

the required budgetary approvals or control modifications. The risk monitoring process sometimes leads to the identification and assessment of new risks that are then analysed using the process flow previously described.

Current risk profile

Comprehensive risk assessments are carried out periodically across our businesses and construction projects. A risk-based approach is adopted whereby the outcome of each risk assessment determines the number of risk assessments to be carried out in the year on each site.

As shown in the chart, exogenous risk factors, such as currency exposure, are the largest element of the risk profile at 33%. Operational risk accounts for 28%, followed by financial risk, which accounts for 17%. Other risks, such as strategic, competitive and industry risks account for the balance of the Group's risk profile.

For effective risk management, we determine our 'expected losses' by multiplying the likelihood of any given risk actually happening against the potential financial losses it might cause (see table on page 122).

Our 'expected loss' is the sum of all these risk factors put together. Furthermore, we conduct this holistic risk analysis in the face of different stress scenarios. Considering that these expected losses are scenario-based and represent potential losses related to our key risk exposures, we adopt processes to ensure these risks are promptly identified, properly mitigated and closely monitored on an ongoing basis, within acceptable limits and consistent with our overall approach to risk management.

SUMMARY OF KEY RISKS, DEFINITIONS AND DEVELOPMENTS IN 2017

Risk Type	Definition	Key Risk Development	Risk Mitigation
Credit risk	• *The risk of losses resulting from a customer's failure to pay for goods lifted or otherwise not meeting a contractual obligation on credit sales.*	• *The quest for growth in sales across Pan-Africa necessitated the granting of credit and offering flexible conditions for credit sales however with collateral positions entrenched.* • *The need to prevent unauthorised credit sales through SAP release of sales orders led to the centralisation of sales operations control across Pan-Africa.*	• *Secured by bank and insurance guarantees.* • *Retraining of stakeholders with regards to the credit process.* • *Pan-African sales operations and price control have been centralised and managed by Group Risk Management Department.* • *Harmonisation of order referencing methodology across the plants to reduce account reconciliation issues and improve turn-around time.*
Insurance risk	• *Insurance is a key component of risk management and is used as a financial tool to protect the assets and liabilities of Dangote Cement. The Insurance function is located within the Corporate Centre as an additional function under the Risk Management Department and reports to the GCRO.*	• *Engineering surveys were carried out in conjunction with our international brokers through visits to all DCP Plants.* • *Risk reviews were carried out to support decision making on insurance priorities, including policy limits/deductibles.* • *Estimated Maximum Loss (EML) calculations to quantify risk exposures and support optimal coverage design were carried out..*	• *Improved protection of assets and business interruption value through an Insurance program that is based on financial loss protections with asset damage put in place for optimising cover at best pricing.* • *A gap analysis/policy library was put in place to show areas where Dangote Cement has little or no insurance cover. All gaps were mitigated with adequate cover provided.*
Operational risk	• *Risk of actual or likely change in value ensuing from inadequate or failed internal processes, people and systems or from external events (including legal).*	• *Development of a Strategic KRI Dashboard to focus the Board Risk Committee in reviewing and approval of recommendations to improve our risk profile.* • *Holistic review of our transport processes to deliver expected results considering the strategic role it plays in the delivery of cement to our customers.*	• *Quarterly reporting of Dangote Cement's risk profile utilising the "KRI Dash Board".* • *Driver certification and training programs to actualise our target of zero fatalities from road accidents.* • *Reviewed transport management processes in the planning and ordering of spares, consumables and tyres for prompt servicing and repair of our trucks.*

Information Technology risk	• *Increased cybersecurity vulnerabilities, threats and more sophosticated and targeted computer crime could pose a risk to our systems, products, services and data.*	• *Planned execution of a unified cyber risk assessment exercise* • *Completion of various vulnerability tests applicable for our systems* • *Provision of adequate protection of our technology systems via best-in-class providers*	• *To mitigate these risks we proactively employ a number of measures, including employee training, monitoring and testing, maintandance of protective sysytems and contingency plans.*

The approach we adopt for maintaining an optimal risk environment on an ongoing and forward-looking basis are:

- Strategic planning that aligns risk strategy and appetite with commercial objectives.
- Continuous monitoring of approved risk targets set by the Board, Executive Management and the Group Risk Management Department.
- Timely redress of threats by ensuring implementation of action plans for proper risk mitigation.
- Prompt reporting of key risks to relevant stakeholders.
- Continuous implementation of all elements of the Group's Risk Management framework, which also includes specific stress tests where applicable to underpin our monitoring of processes.

For each category of risk, we formulate and deploy mitigation strategies to ensure the minimum level of potential damage, value erosion or disruption. We also develop Key Risk Indicators which provide useful insights and timely leading-indications of evolving risk events developing internally within the operations of our business or emerging from external events such as macro-economic trends change.

OUTLOOK

For 2018, the International Monetary Fund anticipates 3.4% economic growth in Sub-Saharan Africa, with growth based upon good harvests and a recovery in oil output in Nigeria. In addition, there are indications of increased investment in capital projects across many economies in Africa. Key downside risks to the region's growth outlook will emanate from the largest economies, where elevated political uncertainty could delay necessary policy adjustments and dampen investor and consumer confidence.

Dangote Cement continues to align with governments in areas of its jurisdiction to spur economic growth through investments in infrastructure and construction. This invariably presents an opportunity for the Company's entrepreneurial vision for international growth, sustainability and the creation of value for shareholders. These drivers form the basis of our risk management practices, which are designed to be fit-for-purpose within its business model.

More than ever, our Risk Management Team strives to ensure that our bespoke Risk Management Framework is always fit for purpose to support the growth prospects we see, through the optimisation of our risk and governance processes.

Dr Adenike Fajemirokun,
Group Chief Risk Officer


WE ARE DANGOTE
AND WE BELIEVE IN
THE DANGOTE WAY
WE ARE SUSTAINABLE
AND WE LIVE
THE DANGOTE WAY
WE ARE DANGOTE
AND WE INSPIRE
THE DANGOTE WAY

The Dangote Women's Network leadership at its annual workshop endorsed corporate aspirations to 'inspire' and 'sustain' through "The Dangote Way: 7 Pillars", including Group Executive Directors, Halima Dangote and Fatima Dangote, Group Chief Risk Officer, Dr Nike Fajemirokun, Group Chief Tax Officer, Titi Fowokan and Group Chief Sustainability & Governance Officer, Dr Ndidi Nnoli.

Sustainability

As one of Africa's leading manufacturers, we are conscious that we must conduct our business in a manner that is sustainable for our stakeholders, our economy and our environment.

The Dangote Way

DR NDIDI NNOLI
Group Chief, Sustainability & Governance

MASSIMO BETTANIN
Group Chief, Health, Safety & Environment

"We have invested billions of dollars to develop skills, create local value and build new capacity across Africa to support industrialisation that is mindful of the need to develop sustainable local economies in our countries of operation"

Over the past decade, the profitability and strong cash generation of Dangote Cement's operations in Nigeria have enabled the expansion of our business across Sub-Saharan Africa, with a mixture of integrated, grinding and import facilities to meet the demands of local markets.

We have invested billions of dollars to develop skills, create local value and build new capacity across Africa to support industrialisation that is mindful of the need to develop sustainable local economies in our countries of operation.

We have contributed towards Nigeria's self-sufficiency in cement, with additional potential to improve the country's balance of trade through cement exports.

Furthermore, we have created thousands of jobs across the continent by developing factories, logistics, sales, distribution and support services.

We play an important role in all of the economies in which we operate and consciously strive to support local businesses that service our operations. This, in turn, improves the lives and prospects of our host communities and countries.

Beyond global best practices, we understand that to fully implement and sustain our sustainability strategy, there is a need to engage all our stakeholders in developing our strategy, approach and implementation of our sustainability programme.

We believe that impact assessment is crucial to understanding the roles that key players must play in order to change their social and economic environments.

To achieve this, we have developed a framework towards sustainability across seven sustainability pillars, which we call *"The Dangote Way"*.

These seven pillars encompass our corporate values and provide a model around which our sustainability reporting is centered.

Our sustainability pillars have been developed through an extensive stakeholder engagement process, led by the Sustainability and Governance Department of the Dangote Group.

They embody the Dangote approach to sustainability and reflect our unique approach towards engendering sustainability as a process across our operations, and the commitment we have to embed at every level of our operations, with support from the highest levels of governance within the organisation.

As is clear from the diagram opposite, we regard the Cultural pillar as one that is integral to all the others. It is therefore imortant that we observe these cultural values when we consider all other aspects of the Company and its efforts towards achieving profitable and sustainable business operations across the African continent.

7 Sustainability Pillars
"The Dangote Way"

Financial

Achieve sustainable financial health through a business model that delivers strong returns to shareholders, whilst creating value in the economies in which we operate by selling high-quality products at affordable prices, supported by excellent customer service.

Institutional

Build a world-class institution centered around corporate governance best practices and sustainability principles that promote legal and regulatory compliance, transparency and business continuity.

Economic

Promote inclusive, sustainable economic growth, self-reliance, self-sufficiency and industrialisation across Africa, by establishing efficient production facilities and developing resilient local economies in strategic locations and key markets.

CULTURAL

Embody our core values in the way we do business, including a respect for cultural diversity and giving back to the societies in which we operate. To achieve this, we actively encourage teamwork, empowerment, inclusion, respect, integrity and meritocracy within our organisation

Operational

Serve and satisfy our markets by working together with partners to deliver the best products and services to our valued customers and stakeholders through continuous product improvement, new business development, employing state-of-the-art technologies and systems to constantly optimise cost-efficiencies

Social

Create a learning environment and platform for our employees to grow and achieve their fullest potential, whilst adhering to the highest standards of health and safety. In our host communities, we strive to develop resilient and sustainable prosperity through direct and indirect employment, skills transfer and local entrepreneurial development

Environmental

Create sustainable environmental management practices, through a proactive approach to addressing the challenges and opportunities of climate change, while optimising our performance in energy efficiency, water usage and emissions.

Our commitment to sustainability reporting

As the global population rises and urban infrastructure expands, building sustainable cities is both a challenge and a priority. As Africa's leading cement producer, we have the ability to make a real impact on whether that expansion is managed in a sustainable way, not just for the environment but for our Company.

Every one of us is committed to making it a priority to share our sustainability journey, goals, programmes and initiatives with all stakeholders.

As we align our efforts with both domestic and international standards on sustainability reporting, this report builds on best practices encoded in:

- The Rulebook of the Nigerian Stock Exchange (Sustainability Disclosure Guidelines);
- United Nations Global Compact (UNGC), which is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption;
- Global Reporting Initiative: Global Standards/G4 Sustainability Reporting Guidelines;
- Cement Sustainability Initiative: Key Sustainability Issues.
- Sustainable Development Goals (SDGs)

In line with our approach to sustainability, we have exceeded our commitment to the three-year road map published in our 2016 Annual Report, by initiating the development and implementation of a robust sustainability reporting process, methodology and benchmarking against international best practices. This roadmap is set out below.

2016

- Benchmarking: Lafarge, CEMEX, PPC, ACC;
- Selection of pilot KPIs to monitor and report (Fatalities, FFR, LTIs, LTIR, GHG, water);
- Monitoring of the reporting framework we have developed;
- Preliminary identification of applicable reporting standards;
- Reporting guidelines in line with CSI standards developed and communicated to all sites;
- Management review of pilot results.

2017

- Detailed management review of pilot results to improve reporting reliability and consistency to be completed;
- Identification of key stakeholders and understanding of their expectations;
- Identification of KPIs to report based on CSI/UNGC review and stakeholder expectations;
- Foundation training for relevant staff.

2018

- Review of CSI KPIs and UNGC requirements;
- Development of procedure/criteria for materiality assessment;
- Roll-out of the monitoring and reporting system across the business to include depots and transport;
- Internal data assurance;
- Identification and set-up of targets for improvement, taking into account stakeholders' expectation and business needs/resources;
- Management review of monitoring/reporting content (i.e. materiality, stakeholder inclusiveness, completeness) and quality (i.e. comparability, accuracy, clarity, reliability, etc.).
- Baseline studies against GRI and CSI standards.
- Intermediate and professional training of relevant staff.

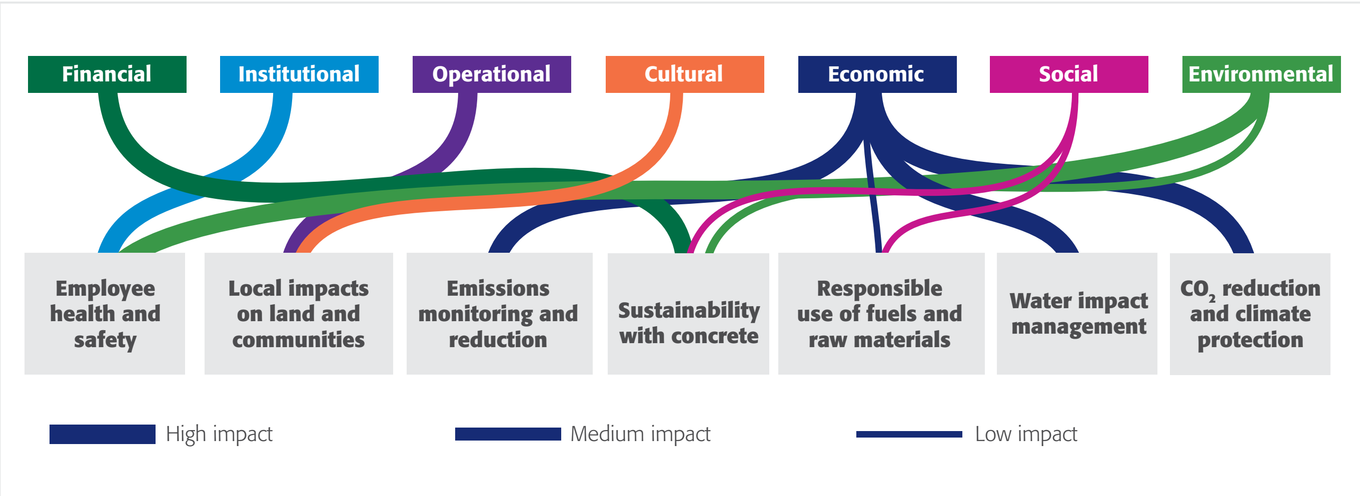
Benchmarking our performance against global best practice

We benchmark the performance of our *7 Sustainability Pillars* against global indicators including the Cement Sustainability Initiative of the World Business Council for Sustainable Development (WBCSD), which merges human rights laws from the International Labour Organization's five core labour standards and the United Nations' Universal Declaration of Human Rights.

In working towards the CSI benchmarking exercise, we have focused on the four main work areas outlined below:

World Business Council for Sustainable Development

The **World Business Council for Sustainable Development** is a CEO-led global advocacy association of some 200 international companies, dealing exclusively with business and sustainable development



1. GHG emissions and climate protection

Our GHG emissions are assessed monthly and the data reported to management and Group HSSE for discussion during monthly Executive Committee meetings.

2. Responsible use of raw materials

Our operations are dependent on having long-term access to mineral-based raw materials in the vicinity of our plants. These raw materials are sourced locally from our quarries and the overburden removed is used for land reclamation after mining.

3. Occupational health & safety

We endeavor to adopt technical and organisational best practices to continuously improve our H&S performance. The Group HSSE team has deployed a Group-wide HSE reporting framework to track collective performance indicators on health and safety.

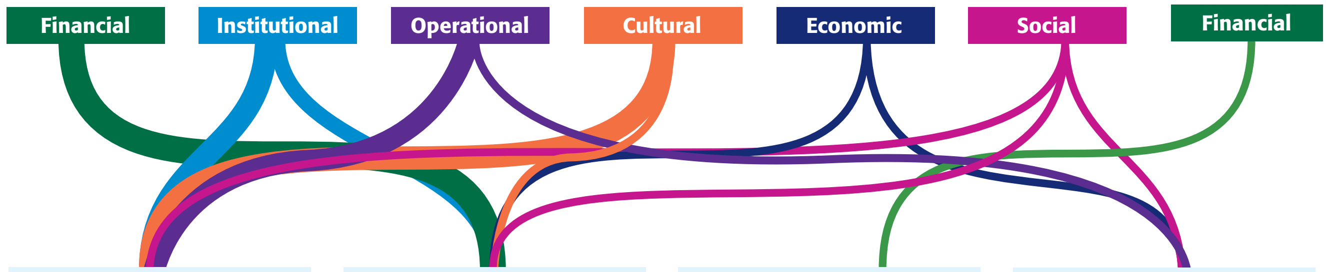
4. Local impacts on land and communities

We aim to create value not only for our Company but also for the communities in which we operate. At all of our plants we have a Community Development Agreement that is discussed and agreed with the community. Our contributions from these activities have ranged from building of schools, hospitals to renovation of community facilities.

Aligning our 7 Sustainability Pillars to the UN Global Compact

Aligning with the principles of the United Nations Global Compact, our 7 Sustainability Pillars ensure that our sustainability strategy is embedded within our value system and corporate culture.

They incorporate a principled approach to how we do business by documenting and formalising the unique and integral culture that will drive our sustained success across the African continent.



Human Rights

Principle 1: *Businesses should support and respect the protection of internationally proclaimed human rights;*

Principle 2: *Make sure that they are not complicit in human rights abuses.*

Communication Governance Policy

Complaints Management Policy

Whistle Blowing Policy

Labour

Principle 3: *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*

Principle 4: *Elimination of all forms of forced and compulsory labour;*

Principle 5: *Effective abolition of child labour;*

Principle 6: *Elimination of discrimination in respect of employment and occupation.*

Dangote Safety Golden Rule

Group HSSE Incident Reporting and Investigation Standard

Group HSSE Performance Reporting Standard

Group HSSE Risk Management Standard

Child Labour Policy

Forced or Compulsory Labour Policy

HIV and AIDS Policy

Environment

Principle 7: *Businesses should support a precautionary approach to environmental challenges;*

Principle 8: *Undertake initiatives to promote greater environmental responsibility; and*

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Group HSSE Incident Reporting and Investigation Standard

Group HSSE Performance Reporting Standard

Group HSSE Risk Management Standard

Group Environmental Management Standard

Health and Safety, Environmental and Social Corporate Policies

Anti-Corruption

Principle 10: *Businesses should work against corruption in all its forms, including extortion and bribery.*

Anti-Bribery and Corruption Policy

Conflict of Interest/ Related Party Transaction Policy

Insider Trading Policy

UNGC principles

DCP standards and policies

Aligning our 7 Sustainability Pillars to the Sustainable Development Goals (SDGs)

The UN's Sustainable Development Goals (SDGs) clearly recognise the role of businesses in sub-national, national and global development.

At Dangote Cement we are continuously developing frameworks that enable us make material contributions to sustainable economic development at a global level, with a specific focus on our home market of Sub-Saharan Africa.

The 17 Sustainable Development Goals (SDGs) and their 169 related targets of the 2030 Agenda were adopted by world leaders in September 2015.

These goals seek to address the most important economic, social and environmental challenges to governance in our time.

We contribute directly and indirectly to each and every SDG as we recognise the importance of our alignment to these goals.

SDGs	DCP Impact
1 NO POVERTY	• Creating jobs in local communities, for example we have more than 15,000 staff in Nigeria. • Providing competitive wage rate that exceeds the national minimum wage. • Supporting local entrepreneurial initiatives including Micro SME programmes to promote access to finance, business development activities and access to markets.
2 ZERO HUNGER	• Supplementing low-harvest periods with our annual food support program to local women across our areas of operations. • Providing jobs to residents of our host communities. For example, we have provided 632 direct jobs for Ogun State residents, 491 direct jobs for Ibese residents and enabled 530 jobs via awarded contracts.
3 GOOD HEALTH AND WELL-BEING	• Providing healthcare clinics for local communities near our Obajana plant • Providing healthcare facilities for staff at plants • Providing access to clean water through borehole drilling initiatives
4 QUALITY EDUCATION	• Providing high-quality, industry-focused technical and management training to staff through Dangote Academy. • Demonstrating commitment to education through the award of annual scholarships to students in our host communities, enabling equal and social mobility opportunities regardless of circumstances of birth. For example, we award annual scholarships of NGN10million per year in Gboko and have awarded scholarships in Ibese year on year- since 2012. • Improving school enrollment rates by removing financial barriers through scholarship programs. In Aga Olowo, near Ibese, we have built classrooms that have saved students from travelling long distances to other schools. • Promoting quality education by building classrooms, providing books and equipping science laboratories, improving the curriculum, awarding scholarships to qualified individuals and supporting enhanced training of teachers.
5 GENDER EQUALITY	• Fostering business relationships with women-owned enterprises as a good percentage (over 40%) of our suppliers are women. • Ensuring the inclusive growth of our women via the Dangote Women's Network initiative.

SDGs	DCP Impact
6 CLEAN WATER AND SANITATION	• Basing our manufacturing process on minimal water consumption. • Recycling water at our cement manufacturing plants. • Harvesting of rain water for cooling purposes at our plants. • Providing clean water through several borehole projects. For example, we have constructed 21 boreholes in Ibese. • Extending pipe water from our treatment plant for community use in Gboko.
7 AFFORDABLE AND CLEAN ENERGY	• Use of cleaner fossil fuel of natural gas at our largest Nigerian plants, making use of other sources of fuel as a necessary alternative when the gas supply becomes unreliable. • Well over ₦100m has been invested in rural electrification for our host communities.
8 DECENT WORK AND ECONOMIC GROWTH	• Complying with labour laws and providing safe and healthy working environment for our employees. • Creating economic opportunities for local suppliers. • Building and upscaling skills and knowledge to make individuals ready for absorption into the industry, through the Dangote Academy (via junior, vocational and graduate engineers training schemes. • Continuously contributing to the Nigerian economy in terms of GDP growth, employment, diversification of the economy and balance of trade..
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• Introducing higher-quality, stronger cement like the Dangote 3x (42.5R grade) cement. • Building plants with new and innovative specifications to reduce energy usage. • Intensifying our efforts to maximise use of locally sourced inputs such as coal and gypsum. • Constructing and repairing roads to improve access, interconnectivity and promote economic growth in our host communities. In Ibese, we spent about ₦3.8B on roads that have boosted economic activities along the route via significant appreciation of land, the opening of new businesses and improved mobility for products including farm produce, which helps to improve sales and distribution and reduce wastage of food.
10 REDUCED INEQUALITIES	• Improving economic activities in rural, host communities that have now turned into thriving commercial centres evidenced by significant value appreciation of local land. • Upskilling and creating employment in the communities where we operate improves access to opportunities for economic empowerment in rural areas. • Executing direct economic empowerment initiatives with sensitivity to women and other vulnerable groups has contributed to better economic integration and reduced inequalities. • Providing clean water through several borehole projects across our host communities. For instance, 21 borehole projects have been completed in Ibese.
11 SUSTAINABLE CITIES AND COMMUNITIES	• Providing high quality cement at affordable prices contribute to the goal of achieving well-built, safe and affordable housing for all. • Our CSR initiatives are developed with high sensitivity to the vulnerable and neglected, thus resulting in prosperous, peaceful and more sustainable communities.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Restoring mined land via reclamation strategy for use in agriculture and other purposes. • Consuming water in the production process responsibly. • Using rain water for cooling processes. • Committing to the implementation and maintenance of the National Industrial Standards ISO 14001:2004 Environmental Management System (EMS).

SDGs	DCP Impact
13 CLIMATE ACTION	• Producing cement responsibly, limiting CO_2 emissions to globally acceptable standards. • Investing in state-of-the-art bag filters and electrostatic precipitators at all plants to ensure minimal dust emissions, making DCP one of the industry's cleanest cement companies in Nigeria and across Africa.
14 LIFE BELOW WATER	• Adopting a manufacturing process with minimal water consumption. • Adhering strictly to non-discharge of toxic waste water or water pollutants. • Using rainwater to carry out cooling functions at our plants to lessen the pressure on other water sources.
15 LIFE ON LAND	• Using relevant policies to curtail and bring within acceptable standards hazards to land associated with limestone mining and cement production such as dust emission, destruction of natural ecosystem, noise pollution, wastewater discharge, water acidification and deforestation. • Minimising our impact on the natural environment where possible.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Adopting responsible procurement policies and practices that allow for fair and transparent competition and zero tolerance for bribery and corruption. • Adopting a strong stance against child labour and other irresponsible labour practices here at DCP and from our suppliers. • Ensuring a safe work environment for all staff and external parties to keep at the least possible hazard level at our work sites. • We help in providing relief materials to victims and Internally Displaced Persons (IDPs) in some conflict areas.
17 PARTNERSHIPS FOR THE GOALS	• Participating in initiatives, partnerships and forums like GCCA and CSI that promote sustainable and responsible cement manufacturing practices. • Partnering with technical schools and universities via the Dangote Academy to improve skills for the industry and youth employment creation. • Committing to the Global Compact initiative with periodic communication on progress. • Collaborating with international organisations, governments and other private sector players to make SDGs mainstream on a national scale and global scale. • Collaborating with NGOs to conduct vocational training to youths in our host communities. For example: • Conducted vocational training for 50 youths in conjunction with the Otunba Ibikunle Foundation, for learning bead making, tie and die, graphic printing.. • Dangote Academy partnering with VETA (Vocational Education Training Authority) on training technicians for our plant in Tanzania.

SUSTAINABLE DEVELOPMENT GOALS

Financial sustainability

As the largest public company in Nigeria and one of only three companies with a Premium Listing on the Nigerian Stock Exchange, we are committed to ensuring we maintain profitable financial sustainability that in turn creates direct and indirect contributions to national economic development. We quantify these impacts as our *Gross Value Added*.

Furthermore, we operate in line with international financial reporting standards and ensure adherence to best practices in corporate governance through structures and policies that consistently comply with all relevant laws and regulations in the countries in which we operate.

GRI disclosures	Description
GRI 201-1	Direct economic value generated
GRI 201-2	Financial implications and other risks and opportunities due to climate change
DCP disclosures	
Align the financial system with sustainability indicators ROI, ROE: creating value beyond shareholders, to include employees and external stakeholders; strengthening financial system governance and regulatory oversight with respect to the triple bottom-line Driving consistent profitable growth in tandem with the other Pillars Regional growth as a Pan-African player	
DCP Pillar indicators	
Credit ratings	

Our impact

Our mission “To deliver strong returns to shareholders…” builds on the Dangote Group’s founding vision of being “...a world class enterprise that is passionate about the standard of living of the general populace and giving high returns to stakeholders”.

These statements underline our commitment to shareholders and stakeholders alike.

Our Financial Sustainability Pillar is the cornerstone for the unprecedented growth and impact achieved by Dangote Cement over the years.

Our return to shareholders

As Africa’s largest cement company, we have sustained high levels of financial performance, enabled by disciplined business practices and sound investment strategies across Africa.

Our commitment to growth and expansion has been accompanied by a strong commitment to provide returns for shareholders through annual dividend payments that are recommended by our Board and approved by shareholders.

Our history of dividend payments predates our listing on the Nigerian Stock Exchange in 2010. We have consistently paid annual dividends with recent payments per share of ₦7.00, ₦6.00, ₦8.00, ₦8.50 and ₦10.50 between 2013-2017.

The capital gains from our shares have also been strong since we went public. in 2010. Our shares began trading at ₦122 at the time of listing and traded at ₦265 per share on the Nigerian Stock Exchange in March 2017.

This sustained increase in value reflects our consistent growth in revenue and profitability and our return on investment for shareholders.

It also reflects continuing institutional demand for our shares and we regularly engage with major international pension funds around the world to discuss potential investment in our Company.

Financial indicators	2015	2016	% change	2017	% change
Revenue (₦B)	491.7	615.1	25%	805.6	31%
EBITDA margin	53.4%	41.8%	-11.6pp	48.2%	6.4pp
Net debt/EBITDA	0.78x	0.94x	0.16x	0.52x	-0.42x
Net gearing	31.7%	33.2%	1.5pp	26.1%	-7.1pp
ROCE	20.9%	18.5%	-2.4pp	26.8%	8.3pp

Our return to stakeholders
We contribute to the general economic sustainability of the countries in which we operate by creating hundreds of direct and indirect jobs, paying wages, favoring local procurement where possible and by paying applicable local taxes in our host countries.

All of these activities contribute to sustainable value creation in all sectors of the local host economy and the wider national economies.

Economic impact of Dangote Cement – Gross Value Added

₦450B Direct impact + **₦102B** Indirect impact + **₦97B** Induced impact

₦649B

Total Gross Value Added generated in the Nigerian economy by Dangote Cement in 2017.

Multiplier 1.44*

Every Naira of Gross Value Added generated directly by Dangote Cement operations in Nigeria generates a total of **₦1.44** in the wider Nigerian economy.

Double the value of the national healthcare budget of Nigeria in 2016

We measure our wider impact by calculating our *Gross Value Added* (GVA)**, which is a metric also used by the Federal Government of Nigeria to measure the direct contribution of each individual producer, industry or sector in the Nigerian economy and quantify its overall contribution.

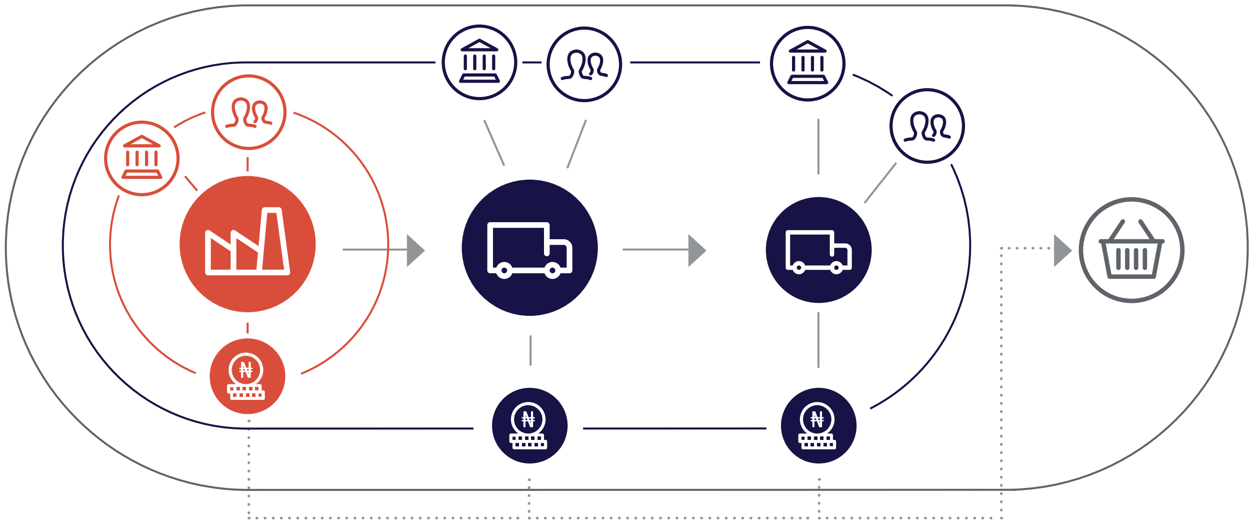
When summed for all Nigerian businesses, GVA represents the total contribution of business entities to the creation of GDP.

* Presented multiplier refers to the impact generated among suppliers and sub-suppliers (indirect impacts) as well as the induced impact of household spending on the economy). It does not account for impacts generated across distributors and retailers.
** The following formula was used to calculate the GVA of Dangote Cement: Total revenues – bought-in materials and services.

₦101.489 trillion - GVA in the Nigerian economy in 2016
8.8% represents the GVA contribution of the manufacturing sector to GDP (₦8.903 trillion)
7.3% represents the GVA contribution of the cement industry to Manufacturing (₦630B[2])
Of the total GVA attributable to the cement industry, **DCP contributes around 70% (₦450B)**

Through the use of the Input-Output model for the Nigerian economy, we are able to present our total contribution to the Nigerian economy, including our direct, indirect and induced impact, as explained below. By ensuring financial sustainability through the generation of strong revenue streams and local procurement, we contribute to value creation across all sectors of the economy.

Input-Output Model



Impact areas

Gross Value Added

Employment

Household incomes

Impact Dimensions

Direct impacts, which are the primary effects of Dangote Cement's activities.

Indirect impacts, which are related to Dangote Cement's business transactions with its suppliers. Dangote Cement's purchases of goods and services from local suppliers generate business for these suppliers, enabling them to sustain jobs, generate value added and income. But the effects do not end there: Dangote Cement's direct suppliers (1st tier) have their own suppliers (2nd tier) whose production increases in turn, creating a ripple effect in the economy.

These ripple effects, including all rounds of transactions, are effectively taken into account in the model used.

Induced impacts, which are a consequence of the additional activity created in the economy through the spending of Dangote Cement's employees and the spending of employees at our 1st and 2nd tier suppliers.

This activity, which is manifested through effective demand, is then reflected in an increase of output in the economy, which translates into additional jobs, income generation and value creation.

2 Estimate based on the GDP contribution of the Nigerian cement industry

Institutional sustainability

Our approach to institutional sustainability involves balancing the interests and objectives of our internal and external stakeholders. We are committed to embedding sustainability in every aspect of our operations, driven by the highest level of governance. This, in turn, provides strong guidance on the way we do business. We believe that effective governance drives high levels of performance, encourages trust at all levels of the organisation and ensures the sustainability of Dangote Cement as an organisation. It also encourages investment that we can deploy to the benefits of our stakeholders and to society.

GRI disclosures	Description
Governance structure GRI 102	102-19 Delegating authority 102-20 Executive-level responsibility for economic, environmental, and social topics 102-21 Consulting stakeholders on economic, environmental, and social topics 102-26 Role of highest governance body in setting purpose, values, and strategy 102-29 Identifying and managing economic, environmental, and social impacts 102-30 Effectiveness of risk management processes 102-31 Review of economic, environmental, and social topics 102-32 Highest governance body's role in sustainability reporting 102-33 Communicating critical concerns 102-34 Nature and total number of critical concerns 102-35 Remuneration policies 102-36 Process for determining remuneration 102-37 Stakeholders' involvement in remuneration 102-38 Annual total compensation ratio 102-39 Percentage increase in annual total compensation ratio
DCP disclosures	
Corporate governance policies and structures Tax compliance Investment/investor relations disclosures Legal and regulatory compliance Strategies, policies and standards Succession planning	
DCP Pillar indicators	
Regulatory compliance Responsible tax payment Corporate governance policies Institutional capacity Employee Code of Conduct Succession planning Talent attraction and retention	

Our Impact

Institutional capacity
Our governance policies and practices are designed to ensure institutional sustainability, where business is conducted in an objective, fair and transparent manner that conforms to high ethical standards. These enable responsible operations driven by highly qualified and committed employees, as well as the creation of strong and sustainable relationships with customers and suppliers.

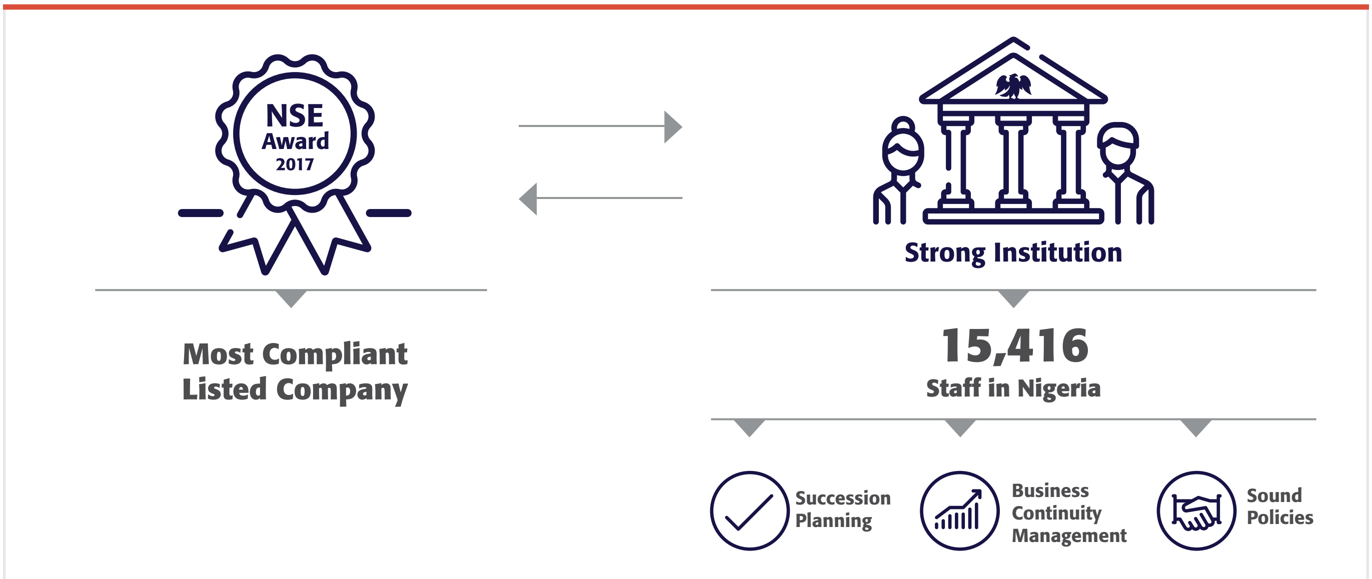
As one of the largest employers in Nigeria, with more than15,400 employees in Nigeria and 24,000 employees across Africa, we seek to attract and retain the best talent to ensure the success of our business.

Succession planning

At Dangote Cement, we understand the importance of undisrupted business operations to profitability. Succession planning is therefore a strategic priority for us in order to maintain the stability, viability and bottom line of our Company. Ensuring a smooth transition of our top-level managers remains one of our most important priorities. We have looked beyond the Senior Executive level and ensured that our succession planning efforts permeate all levels of staff in the form of our Business Continuity Management Strategy.

Our succession planning policy for senior management incorporates strategic talent development through a process of identifying and preparing employees with strong potential for mentoring, training and development to enable them move into a higher role. Leadership transition is a strategic initiative driven by the Board and embraced by Human Resources and the Executive Team. It is an ongoing process, not one that is triggered by an impending departure.

This focus on institutional sustainability is in line with our strategy to become the leading global player in the cement industry. We will continue to focus our efforts on expanding our operations beyond Nigeria, and aligning our human capital and organisational development to support the sustainability of our ambitious business goals. In 2017, Dangote received the ISO Certification for Business Continuity Management. This provides assurance that we have the people and resources required to respond to and resume business in the event of a major disaster, with minimal financial losses, reputational damage or business shutdown.



Regulatory compliance

As a listed company, we adhere strictly to the SEC regulations for listed companies as well as the Nigerian Stock Exchange (NSE) Guidelines for Listed Companies (the "Green Book").

Dangote Cement received an NSE Award for the *Most Compliant Listed Company* in 2017.

In addition we strive to comply with the laws and regulations of the countries in which we operate.

We understand the importance of compliance with tax regulations and the overall importance of tax payments in building the Nigerian economy. We are committed to increased transparency on taxes paid. In the interests of transparency, we report on taxes paid per region on an annual basis in our Annual Report and Accounts.

₦87.5B

More than ₦87.5B was recognised as income tax by us in 2017.

The amount is equivalent to building twenty eight 150-bed district hospitals.

150-bed
district hospital

Operational sustainability

Our focus on operational sustainability involves maximising the addition of value to raw material and local content, including technical and product development expertise, in order to more comprehensively and cost effectively serve the needs of our customers. But operational sustainability must take account of economic and environmental considerations as well. Therefore, we are constantly striving for improvements in all our operations. This includes the use of energy efficient technology, increasing the use of by-products for production and reducing our dependence on fossil fuels.

GRI disclosuress	Description
GRI 308	Supplier environmental assessment
GRI 102-9	Supply chain
GRI 414	Supplier social assessment
GRI 204	Procurement practices
GRI 301-306	301: Materials; 302: Energy; 306: Effluents and Waste
DCP disclosures	
Operational efficiency; resource management; energy efficiency; innovation; supply chain management; procurement	
DCP Pillar indicators	
Resource management; local content development; operational efficiency; innovation; supply chain management	

Our Impact

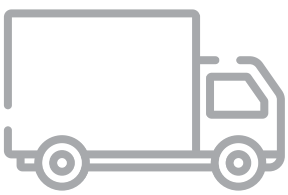
Resource management
Our operations depend on long-term access to raw materials in the vicinity of our plants. Such resources are finite and their local exploitation often leads to local community concerns. We therefore view the sustainable sourcing of raw materials and resource efficiency, including water management, as a key strategic goal.

Local content development
Local content is a requirement for companies to use domestically manufactured goods or domestically supplied services in order to operate in an economy. We prioritise local resource utilisation and have explored backward integration where appropriate to source critical inputs. This, in turn, helps local economies achieve greater self-sufficiency and more sustainable economic growth.

For instance, in Nigeria we use coal mined locally by Nigerian companies including our parent, Dangote Industries. This supports local jobs and reduces the need for imported coal, which in turn helps Nigeria's trade balance.

₦177B

Total value of bought in materials and services of Dangote Cement in 2017



66% **local** **34%** **imports**

66% of our bought-in materials and services are locally sourced

Operational efficiency
We have deployed measures to maintain overall efficiency across our plants including:

- Utilising effective particulate emission control systems including baghouse filters and electrostatic precipitators.
- Efficient energy recovery in kiln operation using mechanical flow regulator in the coolers.
- Use of cement additives to give a higher volume of cement per Kg of clinker used, which reduces energy usage and CO_2 emissions per Kg of cement produced.
- Vertical roller mills for raw material, coal and cement grinding which are 40-50% more efficient of traditional ball mills and allow the creation of finer, stronger cement.
- Mechanical material transport and transfer system equipped only with conveyors and bucket elevators which are up to 80% more efficient that the traditional pneumatic system.
- Use of long OLBC conveyors for raw material transport rather than the less efficient dumpers.
- Robot lab equipment for automatic sampling and preparation for X-Ray screening which allow a better process control with direct effect on the quality of our cement and indirectly a 3-5% energy reduction compared to plant provided with manual sampling system.
- Big process fans provided with Variable Frequency Drivers (VFD) to vary the ventilation rate based on the actual demand/operating conditions. VSD can reduce input power by 40-80% (depending on the % flow rate) compared to dampers.
- Pre-heater/pre-calciner processes, which are regarded as the most efficient technologies.

Innovation
We are committed to research and development to improve our overall production efficiency. We have dedicated Research and Development Units across all our local sites and we constantly strive to improve our quality standards based on feedback from the seminars and training programs we hold with our customers.

Our plants are all equipped with cutting edge technology like Prompt Gamma Neutron Activation Analysis (PGNAA) for online analysis of raw materials at the quarry, robotic laboratories and fully-automated central control room systems.

We have constantly deployed the most advanced machinery at our new plants, which improves the overall efficiency of cement production and the quality we achieve. Our Dangote 3X brand cement was formulated to meet the needs of our customers for cement with the qualities of extra strength, quality and yield.

Supply chain management
In 2017, our direct procurement spend was $1.3B. Our suppliers range from small independent firms to large international companies. We support our medium and small-scale distributors by taking on high capital outlays needed to help them build their redistribution capacity to last-mile markets. We invested more than ₦15B to purchase 125 trucks that we gave our distributors (with a five-year payback period at no interest) for transporting products from our depots to retail outlets in an efficient manner.

In our own business, we have a100% quality culture with zero tolerance for failure to meet standards. This also applies to our suppliers.

We require our tier-1 suppliers to gain certification to the following standards: Quality Management System, QMS ISO 9001:2015, Environmental Management System, EMS ISO 14001:2015 and Occupational Health and Safety Management System OHSAS 18001:2007. In addition, all suppliers are required to comply with the DCP Supplier Guiding Principles, which encompass workers' rights and ethical business practices.

Our focus on sustainable and responsible sourcing is core to our operational sustainability. We strive to ensure all of our plants work closely with local suppliers and service providers and through the creation of local jobs we contribute to value creation at all our locations.

Our emphasis on operational efficiency translates to promoting sustainable local economies by means of enhanced earnings, wages, investment, purchases, and taxes. Our business operations have helped to improve Nigeria's balance of trade and generated significant foreign exchange savings by substituting imports with locally sourced raw material and human capital, which also gives us an operational and competitive edge in Nigeria's cement market.

Cultural sustainability

At Dangote Cement, we believe in the importance of embedding our identity and values in our workplace and incorporating corporate culture as a core driver in the way we do business. We consider the training and development of our employees to be an Executive priority.

Our 20 top Executive Managers led training programmes at our Dangote Academy in 2017, all of which contributed significantly to foster a consistent, sustainable culture of mentoring and value alignment across Dangote Cement's operations in Africa.

Among our employees, we promote a culture of inclusiveness, empowerment and giving back to society, which aligns with our desire to engage holistically and integrally with our working environment.

GRI disclosures	Description
GRI 102:16-17	102-16: Values, principles, standards, and norms of behavior 102-17: Mechanisms for advice and concerns about ethics
Stakeholder Engagement GRI 102:40-44	102-40 List of stakeholder groups 102-41 Collective bargaining agreements 102-42 Identifying and selecting stakeholders 102-43 Approach to stakeholder engagement 102-44 Key topics and concerns raised
DCP disclosures	
Organisational values and culture aligned with vision and mission as part of our corporate culture Leadership buy-in and tone at the top Employee engagement and identity in all countries Talent development (Dangote Academy) Brand values and protection Stakeholder inclusiveness	
DCP Pillar indicators	
Employee identity Cultural integration Stakeholder inclusion Diversity in the workplace Inclusive work environment Brand, values and protection	

Our Impact

Employee identity
Our staff handbook guides employee conduct, safeguards our ideal work ethic and ensures consistency of corporate culture across all of our locations.

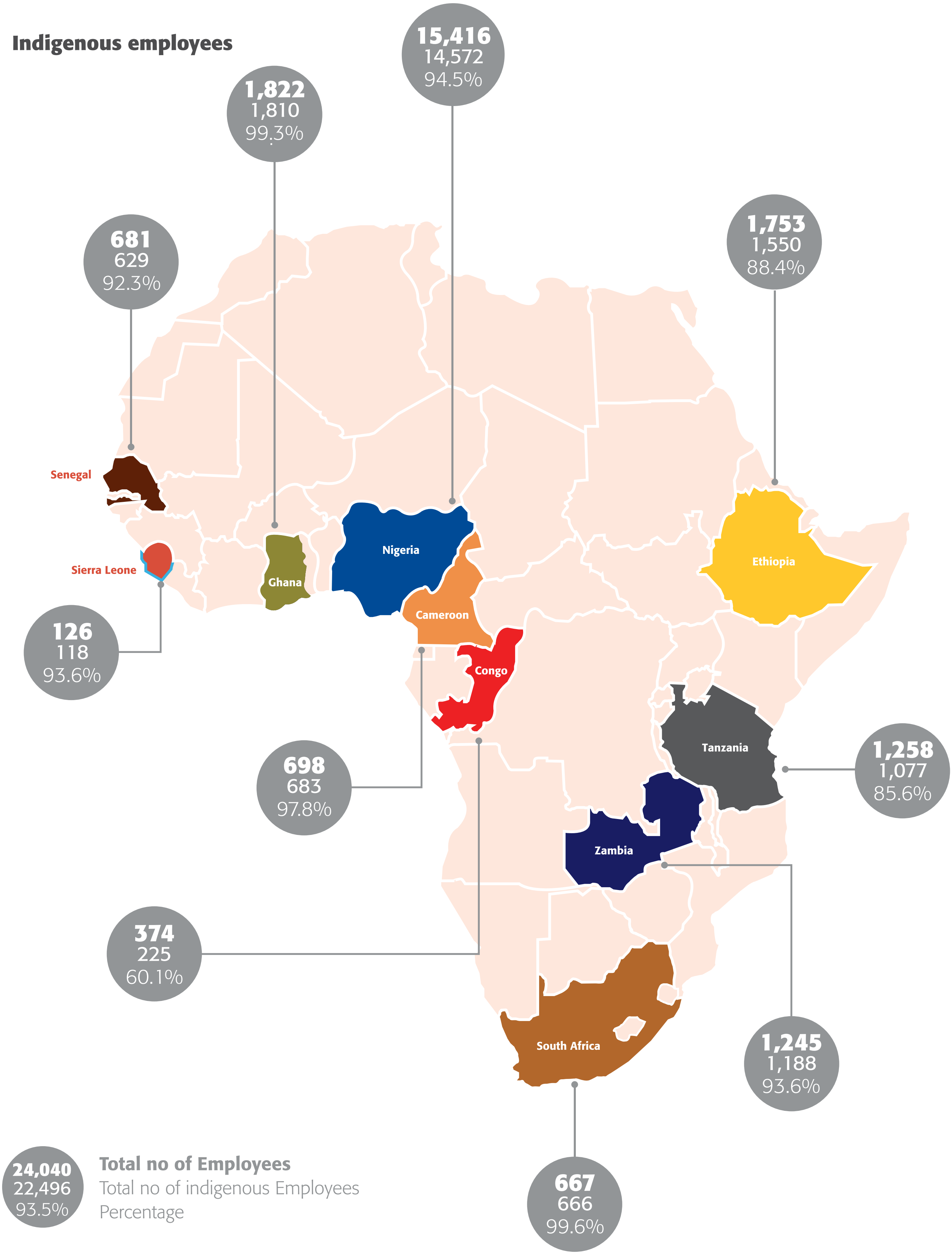
The Handbook codifies the values expected of all staff and is provided to them from joining. It is updated regularly to reflect our latest thinking.

Cultural integration
As a Pan-African business we believe it is important to act as good corporate citizen in all our host communities. Our employees are an integral part of our corporate culture in all our countries of operation.

Stakeholder inclusion
In view of the strongly local focus of our business operations, we can only be successful in the long term if we maintain good cooperative relationships with the various stakeholders in society. We seek to establish and maintain a dialogue based on trust with all our relevant stakeholder groups, locally nationally and internationally.

The resulting exchange of ideas and opinions helps us identify critical issues

Indigenous employees



at an early stage and gain greater acceptance for our activities in our immediate localities.

Plant management teams are generally responsible for such stakeholder relationships. Wherever necessary, they are supported by the Group's Corporate Communication Department. We take criticism expressed by our stakeholder groups seriously and we discuss with them the points they bring up.

We have adopted new approaches in many places in order to reconcile the interests of the Company with those of the local community.

To further refine our sustainability ambitions during the past year, we have engaged in ongoing dialogue with internal and external stakeholders on defining our Group-wide sustainability vision, also implementing active changes to more effectively contribute to the global sustainable development agenda.

Diversity in the workplace

We understand that a healthy mix of people across gender, sex, race and ethnicity will contribute the differing points of view and opinion that are crucial to workplace success. This diversity of experience and outlook enables us to be more dynamic in generating ideas that help to improve our work processes and position us in the forefront of the adoption of new and innovative business practices, to the benefit of all stakeholders.

We have made a continuous effort to include more women in our leadership and workforce and have embraced the positive initiatives of the Dangote Women's Network.

Inclusive work environment

The Dangote Women's Network, founded in 2016, runs programmes to empower, encourage, support and motivate women and offer them opportunities to achieve their full potential within the Dangote Group.

The Network has developed a close relationship with the Aliko Dangote Foundation, with which it fulfills some of its philanthropic outreach programs, including support of our own women.

The women of Dangote Cement play a critical role in developing and integrating the 7 Sustainability Pillars as part of our day to day work-life.

In 2017, the Network recorded the following impacts:

- There has been an increase in female management in the company, with more women occupying leadership positions following the appointment in 2016 of our first female Board Member
- There were changes to the maternity leave policy, including women being entitled to draw their full salaries during their maternity leave period.
- The Network offers programs and discussions to it members covering topics varying from financial security to improving work-home life balance
- Health assistance is offered to Network members when required
- Mentorship programs are offered to provide a platform for women in business to support each other
- Engraining the philanthropic culture of the company and providing charitable platforms to staff that want to give back to their communities, including ₦20 million and donations in kind such as products from other Dangote companies, which were given to Internally Displaced Persons in Borno State.

Brand values and protection

Doing business means a lot more than just achieving outstanding financial results. At the core of the Dangote Cement philosophy, we operate as an empowering brand that aims to touch the lives of ordinary people.

As a result, our business has evolved into one that deploys significant investment in building customer relationships.

In 2017, we commenced the process of deploying 1,000 trucks to customers, which will be concluded by the middle of 2018.

In addition, 150 smaller trucks for retail distribution have already been provided to customers at no cost.

We are deploying 3,000 branded containers to assist our partners with dry and lockable storage facilities that improve security and reduce wastage caused by moisture.

This initiative will have a multiplier effect on our distributors' ability to serve their customers better.

We have also supported 25,000 outlets across Nigeria (almost 80% of the universe of Dangote Cement's retailer base) with trade presence materials including branded tarpaulins, parasols, tables and chairs.

These help to create a higher-profile and more pleasant environment in which to sell our cement to their own customers.

Economic sustainability

As the leading cement producer in Africa, we have the power to make a significant impact across all of our areas of operation. By ensuring financial stability through continuous growth, use of locally sourced materials and services for our production, and by providing decent working conditions and pay, we directly impact the sustainability of our host economies.

GRI disclosures	Description
GRI 201-6: Economic	201: Economic performance 202: Market presence 203: Indirect economic impacts 204: Procurement practices 205: Anti-corruption 206: Anti-competitive behaviour
DCP disclosures	
Stakeholder return on investment Contribution to national economic growth across federal, state and base of the pyramid Job creation, new skills development Sustainable local economies and knowledge transfer Import substitution and local content development Value chain and economic impact on SMEs	
DCP Pillar indicators	
Job creation Household income Income generation	

Our impact

With nearly 46Mta capacity across our operations in 10 countries, we have quickly become the continent's leading supplier of cement.

To put our size into context, our 13Mta Obajana plant in Nigeria has enough capacity to supply the total cement needs of many African countries including South Africa and Ethiopia.

Contribution to job creation

As the largest manufacturer in Nigeria, we have created jobs throughout our operations for many thousands of Nigerians. Our activities also create thousands of jobs in the economy by way of indirect and induced impact.

In an era when unemployment, particularly amongst youth, has been a huge challenge confronting the Nigerian economy, Dangote Cement remains committed to reducing the unemployment rate in Nigeria through various initiatives, including:

- Partnering with development banks, non-governmental organisations and vocational training centers to equip unemployed persons to become skilled employees and successful entrepreneurs;
- Partnerships at state and national level, encourage access to funding for newly trained entrepreneurs to start their businesses
- Internship placements across all our business functions. This improves the employability and business acumen of our interns upon completion of their internships as they will have acquired important skills and capabilities during their training.
- Graduate traineeship programmes that enable young managers to understand our business in a holistic way, lead key projects and in the process build professional and leadership capabilities.

In Nigeria, we estimate that the more than 15,000 jobs we sustain directly have a multiplier effect in the economy well beyond our operations.

In fact, we believe that nearly 28,000 jobs are sustained in Nigeria because of our operations, which makes a significant economic impact.

Across Africa, we believe our operations sustain more than 43,000 direct and indirect jobs in the 10 countries in which we operate.

Economic impact of Dangote Cement – Employment

15,415 employees
Direct impact

+

4,724 employees
Indirect impact

+

7,813 employees
Induced impact

27,952 jobs

Total numer of jobs sustained in Nigerian economy in 2017 by Dangote Cement

Multiplier 1.81*

Every job provided directly by Dangote Cement operations in Nigeria sustains a total of **1.81** jobs in the Nigerian economy.

62%

The creation of nearly 28,000 jobs would reduce unemployment in Katsina state by 62%

* Presented multiplier refers to the impact generated among suppliers and sub-supplier (indirect impact) as well economy as a whole through household spending (induced impact). It does not account for impact generated across distributors and retailers.

Contribution to income generation
By creating jobs across Africa we also contribute to income generation in local communites. Through this, not only do we provide resources that ensure sustainable livelihoods, we also indirectly contribute to ensuring access to basic services and education, increase the quality of living and create an inclusive environment for the sustainable growth of our local host communities and the wider economies in which they are located.

Economic impact of Dangote Cement – Household Incomes

₦28.8B + **₦22.2B** + **₦21.4B**

Direct impact | Indirect impact | Induced impact

₦72.4B

Total household income generated in Nigerian economy in 2017 by Dangote Cement

Multiplier 2.5*

Every **₦1.00** of household income generated directly by Dangote Cement's operations in Nigeria generates a total of **₦2.50** in the Nigerian economy.

x 14,480

₦72B would fund the building of 14,480 average sized, three-bedroom bungalows in a rural area of Kogi state.

We estimate that our contribution to household income in the Nigerian economy is more than ₦72B, including indirect and induced impacts. Our presented multiplier refers to the impact generated among suppliers and sub-suppliers (indirect impacts) as well across the economy as a whole through household spending (induced impact). It does not account for impact generated across distributors and retailers.

Social sustainability

Companies that have been consistently rated as "best places to work" have higher market values and employee morale, along with lower than average employee turnover.

At Dangote Cement, we understand the importance of profitable growth that benefits not just our shareholders, but also our employees and local economies.

Therefore, our social initiatives work hand in hand with the local communities in regions where we operate.

By building a strong workforce through the employment of local people and contractors, the empowerment of youth, the provision of educational support, provision of high quality infrastructure, driving improvements in local healthcare as well as in community welfare, we contribute in a significant way to the United Nations Sustainable Development Goals (SDGs) and reinforce our stand as an advocate for sustainable development in Nigeria and elsewhere. We strive to maintain a strong health and safety culture at all our locations, which reflects our commitment towards a zero-harm working environment for all.

GRI disclosures	Description	
GRI 400: Social	401: Employment 402: Labor/management relations 403: Occupational health and safety 404: Training and education 405: Diversity and equal opportunity 406: Non-discrimination 407: Freedom of association and collective bargaining 408: Child labour 409: Forced or compulsory labour	410: Security practices 411: Rights of indigenous peoples 412: Human rights assessment 413: Local communities 414: Supplier social assessment 415: Public policy 416: Customer health safety 417: Marketing and labeling 418: Customer privacy 419: Socioeconomic compliance
DCP disclosures		
Wages, pensions, leave, transportation, termination and National Housing Fund as per national laws Equal opportunity, diversity and human rights Health and safety Training and development, skills acquisition Social investments, community involvement		
DCP Pillar Indicators		
Health and safety Training and development Community engagement Social investment		

Our impact

Occupational health and safety initiatives (OHS)

We have attained Occupational Health and Safety Assessment series BS: OHSAS 18001:2007 certification. As a result of the scale and nature of our operating model as Africa's largest cement company, occupational health and safety are a priority for us. We are focused on improving our overall H&S performance and making people more aware of workplace safety. We focus not just on our own employees but also on external third parties.

"Zero Harm" is the ultimate goal of Dangote Cement. Most of our plants are OHSAS 18001 certified meaning OHS is integrated into normal operations.

We believe that a strong OHS culture is promoted when the Executive leadership team is visible at shop floor level and seen to be leading by example. In order to enable us build and reinforce a positive OHS culture, the following key initiatives were taken in 2017:

- Monthly safety theme drive;
- Monthly safety gate meeting;
- Safety observation tour by Executive leadership team;
- Incident investigation of all incidents including, near misses;
- Sharing of experiences/findings of all incidents;
- Informal communication through a *WhatsApp* groups and formal communication through shared network folder;
- Development and improvement of relevant SOPs based on the results of inspections, audits and risk assessment activities;
- Periodic training programs and workshops for high-risk activities;
- Establishing life-saving rules and progressive consequence management;
- Empowerment of employees to stop any unsafe act or work.

We are continuously working to reduce risk through people engagement, capability building, advance engineering solutions for high risk activities and further strengthening our OHS management system. We have begun to embed OHS in our line managers' responsibilities rather than merely making it the responsibility of the OHS team.

OHS data consolidated at corporate level on a monthly basis includes:

- leading indicators (i.e. training, inspections and audits) and
- lagging indicators (i.e. fatalities, LTIs, near misses). OHS performance is reviewed monthly and reported to the Board every quarter.

OHS training

The HSSE Unit has rolled out multiple training programs across our sites in Africa including confined space training.

We are committed to improving the technical and organisational aspects of OHS. Although we still have incidents at our facilities, we are making concerted efforts towards achieving our goal of a Zero-Harm work environment, especially through group-wide training programs. We are also increasing the responsibility of line managers to ensure compliance with the Company's health and safety guidelines.

Skills development

Dangote Cement is constantly providing training opportunities for its employees (and others) through the Dangote Academy.

Our training department and associated training institutions (within and outside of Nigeria) have recorded success in the development and roll-out of robust technical training programs with modules specific to the operation of our cement plants.

This is to ensure that existing and new employees receive the requisite training and skills set for their roles, and that we have a pool of competent, skilled people on which to draw as we grow and expand across Africa.

In 2017, our main human resources activities were focused upon the following areas:

- Recruitment
- Training and development
- Organisational development
- Reorganisation of the corporate HR function.

There is an annual learning and development plan for staff, based on competency gaps and training needs identified during performance appraisal.

This plan is augmented by the annual learning and development budget approved by Executive Management. Furthermore, staff are also offered opportunities to attend training that addresses their inter-disciplinary needs and improves their leadership competencies in addition to their core competencies. There are extensive options for soft skills acquisition both in class and with e-learning.

In order to maintain the high work standards required of DCP staff, we have also implemented the Performance Management System (PMS), which requires Key Performance Indicators (KPIs) to be set by staff at the beginning of each financial year. These are reviewed periodically to ensure optimal performance and development.

Technical skills development

The Dangote Academy was established in 2010 to develop the skills necessary for the operation of cement plants and other manufacturing facilities in the Dangote Group. It provides training in technical and management skills for existing employees and people wishing to join Dangote Cement and other Dangote companies.

Since 2014, 20,009 staff members have been trained at the Dangote Academy in programmes such as

- Management and development
- Information technology
- Technical and engineering skills

In 2017, the Academy continued to drive our key training initiatives, including the Graduate Engineers Training Scheme, the Vocational training Scheme and the Junior Technician Scheme.

By 2017, the Dangote Academy had graduated more than 600 qualified engineers and technicians into the workforce. More than 90% of those who graduated from the Academy are now working in the Dangote Group.

Social investments

Strategic social investment is achieved through collaborative community projects based on our core themes of education, employment and community health projects.

In doing this we help our local communities and contribute significantly to tackling wider societal needs, which in the long run helps us to maintain our social "license to operate."

In 2017, we donated more than ₦1B as part of our CSR efforts across Africa, focusing on the development of infrastructure, the encouragement of entrepreneurship, improving education and women's empowerment.

Community engagement

Dangote Cement has three large cement plants in Nigeria: **Gboko, Ibese, Obajana.**

Gboko

Established by the Federal government of Nigeria, the company was then privatised in 2000 when Dangote Group acquired a 35% shareholding, and subsequently full control.

More than 50 individual projects have been completed by the plant since Dangote Cement took control.

Almost ₦225m has been spent by the Gboko plant on initiatives including:

- **₦100m** spent on scholarships
  - Increasing access to high-quality education
- **₦89m** on community electrification
  - Helping businesses such as hairdressers, barbers and grinders within the community
- **₦20m** spent on 30 tricycles
  - Improved transportation within local communities
- **₦15m** spent on 21 boreholes
  - Providing access to clean and safe water supplies
- **₦400,000** spent annually on the Food Support Program
  - Supporting women and children in low-harvest seasons

Ibese

One of the largest non-oil investments in Nigeria.

More than 35 individual projects have been completed by the plant since its inception.

₦4.1bn spent by Ibese plant on initiatives including:

- **₦3.8bn** spent on various road construction projects, including concrete roads
- **₦84.2m** spent on provision of potable water
- **₦83.7m** spent on construction of classrooms
- **₦39m** spent on healthcare interventions
- **₦22m** spent on scholarships
- **₦17.3m** spent on electrification projects
- **₦3.8m** spent on road construction and repairs
- **₦2.4m** spent on vocational training and community information technology training

Obajana

Largest cement plant in Africa

More than 10 large-scale projects have been completed by the plant since its creation.

₦854.24m spent by Obajana plant on initiatives including:

- **₦588m** spent on road reconstruction
- **₦160m** spent on a development centre
- **₦23m** spent on boreholes in various community areas
- **₦22m** spent on electrification projects
- **₦20m** spent on construction of a magistrate's court
- **₦18m** spent on scholarships and education-related projects

Environmental sustainability

Dangote Cement believes that sustainable environmental management, together with a proactive approach to addressing the challenges and opportunities of climate change, is fundamental to maintaining a successful business.

We are committed to maintaining excellent standards of environmental performance. We recognise the part that we can play in improving the environment, particularly in and around our sites of operation.

We apply economically sound sustainable development principles to our business and seek to maximise energy efficiency and minimise the environmental impact of our operations.

GRI disclosures	Description
GRI 300: Environmental	301: Materials 302: Energy 303: Water 304: Biodiversity 305: Emissions 306: Effluents and waste 307: Environmental compliance 308: Supplier environmental assessment
DCP disclosures	
Permits and license/environmental compliance Air emissions management Water management Environmental management	
DCP Pillar indicators	
CO_2 emissions Dust emissions Water management Environmental governance	

Our performance and commitments

GHG emissions

Due to the high temperatures needed to turn limestone into clinker, the production of cement consumes a significant amount of energy and this in turn causes combustion-related CO_2 emissions.

When the raw material is heated to over 1,450 Celsius, it is de-acidified, which leads to further, process-related CO_2 emissions.

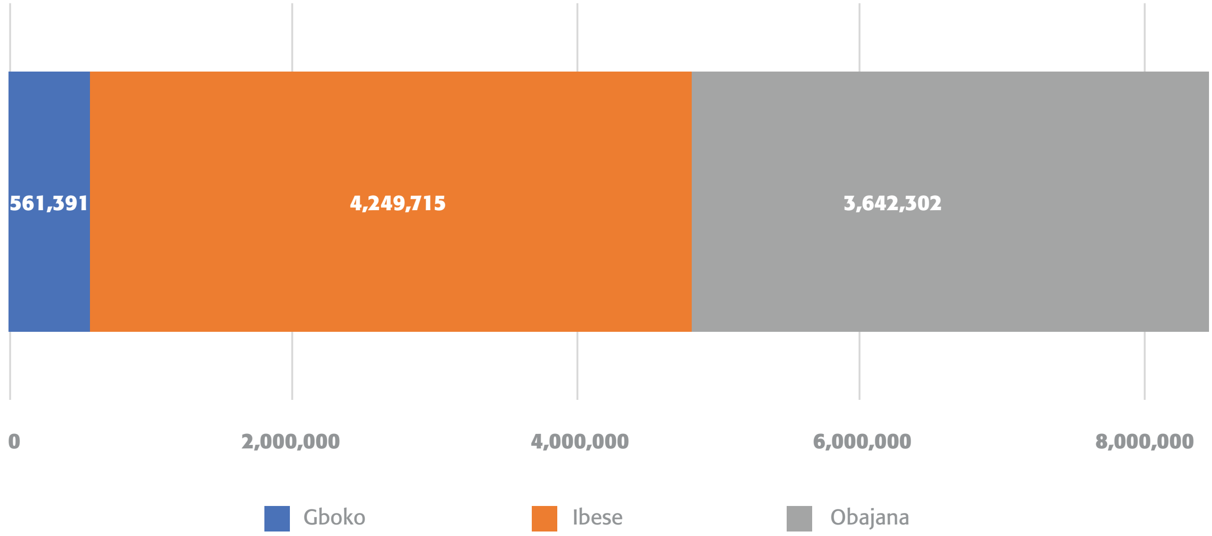
We have put in place greenhouse gas emission reduction initiatives at our plants such as:

- Use of natural gas where practical to minimise emissions of greenhouse gases and other pollutants.
- CO_2 emissions monitoring a view to reduction as required by national and international bodies such as the International Finance Corporation.

GHG emission sources have been identified in line with the specific guidelines published by the Cement Sustainability Initiative (CO_2 and Energy Accounting and Reporting Standard for the Cement Industry, 2011).

GHG emissions are assessed monthly and the data reported to business unit management and Group HSSE and discussed during our monthly Executive Committee meetings.

Estimated total CO_2 emissions at Dangote Cement's Nigerian sites, 2017 (tonnes)



Dust emissions
All our plants are equipped with up-to-date dust abatement technologies including electrostatic filters and baghouse filters. These technologies allow our plants to maintain dust emissions below 30 mg/Nm3 at the kiln stacks, well below the local regulatory and IFC threshold limits.

Water management
Water is scarce in many parts of the world and climate change is exacerbating this situation. Even though the construction materials industry consumes relatively little water compared to other sectors, the scarcity of fresh water at several of our locations presents a challenge. We are committed to the goal of mitigating the impact of our activities on natural water resources to the greatest extent possible.

Our Obajana plant operates an earthen dam that collects storm water from the catchment areas around the plant. This water is pumped to the plant and fed into a water treatment plant made up of a clarifier for suspended particulate matter, settling tank, sand filter, and carbon filters. Treated water is then conveyed to on-site storage tanks and circulated to the various plant sections through a closed circuit.

Our Ibese and Gboko plants also collect water resulting from mine operations and use it, after treatment, to support other operations in the factory.

These initiatives allow the three sites, which account for about 50% of total DCP water consumption, to avoid using more valuable groundwater resources, thus reducing the DCP water footprint.

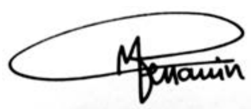
We comply with stringent environmental regulations to ensure that our raw material quarrying will not endanger local water sources, which may be used by local communities.

Environmental governance
We are committed to the implementation and maintenance of the National Industrial Standards ISO 14001:2004 Environmental Management System (EMS), which ensures a systematic approach to environmental management within the defined scope of our operations.

We aim to comply with relevant legal requirements with a view to providing a sustainable environment for manufacturing, packaging, distribution and sales of cement and continuous improvement of our operations.

We conduct environmental baseline studies before building our plants and also carry out periodic environmental monitoring of air emission and air quality with particular attention to dust, waste water discharge, and noise emissions. We ensure that all our plants are issued EIA/ESIA permits as required by the local legislation and the international good practices.

Dr. Ndidi Nnoli
Group Chief,
Sustainability & Governance



Massimo Bettanin
Group Chief, HSSE


DANGOTE
CEMENT

Business Review

Dangote Cement has manufacturing or import facilities in ten countries across Sub-Saharan Africa. They sold 21.9 million tonnes of cement in 2017, making us the region's largest supplier.

We increased revenues by 31% to ₦805.6B, of which ₦258.4B was generated by our Pan-African operations

Interview with the Acting Group Chief Executive

JOSEPH MAKOJU
Acting Group Chief Executive

- *Group revenues increased by 31.0%*
- *Nigerian revenues up 29.6% despite lower volumes*
- *Pan-African revenues up 32.5%, with cement volumes up 8.4%*
- *New capacity onstream in Congo and Sierra Leone*
- *Strong performances in Ethiopia, Senegal and Cameroon*
- *Extensive use of local coal in Nigeria*

Dangote Cement performed strongly in 2017 and extended its reach across Sub-Saharan Africa by opening new facilities in the Republic of Congo and Sierra Leone

How did you feel to be asked to take over the management of Dangote Cement in the interim?
I was honoured to be asked to become Interim Chief Executive and having been a Board member for many years I knew I was following on from someone who had managed the Company's expansion very successfully across Africa. Since 2014 we have grown at an unprecedented rate and have established ourselves in many of Sub-Saharan Africa's key markets.

I have been in the cement industry for many years and have managed large-scale operations for global manufacturers, so I'm relishing the challenge of helping Dangote Cement in the interim.

Of course, a high priority for me is to help the Company find a new Chief Executive to take us into the next stage of our development, so I think this is an exciting opportunity.

What qualities do you think will be needed in the next Chief Executive?
I think it will be to recognise that this is a very entrepreneurially driven company and one that continues to have great potential. Their job will be to build upon this great platform we have built across Africa and prepare it for its next phase of expansion, because we want to be recognised as a global force in cement production, not just as a large African producer. So, the new CEO will need to be an astute manager with a good strategic vision and be fully involved in globalising all aspects of the business.

By that I mean that if you look beyond our factory expansions, we are beginning to implement better policies in sustainability, as you will read elsewhere in this report, and that is a very important strategy for us to pursue because we want to be a truly global company, operating to at least the same standards of sustainability and governance as our peers.

In addition, we were given an excellent international credit rating in 2017 and so we will begin to look at tapping the international bond markets in the near future. We fully understand the importance of governance and sustainability to investors and although these are initiatives we are driving ourselves, rather than them being imposed upon us, we are mindful that we need to be at 'international standard' in what we do.

What was your view of the Company's performance in 2017?
I think we did very well in a difficult time for many countries across Sub-Saharan Africa. The major economies of Nigeria and South Africa remained in the doldrums and we faced specific challenges in other countries such as Tanzania and Ethiopia, but overall I think our strong performance proves the wisdom of building a diversified Pan-African business as we have done.

Even though we sold less cement in 2017 we increased revenues by 31.0% to ₦805.6B and our earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 50.9% to ₦388.1B. The increase in profitability was helped by our decision to increase our use of local coal in Nigeria and that also helped to improve our fuel security, maintain production uptime and it reduced our need for foreign currency. We source the coal from our parent company, Dangote Industries, and from another Nigerian supplier and we are very happy with the way this has worked out for us because it has enabled us to phase out the use of expensive low-pour fuel oil in our kilns and also to reduce our use of imported coal.

What were the standout performances in the Group?
I'm very pleased with the way we adapted our marketing efforts to the challenges in the Nigerian economy.

We foresaw that infrastructure investment might be delayed, so we focused a lot of attention on improving sales in other channels, and that certainly helped to cushion the decline we saw in cement sales in 2017.

Our factory in Senegal did very well indeed, despite a shutdown in September because there were problems with our coal supply from the United States. The factory ran at almost full capacity during the year and ended selling nearly 1.3 million tonnes of cement, which is an excellent achievement in a crowded market, and the factory turned in a very good level of profitability.

We also did very well in Ethiopia, which is another key market for us, despite some local challenges because of civil unrest that affected production and distribution, but in the end they sold nearly 2.2 million tonnes of cement, representing 88% of its 2.5Mta capacity. Like Senegal, Ethiopia is a very profitable plant for us.

Our South African operations turned in a very commendable performance in 2017, holding steady in a market that is perhaps overcrowded and needs some rationalisation. I think this will entail the closure of old capacity by some other companies or significant investment in upgrades to compete against the very modern and efficient plant we have built there.

Our 1.5Mta clinker grinding plant in Cameroon also did well, selling 1.2 million tonnes and that shows our model of building these plants can also be very successful, even though we are importing clinker from outside of Africa at present. Soon, we will be able to supply this plant with clinker made at our factories in Nigeria.

Why did Tanzania continue to face challenges?

Tanzania has been a very difficult environment for us. We built a factory in the south of the country to be close to a good supply of low-cost gas, but as we reported last year, there were problems agreeing a price with the authorities and that meant we had to use diesel gensets that were very expensive and resulted in substantial losses. We had hoped to install temporary gas turbines to power the plant but we then experienced numerous implementation problems.

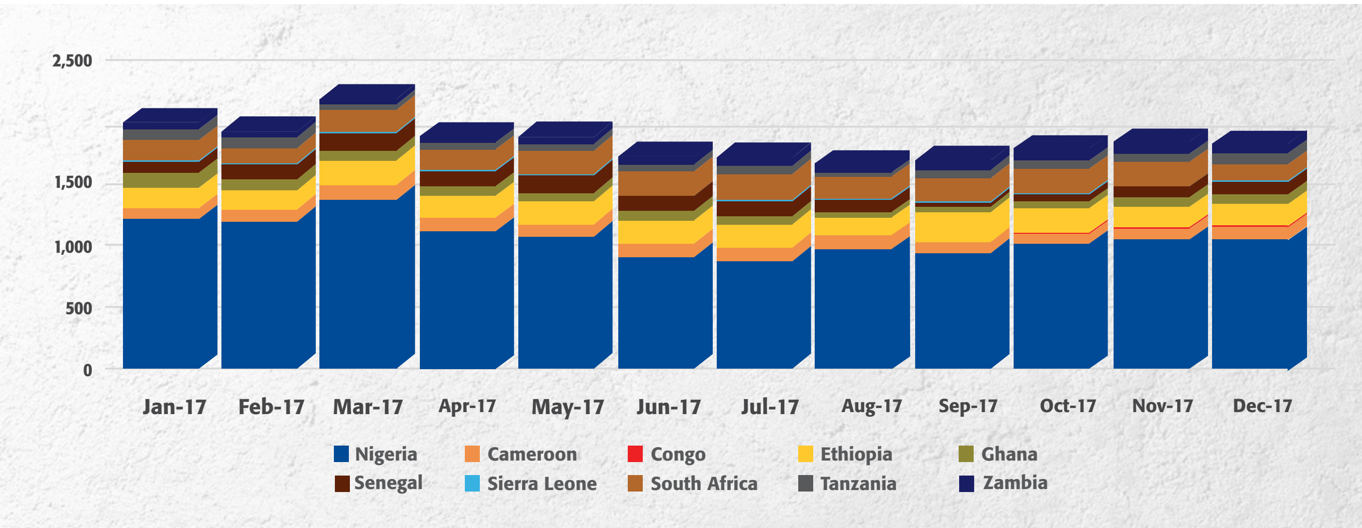
At the time, these looked like short-term problems and so we kept the plant open because we thought these issues would be resolved in a matter of weeks. In fact, we had a series of short-term problems and they combined into a longer problem. Because we'd kept the plant open thinking we'd only face losses for a few weeks, the weeks turned into months and so the plant made significant losses that dragged down performance right across the Pan-African operations.

But I am confident we have now resolved these problems and our gas turbines will be running in March 2018, which will bring the plant to profitability. We are investing in a dual coal and gas power station for the longer term and of course, because we have gas coming into the plant now we can also fuel our kilns on gas as well as coal, like we do in Nigeria. Furthermore, we have the largest plant in Tanzania and the biggest delivery fleet, so I think there is great potential for us to do well in this fast-growing economy.

Why has the pace of expansion slowed down?

We announced a very ambitious plan in August 2015 that would take us to 75Mta capacity by the end of the decade, but we have had to rethink our expansion strategy in the light of the currency control restrictions we face in Nigeria, where most of our cash is generated. Put simply, we can no longer convert Naira into US Dollars and use those US Dollars to expand into other parts of Africa.

As it stands, I think we will focus on building new grinding plants along the coast of West Africa, and ensure we have clinker export facilities in Nigeria. We are looking at the possibility of two new lines in Nigeria, perhaps by the end of 2020 and its likely these will be in Edo State and Obajana, with a combined capacity of 6Mta.



What are the priorities for the business in 2018?
In Nigeria we will continue to focus on improving sales and logistics so we are well prepared for when the market picks up, which we are confident it will in 2018 as infrastructure investment begins to accelerate.

Across Africa, we have to focus on increasing market share in all territories so that we can get our plants operating at close to full capacity, which will help to improve their profitability.

We're optimistic that Tanzania will soon be running at much higher levels of utilisation when our energy situation is sorted out. This will also help profitability, and we will focus on improving output in countries like Zambia, where sales have good potential.

Also, we will get some organic growth in 2018 with contributions from Sierra Leone and especially Congo, which we opened in September 2017.

Will you consider acquisitions as part of the expansion strategy?
Of course we will and it's widely known that we considered two prospects very carefully, notably PPC in South Africa. But in the end we felt we were better placed to increase shareholder value by pursuing our strategy of building modern, efficient capacity across Africa and supporting it with excellent logistics.

We can do this because we have a strong balance sheet and a high degree of business integration and these helps us overcome some of the operating challenges we and others face in Africa, such as lack of third-party logistics and access to reliable and low-cost sources of fuel.

It's a model that has obviously worked very well for us so far and we will continue to expand organically. But of course we will look at acquisitions if we believe they represent the best way to increase shareholder value.

What is the outlook for Dangote Cement in 2018?
I think it is very good and we will see a return to volume growth, particularly in Nigeria as the economy recovers and the higher oil price we are seeing brings more cash into the country.

We are optimistic that infrastructure investment will be a priority for the Federal Government this year. Across Africa, I am confident we will see the resolution of the issues that have hampered profitable growth in Tanzania and so this has the potential to make a significant difference to the region's profitability. Elsewhere we will focus on increasing sales and thereby our capacity utilisation in each country, which will improve both revenues and margins.

I'm pleased to say we will be expanding our efforts in the field of sustainability this year and I think next year's annual report will contain a full scorecard of our activities and their impact on the environment.

In summary, I have been privileged to take on the management of a very successful company and I am quite sure it will continue to thrive and grow in the coming years.

Joseph Makoju
Acting Chief Executive

Dangote Cement's Key Account Director Chux Mogolu and Juliet Anammah, CEO of Jumia Nigeria, celebrates the launch of Dangote Cement sales on the Jumia e-commerce platform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Group Chief Financial Officer's review

BRIAN EGAN
Group Chief Financial Officer

Dangote Cement achieved a record year with revenue up 31% to ₦805.6B and EBITDA up nearly 51% to ₦388.1B, resulting in strong cash generation and a substantial reduction in the Group's net debt.

Financial highlights		
Year ended	**31-Dec-17**	**31-Dec-16**
Volume of cement sales	**'000 tonnes**	**'000 tonnes**
Nigeria	12,724	15,128
Pan-Africa	9,365	8,639
Inter-company sales	(174)	(192)
Total cement sold	**21,915**	**23,575**
	31-Dec-17	**31-Dec-16**
Revenue by region	**₦m**	**₦m**
Nigeria	552,364	426,129
Pan-Africa	258,444	195,028
Inter-company sales	(5,226)	(6,054)
Total revenue	**805,582**	**615,103**
Year ended	**31-Dec-17**	**31-Dec-16**
Group performance	**₦m**	**₦m**
EBITDA	388,147	257,243
EBITDA margin	*48.2%*	*41.8%*
Operating profit	304,208	182,493
Operating margin	*37.8%*	*29.7%*
Profit before tax	289,590	180,929
Earnings per ordinary share (Naira)	11.65	8.78
Dividend per share (Naira)	10.50	8.50
Total assets	**1,665,883**	**1,529,104**

Overall Group revenue increased by nearly 31% from ₦615.1B to ₦805.6B, driven by increased revenues per tonne in Nigeria and an 8.4% increase in Pan-African volumes.

Although cement volumes sold by Nigerian operations fell by 15.9%, improved pricing drove Nigerian revenue up by 29.6% to ₦552.4B before ₦5.2B of adjustments for inter-company sales.

Of the 12.7Mt dispatched from Nigerian plants,12.0Mt was sold to domestic customers, with the remaining 0.7Mt being exported to countries including Ghana, Togo and Niger. This represents almost double the export volumes achieved in 2016 and was significantly higher than volumes imported into Nigeria by non-manufacturing companies.

Despite some of our plants in southern Africa experiencing a slow start to the year because of heavier-than-usual rains, full year Pan-African volumes rose by 8.4% to nearly 9.4Mt. New capacity in Congo and Sierra Leone made a small contribution to total sales volumes in the region, which was boosted by increased volumes in Ethiopia, Cameroon, Senegal, Tanzania and Zambia.

Driven by increased sales volumes and strengthening prices, Pan-African revenue increased by 32.5% to ₦258.4B, or 32.0% of total Group revenue (2016: ₦195.0B, 31.7%).

Manufacturing and operating costs

Year ended	31-12-17 ₦m	31-12-16 ₦m
Materials consumed	111,559	87,203
Fuel & power consumed	111,569	112,265
Royalties paid	1,136	1,382
Salaries and related staff costs	26,713	24,019
Depreciation & amortisation	59,598	51,245
Plant maintenance costs	26,848	29,063
Other production expenses	14,653	21,165
Increase in finished goods and work in progress	(786)	(2,526)
Total manufacturing costs	**351,290**	**323,816**

In general, manufacturing costs increased as a result of increased volumes in Pan-African operations, with increased production volumes in Ethiopia, Zambia and Cameroon, as well as maiden operations in Sierra Leone and Congo.

Manufacturing costs in Nigeria decreased by 11% from ₦178.1B to ₦158.6B as a result of the reduced sales volume for 2017 and improved fuel mix.

The decrease in Nigerian manufacturing costs was outweighed by the increases in costs at Pan-African operations, mainly driven by volumes and the exchange rate for Naira which was ₦331/$1 at the end of 2017 compared to ₦304/$1 at the end of 2016. Exchange rate contributed about ₦35B increase to Pan-African costs.

Administration & selling costs

Year ended	31-12-17 ₦m	31-12-16 ₦m
Administration & selling costs	155,297	119,336

Total selling and administration expenses rose by 30.1% to ₦155.3b, mostly as a result of higher sales and associated distribution costs in Pan Africa operations, increased export sales from Nigeria whose delivery costs are higher. Haulage expenses in Nigeria increased by ₦17.0B to ₦46.5B. Haulage costs in Pan-Africa increased by ₦8.2B, representing a 41% increase.

The depreciation of the Naira from ₦304/$1 at the end of 2016 to ₦331/$1 at the end of 2017 also contributed about ₦11.7b to the overall increase in Pan-African operating costs when these were converted to Naira.

The average exchange rate and year-end exchange rate for the main currencies applied are as shown in the notes to the financial statements.

Profitability

Year ended	31-12-17 ₦m	31-12-16 ₦m
EBITDA	388,147	257,243
Depreciation & amortisation	(83,939)	(74,750)
Operating profit	304,208	182,493

EBITDA contribution by operating region

Year ended	31-12-17 ₦m	31-12-16 ₦m
Nigeria	360,759	241,969
Pan-Africa	38,276	25,774
Central costs & inter-company	(10,888)	(10,500)
Total EBITDA	**388,147**	**257,243**

Group earnings before interest, tax, depreciation and amortisation (EBITDA) for the year increased by 50.9% to ₦388.1B at a margin of 48.2% (2016: ₦257.2B, 41.8%) as a result of the increased volumes in Pan-Africa and better margins in Nigeria.

Excluding eliminations and central costs, EBITDA increased by 49.1% in Nigeria, to ₦360.8B at a margin of 65.3% (2016: ₦242.0B, 56.8%). The EBITDA margins in Nigeria were driven by higher selling prices and a more favourable fuel mix with very limited use of expensive low-pour fuel oil. In addition, use of cheaper local coal substituted a significant portion of more expensive imported coal.

Pan-African EBITDA rose by 48.5% to ₦38.3B, at 14.8% margin, driven by higher volumes and better pricing that helped to offset losses in Tanzania and Ghana.

Operating profit of ₦304.2B was 66.7% higher than the ₦182.5B for 2016 at a margin of 37.8% (2016: 29.7%) driven by better margins in Nigeria.

Interest and similar income and expense

Year ended	31-12-17 ₦m	31-12-16 ₦m
Interest income	9,136	2,662
Exchange gain	26,790	41,155
Finance income	**35,926**	**43,817**
Finance costs	52,711	45,381
Net finance cost	**16,785**	**1,564**

Interest income increased by 243%, mainly as a result of more funds in Nigeria and Ethiopia being deposited in interest-earning bank accounts.

During the year to December 2017, the Nigerian Naira was devalued from about ₦304/1US$ to ₦331. The degree of devaluation in 2017 was significantly less than the devaluation from ₦199/1US$ to ₦304 during 2016. The devaluation resulted in net exchange gains from inter-Group assets and liabilities that do not eliminate in full on consolidation.

The effective interest rate on borrowings was 13.26%.

Taxation

Year ended	31-12-17 ₦m	31-12-16 ₦m
Tax charge	85,342	38,071

In prior years, we determined our tax charge on profits earned from Ibese production lines 3 & 4 and Obajana production line 4 on the basis that they were entitled to a tax holiday under the Pioneer Status Incentive. With reference to disclosures on note 4.1.2, the 2016 tax charge has been re-stated and this has resulted in an increase in tax charge by ₦43.8B. There is an additional tax charge of ₦62.2B for 2017.

The effective tax rate for Nigerian operations was 25.6%. The Group's effective tax rate was higher at 29.5% mainly because of start-up subsidiaries making losses that reduced the Group's profit, without any tax benefits for those losses.

The Group's profit for the year was up 43.0% to ₦204.2B (2016: ₦142.9B). As a result, earnings per share increased by 32.7% to ₦11.65 (2016: ₦8.78).

Financial position

Year ended	31-12-17 ₦m	31-12-16 ₦m
Property, plant and equipment	1,192,140	1,155,711
Other non-current assets	57,089	66,084
Intangible assets	6,355	4,145
Total non-current assets	**1,255,584**	**1,225,940**
Current assets	241,912	187,471
Cash and bank balances	168,387	115,693
Total assets	**1,665,883**	**1,529,104**
Non-current liabilities	121,153	125,308
Current liabilities	391,276	321,803
Debt	372,094	356,465
Total liabilities	**884,523**	**803,576**

Non-current assets increased from ₦1,225.9B at the end of 2016 to ₦1,255.6B at 31st December 2017. This was mainly as a result of exchange gains on assets held outside Nigeria following the devaluation of the Naira, as well as capital expenditure on projects within Nigeria and other African countries in which we have operations.

Additions to property, plant and equipment were ₦85.6B, of which ₦41.8B was spent in Nigeria and ₦43.8B in Pan Africa operations. Current assets increased by ₦54.4B, driven mainly by the increase in stocks and other receivables associated with sales that increased by 31%.

Payment to suppliers for trucks resulted in the decrease in non-current liabilities. This was partially offset by the utilisation of tax capital allowances on operations outside of tax holiday which resulted in increased deferred tax.

Capital Expenditure by region

	Nigeria ₦m	Pan-Africa ₦m	Total ₦m
Nigeria	41,839	-	41,839
Senegal	-	2,326	2,326
Cameroon	-	1,165	1,165
Congo	-	14,800	14,800
Ghana	-	2,684	2,684
Cote d'Ivoire	-	3,877	3,877
Sierra Leone	-	434	434
South Africa	-	117	117
Ethiopia	-	1,654	1,654
Tanzania	-	15,566	15,566
Zambia	-	971	971
Other	-	188	188
Total	**41,839**	**43,782**	**85,621**

Capital expenditure was mainly comprised of the construction of new plants, improvements in our energy efficiency in Tanzania and Nigeria, and an increase in the size of our truck fleet used for distribution of cement.

Movement in net debt

	Cash ₦m	Debt ₦m	Net Debt ₦m
As at 1st January 2017	115,693	(356,465)	(240,772)
Cash from operations before working capital changes	379,701	-	379,701
Change in working capital	(31,351)		(31,351)
Income tax paid	(3,213)		(3,213)
Additions to fixed assets	(85,621)		(85,621)
Non-current prepayments & suppliers' credit	(22,332)		(22,332)
Other investing activities	(1,639)		(1,639)
Net interest	(39,222)		(39,222)
Net loans obtained (repaid)	2,591	(2,591)	-
Dividend paid	(144,844)		(144,844)
Other cash and non-cash movements (net)	(1,376)	(13,038)	(14,414)
As at 31st December, 2017	**168,387**	**(372,094)**	**(203,707)**

Compared to 2016, the ₦85.6B of capital expenditure is 37% lower in 2017 due to major expansion projects reaching the completion stage.

Cash of ₦379.7B generated from operations before changes in working capital was 55.7% ahead of the ₦243.9B generated in 2016. After net spending of ₦31.4B on working capital and tax payments of ₦3.2B, the net cash flow from operations was ₦345.4B.

Financing outflows of ₦190.6B (2016: ₦93.9B) reflected net loans taken of ₦2.6B, interest paid of ₦48.4B and a dividend payment of ₦144.8B.

Cash and cash equivalents (net of bank overdrafts used for cash management purposes) increased from ₦109.4B at the end of 2016 to ₦161.8B at 31st December 2017. With net loans obtained only at ₦2.6B, gross debt increased by ₦15.6B mainly due to the negative impact of the exchange rates on debt in foreign currency.

Closing net debt at ₦203.7B was 15.4% lower than the opening net debt of ₦240.8B giving a net debt to EBITDA ratio of 0.52x reflecting the continuing strong cash generation achieved by the Group and improving its already healthy balance sheet position.

Recommended dividend

On 19th March 2018, the Directors recommended an increased dividend of ₦10.50 per share for approval at the Annual General Meeting scheduled for 20th June 2018 (2016: ₦8.50). This will result in a total dividend payment of ₦178.9B. The dividend represents a payout ratio of 90%.

Going Concern

The Directors continue to apply the Going Concern principle in the preparation of the Financial Statements.

After considering the liquidity position and the availability of resources, the Directors concluded that there are no significant threats to the Group's Going Concern capabilities.

The Directors believe that the current working capital is sufficient for the operations and the Group generates sufficient cash flows to fund its operations.

Borrowings are mainly to fund the expansion projects in various African countries.

Brian Egan.

Brian Egan
Group Chief Financial Officer

Review of operations in 2017

ANANTHARAMAN VELLORE
Acting Regional CEO, Nigeria

RAO KALLEPALLI
Acting Regional CEO, Pan-Africa

Dangote Cement is the capacity leader in half of the ten countries in which it has operations across Sub-Saharan Africa, making us the region's leading manufacturer.

Introduction

Dangote Cement operates in ten countries across Sub-Saharan Africa, with its largest plants in Nigeria. In its Regional Economic Outlook, published at the end of October 2017, the International Monetary Fund estimated that the SSA region as a whole would experience 2.6% growth in GDP, noting that "the broad-based slowdown in Sub-Saharan Africa is easing, but the underlying situation remains difficult."

Having been slowed by the downturn in commodity and oil prices, the IMF attributed the region's recent economic improvement to a number of factors, chiefly a recovery in Nigeria's oil output and improved harvests in eastern and southern Africa following an easing of drought conditions in the region.

Although the IMF predicts SSA GDP will grow by 3.4% in 2018, it believes that policy uncertainties in the key economies of Nigeria and South Africa will put a dampener on regional economic growth through to the end of 2019. The table below shows IMF estimates of real GDP growth in our ten operating countries.

Real GDP Growth in Dangote Cement's ten operating countries

	2014	2015	2016	2017E	2018E
Cameroon	5.9%	5.8%	4.7%	4.0%	4.6%
Congo	6.8%	2.6%	-2.8%	-3.6%	2.8%
Ethiopia	10.3%	10.4%	8.0%	8.5%	8.5%
Ghana	4.0%	3.8%	3.5%	5.9%	8.9%
Nigeria	6.3%	2.7%	-1.6%	0.8%	1.9%
Senegal	4.1%	6.5%	6.7%	6.8%	7.0%
Sierra Leone	4.6%	-20.5%	6.1%	6.0%	6.1%
South Africa	1.7%	1.3%	0.3%	0.7%	1.1%
Tanzania	7.0%	7.0%	7.0%	6.5%	6.8%
Zambia	4.7%	2.9%	3.4%	4.0%	4.5%

Source: International Monetary Fund, SSA Regional Economic Outlook, October 2017

Sub-Saharan Africa's cement market remains robust, despite a slowdown in its major market, Nigeria, during 2017. Estimates published by International Cement Review suggest the region will continue to experience good growth at higher rates than more mature markets. Its forecasts for Dangote Cement's ten operating countries are shown in the table below, which forecast total annual growth of 5.1% in the period 2012 to 2018.

With an estimated total market of 63.6Mt across the ten countries in which we operate, our total Group sales of 21.9Mt suggest that we achieved a combined market share in these countries of 34% in 2017.

Nigerian operations

Nigeria's economy emerged from recession in the second quarter of 2017, with GDP growth rising to 0.7% after five consecutive quarters of contraction. By the third quarter, the last for which figures are available, growth had accelerated to 1.4%, mostly as a result of increased oil production and an improved harvest that offset the ongoing contraction of the non-oil sector, according to the Nigerian National Bureau of Statistics in its Q3 2017 GDP Report.

The economy was helped by the more favourable foreign exchange regime adopted in the middle of the year, which made inward investment more attractive to foreign investors. However, consumer spending remained under pressure throughout the year, with an inevitable impact on cement sales into the largely retail markets of Nigeria.

As a result, we estimate Nigeria's total market for cement to have been 18.6Mt in 2017, down 18% on the 22.7Mt estimated to have been sold in 2016.

Cement consumption in Dangote Cement's ten operating countries

Consumption (Mt)	2012	2013	2014	2015	2016	2017E	2018F	CAGR 2012-18F
Cameroon	1.5	1.8	2.2	2.3	2.7	3.0	3.0	11.8%
Congo	1.0	1.2	1.5	1.6	1.7	1.7	1.8	10.9%
Ethiopia	4.7	5.5	6.0	7.3	8.3	8.8	9.1	11.6%
Ghana	5.1	5.5	5.2	5.3	5.7	6.0	6.2	3.3%
Nigeria	18.3	21.2	21.0	21.5	22.7	18.6	21.0	2.3%
Senegal	2.5	2.7	3.1	3.3	3.3	3.7	3.8	6.9%
Sierra Leone	0.4	0.4	0.6	0.5	0.5	0.5	0.5	5.8%
South Africa	11.9	12.2	12.4	12.8	13.0	13.6	14.0	2.7%
Tanzania	2.7	3.2	4.1	4.4	4.8	5.0	5.2	11.9%
Zambia	1.1	1.2	1.5	1.7	1.6	1.8	1.8	8.7%
Total (Mt)	49.1	54.9	57.5	60.8	64.4	63.6	66.3	5.1%

Source: International Cement Review, 2017

The decline also reflects higher market pricing as all producers increased prices compared to the levels they achieved in 2016. We estimate that less than 0.2Mt of cement was imported into Nigeria in 2017.

Dangote Cement's Nigerian operations sold 12.7Mt of cement in 2017, of which 714Kt was exported to countries including Ghana, Niger and Togo. As with 2016, our exports made Nigeria a net exporter of cement in 2017. The tonnage sold by Nigerian operations represents 57.6% of total Group volumes. The average realised price on total sales volume was about ₦43,411 per tonne. In Nigeria, our sales of 12.0Mt gave us an estimated market share of nearly 65%.

In Nigeria, our 13.3Mta Obajana plant sold 5.6Mt of cement in 2017, with the 12.0Mta Ibese plant selling nearly 5.7Mt. Our 4.0Mta plant at Gboko, in Benue State, was mothballed for most of the year but sold nearly 0.7Mt.

Across Nigeria we sold 22.3% of our volumes into the key markets of Lagos and Ogun, with a further 16.7% being sold elsewhere in the South West of Nigeria. The South South accounted for17.1% of volumes and the South East 14.0%. The northern regions including Abuja consumed 25.9% of our volumes in 2017.

Despite the lower volumes, Nigerian operations increased revenues by 29.6% ₦552.4B and EBITDA by 49.1% to ₦360.8 at a margin of 65.3% excluding central costs and eliminations (2016: ₦242.0, 56.8%). The increase in EBITDA was helped by the more favourable fuel mix at Obajana and Ibese, as detailed in the table below, both of which were able to use coal from mines operated by our parent, Dangote Industries Limited.

Use of expensive LPFO has almost been eliminated and our reliance on imported coal has ended at Obajana, where we are using own-mined and third-party Nigerian coal, with obvious benefits to both margins and foreign currency demands. All of our ten kilns across Nigeria are now capable of running entirely on gas, coal, LPFO or a mixture of these fuels.

Fuel Mix

Year ended 31st December	Obajana		Ibese	
	2017	2016	2017	2016
Gas	60%	45%	61%	41%
Coal	38%	26%	38%	43%
LPFO	2%	29%	1%	16%
	100%	100%	100%	100%

Relative fuel costs per tonne of cement

Year ended 31st December	Obajana	Ibese
Gas	1.0x	1.0x
LPFO	2.7x	2.0x
Own-mined/Nigerian coal	0.8x	0.9x
Imported coal	1.7x	1.4x

Pan-African operations
Pan-African operations sold nearly 9.4Mt of cement in 2017, an increase of 8.4% on the 8.6Mt sold in 2016. This represents 43% of Group sales volumes. The increase is attributable to strong performances in Cameroon, Ethiopia and Senegal, as well as maiden contributions from our import facility in Sierra Leone and the 1.5Mta integrated plant we opened in Congo in September.

Pan-African revenues of ₦258.4B represented 32.0% of total Group revenues, while the region's EBITDA contribution of ₦38.3B (before central costs and eliminations) represented 9.6% of Group EBITDA, at a regional margin of 14.8%. Margins were depressed by diesel use in Tanzania.

Cameroon
Cameroon's economy performed well in 2017 with the IMF estimating growth of 4.0% over the year. The country's cement market is mainly driven by individual house building projects enabled by greater access to finance for new homes. In addition, infrastructure projects driving cement demand include new sports stadia in Yaounde and Douala, the Douala-Yaounde Highway, housing improvements and new commercial building.

Our 1.5Mta clinker grinding facility in Douala sold approximately 1.2Mt of cement in 2017, an increase of 14.8% on almost 1.1Mt sold in 2016.

The average price of cement over the year was about US$106 per tonne.

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

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

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

Congo
Our 1.5Mta integrated plant in Mfila, Republic of Congo, began operations in late September 2017 and sold 32,000 tonnes of cement.

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

Ethiopia
Ethiopia is one of Sub-Saharan Africa's fastest-growing economies and its second most populous nation. The IMF forecast GDP growth of 8.5% in 2017.

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

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

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

Dangote Cement Ethiopia increased sales by 13.2% to nearly 2.2Mt in 2017, representing a capacity utilisation of approximately 88% at the 2.5Mta factory. We estimate our market share to have been 22%, consolidating Dangote Cement as Ethiopia's leading brand after two years in the market.

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

Ghana
Ghana's economy is expected to accelerate in the next two years, with the IMF forecasting GDP growth of 5.9% in 2017 and 8.9% in 2018. The outlook for cement demand remains attractive, driven by the strong GDP growth and investment to support the expanding oil and gas industries, as well as new housing projects, improvements to the Tema-Accra motorway and school renovations across the country.

Dangote Cement Ghana sold approximately 0.9Mt of cement in 2017, down 19.9% on the 1.1Mt cement sold during 2016. Of total cement sold in Ghana, 174Kt was imported from Nigeria and transported by road, often directly to customers.

Senegal
Our 1.5Mta plant in Pout sold nearly 1.3Mt of cement in 2017, up 21.4% on sales volumes achieved in 2016 despite plant stoppages in September due to the late delivery of coal supplies from the United States, as well as heavy rains. The volume sold represents 83% capacity utilisation at the factory.

Ex-factory pricing was approximately US$72 per tonne in the final quarter of December 2017. Good cost control enabled our Senegal plant to deliver improved EBITDA margins across the year.

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

Sierra Leone
Sierra Leone's economy is recovering from the Ebola outbreak of 2014 and building activity is increasing as foreign trade and investment return to the country, augmenting foreign aid. Major initiatives include road building, the expansion of ports and the expansion of hydro-electric facilities.

Our 0.5Mta import and bagging facility began operations in Freetown in January 2017 doubling Sierra Leone's capacity for importation of cement, which is necessary because the country has insufficient limestone for manufacturing to be viable.

The facility sold approximately 91Kt of cement in its first (non-full) year of operation. Sales were supported by marketing visits to all major and some smaller towns, visits to building materials suppliers and small general retailers, as well as radio and TV commercials. We adjusted prices to improve competition and lowered thresholds for distributor incentives.

South Africa
The South African economy remains subdued, with expectations of just 0.7% GDP growth in 2017. However, the Rand recovered from its lowest point since January 2016 and we have seen an improvement in the mining and agriculture sectors during the year. Government commitment to infrastructure development continues, with a focus on energy, transport and telecommunications.

The economic conditions were reflected in a quiet cement market, which was also depressed by heavy rains in the first two months of 2017. Price increases in February and the entry of a new competitor, Mamba Cement, in 2016, restrained growth during the year. Despite this, our cement sales were in line with 2017. Our operations continued to improve efficiencies at both the Aganang and Delmas plants, as well as focusing on improving logistics and sales.

Tanzania
Tanzania's strong economy is supporting a number of large infrastructure projects that are driving construction activity in the country, including the Dar es Salaam-Morogoro Railway, the Kenya-Tanzania Railway, major road and bridge building projects and commercial housing at Dodoma.

Our 3.0Mta factory at Mtwara, which is the largest and most modern in Tanzania, increased volumes by more than 25.4% to 757Kt in 2017. The ex-factory price was approximately US$66 in the final quarter of the year, higher than achieved earlier in 2017.

The factory remains reliant on diesel gensets for electrical power, which resulted in EBITDA losses that weighed on Pan-African margins. The installation of gas turbines was delayed and these will begin to operate in March 2018.

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

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

Zambia
Our 1.5Mta factory in Ndola sold approximately 0.8Mt of cement in 2017, which was 5.3% higher than 2016 despite a heavy and prolonged rainy season that affected construction activity. We estimate our domestic market share to have been about 40% at the end of 2017, following our retail branding programme and improved sales to the key block-maker market. Cement prices were about US$81 in the final quarter of 2017, having been relatively similar throughout the year.

During much of the year, the retail market was constrained by tighter monetary policy and pressures on disposable income following the drought of 2015/6. In addition, the government has been delaying payments to its creditors, which is having a dampening effect on market demand.

Overall, we expect Pan-African operations to increase their contribution to Group performance in the coming years.

Anantharaman Vellore
Acting CEO, Nigeria

Rao Kallipelli
Acting CEO, Pan-AFrica

Corporate Governance

Dangote Cement is the largest company on the Nigerian Stock Exchange and one of only three members of its prestigious Premium Board.

We believe it is our duty to set high standards of governance and have put in place many policies to ensure we conduct our business in a fair and honest manner

Corporate Governance Report

ALIKO DANGOTE
Chairman of the Board

Our governance policies are designed to ensure that our business is conducted in a fair, honest and transparent manner that conforms to the highest ethical standards.

Dear Shareholders,
It is my pleasure to present the Corporate Governance Report for 2017. In this report, I will describe: our system of governance, throwing light on the activities of the Board and Committees in 2017; how we apply the Securities and Exchange Commission's Code of Corporate Governance for Public Companies in Nigeria ("the SEC Code"); and the consistency of our governance practices with codes of corporate governance applicable in other jurisdictions particularly the UK Code of Corporate Governance and the King III Code in South Africa.

It is Dangote Cement's objective to be a global leader in cement production, respected for the quality of our products and services and for the way we conduct our business, while delivering strong returns for our shareholders. Our approach to business success is based on the belief that there is a link between good corporate governance and creation of long-term shareholder value.

We believe that strong governance is an essential foundation upon which to build our company, to enable and execute our growth strategy and thereby deliver better products and services to our customers. This is how we create and increase shareholder value.

Dangote Cement is the largest public company in Nigeria, with a market capitalisation that is typically 30% of the total capitalisation of the Nigerian Stock Exchange. It was one of the first three companies to be listed on the NSE's Premium Board in August 2015, since which time no other companies have achieved the stringent levels of corporate governance required for admission to the Premium Board.

As such, we are committed to implementing strong corporate governance through structures and policies that are consistent with international best practices and which ensure that we comply with all relevant laws and regulations in Nigeria and the other countries in which we operate.

The Board of Directors has established Corporate Governance Guidelines that provide a framework for the effective governance of the Company. The guidelines address matters such as the Board's mission, Directors' responsibilities, Directors' qualifications, determination of Directors' independence, Board committee structure, Chief Executive Officer performance evaluation and management succession. The Board regularly reviews developments in corporate governance and updates the Corporate Governance Guidelines and other governance materials as it deems necessary and appropriate.

Our governance policies and practices are designed to ensure that our business is conducted in a fair, honest and transparent manner that conforms to the highest ethical standards, enables us to build strong relationships with customers and suppliers, guarantees the welfare of all our employees, takes care of our environment and gives us the opportunity and resources to implement a commendable programme of social investment for the good and continued sustainability of the communities in which we operate.

At the heart of our corporate governance framework is our Board of Directors, who are responsible for the efficient execution of corporate strategy based upon sound principles of corporate governance and for ensuring the long-term health and overall success of the business and its financial strength.

The Board serves as the ultimate decision-making body of the Company, except for those matters reserved to or shared with the shareholders. As Chairman of the Board, it is my responsibility to ensure its effective operation both directly and through its committees.

The roles and responsibilities of the Board are clearly documented in the Board and Committee Charters. The Board is accountable for the Company's activities, strategy, risk management and financial performance as well as the Company's system of corporate governance. Board members are representatives of the stakeholders and are responsible for establishing corporate management related policies and safeguarding stakeholder interests.

The Board sets the strategic objectives for the Company, determines investment policies, agrees performance criteria and delegates to management the detailed planning and implementation of those objectives and policies with due consideration for the Company's appetite for risk.

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

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

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

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

Board composition, roles and responsibilities

The Board is composed of 14 people with skills in manufacturing, finance, engineering, business and law. Between them, they bring a wealth of experience to bear on providing strategic direction for the Company and ensuring its business goals are achieved.

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

As the Chairman, I am accountable to the Board and act as a direct liaison between the Board and management of the Company through the Chief Executive Officer.

The positions of the Chairman and Group Chief Executive Officer are separate and held by different individuals in line with Section 5.1 (b) of the SEC Code and A.2.1 of the UK Code of Corporate Governance (UK Code). As at the date of this report, Engr. Joseph Makoju is Acting Group Chief Executive Officer and is responsible for the execution of strategy and the day-to-day management of the Group, supported by the Executive Committee (ExCo), which he chairs.

The Board comprises myself, the Acting Group Chief Executive, the Executive Director, Finance, and 11 Non-Executive Directors.

Of the Non-Executive Directors, five are considered as Independent Non-Executive Directors.

The Board considers that the Non-Executive Directors provide good corporate governance for the Company as they effectively and constructively challenge and monitor the success of management in delivering the agreed strategy within the risk appetite and control framework set by the Board.

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

We consider that the Board size of 14 Directors is appropriate for the current requirements of the business in line with Section 4 of the SEC Code which is consistent with the UK Code (provision B.1).

We believe that the overall composition of the Board is appropriate, except for the ongoing need to improve gender diversity. This conclusion has been reached having regard to the independence of character and the integrity of our Directors, the collective experience, balance of skills and knowledge they bring to bear in fulfilling their duties.

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

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

The Company Secretary

The Board is supported by Mahmud Kazaure, the General Counsel and Company Secretary and Ityoyila Ukpi, Deputy Company Secretary. They provide support, governance advice and detailed guidance to Directors on their duties, responsibilities and powers. They ensure compliance with all procedures and regulations necessary for the conduct of the affairs of the Board. The Company Secretary also acts as Secretary to all the Committees and he and the Deputy Company Secretary attended all Committee meetings during the year under review.

Board Committees

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

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

As at 19th March 2018 the Board has five Committees: Finance & General-Purpose Committee; Audit, Compliance & Risk Management Committee; Remuneration & Governance Committee; Nomination Committee; and the Technical & Operations Committee. Please see pages 116-141 for details on the roles, responsibilities and activities of these Committees.

Delegation to management

The Board delegates responsibility for implementing the Company's strategy and for managing the Group to the Group Chief Executive Officer, who is supported by the Executive Committee, which he chairs. The names and profiles of the Executive Management team can be found on pages 16-19.

Board appointments and re-election of Directors

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

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

Upon appointment, a new Director is issued a letter of appointment that sets out the expected time commitment, tenure, role, responsibilities and powers of the Director. This practice is consistent with provision B.4 of the UK Code. The company has a defined Tenure Policy in line with Section 19 & 20 of the SEC Code, which regulates the term of Directors. A summary of the Tenure Policy is presented below:

Executive Director: An initial term of three years with additional terms of three years each, subject to satisfactory performance and a retirement age of 65 years.

Non-Executive Director: An initial term of three years with additional terms of three years each, subject to satisfactory performance.

Independent Non-Executive Director: An initial term of three years with additional terms of three years each, subject to satisfactory performance.

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

At the date of this report, Olusegun Olusanya is more than 70 years old.

All Directors are required to retire by rotation and stand for re-appointment at least every three years in compliance with the provisions of CAMA and Section 19 of the SEC Code. At the Annual General Meeting on 24th May 2017, Abdu Dantata, Sani Dangote, Fidelis Madavo and Douraid Zaghouani retired by rotation and were presented for re-election to the Board. The re-election of these directors was ratified by shareholders.

At the 2018 Annual General Meeting, to be held on 20th June, the following will retire by rotation and be presented for re-election: Devakumar Edwin; Emmanuel Ikazoboh; Joseph Makoju; Dorothy Ufot.

Appointment of new Directors

The Board recognises the need to reinforce its effectiveness by injecting new energy, fresh ideas and perspectives. In this regard, Brian Egan, the Group Chief Financial Officer of the Company was inducted into the Board of the Company in July 2017. His appointment as Executive Director, Finance, reflects the significant contribution he has made to the Group since he joined in April 2014.

In addition, in December, we also appointed Viswanathan Shankar, Chief Executive of Gateway Partners, a Dubai-based private equity firm with considerable expertise in emerging markets, as a Non-Executive Director.

Both appointments will be presented to shareholders for ratification at the 2018 Annual General Meeting.

Director induction and development

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

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

Viswanathan Shankar underwent this induction at the Board meeting of February 2018.

During the year, the Board also arranged briefings and a Board retreat to assist the Directors in effectively discharging their duties to the Company. Directors also attended professional continuing education programmes at the Institute of Directors and the Nigerian Stock Exchange to refresh and update their knowledge of business operations and best practices. A two-day Board retreat was held in London in December.

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

Board and Committee Meetings

Board and Committee meetings are held in an atmosphere of intellectual honesty of purpose, integrity and mutual respect, requiring reporting of high standards by management and direct, robust and constructive challenge and debate among the Company's Directors.

Meeting dates for Board and Committee meetings are agreed in advance for proper planning and scheduling. Notices of meetings are sent to Directors at least 14 days before the meeting and Board papers are sent for consideration by Directors at least a week before the meeting date.

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

Board meetings were well attended with attendance of all Directors exceeding two-thirds as required by Section 12.2 of the SEC Code. Details of Directors' attendances at Board and Committee meetings are overleaf.

Members and meeting attendance

Director	Appointed	24/02/17	27/04/17	24/05/17	27/07/17	19/10/17	10/12/17
Aliko Dangote **Chairman**	4th November 2002	✓	✓	✓	✓	✓	✓
Joseph Makoju* **Acting Group Chief Executive**	2nd December 2010	✓	✓	✓	✓	✓	✓
Brian Egan **Group Chief Financial Officer**	27th July 2017	n/a	n/a	n/a	✓	✓	✓
Olakunle Alake **Non-Executive Director**	22nd July 2005	✓	✓	✓	✓	✓	✓
Sani Dangote **Non-Executive Director**	22nd July 2005	✓	✓	✓	✓	✓	✓
Abdu Dantata **Non-Executive Director**	22nd July 2005	✓	✓	✓	✓	✓	✓
Ernest Ebi **Independent Non-Executive Director**	30th January 2014	✓	✓	✓	✓	✓	✓
Devakumar Edwin **Non-Executive Director**	22nd July 2005	✓	✓	✓	✓	✓	✓
Emmanuel Ikazoboh **Independent Non-Executive Director**	30th January 2014	×	✓	✓	✓	✓	✓
Fidelis Madavo **Non-Executive Director**	30th July 2014	✓	×	✓	✓	✓	✓
Olusegun Olusanya **Independent Non-Executive Director**	2nd December 2010	✓	✓	✓	✓	✓	✓
Viswanathan Shankar ** **Independent Non-Executive Director**	10th December 2017	n/a	n/a	n/a	n/a	n/a	✓
Dorothy Ufot **Independent Non-Executive Director**	19th April 2016	✓	✓	✓	✓	✓	✓
Onne van der Weijde* **Former Chief Executive**	2nd February 2015	✓	✓	✓	✓	✓	✓
Douraid Zaghouani **Non-Executive Director**	29th April 2015	✓	✓	✓	✓	✓	✓

** With effect from 31st December, 2017, Onne van der Weijde stepped down as Group Chief Executive and Member of the Board. Engr. Joseph Makoju assumed the role of Acting Group Chief Executive on 1st January 2018.*
*** Viswanathan Shankar was appointed on 10th December 2017.*

Key matters discussed by the Board in 2017

Key matters discussed	Board actions
Subsidiary Boards	• *Established a uniform governance structure for the subsidiary Boards in line with international best practice and in compliance with the regulatory framework of the various countries.* • *Approved audited financial statements for the subsidiaries and authorised consolidation of the same into the Group accounts.*
Committee reports	• *Received and considered the reports of the various Board Committees presented by the respective Chairmen, and approved and or ratified decisions so recommended.*
Annual General Meeting	• *Convened the Annual General Meeting authorising the Company secretariat to take appropriate steps and liaised with relevant authorities to achieve the same.* • *Recommended the dividend payable for the year for the approval of shareholders at the AGM.*

Key matters discussed	Board actions
Operational	• *Reviewed operations and financial reports, as well as subsidiaries' performance reports compared against the budget and previous year's performance.* • *Considered the effect of inflation and fluctuation in the rate and availability of Dollars on the operations of the Company.* • *Considered the effect of availability and cost of raw materials on the business.* • *Considered innovative ways to manage cost and maintain profitability, while maintaining quality of products and services.* • *Reviewed the performance of the executive management team against key performance indicators and budget.* • *Reviewed and approved sales and marketing initiatives.* • *Reviewed the adequacy of the health, safety and environmental initiatives of the Company for continuous sustainability of the operating environment.* • *Considered the importance of business sustainability in conducting the Group's businesses, and reviewed the impact of operations on the health, safety and environment of the operating environment.*
Corporate governance	• *Reviewed the commitment of Directors to their fiduciary duties by attesting to the Code of Conduct in compliance with best practice.* • *Reviewed Directors' interests in shares of the Company as well as their interests in other companies.* • *Considered related-party transactions.* • *Considered the adequacy of Board policies in line with changes in the operating environment to ensure that the Company operates within the law and in line with best practice at all time.* • *Reviewed the returns made to various regulatory authorities.* • *Reviewed the Company's compliance with applicable laws and non-binding rules and standards.*
Strategy	• *Considered and approved the strategy for the year and satisfied itself that the strategy and business plans would not give rise to risks that had not been thoroughly assessed by management; in doing so, the key performance and risk areas were identified and the Board ensured that the strategy would result in sustainable outcomes.* • *Considered various expansion initiatives, as well as foray into new markets through exports.*
Internal controls and risk management	• *Reviewed the risks inherent in the socio-economic and political environments of our operating countries, and assured itself that those risks would not adversely impact the operations of the business.* • *Reviewed and approved the risk appetite for the Company in the 2017 financial year.* • *Identified the principal business risks faced by the group and ensured formulation and implementation of appropriate internal controls and mitigating measures to address such risks.* • *Reviewed the adequacy of the Company's internal controls and information management systems.* • *Reviewed the adequacy of insurance policies against potential risks to which the company may be exposed.*
Human resources	• *Reviewed and approved the Key Performance Indicators of members of the Executive Management team.* • *Reviewed the adequacy of the human capital development initiatives of the Company and its Pan-African subsidiaries, as well as its compliance with the Group structure and the laws of the respective operating environments.* • *Reviewed the adequacy of training for staff towards skills acquisition or development and continuous education.* • *Considered the succession plan of the Group and ensured minimised "key-man risk" within the Group by ensuring adequate coverage at all times.*
Stakeholder engagement	• *Oversaw the development and implementation of appropriate communications policies with the stakeholders of the Company.*
Appointment of Directors	• *Appointed Brian Egan and Viswanathan Shankar, subject to ratification at the Annual General Meeting*

Key activities of the Board in 2017
The Board met six times during the year and at least once every quarter in line with Section 12.1 of the SEC Code. Details of key matters discussed at these Board meetings are shown on page 96.

Conflicts of Interest and related-party transactions
The Board maintains robust procedures to ensure that related-party transactions and potential conflicts of interest are identified, disclosed and managed. These procedures include the declaration of interests in other businesses by Directors on appointment to the Board and annual self-certification by Directors.

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

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

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

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

Bulk Commodities International Inc./Bulk Commodities International Dubai
The entity, controlled by DIL, procures gypsum, coal, clinker, bulk cement and spare parts for Dangote Cement.

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

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

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

Dangote Coal Limited
Dangote Cement buys coal from this entity, which is controlled by Dangote Industries Limited.

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

Dangote Flour Mills Plc
Dangote Cement purchases AGO in bulk and on behalf of this entity. Dangote Cement also purchases trucks on behalf of this entity for which it is reimbursed.

Dangote Global Services
This entity, controlled by DIL, assists Dangote Cement in importing parts.

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

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

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

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

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

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

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

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

Fidelity Bank
The bank provides loans and other banking services to Dangote Cement. Ernest Ebi, a Non-Executive Director of Dangote Cement, is also the Chairman of Fidelity Bank.

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

Greenview International Limited
This entity manages the Dangote Industries brand and receives royalties from entities trading or operating with the Dangote brand. It is controlled by Dangote Industries Ltd..

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

Kura Holdings
This company, which is an affiliate of Dangote Industries, provides travel agency services to Dangote Cement.

MHF Properties
This company, which is an affiliate of Dangote Industries, provides accommodation and property services to Dangote Cement.

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

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

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

Review of Governance Framework and policy formulation
The Board ensures ongoing review of the Company's Governance Framework, to ensure that:

- Dangote Cement's governance practices accurately reflect recent changes to the business and its structure
- The Governance Framework sets out and reinforces the Company's values
- The risk and assurance processes are a robust and integral part of the Governance Framework
- The Framework reflects best governance practices.

Further to these reviews, the Board approves the formulation of policies that are in line with good governance and has taken cognizance of the regulatory and business environment. As at 19th March 2018, Dangote Cement has a total of 22 approved policies. They are as follows;

1. Anti-Bribery and Corruption Policy
This sets out the Group's anti-corruption policy and is part of the overall Anti-Fraud Compliance Programme. It aims to align with all relevant Acts, Codes, Laws, Guidelines, Policies, etc. designed to prevent, detect and respond to issues of corruption and bribery.

The Policy demonstrates the Company's zero tolerance for all forms of fraud including but not limited to bribery, corruption, asset misappropriation and financial statement fraud.

The Company has established a robust Anti-Fraud Programme that sets out the following:

- Anti-fraud awareness and communication strategies
- Fraud and corruption prevention mechanisms
- Fraud and corruption detection mechanisms
- Fraud response mechanisms
- Enforcement initiatives and sanction grid

In addition, we established an Anti-Fraud Management Committee to implement the Anti-Corruption Programme and to report fraud and misconduct-related issues to the Group CEO and the Board Audit, Compliance and Risk Management Committee.

2. Board Appointment Policy
This policy sets out the standards for the appointment of the Directors and aims to achieve a balance of experience, knowledge and skills amongst its Directors.

3. Board Development Policy
This Policy seeks to institutionalise training and continuous development of the Directors of Dangote Cement.

4. Board Evaluation Policy
This policy provides a systematic and ongoing method of assisting Board members in the assessment of the Board's scope of operation, responsibilities and effectiveness.

5. Board Remuneration Policy
This policy reflects the Group's desire to sustain long-term value creation for shareholders and aims to attract and retain people with integrity, ability, skill and experience to deliver the Group's strategy.

6. Communication Governance Policy
This establishes guidelines for communication of general and price-sensitive information about the Company to the investors, the media, the public and other stakeholders in line with any regulatory requirements that may apply to such communication.

7. Conflict of Interest/Related Party Transaction Policy
This provides a framework to identify, disclose and manage actual and perceived conflicts of interest.

8. Directors' Code of Conduct Policy

The Board has adopted a Code of Conduct Policy for Directors.
This sets out the standards that each Director is expected to adhere to while conducting his/her fiduciary duties. This Code is intended to focus the Board and each Director on areas of ethical risk, provide guidance to Directors to help them recognise and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability on the Board.

Directors are expected to adhere to this Code while conducting their fiduciary duties. During the year, all Directors attested to their compliance with the provisions of this Code.

9. Insider Trading Policy

Dangote Cement is guided by a strong commitment to maintain the integrity of its business dealings. The Board has established an Insider Trading Policy designed to prohibit the purchase and sale of Dangote Cement shares or securities on the basis of potentially price-sensitive information that is not yet in the public domain. This is in line with Section 315 of the Investment and Securities Act (ISA) 2007 and the SEC Rules and Regulations.

The Insider Trading Policy provides Directors, Officers and employees of Dangote Cement with guidelines regarding trading in shares or securities of the Company. The Company issues a 'close period' notification to all relevant staff, Directors and entities at least two weeks prior to the anticipated date of a Board meeting where non-public information or other information capable of impacting the shares or securities of the Company is to be discussed. This close period lapses 24 hours after the information is made public in line with the Nigerian Stock Exchange (NSE) rules.

Having enquired, I can confirm that all our Directors complied with the Insider Trading Policy during all the close periods throughout the year 2017.

10. Board Reporting Framework

This provides guidance on information to be provided by senior management to Board and Board Committees to aid the discharging of their roles and responsibilities in line with their respective charters and leading practices, throughout the course of the year.

11. Annual Agenda Cycle

This represents the minimum agenda to be considered by the Board and Board Committees at any point in time during the year considering the current information needs of the Board. Additional matters requiring the Board's attention may be added during the year.

12. Board Tenure Policy

This outlines the criteria for ensuring the periodic rotation and appointment of Board members in order to retain valuable skills, maintain continuity of knowledge and experience and introduce people with new ideas and expertise.

13. Group Executive Committee Charter

This Charter governs the operations of the Group Executive Committee ("ExCo") of Dangote Cement Plc.

14. Subsidiary Governance Framework

This articulates the structures, policies and processes that will assist the Board of Directors in the governance and control of subsidiary companies, with the goal of enhancing its shareholder value and achieving the Company's vision, strategic objectives and business goals.

15. Succession Planning Policy

This policy describes the process of identifying, assessing and developing successors for critical positions in the Company.

The focus of this policy is to ensure that highly qualified people are available to fill vacancies at Executive Management level within the Company, as and when needed. It seeks to avoid hasty decision-making or the creation of vacuums when vacancies arise in key management positions.

16. Complaints Management Policy

This Policy has been designed in line with the requirements of the SEC'S Rules Relating to the Complaints Management Framework of the Nigerian Capital Market. It defines a transparent procedure for receiving, responding, monitoring and resolving complaints and enquiries from shareholders of DCP in a timely and efficient manner.

The policy enables shareholders of Dangote Cement to direct any complaints or enquiries to the Registrar (United Securities Limited, 10, Amodu Ojikutu Street, Victoria Island, Lagos, Nigeria; customercare@unitedsecuritieslimited.com) or to the Company Secretary (Dangote Cement Plc, Union Marble House, 1 Alfred Rewane Road, Ikoyi, Lagos (complaintsmanagement@dangote.com), depending on the nature of complaint.

It is our policy to acknowledge complaints within 24 hours of receipt and communicate the final resolution to the complainant within ten business days of receiving the complaint.

17. Executive Management Remuneration Framework

This policy seeks to create a strong link between performance and reward by providing a variable/at risk element of executive remuneration that focuses on performance over a period of one year. It is designed to encourage and stimulate enhanced performance among senior executives so as to increase the short and long-term profitability of the Company

18. Whistle Blowing Policy

At Dangote Cement, we continually strive to create a work environment where employees, contract workers, vendors, service providers, customers and other stakeholders have the opportunity to make confidential disclosures on misconduct, irregularities or malpractice, without fear of harassment and/or victimisation and with the assurance that their concerns will be taken seriously, investigated, and appropriate action will be taken.

In line with Section 32 of the SEC Code and international best practice in Corporate Governance, the Board has established a Whistle Blowing Policy to enable staff, in confidence, to raise concerns about possible improprieties in financial and other matters and to do so without fear of reprisal, provided that such concerns are raised in good faith.

Employees and other stakeholders are encouraged to report incidents of misconduct in a confidential and anonymous manner through the internal reporting channels (i.e. Line Manager, Head of Department, and Group CEO) and/or the outsourced KPMG Ethics Line.

The Board subscribes to the KPMG Ethics Line to strengthen confidence in our Whistle Blowing Policy. The KPMG Ethics Line contact details are: 0703 000 0026, 0703 000 0027, 0808 822 8888, 0708 060 1222, 0809 993 6366 or email: kpmgethicsline@ng.kpmg.com.

The Board has delegated oversight over whistle blowing to the Audit, Compliance and Risk Management Committee. All matters reported are investigated and reported to the Committee including the actions taken.

Statistics on the volume and general nature of all disclosures made are periodically reported to the Committee, which has the power to request further information, conduct its own inquiries or order additional action as it sees fit.

19. Dangote Safety Golden Rule

This describes mandatory safety rules and regulations applicable to all staff, contractors and visitors.

20. Group HSSE Incident Reporting and Investigation Standard

This describes the arrangement and requirements for reporting, classification, escalation and investigation of Health, Safety, Security and Environment (HSSE) incidents across Dangote Group.

21. Group HSSE Performance Reporting Standard

This ensures that Dangote Cement keeps track of, and regularly reports on the performance of its HSSE KPIs in order to support the decision-making process of the business.

22. Group HSSE Risk Management Standards

These ensure that occupational HSSE-related risks and opportunities are managed in an effective manner, and that the Group adopts a rigorous risk analysis process to make informed and productive decisions.

Code of Ethics

The Board has formalised a Directors' Code of Ethics, setting out the standards of conduct expected from

Directors. To this end, the Directors attest to a code of conduct on a yearly basis. To inculcate good ethical conduct, the Group has established a Code of Conduct for employees, which has been disseminated to all levels of employees in the Group through the staff handbook.

Succession Planning

The Board views succession planning as important for business continuity. It is acknowledged that with succession planning, the key job vacancies created due to retirement and resignation would be filled quickly and without any business interruption. To ensure its success, the Board has in line with the Succession Planning Policy, adopted a Succession Plan to ensure that there are programmes in place to provide for the orderly succession of senior management.

Board and Directors' evaluation

In line with the provisions of CAMA and the UK Code of Corporate Governance, and in accordance with the Board Evaluation Policy of the Company, we conduct evaluations of the Board and individual Directors to help improve their performance.
The process should:

- Enhance individual and Board performance
- Highlight the balance of skills, knowledge and experience on the Board
- Assist Directors and the Company Secretary to identify and sustain their strengths
- Assist in identifying training and developmental needs for Directors and the Company Secretary
- Comply with the relevant statutory or regulatory requirement and determine eligibility of Directors to seek re-election
- Clarify expectations and duties of the Board and individual Directors
- Demonstrate accountability to shareholders and other stakeholders.

To ensure that the process is objective, independent and fair, we engaged the services of Ernst & Young to conduct the evaluation. The evaluation looked at the Board as a whole, individual Directors and all the Board Committees. It covered all aspects of their structure and composition, responsibilities, processes and operations in line with leading corporate governance practices. The outcome of the evaluation assists the Board in determining future information relevant to Board and Board Committees' composition, responsibilities and operations.

The Board performance appraisers also facilitated a Directors' peer assessment, where each Director is provided a questionnaire to appraise the performance of their peers. The evaluation seeks to measure the perception of Directors of the contribution of their fellow Directors on the Board. The evaluation of the Executive Directors seeks to assess their performance as Directors of the Board, rather than their functional executive responsibilities, and is done against set criteria.

Where a deficiency in a Director's performance was identified, an action plan would be developed and implemented for the Director to acquire the necessary skills or develop appropriate behavioural patterns. Upon completion, the results are collated and given to the Chairman who in turn provides assessment feedback to each Director. The result of the evaluation provides justification for re-election of Directors. Consequently, the nomination of each Director for re-election occurs after the proper evaluation of the performance of such Director by all other Directors.

These processes have identified strengths as well as areas that need improvement in the Board and identified knowledge gaps, and training programs for Directors to attend in 2018 financial year

Shareholder engagement

As a Premium-listed company on the Nigerian Stock Exchange, our Board attaches considerable importance to open dialogue and constructive relationships with shareholders and other stakeholders. We believe it is vital to set the highest standards of investor engagement and maintain an open and continuous dialogue with our shareholders and with other potential investors.

We have a dedicated Investor Relations team that reports to the Group Chief Financial Officer.

The Investor Relations team is responsible for building and maintaining long-term relationships with institutional investors and equity research analysts, as well as with private investors. The Investor Relations team also provides feedback to the Board and Senior Executives on market perceptions of the Company.

Extensive communication with investors, brokers and equity research analysts was conducted throughout 2017 through quarterly results calls, one-to-one meetings, group meetings and attendance at investor conferences held in Lagos and London. In addition, we undertook investor roadshows to meet fund managers in New York, Boston, Washington, Chicago, Cape Town, Johannesburg, Lagos and London, all of which are major financial centres. Overall, we met more than 250 fund managers and analysts during 2017. As Chairman, I also had occasional meetings with institutional investors to discuss matters of mutual interest including corporate strategy and our developments in corporate governance.

Policies on market communication have been documented in our Communication Governance Policy, which is available on our website. The Policy has established guidelines for releasing material information to the Nigerian Stock Exchange, the general public, media, customers, bondholders, potential investors, and other stakeholders.

Our ongoing shareholder engagement practices follow provision E.1 of the UK Corporate Governance Code to ensure regular and satisfactory dialogue with shareholders based on mutual understanding of objectives.

I am pleased to report that the quality of our compliance and disclosures was recognised with an award from the Nigerian Stock Exchange in December 2017.

Annual General Meeting

The Annual General Meeting of the Company is the principal opportunity for the Board to meet investors and for me, as the Chairman, to give a progress report on the company's activities during the year, and provide clarifications on issues raised by shareholders. We encourage shareholders to take advantage of this opportunity.

The Notice of Annual General Meeting is sent to all our shareholders, together with explanatory notes or a circular on items of special business, at least 21 working days before the AGM is held.

It is the Company's practice to propose separate resolutions on each substantially separate issue, including a resolution relating to the Report and Accounts. This is with the exception to matters where CAMA allows more than one item to be decided by a single resolution.

The Board and senior management team of the Company are available for discussions with shareholders before the Annual General Meeting. The Chairmen of the various Committees and myself are also available to answer shareholders' questions during formal proceedings of the Annual General Meeting.

The Annual General Meeting to discuss this 2017 Annual Report will be held at the Civic Centre, Victoria Island, Lagos, at 11.00 on 20th June 2018.

I hope the following pages of this 2017 Annual Report, which outline the work of our Committees during the year, will be interesting and informative to you as owners of the Company.

Aliko Dangote, GCON
Chairman
19th March, 2018

BOARD OF DIRECTORS

Chairman
Acting Group Chief Executive, Executive Director Finance
6 Non-Executive Directors (NED)
5 Independent Non-ExecutiveDirectors (INED)

Finance & General Purpose Committee
To oversee the Group's financial reporting, capital and funding activities, acquisitions, investments and divestments as well as the external auditor's activities.

Olusegun Olusanya (c)
Olakunle Alake
Sani Dangote
Ernest Ebi
Devakumar Edwin
Emmanuel Ikazoboh
Fidelis Madavo
Douraid Zaghouani

Audit, Compliance & Risk Management Committee
To oversee the Group's risk management, internal control systems, compliance procedures and the activities of the Internal Audit function.

Ernest Ebi (c)
Olakunle Alake
Sani Dangote
Devakumar Edwin
Emmanuel Ikazoboh
Fidelis Madavo
Olusegun Olusanya
Dorothy Ufot

Remuneration & Governance Committee
To formulate remuneration policies and levels, recommend remuneration of the Group CEO, Senior Executives and Directors to the Board. Assist the Board in adopting and implementing appropriate governance policies and procedures.

Emmanuel Ikazoboh (c)
Sani Dangote
Abdu Dantata
Devakumar Edwin
Ernest Ebi
Joseph Makoju
Olusegun Olusanya
Dorothy Ufot

Nomination Committee
To review the composition of the Board and plan for its progressive refreshing with regard to balance and structure as well as succession planning. Facilitate induction and mentorship programme for Directors.

Aliko Dangote (c)
Ernest Ebi
Emmanuel Ikazoboh
Fidelis Madavo
Olusegun Olusanya

Technical & Operations Committee
To oversee the Group's plant operations, projects, health & safety procedures, production standards and quality.

Fidelis Madavo (c)
Olakunle Alake
Abdu Dantata
Ernest Ebi
Devakumar Edwin
Joseph Makoju
Douraid Zaghouani

Statutory Audit Committee*
To ascertain whether the accounting and financial reporting policies are in line with required standards and review the effectiveness of the system of accounting and internal control. Oversee Internal and External Audit, including removal, appointment and remuneration of the external auditor.

Robert Ade-Odiachi (c)	Shareholders' representative
Nicholas Nyamali	Shareholders' representative
Sheriff Yussuf	Shareholders' representative
Olakunle Alake	Director
Olusegun Olusanya	Director
Emmanuel Ikazoboh	Director

Group Executive Committee*
To exercise all power and authority delegated by the Board in the direction and management of the business

Joseph Makoju (c)
Brian Egan
Anantharaman Vellore
Rao Kallepalli
Kashinath Bhairappa
Oare Ojeikere
Mahmud Kazaure
Juan-Carlos Rincon
Knut Ulvmoen
Musa Rabiu
Oliver Obu

*not a Committee of the Board

Board of Directors

ALIKO DANGOTE
Chairman

Aliko is the founder of the Dangote Group of Companies, over which he presides as President and Chief Executive. He has been the Chairman of Dangote Cement since its formation and is also the Chairman of other listed companies owned by Dangote Industries Limited. He graduated from the Al-Azhar University, Cairo where he studied Business Studies.

He also obtained Honorary Doctorate degrees from Coventry University in the United Kingdom and the University of Ibadan in Nigeria in 2016. He started business in 1978 by trading in commodities, before entering into full-scale manufacturing. He is well known for his philanthropic involvement in local and international initiatives to improve healthcare and social wellbeing.

Date of appointment
4th November, 2002

Committee membership
- Nomination (Chairman)

JOSEPH MAKOJU
Acting Group Chief Executive Officer

Joseph was appointed to the Board of Dangote Cement in 2010, as a Non-Executive Director. He became Acting Group Chief Executive Officer in January 2018, having substantial experience of the cement industry in Nigeria.

He has worked in several world-class corporations including Shell BP, Blue Circle (UK) and WAPCO (now Lafarge Africa), which he led as Managing Director/CEO for a decade before taking up the appointment as Managing Director/CEO of National Electric Power Authority. He also served as Special Adviser (Electric Power) to the President, Federal Republic of Nigeria, under two separate administrations.

He has a B.Sc. and an M.Phil in Mechanical Engineering.

Date of appointment
2nd December 2010

Committee membership
- Remuneration & Governance
- Technical & Operations

BRIAN EGAN
Group Chief Financial Officer

Brian joined Dangote Cement as Group Chief Financial Officer in 2014, having previously been an Executive Director and Chief Financial Officer of Petropavlovsk PLC and of Aricom PLC, both of which were listed on the Main Board of the London Stock Exchange.

Prior to joining Aricom, he was Chief Financial Officer of Gloria-Jeans Corporation, a leading Russian apparel manufacturer and retailer.

He has more than 20 years' international experience in senior financial roles with Associated British Foods PLC, Georgia-Pacific Ireland Limited and Coca-Cola HBC.

He also trained as an accountant with KPMG and is a member of The Institute of Chartered Accountants in Ireland.

Date of appointment
27th July 2017

OLAKUNLE ALAKE
Non-Executive Director

Olakunle is the Chief Operating Officer of Dangote Industries Limited. He was appointed to the Board of Dangote Industries Limited as Executive Director in 2001.

He holds a Bachelor's degree in Civil Engineering from Obafemi Awolowo University, Ile-Ife and is a Fellow of the Institute of Chartered Accountants of Nigeria. He joined Dangote Industries Limited in 1990, after six years at PricewaterhouseCoopers. He has held several management positions in Dangote Industries Limited, including Financial Controller and Head of Strategic Services.

Date of appointment
22nd July, 2005

Committee membership
- Finance & General Purpose
- Audit, Compliance & Risk Management
- Technical & Operations
- Statutory Audit

SANI DANGOTE
Non-Executive Director

Sani is a businessman with more than 30 years' experience in key sectors of the Nigerian economy including manufacturing, agriculture and oil services. He is the Vice President of Dangote Group and sits on the Board of several other companies. He is also the Deputy Chairman of African Gum Arabic Producers Association, a Fellow of the Nigeria Institute of Shipping and President of the Fertiliser Producers & Suppliers Association.

In 2012, he completed the Owner/ President Management Programme at the Harvard Business School in the United States of America

Date of appointment
22nd July, 2005

Committee membership
- Finance & General Purpose
- Audit, Compliance & Risk Management
- Remuneration & Governance

ABDU DANTATA
Non-Executive Director

Abdu is the Executive Director in charge of Logistics and Distribution for Dangote Industries Limited.

He is also the Chairman of Agad Nigeria Limited, a trading and transportation company operating throughout Nigeria. He is a fellow of the Nigerian Institute of Shipping. He obtained an Executive Programme Certificate in Sales and Marketing from the Kellogg Senior Management School at Northwestern University, Chicago.

Date of appointment
22nd July, 2005

Committee membership
- Remuneration & Governance
- Technical & Operations

DEVAKUMAR EDWIN
Non-Executive Director

Devakumar was previously the Chief Executive Officer of Dangote Cement, until he resigned as Group CEO on 31st January 2015. Following 14 years spent in industrial management in India, he joined Dangote Industries Limited in 1992 and has since held several managerial positions within the Group.

He is a Chartered Engineer, holding Graduate and Master's degrees in Engineering from the Madras University, India and holds a Post-Graduate Diploma in Management from IITM, Holland, all obtained in 1978, 1980 and 1986 respectively.

Date of appointment
Appointed: 22nd July, 2005

Committee membership
- Finance & General Purpose
- Remuneration & Governance
- Technical & Operations
- Audit, Compliance & Risk Management

ERNEST EBI, MFR
Independent Non-Executive Director

Ernest has more than 40 years of banking experience from various leadership positions in Nigeria, including Chairman, UNIC Insurance PLC, Executive Director, Corporate Banking of African Continental Bank PLC and Deputy Managing Director and Chief Operating Officer of Diamond Bank Limited (prior to its re-registration as a public limited liability company).

From June 1999 to October 2009, he was the Deputy Governor at the Central Bank of Nigeria. In November 2016 he was appointed Chairman of Fidelity Bank PLC.

Date of appointment
30th January, 2014

Committee membership
- Audit, Compliance & Risk Management (Chairman)
- Finance & General Purpose
- Nomination
- Technical & Operations
- Remuneration & Governance

EMMANUEL IKAZOBOH
Independent Non-Executive Director

Emmanuel has more than 25 years' experience in senior management roles in Nigeria, Côte d'Ivoire, Cameroon and South Africa. He was the Managing Partner for Francophone offices in Cote d'Ivoire and Cameroon and later became the Managing Partner/ CEO of Deloitte West and Central Africa, until 2009.

He was appointed by the SEC as an Interim Administrator, to carry out capital market reforms of the NSE and the CSCS. He serves on several Boards as Chairman or Non-Executive Director.

Date of appointment
30th January, 2014

Committee membership
- Remuneration & Governance (Chairman)
- Finance & General Purpose
- Audit, Compliance & Risk Management
- Nomination
- Statutory Audit

FIDELIS MADAVO
Non-Executive Director

Fidelis is the Head of Resources and Portfolio Manager for Strategic and African Listed Investments at the Public Investment Corporation of South Africa (PIC), which is South Africa's state pension fund and the largest fund in Sub-Saharan Africa.

He represents the interests of shareholder PIC on the Board of Dangote Cement. Prior to joining PIC, he was Vice President at Citigroup and Investec Securities, both roles being based in Johannesburg. Before returning to South Africa, Fidelis spent ten years with CRU International, a mining consultancy firm, and also worked as a metallurgist for Anglo American.

Date of appointment
30th July, 2014

Committee membership
- Technical & Operations (Chairman)
- Finance & General Purpose
- Audit, Compliance & Risk Management
- Nomination

OLUSEGUN OLUSANYA
Independent Non-Executive Director

Olusegun was appointed to the Board in 2010. He was Deputy General Manager, Finance and Strategic Planning at Savannah Bank Nigeria PLC, Executive Director at Afribank Nigeria Plc and Executive Director, Union Bank PLC between 1993 and 1999. He was also Chairman of the National Bank of Nigeria Limited and sits on the board of several companies. He is Vice Chairman of Meristem Securities Limited and Non-executive Director of Tripple Gee & Co PLC. He is an accountant and obtained a B.Sc in Accounting from the London School of Economics and an M.Sc. in Economics & Finance.

Date of appointment
2nd December 2010

Committee membership
- Finance & General Purpose (Chairman)
- Audit, Compliance & Risk Management
- Remuneration & Governance
- Nomination
- Statutory Audit

VISWANATHAN SHANKAR
Independent Non-Executive Director

Viswanathan Shankar is Chief Executive Officer of Gateway Partners, a private equity firm focused on investing in the dynamic growth markets of Africa, Middle East and Asia.

He previously served as CEO - Europe, Middle East, Africa and Americas, and a member of the global board of Standard Chartered Plc. His past appointments in a non-executive capacity on various institutions and committees include the boards of the Inland Revenue Authority Singapore and Majid Al Futtaim Holdings; the Economic Strategies Committee and the National Integration Council constituted by the government of Singapore; the Asia Society, New York; the Sub-Saharan Advisory Board of the Exim Bank USA; Vice Chair of the Future of Banking Global Agenda Council of the World Economic Forum; and, the financial centre task force appointed by the Treasurer of the State of California.

Date of appointment
10th December 2017

DOROTHY UFOT
Independent
Non-Executive Director

Dorothy is the first woman to be appointed to the Board of Dangote Cement, in recognition of her vast experience in the field of commercial law. She has more than 26 years' experience in commercial litigation at trial and appellate levels, having been admitted to the Nigerian Bar in 1989 and then admitted to the Inner Bar as a Senior Advocate of Nigeria (SAN) in April 2009. She is an internationally recognised expert in commercial dispute arbitration, and was appointed member of the International Chamber of Commerce's International Court of Arbitration, Paris, in 2006. She later became one of eight Global Vice-Presidents of the ICC Commission on Arbitration, in 2014.

Date of appointment
19th April 2016

Committee membership
- Audit, Compliance & Risk Management
- Remuneration & Governance

DOURAID ZAGHOUANI
Non-Executive Director

Douraid Zaghouani was appointed to the Board of Dangote Cement on 29th April 2015 as a Non-Executive Director. At present, Mr Zaghouani is Chief Operating Officer of the Investment Corporation of Dubai (ICD).

He manages the areas of Strategy, Government Relations, Marketing, Corporate Communications, Legal & Compliance, Finance & Funding, Risk and Information Technology. Prior to joining ICD, he was with Xerox for more than 25 years and was Chairman of the Board of several Xerox companies. During his long and distinguished career, he has held a number of senior general management, sales and marketing roles in Europe and North America.

Date of appointment
29th April 2015

Committee membership
- Technical & Operations
- Finance & General Purpose

Pieter Fourie
CEO, Dangote Cement South Africa

Report of the Directors

MAHMUD KAZAURE
Company Secretary

Group CFO Brian Egan and Deputy Company Secretary Ityoyila Ukpi

The Directors are responsible for the preparation of financial statements that give a true and fair view of the state of affairs of the Company at the end of the financial year.

The Directors of Dangote Cement Plc present the Annual Report and Accounts of the Company for the year ended 31st December, 2017.

Having considered all the matters brought before the Board during the financial year under review, the Directors are satisfied that the Annual Report represents a fair, balanced and realistic view of events.

The Corporate Governance Report, which forms part of this report, highlights our governance system and culture which are in line with international best practice.

Legal form

Dangote Cement Plc was previously named Obajana Cement Plc and was incorporated in Nigeria as a Public Limited Company on 4th November 1992, and commenced operations in January 2007. The name of the Company was changed from Obajana Cement Plc to Dangote Cement Plc by virtue of a special resolution dated 14th July, 2010.

Shares of Dangote Cement Plc were listed on the Nigerian Stock Exchange on 26th October, 2010 and since then it has always been the largest company on the Exchange, with a market capitalisation of ₦4.5 trillion as at 19th March 2018.

Principal activities

The Company was established for the operation of factories used for the preparation, manufacture, control, research, sale and distribution of cement and related products. The production activities of the Company are undertaken at various plants located at Obajana in Kogi State, Gboko in Benue State and Ibese in Ogun State, all in Nigeria.

The Company has expanded into other countries in Africa and has a number of subsidiaries engaged in the same activities. Information on these subsidiaries is on pages 26-35. Details of operations are contained in the Chairman's Statement on pages 8-11 and the Business Review on pages 78-89.

Directors' responsibilities

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act, CAP C20 LFN 2004, the Company's Directors are responsible for the preparation of financial statements that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its results for that period.

The Directors' responsibilities are outlined below:

1. The Board is charged with ensuring that appropriate values, ethics and behaviors for the conduct of the Company are agreed and that appropriate procedures and policies are in place to ensure that these are implemented effectively. The Board ensures leadership through effective oversight and review. Supported by its principal committees, the Board sets the strategic direction and aims to deliver a sustainable increase in shareholder value over the longer term.

2. The Board ensures that proper accounting records are maintained, that accounting policies are used and consistently applied and that appropriate financial statements are prepared on the Going Concern basis, unless it is not appropriate to presume that the Company will continue in business for the foreseeable future. Most of this responsibility is delegated to the Finance and General Purposes Committee.

3. It ensures that adequate internal control procedures are established to safeguard the assets of the Company and to present and detect fraud and other irregularities. It also oversees the implementation of appropriate risk assessment systems and processes to identify, manage and mitigate the principal risks of the Company's business. Much of this work is delegated to the Audit, Compliance and Risk Management Committee.

4. It implements effective succession planning at Board and Executive Management level and assesses the processes in place to ensure that there is appropriate succession planning amongst senior management. Much of this responsibility is delegated to the Remuneration and Governance Committee.

5. It develops and implements Board and governance policies in line with regulatory requirements and international best practice. Much of this responsibility is delegated to the Remuneration and Governance Committee.

6. It ensures that the technical and operational aspects of the business are conducted efficiently and with regard to global best practices. It assesses the feasibility of proposed new projects and ensures that the operational, technical, production, sustainability and staffing aspects of our plants are adequate, comply with local and international laws and are aligned with our business goals. It is also responsible for overseeing new technical and development programs. Many of these responsibilities are delegated to the Technical and Operations Committee.

Business Review and results

The Business Review comprises the following, which are incorporated by reference into, and form part of this Directors' Report:

- Chairman's Statement, p8-11
- Interview with the Acting Group Chief Executive, p78-80
- Review of Operations in 2017 p86-89
- Group Chief Financial Officer's Report, p82-85
- Sustainability Report, p50-75
- Corporate Governance Report p92-102
- Audit, Compliance & Risk Management Committee Report, p116-124
- Finance & General-Purpose Committee Report, p126-128
- Technical & Operations Committee Report, p129-131
- Nomination Committee Report, p132-133
- Remuneration & Governance Committee Report on p134-141

These sections also include details of expected future developments in the Company's business and details of the key performance indicators.

Results for the year

Overall Group sales volumes fell by 7.0% to 21.9Mt. Group revenue increased by 31% to ₦805.6B (2016: ₦615.1B); operating profit was ₦304.2B (2016: ₦182.5B); net profit for the year was ₦204.2B (2016:₦142.9B); earnings per share increased by 32.7% to ₦11.65.

Dividends

The Directors pursue a dividend policy that reflects the Company's earnings and cash flow, while maintaining appropriate levels of dividend cover. They take into account the capital needed to fund the Company's operations and expansion plans.

For the 2017 financial year, the Directors have recommended a dividend of ₦10.50 per ordinary 50 kobo share (2016: ₦8.50).

The final dividend, if approved by shareholders at the Annual General Meeting on 20th June 2018, will be paid on 21st June to shareholders listed on the register as at the close of business on Friday 13th April.

The Board considers that the proposed dividend level is appropriate and is in line with the Company's strategic growth plans.

Unclaimed dividends

The total amount outstanding as at 31st December, 2017 is ₦1,528,932,385.

A list of unclaimed dividends is available on the Investor Relations pages of the Company's website: www.dangotecement.com.

The Company notes that some dividend warrants have remained unclaimed, or are yet to be presented for payment by shareholders, or have been returned to the Company for revalidation.

Therefore, all shareholders with "unclaimed share certificates" or "unclaimed dividends" should address their claim(s) to the Registrars, United Securities or to the Company Secretary at the registered office address.

Members are encouraged to notify the Registrars or the Company Secretary of any changes in address or other relevant information, and take advantage of the E-dividend by completing the form included on page 232.

Directors
As at the date of this report, Dangote Cement has 14 Directors, all of whom held office in the year ended 31st December, 2017. Their biographies are contained on pages 104-108 and are incorporated into this report by reference.

The appointment, reappointment and removal of Directors is governed by the Company's Articles of Association and Companies and Allied Matters Act (CAMA) LFN 2004. These Documents also set out the rights and obligations of Directors.

Directors' interests
In accordance with Section 275 of the Companies and Allied Matters Act, CAP C20 LFN 2004, Directors' direct and indirect interests in the issued share capital of the Company are recorded in the Register of Members as at 31st December, 2017, and are detailed in the table below.

Conflicts of interest
The Company maintains a Register of Directors' Interests in accordance with the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004.

Powers of Directors
Subject to the Articles of Association of Dangote Cement, prevailing legislation and any directions given by special resolution, the business and affairs of the Company will be managed by the Directors who may in good faith, exercise all such powers for and on behalf of the Company.

Supplier payment policy
It is the policy of the Company to agree and clearly communicate the terms of payment as part of the commercial agreement negotiated with suppliers and then to pay according to those terms based upon receipt of an accurate invoice.

Trade creditor days for the year ended 31st December, 2017, were 82 days on average (2016: 94 days).

Donations
Donations, Sponsorship and charitable donations amounted to ₦1.02B (2016: ₦0.5B), as detailed on pages 226-228.

Dangote Cement's social investments in Africa
The Company regards the provision of social investment and charitable donations as an important part of its strategy to maintain good relationships with communities and other stakeholders in all of its operating locations across Africa.

Some of our initiatives are conducted directly by the Company and its staff, some in collaboration with third parties and other organisations, while others are managed by the Dangote Foundation, which is a non-commercial and charitable organisation that focuses on empowerment, education, health and disaster relief on behalf of all companies in the Dangote Group.

Sustainability
Dangote Cement is committed to promoting sustainability. Concern for the environment and promoting a broader sustainability agenda are integral to the Company's professional activities and the management of the organisation. We aim to comply with, and exceed where practicable, all applicable legislation, regulations

Directors' interests in shares

	Ordinary shares of 50 kobo each					
Director	**As at 31st December 2016**		**As at 31st December 2017**		**As at 19th March 2018**	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
Aliko Dangote	27,642,637	15,494,247,300	27,642,637	14,494,407,583	27,642,637	14,494,407,583
Olakunle Alake	4,931,702		4,931,702		4,931,702	
Devakumar Edwin	2,000,000		2,000,000		2,000,000	
Ernest Ebi	100,000		100,000		100,000	
Emmanuel Ikazoboh	0	74,352	0	98,149	0	98,149
Olusegun Olusanya	16,313		16,313		16,313	
Joseph Makoju	11,000		11,000		11,000	
Abdu Dantata	8,680		8,680		8,680	
Sani Dangote	0		0		0	
Fidelis Madavo	0		0		0	
Douraid Zaghouani	0		0		0	
Dorothy Ufot	0		0		0	
Brian Egan	0		0		0	
Viswanathan Shankar	0		0		0	

** DIL owns 85.06% of shares and is represented by Aliko Dangote*

*** Emmanuel Ikazoboh owns shares as "ARM NOM: EMMANUEL OSIGBEME IKAZOBOH" and "ARM NOM:OSIGBEME, ENTERPRISES LIMITED"* and codes of practice; integrate sustainability considerations into all our business decisions; ensure that our staff, clients and suppliers are fully aware of our Sustainability Policy and are committed to implementing and improving it and to minimise the impact of all office and transportation activities. Our approach to sustainability is described in the Sustainability Report on pages 50-75, which also includes estimates of our impact on the economies in which we operate.

Corporate governance and investor relations

Dangote Cement has emerged as a truly multinational manufacturing conglomerate, promoting regional integration and providing growth and employment opportunities for African economies through the utilisation of Africa's natural resources by African companies for the benefit of Africans.

We are committed to high standards of corporate governance and global best practice, both in Nigeria and countries where we have operations.

Our focus at all times is recognition of and compliance with all laws regulating the business. The Corporate Governance Report details compliance with relevant legislation and relations with shareholders on pages 92-102 and forms part of the Directors' Report.

The Company pursues an ongoing programme of investor relations with investor meetings and earnings calls.

Employees

Dangote Cement operates a policy of non-discrimination in considering applications for employment, including those received from physically challenged persons. The Company's policy is that the most qualified person will be recruited for the position, irrespective of religion, ethnic group, physical condition or state of origin.

Where existing employees become disabled, it is the policy, wherever practicable, to provide continuing employment under similar terms and conditions and to provide training as appropriate.

The Company reviews its employment policies in line with the needs of its business. Strategic employees are recruited to add value to the company and ensure high performance areas based on clearly defined performance indices.

Employees are provided with information about the Company through the Internal Communications Unit, which publishes information on the Company's website and intranet.

Retirement benefits

The Company operates a contributory pension scheme for its employees in Nigeria, in line with the provisions of the Pension Reform Act, 2014.

The scheme is funded through employees' and employer's contributions in the ratio of 8% and 10% of the total emoluments of the employee, as prescribed by the Act.

Health and safety at work and welfare of employees

Dangote Cement recognises the importance of safeguarding the health and safety of its workforce, including its contractors, and manages the impact on the environment resulting from its activities, thereby building constructive and sustainable relationships with stakeholders based on trust and respect.

The Company has therefore committed itself to:

- Complying with all laws and regulations applicable in its operating environment
- Identifying, measuring and understanding the health, safety,

Shareholder analysis

Share range		Number of shareholders	% of shareholders	Number of shares	% of shares
1	to 1,000	29,431	73.46	10,216,501	0.06
1,001	to 5,000	8,057	20.11	15,983,949	0.09
5,001	to 10,000	1,162	2.90	8,188,437	0.05
10,001	to 50,000	964	2.41	19,593,385	0.11
50,001	to 100,000	150	0.37	10,610,250	0.06
100,001	to 500,000	162	0.40	38,041,595	0.22
500,001	to 1,000,000	40	0.10	29,330,005	0.17
1,000,001	to 5,000,000	64	0.16	146,677,101	0.86
5,000,001	to 10,000,000	8	0.02	63,677,607	0.37
10,000,001	to 100,000,000,000	27	0.07	16,698,188,574	97.99
TOTAL		**40,065**	**100.00**	**17,040,507,404**	**100.00**

environmental and social impact and risks of its operations, and implement long term and sustainable solutions towards mitigating impact
- Continuously seeking innovative ways to improve its performance in the fields of health, safety and protection of both working and natural environments.

Safety and environment workshops are organised with a broad focus on good housekeeping to ensure good and safe working environment. Firefighting and prevention equipment is installed in strategic locations in offices and plants.

The Company provides adequate personal protective equipment (PPE) and other critical safety equipment and has a system to monitor compliance. The Company also ensures that adequate safety clauses are included in the contracts to which it is a party.

In 2017, the Company developed several policies, established the 15 Health, Safety, Security & Environment Golden Rules and implemented a suitable incentive scheme to reward good HSSE practice across the Group. This is because the Company believes that protection and care of the environment is essential to the sustainability and growth of the Company in the long term.

The Company continues to place a premium on its human capital development arising from the fact that this will ensure the improved efficiency of the business and maintain strategic advantage over its competition. Employees attended local and international training and development programmes during the period under review.

Training and development

Dangote Cement is committed to the support of staff development for all staff. The key purpose is to facilitate personal and professional development enabling individuals and groups to achieve their full potential at work. The Company recognises that its success is linked to the contribution, commitment and achievements of individual members of staff, working individually and in teams or groups.

Training is conducted at the Dangote Academy, with facilitation from professionals and training experts. In addition to skill acquisition, the training courses enable staff to develop the interpersonal skills needed to succeed in the workplace. Courses are designed to help staff in the performance of their designated roles and help them fulfill their potential.

Identification of staff development needs

An assessment of the skills of individuals, when they are appointed to a new role, will lead naturally to the identification of their need for training and development, related to duties that they are to perform.

In addition, staff training and development needs may be identified in a variety of ways, e.g. by skills audit, by feedback and by staff performance appraisal.

It is our policy that all staff have at least one annual performance review a year with their head of department or line manager, at which time training and development needs will be assessed and ways of meeting these will be identified, and an appropriate timescale agreed.

Post balance sheet events

No material event took place between 31st December 2017 and the date on which these accounts were signed.

Research and innovation

With rapid urbanisation and population growth in Africa, the Company realises that meeting housing and infrastructure needs will be a challenge. We are constantly looking for solutions that will respond to these construction challenges.

In search of self-sufficiency in all production inputs, Dangote Cement now sources coal from mines in Kogi State operated by its parent company Dangote Industries Limited. We are also looking at ways to reduce our use of fossil fuels by the use of 'alternative' fuels such as biomass.

The Company is also working with the Cement Manufacturers Association of Nigeria (CMAN) to explore the possibility of mining gypsum in Nigeria to reduce dependence on imports.

Capital structure

The Company has one class of ordinary shares, which reflect the total value of the share capital. Each ordinary share carries the right to one vote at the Company's Annual General Meeting. The percentage shareholding and transfer of shares are governed by the Company's Articles of Association and relevant regulation. There are no restrictions with respect thereto. The Articles of Association may be amended by special resolution approved by the shareholders.

Substantial interest in shares

As at 31st December 2017 and also at the date of this report, only Dangote Industries Limited held more than 5% of the issued share capital of the Company, as detailed below:

31st December, 2017

Shareholder: Dangote Industries Limited
Number of ordinary shares: 14,494,407,583
% of issued ordinary shares: 85.06%

19th March, 2018

Shareholder: Dangote Industries Limited
Number of ordinary shares: 14,494,407,583
% of issued ordinary shares: 85.06%

All shares other than shares held by Dangote Industries Limited (85.06%), Aliko Dangote (0.16%) and Directors of the Company (0.04%) are considered to be free float shares. Aliko Dangote is the ultimate owner of Dangote Industries Limited. All issued shares are fully paid and details of the share capital history are on page 222. No additional shares were issued in 2017.

Auditors

In the case of each of the persons who are Directors of the Company at the date when this report was approved:

- So far as each of the Directors is aware, there is no relevant material information of which the Company's auditor is unaware
- Each of the Directors has taken all the steps that they reasonably ought to have taken as a Director to make themselves aware of any relevant material information and to establish that the Company's auditor is aware of that information.

Both Deloitte & Touche and Ahmed Zakari & Co., as joint auditors, have indicated their willingness to continue as auditors of the Company in accordance with the provisions of section 357 (2) of the Companies and Allied Matters Act, Cap C20 LFN 2004.

A resolution will be proposed authorising the Directors to fix the remuneration of the Auditors for the 2018 financial year.

In compliance with the provisions of the Securities and Exchange Commission ("SEC") Code of Corporate Governance, 2011, the Company puts the external audit contract out to tender at least every ten years.

The timing of the next tender will be aligned with the cycle for rotating the audit engagement partner.

Mahmud Kazaure
Group Chief Legal Counsel and
Company Secretary
19th March, 2018

Audit, Compliance & Risk Management Committee Report

ERNEST EBI MFR
Chairman

Dangote Cement believes that a successful company must find an acceptable balance between the risks of doing business and the returns that the business can generate.

The Audit, Compliance and Risk Management Committee is a standing committee of the Board of Directors with powers of information, assessment, and presentation of proposals to the Board of Directors within the scope of its functions, in accordance with the Company's Corporate Governance System and as set forth in the Charter of the Committee

All our members have significant commercial experience in accounting, risk management, corporate financial management, legal, governance and compliance matters. This surpasses the requirement in Section 30.2 of the SEC Code and the UK Code (provision C.3.1) which requires that at least one member of the committee should have recent and relevant financial experience.

The Board has satisfied itself that the current members of the Audit, Compliance and Risk Management Committee are competent in financial, risk and compliance matters and have recent and relevant experience for the performance of their duties.

Composition and membership

The Committee comprises four Non-Executive Directors and four Independent Non-Executive Directors. As an Independent Non-Executive Director, I serve as Chairman.

Details of members as well as meeting attendance are shown below.

The office of Secretary to the Committee (a non-voting position) is held by the Secretary of the Board of Directors, who is also the Company Secretary. This enables a fluid and effective relationship with the various units of the Group that must cooperate with or provide information to the Committee.

As provided in its regulations, the Committee meets as many times as it is called by resolution of the Committee itself or of its Chairman, and at least four times a year.

Some members of our Senior and Executive Management teams were invited to meetings to provide information and updates on agreed tasks and directives given by the Committee from previous meetings.

These include the Group Chief Executive Officer, Group Chief Financial Officer, Head of Internal Audit, Group Chief Risk Officer, Chief Legal Officer, Company Secretary, Deputy Company Secretary and Compliance Manager.

Members and meeting attendance

Directors	16/02/17	20/04/17	24/07/17	12/10/17
Ernest Ebi (Chairman)	✓	✓	✓	✓
Olakunle Alake	✓	×	✓	×
Sani Dangote	×	✓	✓	×
Devakumar Edwin	✓	✓	✓	✓
Emmanuel Ikazoboh	✓	✓	✓	×
Fidelis Madavo	×	✓	×	✓
Olusegun Olusanya	✓	✓	✓	✓
Dorothy Ufot	✓	✓	✓	✓

Roles and responsibilities

The roles and responsibilities of the Board Audit, Compliance and Risk Management Committee are set out in its Charter, which is reviewed periodically by the Committee taking into account relevant legislation and recommended best practice, both in Nigeria and internationally.

The Committee has oversight on the Audit, Compliance and Risk Management functions and receives separate reports and updates from each of these functions within the Company.

Every quarter, the Committee submits to the Board of Directors a report of activities of the Committee, which takes into account the activities for the review period, evaluation of the adequacy of its Charter and an assessment of the Committee's performance. The report is prepared in accordance with its Charter.

The Committee's main responsibilities include:

- Oversight of the activities of the Group Internal Audit function including the appointment and evaluation of the Group Head of Internal Audit, approval of the Internal Audit Plan, review of Internal Audit reports and safeguarding the independence of the Internal Audit function
- Review the scope, nature and effectiveness of the Internal Audit function and recommend proposed changes to the Board
- Review and ensure that proper liaison and co-operation exists between statutory auditors and the Group Internal Audit function
- Recommend to the Board for approval, the Company's risk appetite and risk limits as well as changes to the Company's appetite for risk
- Approve the Company's risk framework and policies, including the organisation and governance of risk management
- Oversee the execution of risk management including identification, analysis and risk mitigation, within the scope of the risk appetite (approved by the Board)
- Review with the Company's Legal Counsel, any legal matter that could have significant impact on the Company's financial statements and operations
- Oversee the Company's compliance program and adherence to the Code of Business Ethics
- Establish a whistle blowing mechanism and monitor implementation

The functions of the Risk Management, Compliance and Audit Functions respectively, together with highlights of activities during 2017 are described below.

Committee activities during 2017

Key matters considered	Committee actions
Internal Audit	
Anti-Fraud Committee/ Disciplinary Committee • The 2017 Audit Plan execution update • The recruitment of five auditors for effective coverage • SAPGRC implementation	• *The Anti-Fraud Committee's report should be included as part of Internal Audit presentation at all BARMC meetings and the Group Chief Risk Officer should be included as a member of AFC.* • *The progress on audit plan execution was noted and the deployment of SAPGRC was approved.*
Internal Audit activities update • Whistle blowing • Special and advisory assignments • KPIs and balanced scorecard • ExCo action points • Major operating review • Operating risks and audit focus • Control environment update • External Audit recommendations • Appointment of Deputy Head, Internal Audit	• *Meeting noted that the improvement in the control environment and that Audit Plan was on course to completion.* • *The conclusions from ongoing investigations should be submitted when ready.* • *Reviewed report on impact of significant progress in overall control environment.* • *Await representation on appointment of Deputy Head, Internal Audit.*

Compliance

Compliance Appraisal Plan	• *Review and approve compliance appraisal plan for 2017 financial year.*
OHADA (Organisation for the Harmonisation of Corporate Law in Africa)	• *Monitor compliance status of the Pan African Subsidiaries in the Francophone regions, with the OHADA law which came into effect in 2014.*
Subsidiary Board meetings	• *Review the status of subsidiary Board meetings and make recommendations to the Board as appropriate.*
Statutory returns	• *Review the statutory and regulatory returns made by the company and its subsidiaries.*
Compliance	• *Receive reports on the status of compliance of the companies within the group, with the laws applicable in the operating environment.* • *Keep abreast with changes in laws and consider the effect of legislation on the operations of the Company.*

Risk management

Resourcing of key functions	• *The Committee approved the recruitment of Heads of Risk for Tanzania and Ghana. The Head of Risk for Tanzania resumed during the year under review.*
Foreign exchange gap issues	• *The Committee following from its directive to Executive Management to develop an export strategy in 2016 followed through same in 2017 as it ensured Dangote Cement organically generates its foreign exchange from the Company's export to Niger, Togo and Ghana through tracking and giving support for optimal growth of our export business.*
Tax liability	• *The Committee directed Executive Management to review all major supplier contracts for possible tax liabilities. This was critical for the Group to avoid possible regulatory sanction.*

Risk management

The Risk Management function of Dangote Cement supports the Board of Directors, the Executive Committee and Management of all subsidiaries in the Group in identifying, analysing and controlling the Company's overall risk exposure through its bespoke Enterprise Risk Management Framework, which is governed by the Board and driven by a specialist team that takes a formalised approach to risk management across all our operations using well-established methodologies and tools.

Risks identified are managed systematically to ensure proper control of all existing and emerging risks to which the Company is exposed. A holistic and fit-for-purpose methodology is adopted to ensure all types of risks emanating from the Company's strategic, internal and external activities are captured. For proper analysis, risk incidents are mainly grouped under Business & Strategic Risk, Operational Risk, Financial Risk, Market Risk, Liquidity Risk, Business Continuity Risk and Reputational Risk. Our Risk Appetite Statements define the quantum of risk the Group is willing to accept in pursuit of its strategic goals.

The Group defines risks as events that portend any consequence of uncertainty in the attainment of its business objectives which can result in an opportunity or a threat. The outlook for effective risk management involves proper analysis of the Group's business activities to identify short, medium and long-term risks. Identified risks are then assessed, measured and controlled with close monitoring of the implementation of recommended controls by the Group's Risk Management Department. Insurance solutions are instituted as a key method of risk treatment.

The risk landscape of Dangote Cement is derived through thorough risk assessments and deployment of other risk identification tools that cover all strategic, internal and external business activities of the Group. These risk management tools are utilised in all subsidiaries of the Group and at all levels in the Company. All mitigating actions implemented are duly approved by relevant business owners and approving authorities.

Risk profile in 2017

Financial risks: Insurance

In 2017, the Group achieved competitive insurance pricing for local and international policies considering the premium savings that was achieved across some of our covers. The achievement of premium savings beyond negotiations with our brokers is a clear reflection of our commitment to constantly improve our risk profile through prompt and effective implementation of recommendations from annual engineering surveys jointly carried out by our international risk consultants, Willis Towers Watson.

For our Pan-African cover, we focused on reducing the rates and levels of self-insured retention across all Pan-African plants. These retention and limit levels are expected to take advantage of the soft market conditions to protect the individual plants, considering that the majority of plants were only recently commissioned, as well as the equipment and machinery need to undergo periods of testing and commissioning.

Major achievements in 2017 include:
- Improved protection of assets and business interruption value through an insurance programme that is based on financial loss protection for asset damage put in place for optimising cover at best pricing.
- A gap analysis/policy library was put in place to show and cover gaps in areas where Dangote has little or no insurance cover.
- Improved claims payment from our Group Life cover considering the acceptance of alternative documents to medical certificate of cause of death

Credit risk

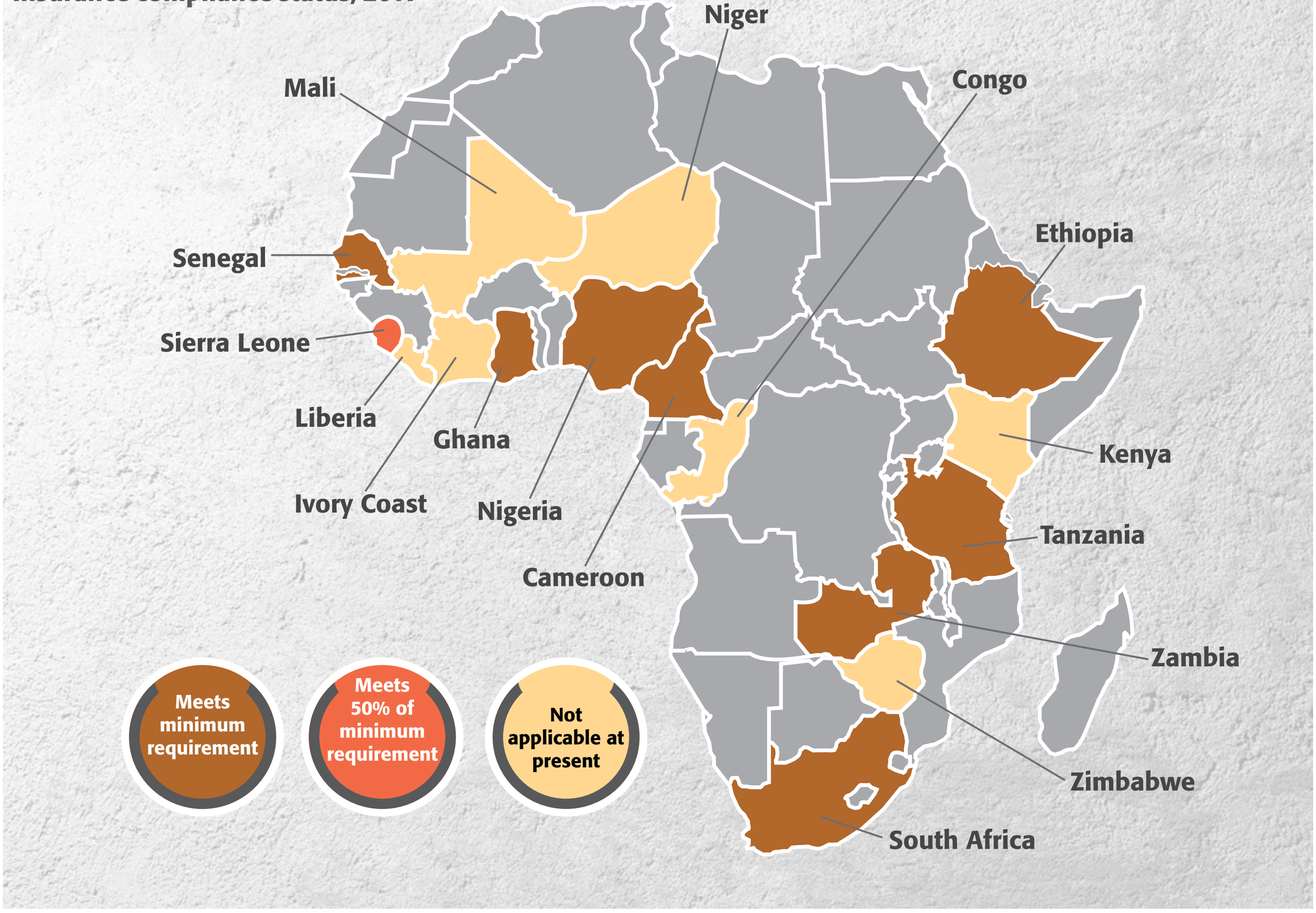
Credit risk exposures are monitored at plant, country and Group levels on an ongoing basis to ensure that non-performing credits are identified promptly and escalated to relevant authorities for prompt regularisation.

Past-due accounts and other credit risk related infractions are reported to management and to the Board with remedial actions proposed for approval. Approved recommendations are tracked for proper implementation and timely closeout.

During the year under review, the following actions were implemented:
- Retraining of members of staff on the Credit Risk Policy across Pan-African locations
- Centralisation of Pan-African sales operations and price control
- Harmonisation of order referencing methodology across the plants to reduce account reconciliation issues and improve turnaround time
- Offering of flexible conditions for credit sales focused at growth in sales however with fall back positions entrenched

The credit risk exposure of the Group was adjudged a "medium risk" as the past-due obligations comprised 35.8% of total exposure. Efforts to ensure prompt regularisation of past-due exposures are ongoing. No major credit risk threat is envisaged, as about 7.4% of past-due obligations are contractor credits, which would be deducted from payments due, and 74.8% are inter-company credits that would be resolved internally. We expect the overall credit risk exposure of the Group to improve further once a Credit Insurance Guarantee is put in place to secure clean credit exposures in Dangote Cement Nigeria.

Insurance compliance status, 2017



Market risk

Dangote Cement is exposed to market risk emanating from volatilities in interest rates, commodity prices and fluctuations in and availability of foreign exchange across its various jurisdictions of operations. To reduce the adverse impact of these fluctuations, the Company utilises a variety of financial risk mitigation strategies to ensure its earnings and cash flows are assured in line with the Group's risk appetite.

Foreign exchange risk

The dearth of foreign exchange continued to be key concern for the Group, considering its import-dependent input materials. We continued to manage this pro-actively through sound risk management solutions including currency hedging strategies. Our decision to diversify our energy source in Nigeria, through the mining and use of coal to fuel our cement kilns, had a positive impact on our EBITDA margin as energy cost was significantly lowered by the elimination of LPFO, which was both expensive and a major foreign currency cost.

The Board's decision for the business to organically generate foreign currency from our export business yielded positive outcomes through our exports to Niger, Togo and Ghana, which helped to generate foreign currency sales.

During the year the Risk Management team tracked our export performance through our strategic Key Risk Indicator dashboard, with thresholds set for escalation where targets were not being met. This helped to focus the Board in supporting our export business for optimal growth.

Non-financial risks: Business and political risk

Some countries in which we operate experienced instability in their business and political environments. The Nigerian economy remained depressed for the better part of the year and the 2017 budget was not passed until mid-year. This was a major setback considering infrastructure developments spur growth of the cement market. However, we had previously anticipated this scenario and developed a sales strategy to negate its impacts as far as possible.

In Ethiopia, one of our main markets, there were increased levels of insecurity and violence and this significantly challenged our ability to maintain business continuity. This was due to the renewed agitation against the ruling minority Tigray ethnic group by the two major ethnic groups in the country, especially the Oromia community around our plant, who were pressing for greater inclusivity in Ethiopia's government.

Local disturbances led to some collateral damage for which we had pro-actively covered through our robust insurance policies. There was also business interruption as the plant was also shut down for some time during periods of disturbance. We are undertaking engagement programs with our host community and have developed a community programme to provide access roads and boreholes to supply water to local people, as well as a school that is currently under construction.

Separately, the Ethiopian Birr was devalued by 15% by the National Bank of Ethiopia and this significantly impacted our investments and our cash position in Ethiopia. We were faced with the challenge of repatriating our sales proceeds back to Nigeria. The Group and Dangote Cement Ethiopia are in dialogue with the National Bank of Ethiopia to establish channels for the repatriation of cash.

Our Tanzanian operations continued to make losses because of the continued use of temporary diesel generators to power the plant, as plans to replace them with temporary gas turbines faced continuing problems. Obviously, these losses impacted our Pan-African and Group EBITDA. However, we believe matters have been successfully resolved and the temporary gas turbines are expected to come onstream by March 2018. In addition, we are building a dual coal and gas power station at the plant to replace the temporary power solutions we have installed.

Operational risk

Operational risk is regarded as any activity that would expose the organisation to the risk of loss resulting from failed or inadequate people, process, systems and issues stemming from external events that are not directly under the control of Dangote Cement.

It is further considered as the potential for incurring losses in relation to employees, project management, contractual specifications and documentation, technology, infrastructure failure and disasters, external influences and customer relationships.

During the year, the key risks identified and managed under this risk category were people risks, operational inefficiencies, logistics and transportation risk, IT risks, and health & safety risks.

Risk assessments were carried out across the organisation, with remedial action plans agreed and implementation of controls closely monitored to ensure that operational risk exposures did not exceed the organisation's risk appetite and were managed within tolerable levels.

From the risk assessments conducted during the year, the Group's exposure to operational risks was adjudged as "medium risk", as the implementation of remedial actions required to effectively manage some inefficiencies with fleet management, information technology, logistics, spare parts and raw materials procurement is ongoing.

Key Risk Indicator (KRI) monitoring is also deployed in managing the Group's exposure to operational risks. KRIs are quantitative parameters defined to provide trends which serve as useful insights and timely leading signals of prevalent and emerging operational risk exposures as it relates to the business activities of the Group. Thresholds for monitoring acceptable risk levels are agreed with Senior Management and the Committee for timely risk identification.

This year, the Group enhanced KRI reporting and monitoring with the introduction of strategic KRIs derived from the strategic initiatives considered as critical to the achievement of set business objectives for 2017.

Identified risk trends and mitigation action were reviewed by Executive Management on a monthly basis and by the Committee on a quarterly basis to ensure identified operational risk exposures are controlled within DCP's risk appetite. During the year we also paid particular attention to our transport business as we carried out driver certification and training programmes to actualise our target of zero fatalities from road accidents. We also carried out a holistic review of our transport processes to deliver expected results considering the strategic role it plays in our strategy for the delivery of cement to our customers.

Opportunity areas

In managing the Group's risk exposures, new business opportunities may be identified in some areas of our activities. These are identified at all levels within the organisation and absorbed into DCP's strategic plan for execution with close monitoring until fruition.

The new business opportunities identified in 2017 stemmed from mitigation strategies considered and employed in managing foreign exchange and business risk exposures across the Group.

Overall risk landscape

For effective management of the Group's risk exposures, the overall risk position is determined by evaluating likely impact of current and emerging risks materialising with consideration for risk correlations.

For instance, a delinquent credit is usually the outcome of process failures which are tracked and monitored using operational risk management tools.

The precursor of any risk event crystallising is usually due to the ripple effect of poor management of other risk factors. This is why the Group adopted an effective risk management process that is holistic and takes into consideration all interdependencies that might lead to other risks materialising.

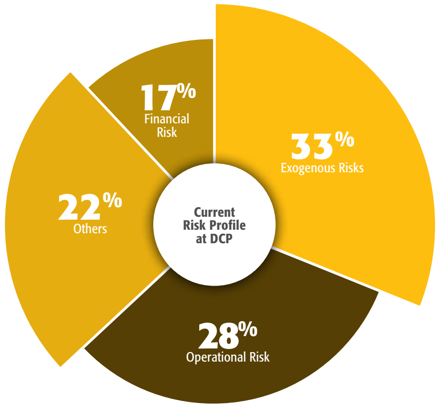
Comprehensive risk assessments of all operations across the Group are conducted and the outcomes of these risk assessments are reported to all stakeholders including Heads of Departments, Heads of Business Units or Subsidiaries, Country and Group Executive Committees and the Committee to ensure remedial actions required are communicated and duly implemented.

The Group's current risk profile is shown in the chart below. Exogenous factors constitute 33% and the highest proportion of the Group's risk exposure because of the huge impact of foreign exchange fluctuations in most jurisdictions of operations and attendant sovereign risk factors on its business activities. Operational risk accounts for 28% of the Group's current risk profile, followed by financial risk at 17%. Other risks, such as strategic, competitive and industry risks account for the balance of risks that have been quantified.

For proper monitoring of its risk exposures, the Group estimates the 'expected losses' for all key risks identified (see chart overleaf).

Expected losses are derived from the product of the probabilities of events occurring and the impact thereof using four stressed scenarios. These expected losses are scenario-based and capture the likely impact of current and anticipated risk trends on the Group's business objectives in order to ensure that identified risks are properly managed and mitigated within acceptable limits derived from the Group's risk appetite.

This methodology is employed to maintain an optimal risk environment on an ongoing and forward-looking basis.



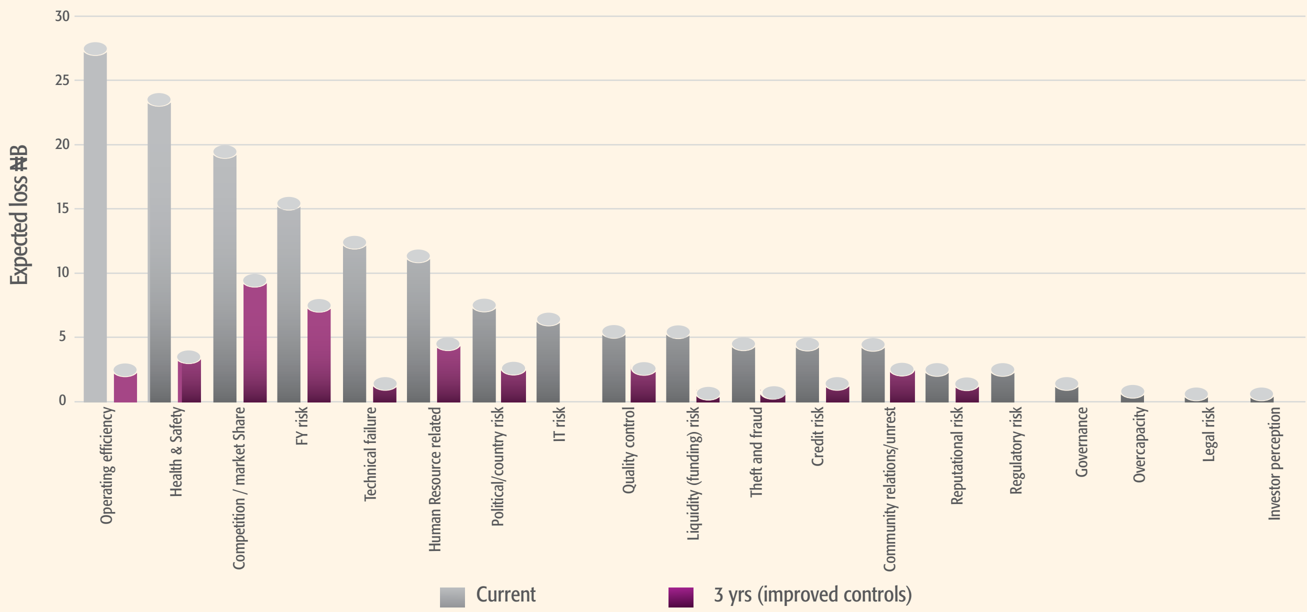
Outlook for risk management

Our focus for 2018 will be to continue to uncover and take advantage of the opportunities afforded by the growth in cement demand across the region. We will continue to pay close attention to our risk management strategy to ensure it is always fit for purpose and realistic to our business model. All risk management tools and methodologies deployed will ensure appropriateness for holistic, effective and efficient risk management organisation-wide.

This approach will ensure that all financial and non-financial threats to the achievement of the Group's strategic intent and business objectives are eliminated or minimised on an ongoing basis. As we did in 2017, we will continue to improve risk management in 2018, applying increasingly sophisticated and granular methods to manage our risk exposure as the Group continues its progress.

Risk Management

Risk quantification and analysis – summary of risks



Compliance

The Board monitors the Company's compliance with applicable laws and non-binding rules and standards. The responsibility for this has been delegated to the committee.

Dangote Cement recognises that every Company is one bad decision or one 'bad employee' away from potential lawsuits and penalties, which brings to the fore the vulnerability of businesses.

Corporate compliance, or more accurately the risk of non-compliance, has become a major concern over the past decade, especially for global companies such as ours with operations in many different countries and jurisdictions. When a practice commonly accepted in one country could be a serious criminal or civil offence in another, it is essential that this is understood and managed.

The Compliance function is crucial for the timely detection and prediction of compliance violations as well as for the provision of reactive and proactive countermeasures on compliance violations. In recent years, monitoring the compliance of business processes with relevant regulations, processes, and rules has become a major focus. The Compliance function will monitor to identify possible violations and predict future violations in a way that will prevent sanctions being imposed. The Company recognises that effective compliance management is vital for sustainable and profitable growth. It is a very important contributor to the protection of the Group's integrity and reputation, and helps to build trust with all stakeholders.

The Committee reviews reports received from the regulators and evaluates the nature and effectiveness of action plans implemented to address identified regulatory compliance issues.

The Compliance function is guided by the Committee Charter, which amongst others seeks to establish and implement compliance management practices that contribute to sound and responsible business practices and integrity of the products and services delivered.

Objectives and functions of the Compliance function

a) Embed and encourage compliance with laws, regulations, business principles, rules of conduct, and establish good business practices in every aspect of the organisation (e.g. governance, strategy, people, processes, policies, culture, communication)
b) Establish and maintain effective compliance and control systems, including compliance risk assessment, mitigation, monitoring, and reporting
c) Provide timely advice to the Group organisation on relevant changes in the compliance environment
d) Promote integrity of the Group, its businesses and its employees
e) Report on compliance matters that warrant the attention of the Subsidiary Management Board; such reports must detail any risk tolerance levels that were exceeded and highlight any unacceptable business practices
f) Monitor progress of compliance risk mitigating actions and other compliance risk management issues until they are resolved
g) Submit an annual Compliance Appraisal Plan (CAP) to the Board Audit, Compliance & Risk Management Committee for review and approval and periodically update the CAP as necessary

h) Work with the process owners to document an Annual Monitoring Plan
i) Create a process including tools for tracking and managing actions
j) Create a process including tools for the recording, reporting and managing of compliance issues and incidents
k) Incorporate lessons learned into the components and activities of the Compliance Program and annual plan
l) Ensure resolution of, or escalation to the Subsidiary Management Board, Executive Management Team and the BACRMC on unaddressed or overdue items
m) Institute internal arrangements to ensure that all statutory and governance duties are adequately discharged in a timely manner
n) Coordinate the provision of information to regulatory organisations, ensuring such information is timely, appropriate and present an effective image of the company
o) Ensure compliance with all corporate governance requirements and rules of appropriate regulatory authorities, particularly the SEC, NSE and CAMA
p) Ensure development, review, dissemination and communication of all governance policies and processes required by the regulators

Compliance appraisal
The Compliance function is executed through periodic appraisals that consist of one or all of the following methods:

- Scheduled visits to the operating plants
- Liaison with regulators, agencies and other consultants
- Follow-up correspondence by email and telephone
- Constant engagement with the local compliance teams, the Subsidiary Management Board and other process owners

During these appraisals, one-on-one meetings are held with the management of the subsidiary companies or the operating plants with a view to understanding their operational challenges and offering solutions.

Policy formulation:
Policy formulation, review and implementation is an integral part of the Compliance function. As a manufacturing and production company, Dangote Cement is governed by various laws and regulations in its different operating territories. An important way to ensure compliance with these is through the formulation of policies and guidelines that clearly set out how the Company and its members should act in any given situation.

As at 27th February 2018, Dangote Cement has 22 Board and Governance policies. Additionally, we have several internal policies and charters that regulate all facets of the Company's activities, ranging from production, sales, finance, human resources, communications, internal controls, corporate social responsibility functions etc. Details of the Board and Governance policies can be found on pages 99-101.

Internal Audit
The Internal Audit function is responsible for providing assurance to management, the Committee, and the Board on the adequacy and effectiveness of risk management, governance and internal control systems in the Company.

The Board has documented the authority, scope, accountability and responsibility of the Internal Audit function in the Internal Audit Charter. The Charter provides guidance to the Internal Audit function and its provisions are adhered to strictly by both the Board Audit and Risk Management Committee and the Internal Audit function.

The function operates independently of management and has full access to all functions, records, property and personnel in the Group.

Dangote Cement's Internal Audit function consists of the Group Internal Audit team, led by the Group Head of Internal Audit, and regional/country audit functions that operate in each of the Company's principal areas of business throughout its operations across Africa.

The Group Internal Audit function is structured along two regions overseeing various countries as follows:

I. Nigeria, comprising the three plants located at Obajana, Ibese and Gboko.
II. Pan-Africa, comprising Cameroon, Congo, Ethiopia, Ghana, Senegal, Sierra Leone, South Africa, Tanzania, Niger and Zambia.

The regional and country functions are centrally directed by the Group Internal Audit team. The country Internal Audit functions are jointly accountable to local senior management and regional heads of internal audit. They also have direct access and accountability to local audit committees and the Group Head of Internal Audit.

The Internal Audit function's approach to its activities is centred on the Company's Enterprise Risk Management (ERM) Framework and a risk-based audit approach, both of which strengthen and complement how we undertake risk management at Dangote Cement.

This approach provides assurance that the processes that manage risks to a level considered acceptable by the Board, are working effectively and efficiently, whilst focusing on key processes and controls.

The Group Internal Audit function uses a standardised, Group-wide internal audit methodology, which is in compliance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors. It operates a formal quality assurance and effectiveness programme.

Following a risk-based approach, the Internal Audit team presents the annual Internal Audit Plan for the approval by the Committee. The plan sets out the scope of work to be performed over a period and also defines the approximate resources necessary to accomplish the scope of the internal audit activities.

Internal Audit reviews, based on the approved plan for the year, generally include provision of assurance over financial, operational, IT and transformation programme activities, which are performed by teams of qualified and experienced employees, as well as third parties appointed to assist from time to time.

The Group Head of Internal Audit, who reports to the Board Audit, Compliance and Risk Management Committee and administratively to the Group CEO, has direct right of access to, and regular meetings with me and prepares formal summary reports on the consolidated activities and key findings of the Group's Internal Audit team.

The regional and country functions are centrally directed by the Group Internal Audit team. The country Internal Audit functions are jointly accountable to local senior management and regional heads of internal audit function for each committee meeting. They also have direct access and accountability to local audit committees and the Group Head of Internal Audit. The Committee also has unrestricted access to all Internal Audit reports, should it wish to review them.

The Committee monitors and reviews the effectiveness of the Group Internal Audit function on an ongoing basis, consistent with the UK Code (provision C.3.2). Internal Audit will undergo an external quality assurance review during 2018 in line with Section 31.14 of the SEC Code.

Disciplinary Committee
In addition to the Anti–Fraud Committee, there is the Disciplinary Committee, which was formed during 2016.

The Committee is made up of the following members:
- Head, Human Asset Management Department
- Company Secretary/Head of Contracts
- Group Head of Internal Audit
- Senior Officer from the department of the staff member facing disciplinary action

With the formation of this committee, the Anti-Fraud Committee will focus on fraud-related cases while the Disciplinary Committee will focus on non-fraud cases.

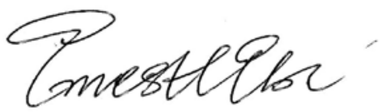
Whistle-blowing mechanism
All employees and stakeholders have the opportunity to make confidential disclosures about suspected impropriety or wrongdoing. The Anti-Fraud Committee, the Group Legal Counsel, in consultation with the Group Head Internal Audit as appropriate, decide on the method and level of investigation.

The Committee reviews the Group's whistleblowing arrangements each year to assess whether they remain effective, is notified of all material disclosures made and receives reports on the results of investigations and actions taken.

The Internal Audit function performs necessary investigations on relevant items, recommends sanctions in line with Dangote Cement's Sanction Grid and provides recommendations for strengthening anti-fraud controls. The Committee can request further information, conduct its own inquiries or order additional action where necessary.

During 2017, of the whistles blown and fraud cases investigated, 84% of these cases have been closed and 14% are still under investigation.

The Audit, Compliance and Risk Management Committee has satisfied itself that proper and satisfactory internal controls remain in place to identify and contain business risks, and that the Company's business, and that of its subsidiaries, is being conducted in a proper and economically sound manner. I am confident that the Committee, supported by senior management, has carried out its duties effectively and to a high standard in 2017. In 2018, we will continue to enhance our processes in line with best practices.



Ernest Ebi MFR
Chairman of the Audit, Compliance and Risk Management Committee
19th March, 2018


DANGOTE
CEMENT

Finance & General Purpose Committee Report

OLUSEGUN OLUSANYA
Chairman

The Finance & General Purpose Committee has oversight over financial reporting, management of internal controls, treasury, corporate finance and other financial matters.

As Chairman of the Finance and General Purpose Committee, I am pleased to present the Committee's report for the year ended 31st December, 2017. Over the following pages I will provide an overview of the Committee's remit and activities and describe the significant matters it considered during the year.

The Board of Directors delegates financial matters to the Committee, which has oversight over financial reporting, management of internal controls, treasury, investment management, financial risk management, capital structure, corporate finance strategy and activities and mergers and acquisitions.

The Committee receives its insight into the challenges and goals of the Company from the financial and business targets set by the Board. It reviews how the Company is progressing towards achieving those targets, receiving regular updates from executive and senior management staff on operational and financial issues across the Group. These reports give the Committee an understanding of the risk factors involved as well as the assurance and processes to mitigate them.

Membership, qualification and meetings

The Committee has eight members, with five Non-Executive Directors and three Independent Non-Executive Directors. Biographical details of each member of the Committee, including relevant qualifications and experience, are set out on pages 104-108 of this report. As part of the annual review of the effectiveness of the Committee, the Board has considered the qualifications, expertise and experience of members and is satisfied that the Committee members bring a wide range and depth of financial experience, accounting practices, risk management and commercial experience across various industries, and that they will effectively discharge their duties as members of the Committee.

Some members of senior and executive management are invited to attend meetings to provide necessary information, as well as updates on agreed tasks and directives directed by the Committee in previous meetings.

As Chairman of the Committee, I regularly hold private meetings with the Group Chief Financial Officer, members of the senior management team and with the lead Audit Partner of our auditors, prior to the Committee meeting to better understand issues and any areas of concern and to allow sufficient time for meaningful discussion in the Committee meeting.

Roles and responsibilities

The Committee's main roles and responsibilities are to assist the Board in fulfilling its oversight responsibilities regarding the following:

- To advise the Board on matters pertaining to the Company's capital structure and corporate finance strategy, including the issuance of equity and debt securities, general financing plans, debt ratings, share redemption and purchasing activities, and the Company's dividend policy

- To review, in consultation with the independent auditors, the integrity of the Company's internal and external financial reporting processes and controls
- To review and recommend to the Board on matters pertaining to Group treasury operations, investment strategies, banking and cash management arrangements and financial risk management
- To review thoroughly and make recommendations to the Board on matters pertaining to major investments, mergers, acquisitions, divestitures, joint ventures or similar transactions and the policies and processes of the Company related thereto.

Financial reporting matters

The Committee reviewed the financial reports submitted by management during its meetings and assessed whether suitable accounting policies and standards were adopted and whether the management team made the appropriate estimates and judgements related to the Group's performance.

The Committee also reviewed the Group's quarterly financial results, relevant disclosures, external auditors' reports, financial disclosures in the Annual Report and reports by external auditors that highlighted any issues arising from the audit of the Company's accounts..

The specific areas of audit and accounting matters reviewed by the Committee included:

- Critical accounting judgements and estimates that affect the reported amount of assets, liabilities, revenue and expenses
- Appropriateness and consistency of application of accounting policies and their compliance with accounting standards
- Impairment testing of tangible and intangible assets
- Risks and associated controls over the financial reporting process
- Adequacy and clarity of reporting disclosures and compliance with applicable financial and reporting standards

Committee activities during 2017

Key matters considered	Committee actions
Review of financial statements	• *Reviewed and recommended to the Board for approval, the 2016 audited financial statements.* • *Reviewed and recommended to the Board for approval, quarterly 2017 unaudited financial statements* • *Recommended and authorized submission of the financial statements to the relevant regulatory bodies* • *Discussed the performance of the Group in comparison with the approved budget*
Capital structure and financing	• *Considered the reports on the status of loan facilities granted to subsidiaries and made recommendations to the Board on next steps.* • *Reviewed and recommended to the Board the approval of loan facilities for subsidiaries.* • *Reviewed the total debt (inter-company loans and external borrowing) of Dangote Cement's subsidiaries.* • *Deliberated on refinancing and repayment of loans to subsidiaries.* • *Deliberated on the effect of regulatory changes on the working capital management of subsidiaries across Africa.* • *Reviewed the current loan portfolio of the company* • *Approval of international credit rating process* • *Approval to proceed with prospectus for Naira-denominated bond issuance programme*
Dividend payment	• *Discussed the different scenarios for the dividend payment and decided on the amount of dividend to recommend to the Board with respect to the 2017 financial year*
Budget	• *Reviewed the annual budget for recommendation to the Board for approval. Key indices included sales target that showed a volume increase above 2017 sales, made achievable through a combination of market penetration and increased sales volumes by exports into Pan-African countries.*
Budget monitoring	• *Reviewed the quarterly and full-year performance of the Group against the approved budget.* • *Ensured the performance of the Company was within budget and properly challenged management on budget performance at every meeting.*
External audit	• *Considered the Auditor's report and management letter including outstanding issues, judgements and estimates, significant audit risks and risk management and internal controls systems.* • *Reviewed the letter of representation presented by the Group Chief Financial Officer and recommended the letter to the Board for approval.*

Key matters considered	Committee actions
Cost reduction measures	• *Continuous review of innovative means of managing cost and maintaining profitability, through direct sourcing of materials and deployment of self-owned trucks in exports, while maintaining quality of products and services.*
Regulatory compliance	• *Monitored and responded to changes in regulatory environment through established structures, education and training, communication and measurement of key performance indicators relevant to compliance; detecting potential breaches and taking appropriate actions to ensure non-occurrence.* • *Provided updates on international compliance, and noted key risks and mitigating actions, and the continued support from Head Office to the subsidiaries.*
SAP ERP	• *Continued to monitor the effectiveness of SAP Enterprise Resource Planning system deployed to the Pan-African subsidiaries, in enhancing the functionality of key business processes and ensuring connectivity within the Group.*
Investments	• *Reviewed and made recommendations to the Board on matters pertaining to major investments, acquisitions, divestitures, joint ventures or similar transactions, and encouraged management to develop policies to guide such transactions.*

Other key matters considered

Significant issues in relation to the financial statements considered by the Committee during the year include:

- Pricing strategy and impact on revenue and profits
- Tax impact and tax exemption status of entities within the Group, and total tax liability of the Group
- Consideration of the increase in non-current assets and the appropriateness of the capitalisation of significant expenditures
- Review of the carrying amount of Group assets including any potential impairment loss to be recognised during the year
- Benefits of international Dollar-denominated bond issuance and Naira-denominated bond issuance.
- Review of the currency hedging strategies, foreign exchange exposures and management-proposed actions to mitigate FX exposures and their impacts on the business

The Committee also deliberated and recommended the financial strategy and areas of focus to the Board, and determined that it was appropriate to adopt the Going Concern basis for the preparation of the financial statements.

The Committee identified the current national threat level and satisfied itself as to the Company's level of preparedness and areas for improvement for 2018.

I am satisfied that the Committee, working closely with senior management and the external Auditors, has carried out its duties effectively and to a high standard in 2017. Going forward, we will continue to focus on the effectiveness of the finance function and ensure adequate protection of the Company's financial assets.

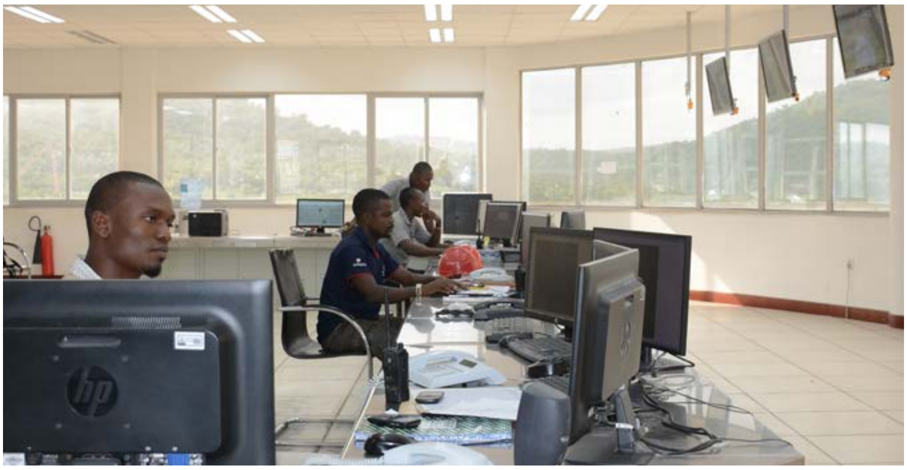
Olusegun Olusanya
Chairman of the Finance & General Purpose Committee
19th March, 2018

Members and meeting attendance

Director	30/01/17	23/02/17	26/04/17	26/07/17	18/10/17	10/12/17
Olusegun Olusanya (Chairman)	✓	✓	✓	✓	✓	✓
Olakunle Alake	✓	✓	✓	×	✓	✓
Sani Dangote	×	×	×	×	✓	✓
Ernest Ebi	✓	✓	✓	✓	✓	✓
Devakumar Edwin	×	×	✓	✓	✓	✓
Emmanuel Ikazoboh	✓	×	✓	✓	×	×
Fidelis Madavo	✓	×	×	✓	×	✓
Douraid Zaghouani	✓	✓	✓	×	✓	✓

Technical & Operations Committee Report

FIDELIS MADAVO
Chairman



The Technical & Operations Committee has oversight over operational matters, health & safety and any expansion projects the Company wishes to pursue in Africa.

The Technical and Operations Committee has oversight function over matters related to the operation of our plants and any potential expansion projects the Company may be considering. It is an independent role with accountability to the Board. It does not assume the functions of management, which remain the responsibility of the Executive Director, Officers and other members of senior management.

Composition

In 2017 the Committee was composed of eight members including the Chief Executive Officer and latterly the Acting CEO. Biographies of each member of the Committee, including relevant qualifications and experience are set out in pages 104-108 of this report. The Company Secretary is the Secretary to the Committee.

The Board has assured itself that the members of the Committee have the requisite knowledge, skill and experience to discharge their duties effectively.

The Group Chief Executive Officer and other members of executive management are often in attendance to provide necessary information and support to the Committee, and give status updates on decisions from previous meetings.

Responsibilities

The Committee assists the Board in fulfilling its oversight responsibilities regarding the following:

- Review project feasibility to determine and consider viability of planned expansion projects in Nigeria and elsewhere
- Review the technical scope of plant projects including risk assessment and the quality management plan and make recommendations to the Board as to needs or issues arising
- Review the status of projects according to agreed scope, schedule, project milestones and KPIs, and where there are delays or variations, probe management to understand root causes and mitigate against such in the future
- Review safety, health and environmental performance and improvement plans
- Review operational, staffing and commissioning readiness plans including projects not under the Group's direct control

Members and meeting attendance

Director	23/02/17	26/04/17	26/07/17	18/10/17
Fidelis Madavo (Chairman)	×	×	✓	✓
Joseph Makoju	✓	✓	✓	✓
Olakunle Alake	✓	✓	✓	✓
Abdu Dantata	✓	✓	✓	✓
Ernest Ebi	✓	✓	✓	✓
Devakumar Edwin	✓	✓	✓	✓
Douraid Zaghouani	×	✓	×	✓

- Monitor the production budget, standards, raw material supplies, energy and key performance indicators per plant
- Review asset/plant care policy and performance (preventative/breakdown, unit and plant reliability/availability and costs)
- Ensure effective technical, research and development programs to enable continuing innovation and improvement across the Group
- Oversee the development and implementation of Corporate Social Responsibility and community programs in plant and business locations where we operate in Nigeria and throughout the rest of Africa

The reports of the Committee are presented to the Board after each Committee meeting, providing the Board with summaries of discussions and its recommendations for the consideration of the Board.

The Committee held four meetings in 2017. The meeting dates and attendance records are shown in the table on page 129.

Key matters discussed by the Committee in 2017 are detailed in the table below.

Key matters considered	Committee actions
Operational efficiency and performance	*The Committee received updates on technical issues related to improving the efficiency of plants across the Company's operations, in particular de-bottlenecking projects* *Reviewed regular performance updates from plants* *Reviewed progress of handover of plant operation and maintenance from Sinoma to Dangote Cement*
Expansion of capacity and other projects	*Reviewed the progress of expansion projects in Congo and Sierra Leone, as well as the progress of coal facilities in Nigerian plants and plans to build export facilities in Nigeria*
Health, safety and environmental matters	*The Committee monitored HSE reports for all plants within the Group including Pan-African operations. The activities of the Committee in this regard included the following:* • *Review regular HSE reports from plants and make recommendations based thereon to prevent future accidents.* • *Review reports on transport safety in Nigeria, including new safety training programmes and procedures for drivers, with recommendation that the Board adopt new safety initiatives to prevent accidents in the logistics fleet.* • *Review the HSE functions and practice in the plants to ensure that appropriate policies and measures are taken to reduce health, safety and environmental risks at all of its plants throughout Africa.* • *Consider the adequacy of established safety performance indicators for the plants.* • *Review incident reports, including details of causes, intervention activities, impact on production and remedial actions.* • *Receive information on safety initiatives during the period, including summary on safety inductions and training, safety committee meetings and safety performance reports for operating plants.* • *Advised management to improve reporting protocols of fatal accidents.* • *Advised management to include historical data in HSE reports, benchmark HSE reports with industry and compare HSE reports across the Group.* • *Approve installation of more sophisticated HSE equipment.* • *Advised management to enhance security measures across the plants and to introduce and enforce standard operating procedures.* • *Approved intensified safety training and workshops and increased safety awareness through simulations, drills, dialogues, signals and signboards.*
Transport strategy	*The Committee received and considered reports related to transport management and efficiency. The reports included information on:* • *Measures to contain and reduce accident rates.* • *Effective surveillance and monitoring of the truck fleet.* • *Incentive measures for good drivers.* • *Provision of adequate truck parking facilities.* • *Safety policies for transport across the Group.* • *Medium and long term strategy on optimising management of the transport function.*

Key matters considered	Committee actions
Projects review	*The Committee considered reports on existing projects, both greenfield and brownfield, and the reports included information on the following:* • *Construction status of projects and production dates.* • *Commissioning status and plans.* • *CAPEX reports on projects.* • *Project issues and resolution thereof.* *Key project decisions for the Committee's resolution:* • *Contract arrangements and review.* • *Business case for remodeling, reconstruction or renovation.* • *Lease arrangement and agreements.* • *Business registration status.* • *Status of mining license arrangements.* • *Limestone exploration reports.*
Policy formulation and review	*The Committee introduced the 15 Dangote HSSE Golden Rules aimed at improving HSSE systems, with compliance mandatory for all employees, contractors and visitors across all the plants in the Group.* *The Committee also considered the existing HSSE policies of the Company and introduced the following new policies:* • *Dangote Safety Golden Rule: This contains mandatory safety rules and regulations applicable to all staff, contractors and visitors.* • *Group HSSE Incident Reporting and Investigation Standard: This describes the arrangement and requirements for reporting, classification, escalation and investigation of HSSE incidents across Dangote Cement.* • *Group HSSE Performance Reporting Standard: This ensures that Dangote Cement keeps track of, and regularly reports on, the performance of its HSSE KPIs in order to support the decision-making process of the business.* • *Group HSSE Risk Management Standards: these ensure that occupational HSSE-related risks and opportunities are managed in an effective manner, and that the Group adopts a rigorous risk analysis process to make informed and productive decisions.*

Focus for 2018

As the Company will not open any major new production capacity in 2018, the Committee's main role will be to ensure the following:

- Operational efficiencies and plant optimization initiatives are implemented across operations to achieve cost savings
- Production targets across the Group are met
- Health, Safety and Environment policies are enforced and monitored across the Group
- Sustainability strategy and policies are implemented and monitored across the Group
- Plans for new plants are fully considered

Fidelis Madavo
Chairman of the Technical and Operations Committee
19th March, 2018

Nomination Committee Report

ALIKO DANGOTE
Chairman

The Nomination Committee assists the Board in the identification and engagement of new Directors to ensure broad range of skills and experience to guide the Company.

The Nomination Committee was established in 2014 to assist the Board in discharging its responsibilities in relation to the composition of, and matters relating to, the Board and Senior Executive team.

Composition and Membership

The Committee comprises myself, one Non-Executive Director and three Independent Non-Executive Directors I serve as the Chairman of the Committee by virtue of my position as the Chairman of the Board.

Members of the Committee have extensive board, management and leadership experience across a wide range of companies.

Biographical details of each member of the Committee, including relevant qualification and experience are set out in pages 104 to 108 of this report.

The Company Secretary is also the Secretary to the Committee.

Meetings

The Committee met three times in 2017. Details of members as well as meeting attendance are shown below. When required, the meetings of the Committee are attended by appropriate Senior Executives of the Company (such as the Group Chief Executive Officer, Group Chief Financial Officer, Head of Human Resources and Company Secretary), as well as external advisers upon invitation.

The Board appointment process

The Nomination Committee leads the process for identifying and recommending the appointment of new Directors with a clear understanding of the attributes and values required to help the effective functioning of the Board. The Committee conducts an extensive search for prospective candidates with appropriate skills and qualifications for specified directorship.

In 2017, the Nomination Committee had particular focus on succession planning and broadening the skill set on the Board. It was in that regard that the Committee recommended the appointment of Brian Egan, who joined the Company in 2014 as the Group Chief Finance Officer, as an Executive Director, Finance, of the Company.

His appointment as Executive Director, Finance, reflects the significant contribution he has made to the Group since he joined in April 2014.

Members and meeting attendance

Director	24/02/17	18/10/17	9/12/17
Aliko Dangote (Chairman)	✓	✓	✓
Ernest Ebi	✓	✓	✓
Emmanuel Ikazoboh	×	×	✓
Fidelis Madavo	✓	×	✓
Olusegun Olusanya	✓	✓	✓

He has transformed our financial management and reporting and become a trusted source of insight for investors. His appointment to the Board demonstrates our continuing commitment to building a world-class company based upon exciting growth and sound financial principles.

I am pleased to say his appointment represents a positive step forward in our goal to improve the functioning and knowledge base of our Board.

In December, the Committee recommended the appointment of Viswanathan Shankar to the Board. He is an established figure in the world of private equity and will add significant experience of emerging-market investment to the Board.

The Board, through the Committee, has taken steps to satisfy itself that he is suitable in character and judgement, and there are no circumstances which are likely to affect, or appear to affect, his performance and judgement as a Director.

Responsibilities

The Committee has responsibility to ensure that:

- The Board has the appropriate composition for it to execute its duties effectively
- The establishment of a formal process for the selection and appointment of Directors, including Identification of suitable members of the Board
- Performance of reference and background checks of candidates prior to nomination
- The appointment of Directors is formalised through an agreement between the company and the Director
- A formal induction programme for new Directors is developed and implemented and reviewed regularly in line with best practice
- Ongoing training and development of Directors take place
- Formal succession plans for the Board, Chief Executive Officer and Senior Executive appointments are in place
- Inexperienced Directors are developed through a mentorship programme and oversee the development and implementation of continuing professional development programmes for Directors
- Directors receive regular briefings on changes in risks, laws and the environment in which the Company operates
- The performance of Directors is evaluated and assessed, appropriate steps taken to remove Directors who do not make an appropriate contribution

Following the inauguration of the subsidiary Boards, we continued to monitor the corporate governance in terms of meetings to ensure that the subsidiaries are run in line with best practice.

In that regard, the subsidiaries held several meetings in 2017, in compliance with the laws of their respective operating environments.

The Committee continues to monitor the composition of the Board of DCP and Pan-African subsidiaries to ensure at all times, that the Board is comprised of individuals with the balance of skills and qualifications necessary to effectively direct the affairs of the Company.

Future plans

- The Committee is committed to further gender diversification with a stronger representation of women on the Board.
  You will recall that in 2016, we appointed Dorothy Ufot (SAN), as the first female member of the Board. We are working towards increasing the participation of women on the Board
- Emergency succession planning is also an important area of discussion for the Committee, ensuring the business develops a framework with clearly identified individuals capable of covering key management roles on an interim basis. All these individuals then receive the necessary coaching to ensure they have the required skills to provide any critical support when needed.
- Development for Directors and high-performing individuals below Board level has been an essential area of focus. Coaching and mentoring is provided to develop and enhance specific skill sets, and the Committee believes the benefits of this approach are critical for developing our own talent for the future.

Aliko Dangote
Chairman of the Nomination Committee
19th March, 2018

Remuneration Report

EMMANUEL IKAZOBOH
Chairman

The Remuneration and Governance Committee seeks to develop remuneration policies that attract and retain high-calibre executives to manage the Company's operations.

In this report, I describe our remuneration practices and policies and disclose the remuneration paid to Directors in 2017 and the proposed remuneration arrangements for 2018. I also explain how the remuneration policy is aligned with the short-term objectives and long-term strategy of Dangote Cement.

The report is split into three main areas: the statement by the Chairman of the Remuneration and Governance Committee, the Remuneration Policy Report and the Annual Report on Remuneration.

The Board has established a remuneration framework for Executive and Non-Executive Directors, which takes cognizance of the relevant Codes of Corporate Governance in Nigeria as well as leading governance practices with a view to ensuring adherence to the highest standards of Corporate Governance.

The Remuneration Policy reflects our desire to sustain long-term value creation for shareholders, and aims to:

- Attract and retain people with integrity, ability, skill and experience to deliver the Group's strategy
- Motivate Directors to pursue and promote balance between the short-term and long-term growth of the Group while maximising shareholders' returns
- Ensure that remuneration arrangements are equitable, transparent, well communicated and easily understood, aligned with the interest of shareholders and adequately disclosed
- Align individual rewards with the Company's performance, the interests of its shareholders, and a prudent approach to risk management
- Promote compliance with global regulatory trends and governance requirements, with an emphasis on long-term sustainability

Dangote Cement's Remuneration Policy ensures that the performance goals of Directors are aligned to shareholder interests, in order to ensure that the Directors make

Members and meeting attendance

Director	16/02/17	20/04/17	19/07/17	9/10/17
Emmanuel Ikazoboh (Chairman)	✓	✓	✓	✓
Sani Dangote	×	✓	✓	✓
Abdu Dantata	✓	✓	✓	✓
Ernest Ebi	✓	✓	✓	✓
Devakumar Edwin	×	✓	×	✓
Joseph Makoju	×	×	✓	✓
Olusegun Olusanya	✓	✓	✓	✓
Dorothy Ufot	✓	✓	✓	✓

prudent decisions in deploying the Group's resources to generate profitable and sustainable growth.

The performance-based incentive programs for the Executive Management are aligned to individual performance and the overall performance of the Company, and this drives a high-performance culture that rewards individual contributions and the achievement of business results that enhance shareholder value.

There were no changes to the remuneration structure of the Non-Executive Directors during the year under review. Details of the remuneration paid to Directors in 2017 can be found on pages 140-141.

Additionally, the Remuneration and Governance Committee, in accordance with good governance and in line with UK Code (provision D.1), has developed an Executive Management Performance Incentive Policy, focused at senior executives to ensure that they are performance oriented and aligned with the short-term and long-term goals of the Company.

The policy defines a transparent procedure for encouraging and stimulating enhanced performance in a way that will increase profitability and sustainability of the Company. It provides challenging but achievable goals to drive towards the vision and strategy of the Company, focuses on increased accountability through providing clarity around what is measured and how (weightings against performance categories), and emphasizes the way that business should be conducted by incorporating executive leadership and corporate values into the performance management process. This is consistent with Section 5.3 of the SEC Code.

Composition of the Committee
The Remuneration and Governance Committee consists of four Non-Executive Directors and four Independent Non-Executive Directors. This composition is in compliance with Section 11.1 of the SEC Code and the UK Code (provision D.2.1). In compliance with Section 14.3 of the SEC Code, only Non-Executive Directors are involved in decisions regarding the remuneration of the Group Chief Executive Officer.

The SEC Code requires the Remuneration Committee to consist only of Non-Executive Directors while the UK Code provides for at least two Independent Non-Executive Directors as members of a Remuneration Committee. I serve as the Chairman of the Committee.

The Board has satisfied itself that members of the Committee have the requisite knowledge, skill and experience to function effectively. Biographical details of each member of the Committee, including relevant qualification and experience are set out in pages 104-108 of the Corporate Governance Report. The Company Secretary is also the Secretary to the Committee.

The Group CEO, Group CFO, Group Chief Human Resources Officer and Company Secretary are regularly consulted and are in attendance at the Committee meetings when required to provide information.

Roles and responsibilities
The principal role of the Remuneration and Governance Committee, in relation to remuneration, is to assist the Board in the matters described in the table on page 136.

The Remuneration and Governance Committee is responsible for satisfying itself, on behalf of the Board of Directors, that the Company's leadership development, talent planning, organisational structure and compensation strategies, plans, policies and practices are internally aligned and consistent with the sustainable achievement of the Company's business objectives, the prudent management of its operations and risks including regulatory oversight as required, and adherence to its processes, policies, procedures and controls.

Responsibilities of the Remuneration & Governance Committee

Composition and function of Board Committees

- *Establish the criteria for Board and Board Committee memberships, review candidates' qualifications and any potential conflicts of interest, assess the contribution of current directors in connection with their re-nomination and make recommendations to the Board*
- *Prepare a job specification for the Chairman's position, including an assessment of time commitment required of the candidate*
- *Periodically evaluate the skills, knowledge and experience required of the Board*
- *Make recommendations on experience required by Board Committee members, Committee appointments and removal, operating structure, reporting and other Committee operational matters*

Remuneration

- *Make recommendations on the amount and structure of the remuneration of the Chairman and Non-Executive Directors of the Board to ensure that remuneration is fair and competitive*
- *Ensure that the Group's Remuneration Policy and structure is fair and sufficient to attract and retain high-calibre staff to the Group*
- *Recommend to the Board, the terms, conditions and remuneration of Senior Executives including performance incentives*
- *Ensure proper disclosure of Directors' remuneration to the Shareholders*
- *Provide input to the Annual Report of the Company in respect of Directors' compensation*

Performance management

- *Review and agree, at the beginning of the year, the Key Performance Indicators (KPIs) for the Group CEO and Senior Executives*
- *Assess performance of the Group CEO against the agreed KPIs and provide feedback thereon*
- *Ratify the performance appraisal of Senior Executives on the recommendation of the Group CEO*
- *Ensure that the performance and effectiveness of individual Directors, Board and Board Committees are reviewed annually*

Human resources

- *Ensure that succession policies and plans exist for the positions of Chairman, Chief Executive Officer, Executive Directors and the Managing Directors of subsidiary companies*
- *Periodically review and make recommendations to the Board on the Group's organisational structure and any changes thereto*
- *Periodically review and make recommendations on the Group's key human resource policies*
- *Periodically review and make recommendations on recruitment, promotion and disciplinary actions for senior management staff*

Governance

- *Periodically recommend the preparation and adoption of the Board governance policies in line with regulatory compliance and best practice*
- *Periodically review existing policies in line with changes in the regulatory and governance environment and make recommendations to the Board for amendments thereto*
- *Ensure that the Board conducts a Board evaluation on an annual basis*
- *Review the performance and effectiveness of the subsidiary company Boards on an annual basis where applicable*

Committee activities during 2017
In addition to the activities set out in the table below, the Remuneration and Governance Committee has completed the performance evaluation of the Group CEO and Senior Executives for the 2017 financial year, and agreed the KPIs for 2018.

Key matters considered	Committee actions
Human resources	• *The Committee received regular reports and updates on headcount, priority vacancies, performance evaluation, training programmes, promotion, payroll cost and administration, comparative salary analysis and benchmarking against cement industry peers, recruitment and disengagement of staff in key positions across the Group.* • *The Committee reviewed and approved for recommendation to the Board, innovative means for introducing incentives and managing staff strength for improved productivity and optimum performance.*
Succession planning	• *The Committee has focused on succession planning and culture, assessing the Executive, Non-Executive and Senior Executive succession pipeline, and identifying what skills are needed to support our strategy and business for the long-term. Board and Senior Executive succession has been a regular feature of Committee discussions during the course of the year and this has culminated in the development of a Succession Planning Policy.*
Executive and staff compensation	• *The Committee reviewed the report of the comparative salary analysis submitted by Management, with a view to reviewing salary structure to be more competitive, as well as ensure that the compensation structure of the Company is enough to attract and retain quality staff*
Inflation and compensation	• *The Committee received regular reports on inflation in the Group's operating territories, particularly Nigeria, where most staff are employed, and considered the impact of inflation on the Company's remuneration policy.*
Organisational structure	• *The Committee reviews the organisational structure of the Group and whether it remains optimal to pursue the Group's business goals.*
Corporate Interactive Platform	• *The Committee considered a proposal to create an interactive platform for communication between staff and management, to include industrial relations and idea generation to improve productivity.*
Complaints Management Policy	• *This Policy was developed in line with the requirements of the Securities & Exchange Commission's Rules Relating to the Complaints Management Framework of the Nigerian Capital Market. It defines a transparent procedure for receiving, responding, monitoring and resolving complaints and enquiries from shareholders of the Company.*

Remuneration Policy
The Remuneration Report describes the Board's policy on remuneration and how the policy was applied during the year. This report also notes the Executive Management Performance Incentive Policy, which is a Long-Term Incentive Compensation Policy for Senior Executives contained that was implemented during 2017 .

The Company's Remuneration Policy has been designed to take into account the environment in which the Group operates and the results it achieves. The policy takes cognizance of the relevant Codes of Corporate Governance in Nigeria as well as leading governance practices with a view to ensuring adherence to the highest standards of Governance.

This policy reflects the Group's desire to sustain long-term value creation for shareholders with five overall objectives in mind:

- To attract and retain people with integrity, ability, skill and experience to deliver the Group's strategy
- To motivate senior executives to pursue and promote balance between the short-term and long-term growth of the Group while maximising shareholders' returns
- To ensure that remuneration arrangements are equitable, transparent, well communicated and easily understood, aligned with the interest of shareholders and adequately disclosed
- To align individual rewards with the Group's performance, the interests of its shareholders, and a prudent approach to risk management
- To promote compliance with global regulatory trends and governance, with an emphasis on long-term sustainability.

It is the Company's policy to define criteria and mechanisms for determining levels of remuneration and the frequency of the review of these criteria.

Our policy also ensures that senior executives' remuneration is linked to Group and individual performance in line with section 5.3 (g) of the SEC Code and the UK Code of Corporate Governance. The Remuneration and Governance Committee has been charged with the responsibility of leading the process for determining the remuneration of senior executives and Non-Executive Directors. The Committee will continue to monitor the Remuneration Policy's alignment with the Group's business priorities and objectives, whilst ensuring that the remuneration framework continues to motivate, reward and retain our senior management in order to deliver the Company's strategy in the most effective manner.

Senior Executives	
Competitive remuneration	• *Remuneration and reward strategies are set at levels that enable the Group to attract, motivate and retain the right skills required to efficiently manage the operations and growth of the business.*
Attraction and retention	• *Salaries for Senior Executives are set at a level to attract and retain high-calibre executives with international experience that will benefit the Company and its operations.*
Performance-related	• *Annual performance goals of Senior Executives shall be aligned to shareholder interest. This is to ensure that Senior Executives make prudent decisions in deploying the Group's resources to generate sustainable growth.* • *The Group's performance-based incentive programs for the executive management shall be aligned to individual performance and the overall performance of the Group.* • *This approach drives a high performance culture that rewards individual contributions and the achievement of business results that enhance shareholder value. Senior Executives can earn an annual bonus of up to 25% of their base salary, depending on the achievement of agreed corporate and personal objectives.*
Long-term	• *The remuneration structure will be designed to reflect the long-term nature of Dangote Cement's business while balancing risks and reward. The performance period for this long-term component will typically run for three years, with the Executive not receiving any bonus until the end of the performance period. The structure of the long-term incentive is under consideration at present.*
Fairness	• *Dangote Cement will regularly benchmark its remuneration practices against international peer organisations whose business profiles are broadly similar to that of the Group, using remuneration surveys, peer reviews etc. This will ensure that the overall pay takes into cognizance both the external environment as well as the Group's conditions at any point in time.*

Non-Executive Directors	
Competitive remuneration	• *Remuneration will be set at levels that enable the Group attract, motivate and retain world-class talent with the right skills required to effectively oversee the operations and growth of the business.* • *The Group will regularly benchmark its remuneration practices against other international organisations whose business profiles are broadly similar to ours, using information gathered from remuneration surveys, peer reviews etc.*
Fixed	• *Remuneration will be determined fixed for each year and will be payable periodically throughout the year.*
Transparency	• *The Group will maintain a transparent remuneration process that includes adequate consideration and approval of remuneration payable by the Company's shareholders.*

Elements of remuneration

Senior Executives (including the Group Chief Executive Officer)

Element	Purpose and link to strategy	Objectives	Operation
Basic pay	• *This is a fixed salary, which is not dependent on performance. It comprises basic pay and all cash allowances paid to the Executive.*	• *To attract and retain talent in a competitive international market.*	• *Salaries for all roles are determined with reference to applicable relevant market practices and benchmarks.* • *Payment to be made monthly.*
Short-term performance incentive	• *This represents the pay-at-risk that is pay is contingent on the achievement of agreed performance indicators. It includes the established and incidental payouts from the annual incentive scheme.*	• *To motivate and reward the delivery of annual goals at Group and individual levels.* • *To reward contributions from short to mid-term performance of the Group and demonstrate potential for any future contribution.*	• *Senior Executives' annual performance incentives will be evaluated against the performance metrics defined in their approved individual balanced scorecard.* • *Payment in March, following approval of the accounts..*

Senior Executives (including the Group Chief Executive Officer)

Element	Purpose and link to strategy	Objectives	Operation
Long-term performance incentive	• *This is designed to improve long-term performance of the Group by aligning the interests of the Senior Executives with Group performance.*	• *To reward sustained growth in shareholder value.*	• *The structure of the long-term incentive plan is under consideration at present.*
Benefits and perquisites	• *These are the non-monetary forms of compensation provided to the Executives.*	• *To reflect the market value of individuals and their role within the Group.* • *To aid retention and remain competitive in the marketplace.*	• *Review periodically in line with the individual contract of employment.* • *Includes accommodation, company car (and related benefits), club and professional membership subscription, air travel tickets, per diem, medical insurance and life assurance.*

Non-Executive Directors

Element	Objectives	Operation
Directors' fees	• *To attract individuals with relevant skills, knowledge and experience.*	• *Reviewed every two years and changes made on need basis subject to shareholder approval at the Annual General Meeting.* • *Payment to be made quarterly or annually.*
Sitting allowances	• *To recognise the responsibilities and contributions of the Non-Executive Directors on the Board.* • *To encourage attendance and participation of Non-Executive Directors at designated committees assigned to them.*	• *Reviewed every two years with changes subject to shareholder approval at the Annual General Meeting.* • *Payment made per meeting.*
Other allowances	• *To cover costs incurred in carrying out the Directors' duties.*	• *Review every two years subject to the approval of the Board.* • *Payment made as required.*

Annual performance incentive, 2017
In accordance with the Group Remuneration Policy set out in this report, incentives awarded to the Group CEO and Senior Executives are based on the performance of the Group and on their individual performance.

At the beginning of the year, the Committee set operational targets consisting of a number of key performance indicators (KPIs) covering both financial and non-financial measures of performance for the Group CEO and Senior Executives.

In respect of the 2017 financial year, it was agreed by the Committee that an award was appropriate, having reviewed the Group's performance and the performance of the executive team against the overall performance of the Group in 2017 and the KPIs set at the beginning of the year. In particular, some of the significant achievements in 2017 included:

- Improvement in revenues and profitability in the Nigerian market
- Increase in sales volumes and revenues across Pan-African operations
- Improvements in sales and market shares in Pan-African operations
- Opening new operations in Congo and Sierra Leone

Details of Directors' remuneration for the year ended 31st December, 2017 are listed below, with comparative figures for the 2016 financial year.

Non-Executive Directors:

Name of Director	Director fees allowances		Sitting allowances		Other allowances		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Aliko Dangote	5,000	5,000	6,100	6,967	27,476	15,085	38,576	27,052
Olakunle Alake	4,000	4,000	7,550	10,020	26,426	14,337	37,976	28,357
Sani Dangote	4,000	4,000	6,800	9,270	26,426	14,337	37,226	27,607
Abdu Dantata	4,000	4,000	5,100	4,400	26,426	14,337	35,526	22,737
Ernest Ebi	4,000	4,000	9,100	11,270	32,626	20,537	45,726	35,807
Devakumar Edwin	4,000	4,000	8,800	10,670	26,426	14,337	39,226	29,007
Emmanuel Ikazoboh	4,000	4,000	8,750	11,088	32,626	20,537	45,376	35,625
Fidelis Madavo	4,000	4,000	7,400	9,570	26,426	14,337	37,826	27,907
Joseph Makoju	4,000	4,000	6,900	7,220	26,426	14,337	37,326	25,557
Olusegun Olesanya	4,000	4,000	8,700	11,138	32,626	20,537	45,376	35,675
Dorothy Ufot	4,000	4,000	5,110	4,120	32,626	4,700	41,726	12,820
Douraid Zaghouani	4,000	4,000	4,800	7,270	26,426	14,337	35,226	25,607
Viswanathan Shankar	-	-	-	-	-	-	-	-
Total	**49,000**	**49,000**	**85,150**	**103,003**	**342,962**	**181,755**	**477,112**	**333,758**

Annual fees for Directors	2017	2016
Position	**₦'000**	**₦'000**
Chairman	5,000	5,000
Non-Executive Directors (Board related)	4,000	4,000
Committee chairmanship	400	400
Committee membership	350	350

Highest-paid Director
The highest-paid Director in 2017 was Onne van der Weijde, whose remuneration totaled ₦407.4m (2016: ₦303.9m).

Proposed fees for Non-Executive Directors
The proposed fees for Non-Executive Directors will be presented to shareholders during the Annual General Meeting for their consideration.

In line with Section 14.6 of the SEC Code, the Board has fixed the remuneration of Non-Executive Directors, as shown above for shareholders' approval. It is proposed that Directors' fees will remain at the same amount as paid in 2017.

Directors' interests
The shareholdings of Directors who held office during the period 1st January, 2017 to 31st December, 2017, are set out in the Report of the Directors on page 112.

Emmanuel Ikazoboh
Chairman of the Remuneration and Governance Committee
19th March, 2018

Compliance with SEC disclosure requirements

Overview

At Dangote Cement, we aspire to maintain high standards of corporate governance, both at Board level and throughout the Group. Increasingly, good governance includes the consideration of our impacts on society and the environment and whether we are operating in a sustainable way.

We aim to comply with, and exceed where practicable, all applicable legislation, regulations and codes of practice as they relate to sustainable operations. We will integrate sustainability considerations into all our business decisions, ensure that our staff, clients and suppliers are fully aware of our Sustainability Policy.

We are committed to implementing and improving the Sustainability Policy across all office and site activities. In commitment to this, we aim to comply with the provisions of the SEC's National Code of Corporate Governance ('the Code') throughout 2017 and will progressively act in accordance with the Code's Sustainability provisions highlighted in Section 28 & 32 respectively.

Compliance by the Company with each principle and provision of the Code on Sustainability Issues is set out below.

SEC's Code of Corporate Governance For Public Companies	Dangote Cement Compliance Statement
Dangote Cement should pay adequate attention to the interests of its stakeholders such as its employees, host community, the consumers and the general public. Dangote Cement should demonstrate sensitivity to Nigeria's social and cultural diversity and should as much as possible promote strategic national interests as well as national ethos and values without compromising global aspirations where applicable.	• *We recognise our commitment to our employees and workforce. As a result, we strive to respect the dignity of our employees and their rights to decent working conditions.* • *We aim to have community stakeholder engagement plans in place which will allow us implement our journey towards sustainable development.*
Dangote should recognise corruption as a major threat to business and to national development and therefore as a sustainability issue for businesses in Nigeria. Companies, Boards and individual directors must commit themselves to transparent dealings and to the establishment of a culture of integrity and zero tolerance to corruption and corrupt practices.	• *Dangote Cement is committed to fighting bribery and corruption in all high-risk countries in which we operate.* • *We have an Anti–Bribery and Anti-Corruption Policy which is part of the overall Anti–Fraud Compliance Programme. It aims to align with all relevant acts, codes, laws, guidelines and policies designed to prevent, detect and respond to issues of corruption and bribery.* • *The Policy demonstrates the Company's zero tolerance for all forms of fraud including but not limited to bribery, corruption, asset misappropriation and financial statement fraud.* • *Details of this has been included in the Corporate Governance Section of the Annual Report.*
The Board of Dangote Cement should report annually on the nature and extent of its social, ethical, safety, health and environmental policies and practices. Issues should be categorised into the following levels of reporting:	• *The Board of Directors is committed to promoting sustainability. Concern for the environment and promoting a broader sustainability agenda are integral to the Company's professional activities and the management of the organisation.* • *Our compliance with these provisions is stated in a – i below.*
Disclosure of Dangote Cement's business principles and codes of practice and efforts towards implementation of same.	*These are outlined in the Corporate Governance Report of this Annual Report.*

Description of workplace accidents, fatalities and occupational and safety incidents against objectives and targets and a suitable explanation where appropriate.	• *The Company continuously strives to improve its operations to ensure a safe working environment. Safety and environment workshops are organised for all senior employees with a broad focus on good housekeeping to ensure good and safe working environment. Firefighting and prevention equipment are installed in strategic locations in the offices and plants.* • *We place health and safety at the centre of everything we do. Our aim is zero harm, and we act to improve the health of employees, contractors, third parties, and communities. Our target is to achieve zero accident.* • *The work place accidents monitoring and reporting we have include:* *i. Lost time accidents;* *ii. Fatal accidents;* • *In line with Company policy, any accident or injury sustained by any employee in the course of executing his/her work must be reported immediately to his/her immediate supervisor, who will ensure that appropriate medical attention is given to such an employee.* • *All employees are expected to abide by the company's Safety Policy which emphasises that employees must make use of the protective equipment provided for their use during the working hours.* • *Employees are not allowed to operate any machine/equipment unless they have been trained to do so and have been authorised by their supervisor.*
Disclose Dangote Cement's policies, plans and strategy of addressing and managing the impact of HIV/AIDS, malaria and other serious diseases on the Company's employees and their families.	• *We have a policy on HIV/AIDs, which will be applicable and implemented across the Company and all subsidiaries.* • *We do not discriminate against staff with HIV/AIDs or any other ill health. Periodic medical tests are conducted on staff and all ailing staff are treated in the company's in-plant medical clinic or referred to company retained hospitals. They are allowed to return to their duties as soon as they are fit in line with a medical report.*
Application, in Dangote Cement's operations, of options with the most benefit or least damage to the environment, particularly for companies operating in disadvantaged regions or in regions with delicate ecology in order to minimise the environmental impact of the Company's operations.	• *We will ensure that the adverse impact of our operations is minimal on the environment.* • *Our plants are designed to perform at better than European standards of emissions, dust control and noise abatement. As outlined elsewhere in this report, we plan to introduce global standards of sustainability reporting from the beginning of 2017, so that we measure and disclose key variables such as CO2 emissions, dust control and water usage.* • *We believe our focus on environmental care will bring advantages as African countries increasingly impose stronger regulations to protect the environment, thus obliging other operators to invest more in pollution control.*
The nature and extent of employment equity and gender policies and practices, especially as they relate to the executive level opportunities.	• *We are developing a gender–balanced and inclusive work environment where diverse talent can thrive and contribute to superior business results.* • *There is gender employment equity in the company especially at the executive level. There are no discriminatory gender policies and practices.* • *In line with Company policy, the organisation has equal regard for all its employees irrespective of race, colour, religion, sex or ethnic background.* • *Suitability for the job position or advancement in the organisation shall be based purely on qualification and merit, job knowledge, relevant experience, analytical/practical skills, good conduct and character, sincerity, hardworking nature and leadership qualities amongst other relevant requirements.*

Information on the number and diversity of staff, training initiatives, employee development and the associated financial investment.	• *We believe in unity in diversity and accordingly we seek to employ and retain the best human resources irrespective of disability, gender, race, ethnic origin or religion. We strive to provide employees with an atmosphere that promotes their productivity and develops their potential.* • *In 2016, the Nomination Committee had particular focus on gender diversity, following a Board review in 2015 that acknowledged the need for diversity in its composition and in particular, the need for a stronger representation of women.* • *We will champion diversity in our sector and we want to promote equality and diversity at Dangote Cement.* • *Some of the company's staff training initiatives embarked include: management and soft skills programmes, functional and non-technical skills, employee induction, IT skills, technical skills, health safety & environment amongst others.* • *In 2016 we continued to roll out the business transformation initiative begun in 2015. This had the HR team embarking on a series of organisational development programs to ensure the achievement of this initiative.* • *We have embarked on a series of programs that will ensure that our talent pool is adequately developed and retained and also ensure that we attract the best calibre of people.* • *The Dangote Academy was established in 2010 to provide training in technical and management skills for employees and people wishing to join the Dangote Group of companies.* • *Key initiatives include the Graduate Engineers Training Scheme (GETS), the Vocational Training Scheme (VTS) and the Junior Technician Scheme (JTS). This is listed in the Section on "Our People" in the Annual Report.*
Disclosure on the conditions and opportunities created for physically challenged persons or disadvantaged individuals.	• *There are no special conditions or opportunities created for physically challenged persons. However the company does not discriminate against physically challenged persons where they prove capable of carrying out the required tasks.* • *There are some physically changed persons currently in the employment of the company.*
The nature and extent of Dangote Cement's social investment policy.	• *We regard the provision of social investment and charitable donations as an important part of our strategy to maintain good relationships with communities and other stakeholders in all of its operating locations across Africa.* • *Some of our initiatives are conducted directly by the Company and its staff, some in collaboration with third parties and other organisations, while others are managed by the Dangote Foundation, which is a non-commercial and charitable organisation that focuses on empowerment, education, health and disaster relief on behalf of all companies in the Dangote Group.*
Disclosure on Dangote Cement's policies on corruption and related issues and the extent of the compliance with the policies and the Company's Code of Ethics.	• *This has been reported above and in the Corporate Governance Report.*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Financials

Report of the Statutory Audit Committee

In accordance with Section 359 (6) of the Companies and Allied Matters Act, Cap C20 LFN 2004 and Section 30.4 of the SEC Code, the members of the Statutory Audit Committee of Dangote Cement Plc hereby report as follows:

"We have exercised our statutory functions under Section 359 (6) of the Companies and Allied Matters Act, Cap C20 LFN 2004 and we acknowledge the cooperation of the Board, management and staff in the conduct of these responsibilities. After careful consideration of the report of the external auditors, we accepted the report that the Financial Statements give a true and fair view of the state of the Group's financial affairs as at 31st December, 2017.

We confirm that:

I. The accounting and reporting policies of the Group are in accordance with legal and regulatory requirements as well as agreed ethical practices
II. We reviewed the scope and planning of audit requirements and found them adequate
III. We reviewed the findings on the management letter prepared by the external auditors and found management responses to the findings satisfactory
IV. The accounting and internal controls system is constantly and effectively being monitored through an effective internal audit function
V. We made recommendations to the Board on the re-appointment and remuneration of the external auditors and also reviewed the provision made in the Financial Statements for the remuneration of the external auditors; and
VI. We considered that the external auditors are independent and qualified to perform their duties effectively.

The Committee therefore recommends that the Audited Financial Statements for the year ended 31st December, 2017 and the External Auditors' report thereon be presented for adoption at this Annual General Meeting."

Robert Ade-Odiachi
Chairman, Statutory Audit Committee
FRC/2013/ICAN/00000004526

Members of the Statutory Audit Committee:
Robert Ade-Odiachi, Shareholders' Representative
Nicholas Nyamali, Shareholders' Representative
Sheriff Yussuf, Shareholders' Representative
Olakunle Alake, Non-Executive Director
Olusegun Olusanya, Independent Non-Executive Director
Emmanuel Ikazoboh, Independent Non-Executive Director

Certification pursuant to Section 60 of Investments and Securities Act (ISA) 2007

We have reviewed the Consolidated and Separate Financial Statements of Dangote Cement Plc and its subsidiaries ("the Group") for the year ended 31st December, 2017.

Based on our knowledge, these Consolidated and Separate Financial Statements do not:

- contain any untrue statement of a material fact or;
- omit to state a material fact that 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 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's and Company's internal controls and reported to the Board's Audit, Compliance 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, OFR
Acting Chief Executive Officer/Group Managing Director
FRC/2018/COREN/00000017767

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

Statement of Directors' Responsibilities for the Preparation and Approval of the Financial Statements for the year ended 31st December, 2017

The Directors of Dangote Cement Plc are responsible for the preparation of the Consolidated and Separate Financial Statements that present fairly the financial position of the Group and company as at 31st December, 2017, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, No 6, 2011.

In preparing the Financial Statements, the Directors are responsible for:
- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- making an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for:
- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group and Company;
- maintaining adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time, the financial position of the Group and Company, and which enable them to ensure that the Financial Statements of the Group and Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Group and Company; and
- preventing and detecting fraud and other irregularities.

The Consolidated and Separate Financial Statements of the Group and Company for the year ended 31st December, 2017 were approved by the Directors on 19th March, 2018.

On behalf of the Directors of the Company

Chairman	Acting Group Chief Executive Officer / Group Managing Director

Independent Joint Auditors' Report to the Shareholders of Dangote Cement Plc

Report on the audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the accompanying consolidated and separate financial statements of Dangote Cement Plc ("the Company") and its subsidiaries (together referred to as "the Group") which comprise the consolidated and separate statements of financial position as at 31 December 2017, the consolidated and separate statements of profit or loss, comprehensive income, changes in equity, cash flows for the year then ended, the notes to the consolidated and separate financial statements including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Dangote Cement Plc as at 31 December 2017 and the consolidated and separate financial performance and statement of cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the requirements of the Institute of Chartered Accountants of Nigeria Professional Code of Conduct and Guide for Accountants (ICAN Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. The key audit matters below relate to the audit of the separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Tax liabilities on income expected to be on tax holiday (Pioneer) The Ibese production lines 1&2 and Obajana production line 3 enjoyed pioneer holidays for three years which expired on 31 December 2014 and 31 December 2015 respectively. Application for extension for additional two (2) years was submitted to the Nigerian Investment Promotion Council (NIPC) upon expiry. No approval has been granted for these Applications, hence the tax charge has been determined on the income of those production lines but not recognized in the financial statements. This is in line with the Experts (Legal) opinion obtained by the company which indicates that the approval for the extension is not likely to be rejected since the Company has met all the requirements for the grant of such extension. Ibese production lines 3&4 and the Obajana production line 4 are expansion projects requiring Pioneer Status Incentive (PSI) approval with effect from 1 February 2015 as applied by the company. This approval has not been granted as at the reporting date which led to the judgement of the Directors to record the tax liabilities in the financial statements while continuing to pursue the approval of the Pioneer Applications. As disclosed in notes 4.1.2 and 14 to the financial statements, the Directors have subjected the income from Ibese production lines 1 - 4 and Obajana production lines 3&4 to income tax and recognised/disclosed in the financial statements accordingly. This is considered a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the judgement associated with determining and recording/disclosing the tax liabilities on the income from those production lines.	We involved tax specialists to evaluate the recognition and measurement of the tax liabilities for the year. The procedures included: • Assessing the requirements by the relevant regulations and government agencies that qualify businesses for pioneer holidays and verifying that the company has met all requirements to enable it obtain approval for the tax holiday. • Assessing the competence of the company's legal counsel that was appointed to provide an • opinion on the legal status of the company's application for pioneer status extension of additional two (2) years and reviewing the opinion thereon. • Reviewing the conditions required for the grant of additional two (2) years extension and confirming that the company met the prescribed conditions. • Reviewing the communications to the company from a relevant government agency which noted that government is supportive of the grant of tax holiday incentive to qualifying expansion projects under the Special Investment Incentives framework which is undergoing approval processes. • Evaluating the adequacy of the determined tax liabilities in line with the relevant tax laws in Nigeria. Based on existing regulations, the legal expert's opinion and communications received from the government agency, we have evaluated the Directors' assessment regarding the disclosure of related amounts for the extension projects in the financial statements and found them reasonable. We are also in agreement with the approach applied by the company in recognizing the tax liabilities on the Expansion projects while they continue to pursue approval for the Pioneer certificate(s).

Key Audit Matter	How the matter was addressed in the audit
Revenue recognition – Performance Bonus	
In order to boost the sale of cement, the Directors have instituted a sales drive which provides credits to customers, which they can then utilise in lifting of cement. The directors' judgement includes determination of a model for this reward in a bid to boost sales and reward the most loyal customers. Valuation of the payments has a reciprocal effect on revenue. This requires the directors' judgement in determining the model to be adopted in calculating performance bonuses and application of such judgements in calculating the amounts to be accrued to customers, and is accordingly a key audit matter	We evaluated the company's model for calculating the various types of performance bonuses to ensure that all models applied have been approved by the Board of Directors and have been applied accurately and consistently. In doing so, we performed the following: • Obtained an understanding and documentation of the various loyalty schemes currently used in the organisation. • Confirmed that the various schemes were approved by the board of directors before implementation. • Reviewed and tested controls with respect to the application and implementation of the loyalty schemes. • Verified for each loyalty scheme, that customers that benefited met the criteria set out by the board of directors. • Verified accuracy of bonuses calculated for selected customers and that they were in line with the terms of the approved scheme(s). • Verified accurate allocation to customers, bonuses that accrue to them form the scheme(s). We concur with the company's application of the models approved by the Directors for customer loyalty scheme(s).

Other information

The directors are responsible for the other information. The other information comprises the directors' Report, Audit Committee's Report and Company Secretary's Report, which we obtained prior to the date of this auditors' report. The other information does not include the consolidated and separate financial statements and our report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, Financial Reporting Council Act, 2011 and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists,

we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the Group and Company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee and the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee and directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee and/or the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the benefits derivable by the public from such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Sixth Schedule of the Companies and Allied Matters Act CAP C20 LFN 2004, we expressly state that:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) The Group and Company have kept proper books of account, so far as appears from our examination of those books.

iii) The Group and Company's financial position, statements of profit or loss and comprehensive income are in agreement with the books of account and returns.

Abraham Udenani, FCA
FCA FRC/2013/ICAN/00000000853
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
20 March, 2018

Tajudeen Oni,
FRC/2013/ICAN/00000000749
For: Ahmed Zakari & Co
Chartered Accountants
Lagos, Nigeria
20) March, 2018

Consolidated and Separate Statement of Profit or Loss for the year ended 31st December, 2017

		Group		Company	
	Notes	Year ended 31-Dec-17 ₦'million	Year ended 31-Dec-16 ₦'million	Year ended 31-Dec-17 ₦'million	Year ended 31-Dec-16 ₦'million
Revenue	5	805,582	615,103	552,364	426,129
Production cost of sales	7	(351,290)	(323,816)	(158,594)	(178,129)
Gross profit		**454,292**	**291,287**	**393,770**	**248,000**
Administrative expenses	8	(45,380)	(36,669)	(22,571)	(17,087)
Selling and distribution expenses	9	(109,917)	(82,667)	(68,683)	(51,949)
Other income	11	5,213	10,542	3,386	4,766
Profit from operating activities		**304,208**	**182,493**	**305,902**	**183,730**
Finance income	10 **	35,926	43,817	71,286	205,642
Finance costs	10 **	(52,711)	(45,381)	(35,035)	(34,356)
Share of profit from associate	17.3	2,167	-	-	-
Profit before tax	**	**289,590**	**180,929**	**342,153**	**355,016**
Income tax expense	14 **	(85,342)	(38,071)	(87,523)	(48,765)
Profit for the year	**	**204,248**	**142,858**	**254,630**	**306,251**
Profit for the year attributable to:					
Owners of the Company	**	198,585	149,536	**254,630**	306,251
Non-Controlling Interests		5,663	(6,678)	-	-
	**	**204,248**	**142,858**	**254,630**	**306,251**
Earnings per share, basic and diluted (Naira)	**13** **	**11.65**	**8.78**	**14.94**	**17.97**

** represents prior year balances restated during the reporting year (see note 10 and note 14)

The accompanying notes on pages 162 to 218 and other national disclosures on pages 219 to 221 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Comprehensive Income for the year ended 31st December, 2017

	Notes	Group		Company	
		Year ended 31-Dec-17 ₦'million	Year ended 31-Dec-16 ₦'million	Year ended 31-Dec-17 ₦'million	Year ended 31-Dec-16 ₦'million
Profit for the year	**	**204,248**	**142,858**	**254,630**	**306,251**
Other comprehensive income, net of income tax:					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating net investments in foreign operations		(3,572)	100,701	-	-
Other comprehensive (loss)/income for the year, net of income tax (tax-nil)		**(3,572)**	**100,701**	**-**	**-**
Total comprehensive income for the year	**	**200,676**	**243,559**	**254,630**	**306,251**
Total comprehensive income for the year attributable to:					
Owners of the Company	**	195,062	250,866	**254,630**	306,251
Non-Controlling Interests		5,614	(7,307)	-	-
	**	**200,676**	**243,559**	**254,630**	**306,251**

** represents prior year balances restated during the reporting year (see note 10 and note 14)

The accompanying notes on pages 162 to 218 and other national disclosures on pages 219 to 221 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Financial Position as at 31st December, 2017

		Group			Company		
	Notes	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million
Assets							
Non-current assets							
Property, plant and equipment	15	1,192,140	1,155,711	917,212	549,962	569,017	577,017
Intangible assets	16	6,355	4,145	2,610	37	113	385
Investments in subsidiaries	17.2	-	-	-	161,957	78,673	26,075
Investment in associate	17.3	3,749	1,582	1,582	1,582	1,582	1,582
Finance lease receivables	21	6,614	-	-	6,614	-	-
Deferred tax asset	14.3**	30,625	51,306	17,575	6,674	30,584	15,964
Prepayments for property, plant and equipment	18.1	16,101	13,196	9,094	1,600	-	-
Other receivables	31**	-	-	-	455,792	601,871	383,845
Total non-current assets	**	**1,255,584**	**1,225,940**	**948,073**	**1,184,218**	**1,281,840**	**1,004,868**
Current assets							
Inventories	19	94,594	82,903	53,118	62,259	55,850	38,369
Trade and other receivables	20	30,155	26,279	11,544	12,340	11,857	4,252
Prepayments and other current assets	18.2	115,496	78,280	60,526	248,194	60,384	52,003
Finance lease receivables	21	1,608	-	-	1,608	-	-
Current income tax receivables		59	9	-	-	-	-
Cash and bank balances	32	168,387	115,693	40,792	102,468	65,510	17,962
Total current assets		**410,299**	**303,164**	**165,980**	**426,869**	**193,601**	**112,586**
Total assets	**	**1,665,883**	**1,529,104**	**1,114,053**	**1,611,087**	**1,475,441**	**1,117,454**
Liabilities							
Current liabilities							
Trade and other payables	24	270,721	268,966	127,597	142,737	178,567	79,584
Current income tax payable	14.2**	63,901	18,220	3,503	63,787	17,852	3,519
Financial liabilities	25	144,783	220,300	47,275	86,190	192,270	37,169
Other current liabilities	26.2	41,071	18,307	24,537	51,242	15,083	22,528
Total current liabilities	**	**520,476**	**525,793**	**202,912**	**343,956**	**403,772**	**142,800**
Non-current liabilities							
Deferred tax liabilities	14.3**	116,898	103,162	53,451	116,491	101,325	52,945
Financial liabilities	25	242,894	152,475	208,329	157,195	86,182	181,384
Long term provisions and other charges	27	3,416	3,344	3,283	2,073	2,302	619
Retirement benefits obligation		-	-	3,992	-	-	3,992
Deferred revenue	26.1	839	1,072	975	355	629	975
Long term payables	28	-	17,730	24,442	-	-	24,442
Total non-current liabilities	**	**364,047**	**277,783**	**294,472**	**276,114**	**190,438**	**264,357**
Total liabilities	**	**884,523**	**803,576**	**497,384**	**620,070**	**594,210**	**407,157**
Net assets	**	**781,360**	**725,528**	**616,669**	**991,017**	**881,231**	**710,297**
Equity							
Share capital	22.1	8,520	8,520	8,520	8,520	8,520	8,520
Share premium	22.1	42,430	42,430	42,430	42,430	42,430	42,430
Capital contribution	22.4	2,877	2,877	2,877	2,828	2,828	2,828
Currency translation reserve	22.3	75,441	78,964	(22,366)	-	-	-
Employee benefit reserve	22.5	-	-	(1,007)	-	-	(1,007)
Retained earnings	**	639,462	605,662	592,450	937,239	827,453	657,526
Equity attributable to owners of the company		768,730	738,453	622,904	991,017	881,231	710,297
Non-controlling interest		12,630	(12,925)	(6,235)	-	-	-
Total Equity	**	**781,360**	**725,528**	**616,669**	**991,017**	**881,231**	**710,297**
Total equity and liabilities	**	**1,665,883**	**1,529,104**	**1,114,053**	**1,611,087**	**1,475,441**	**1,117,454**

** represents prior year balances restated during the reporting year. (See note 10 and note 14)

The accompanying notes on pages 162 to 218 and other national disclosures on pages 219 to 221 form an integral part of these consolidated and separate financial statements.

These Financial Statements were approved and authorised for issue by the Board of Directors on 19th March, 2018 and were signed on its behalf by:

Aliko Dangote,GCON
Chairman, Board of Directors
FRC/2013/IODN/00000001766

Joseph Makoju, OFR
Acting Group Chief Executive Officer
FRC/2018/ICOREN/00000017767

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

Consolidated Statement of Changes in Equity for the year ended 31st December, 2017

Group	Share capital ₦'million	Share premium ₦'million	Retained earnings ₦'million	Employee benefit reserve ₦'million	Currency translation reserve ₦'million	Capital contribution ₦'million	Attributable to the owners of the parent ₦'million	Non-controlling interests ₦'million	Total equity ₦'million
Balance at 1st January 2016 (as previously reported)	8,520	42,430	620,501	(1,007)	(22,366)	2,877	650,955	(6,235)	644,720
Restatement	-	-	(28,051)	-	-	-	(28,051)	-	(28,051)
Balance as at 1 January 2016**	**8,520**	**42,430**	**592,450**	**(1,007)**	**(22,366)**	**2,877**	**622,904**	**(6,235)**	**616,669**
Profit for the year (as previously reported)	-	-	193,302	-	-	-	193,302	(6,678)	186,624
Restatement	-	-	(43,766)	-	-	-	(43,766)	-	(43,766)
Profit for the year**	-	-	149,536	-	-	-	149,536	(6,678)	142,858
Other comprehensive income for the year, net of income tax (tax nil)	-	-	-	-	101,330	-	101,330	(629)	100,701
Total comprehensive income for the year**	-	-	149,536	-	101,330	-	250,866	(7,307)	243,559
Contribution by non-controlling interest shareholders	-	-	-	-	-	-	-	617	617
Transfer on amendment to the scheme	-	-	-	1,007	-	-	1,007	-	1,007
Dividends paid	-	-	(136,324)	-	-	-	(136,324)	-	(136,324)
Balance as at 31st December 2016**	**8,520**	**42,430**	**605,662**	**-**	**78,964**	**2,877**	**738,453**	**(12,925)**	**725,528**
Profit for the year	-	-	198,585	-	-	-	198,585	5,663	204,248
Other comprehensive income for the year, net of income tax (tax nil)	-	-	-	-	(3,523)	-	(3,523)	(49)	(3,572)
Total comprehensive income for the year	-	-	198,585	-	(3,523)	-	195,062	5,614	200,676
Dividends paid	-	-	(144,844)	-	-	-	(144,844)	-	(144,844)
Effect of changes in subsidiary shareholding	-	-	(19,941)	-	-	-	(19,941)	19,941	-
Balance as at 31st December 2017	**8,520**	**42,430**	**639,462**	**-**	**75,441**	**2,877**	**768,730**	**12,630**	**781,360**

** represents prior year balances restated during the reporting year (see note 10 and note 14)

Separate Statement of Changes in Equity for the year ended 31st December, 2017

Company	**Share capital ₦'million**	**Share premium ₦'million**	**Capital contribution ₦'million**	**Retained earnings ₦'million**	**Employee benefit reserve ₦'million**	**Total equity ₦'million**
Balance at 1st January 2016 (as previously reported)	8,520	42,430	2,828	695,708	(1,007)	748,479
Restatement	-	-	-	(38,182)	-	(38,182)
Balance as at 1st January 2016**	**8,520**	**42,430**	**2,828**	**657,526**	**(1,007)**	**710,297**
Profit for the year (as previously reported)	-	-	-	368,205	-	368,205
Restatement	-	-	-	(61,954)	-	(61,954)
Profit for the year **	-	-	-	306,251	-	306,251
Total comprehensive income for the year**	-	-	-	306,251	-	306,251
Transfer on amendment to the scheme	-	-	-	-	1,007	1,007
Dividends paid	-	-	-	(136,324)	-	(136,324)
Balance as at 31st December 2016	**8,520**	**42,430**	**2,828**	**827,453**	**-**	**881,231**
Profit for the year	-	-	-	254,630	-	254,630
Total comprehensive income for the year	-	-	-	254,630	-	254,630
Dividends paid	-	-	-	(144,844)	-	**(144,844)**
Balance as at 31st December 2017	**8,520**	**42,430**	**2,828**	**937,239**	**-**	**991,017**

** represents prior year balances restated during the reporting year (see note 10 and note 14)

Consolidated and Separate Statement of Cashflows for the year ended 31st December 2017

	Notes	Group		Company	
		Year ended 31-Dec-17 ₦'million	Year ended 31-Dec-16 ₦'million	Year ended 31-Dec-17 ₦'million	Year ended 31-Dec-16 ₦'million
Cash flows from operating activities					
Profit before tax	**	289,590	180,929	342,153	355,016
Adjustments for:					
Depreciation & amortisation	15 & 16	83,939	74,750	43,959	47,113
Write off and impairment of property, plant and equipment		287	471	197	-
Reversal of impairment		-	(1,592)	-	(1,592)
Interest expense	10 **	52,101	45,172	34,425	34,147
Interest income	10 **	(9,136)	(2,662)	(36,383)	(34,987)
Net unrealised exchange gain on borrowings and non-operating assets		(34,744)	(50,394)	(43,284)	(180,868)
Share of income from associate	17.3	(2,167)	-	-	-
Amortisation of deferred revenue	26	(299)	56	(346)	(415)
Other provisions	27	72	61	(229)	1,683
Provisions for employee benefits	28	-	(2,985)	-	(2,985)
Loss on disposal of property, plant and equipment		58	59	58	-
		379,701	243,865	340,550	217,112
Changes in working capital:					
Change in inventories	19	(11,691)	(29,785)	(6,409)	(17,481)
Change in trade and other receivables	20	(3,876)	(14,735)	(483)	(7,605)
Change in trade and other payables		2,616	99,016	(16,814)	56,630
Change in prepayments and other current assets		(33,622)	(12,450)	(26,819)	(4,544)
Change in other current liabilities		15,222	(6,189)	10,217	(7,376)
		348,350	279,722	300,242	236,736
Receipt from customers for finance lease trucks		238	-	238	-
Income tax paid		(3,213)	(1,128)	(2,512)	(672)
Net cash generated from operating activities		**345,375**	**278,594**	**297,968**	**236,064**
Cash flows from investing activities					
Interest received		9,136	2,662	6,970	1,469
Acquisition of intangible assets	16	(1,639)	(745)	(21)	(28)
Decrease/(increase) in receivables from subsidiaries	**	-	-	5,811	(16,947)
Acquisition of investment		-	-	(2,541)	(1,102)
Acquisition of property, plant and equipment		(107,953)	(118,841)	(61,497)	(59,271)
Additions to property, plant and equipment	15	(85,621)	(136,168)	(40,470)	(62,895)
Change in non-current prepayment		(2,905)	(4,027)	(1,600)	-
Net suppliers' credit (repaid)/obtained		(19,427)	21,354	(19,427)	3,624
Net cash used in investing activities		**(100,456)**	**(116,924)**	**(51,278)**	**(75,879)**
Cashflows from financing activities					
Interest paid		(48,358)	(39,029)	(30,934)	(26,747)
Non-controlling shareholders contribution		-	617	-	-
Dividends paid		(144,844)	(136,324)	(144,844)	(136,324)
Loans obtained		310,659	343,071	263,152	305,283
Loans repaid		(308,068)	(262,240)	(297,106)	(254,849)
Net cash used in financing activities		**(190,611)**	**(93,905)**	**(209,732)**	**(112,637)**
Increase in cash and cash equivalents		54,308	67,765	36,958	47,548
Effects of exchange rate changes.		(1,954)	3,791	-	-
Cash and cash equivalents at beginning of year		109,401	37,845	65,510	17,962
Cash and cash equivalents at end of year	**32**	**161,755**	**109,401**	**102,468**	**65,510**

** represents prior year balances restated during the reporting year (see note 10)

The accompanying notes on pages 162 to 218 and other national disclosures on pages 219 to 221 form an integral part of these consolidated and separate financial statements.

General Information
Dangote Cement Plc ("the Company") was incorporated in Nigeria as a public limited liability company on 4th November, 1992 and commenced operations in January 2007 under the name Obajana Cement Plc. The name was changed on 14th July 2010 to Dangote Cement Plc.

Its parent company is Dangote Industries Limited ("DIL" or "the Parent Company"). Its ultimate controlling party is Aliko Dangote.

The registered address of the Company is located at 1 Alfred Rewane Road, Ikoyi, Lagos, Nigeria.

The principal activity of the Company and its subsidiaries (together referred to as "the Group") is to operate plants for the preparation, manufacture and distribution of cement.

The Company's production activities are currently undertaken at facilities in Nigeria and nine other countries. Information in respect of the subsidiaries' locations is disclosed in Note 17.

The Consolidated Financial Statements of the Group for the year ended 31st December 2017 comprise the results and the financial position of the Company and its subsidiaries.

The Separate Financial Statements of the Company for the year ended 31st December 2017 comprise those of the Company only.

2. Significant accounting policies
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1.1 Statement of compliance
The Group's and Company's full 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") that are effective at 31st December 2017 and requirements of the Companies and Allied Matters Act (CAMA) 2004 of Nigeria and the Financial Reporting Council (FRC) Act of Nigeria.

2.1.2 Basis of preparation
The Financial Statements have been prepared on the historical cost basis except for financial instruments that are measured at revalued amounts or fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair Value
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Consolidated and Separate Financial Statements is determined on such a basis, except for leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

2.2.1 Basis of Consolidation
The Group's Financial Statements incorporate the Financial Statements of the Parent Company and entities controlled by the Company and its subsidiaries made up to 31st December 2017. Control is achieved where the investor; (i) has power over the investee entity (ii) is exposed, or has rights, to variable returns from the investee entity as a result of its involvement, and (iii) can exercise some power over the investee to affect its returns.

The Company reassesses whether or not it still controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been changed when necessary to align them with policies adopted by the Group.

Income and expenses of subsidiaries acquired or disposed of during the year 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. Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners' of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Investments in subsidiaries
In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment that has been recognised in profit or loss.

2.2.2 Transactions eliminated on consolidation

All intra-Group balances and any gain and losses arising from intra-Group transactions are eliminated in preparing the Consolidated Financial Statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2.3 Interest in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these Consolidated Financial Statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate is initially recognised in the Consolidated Statement of Financial Position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

In the Separate Financial Statements for the parent company, investments in associates are recognised at cost less accumulated impairment.

2.3 Non-controlling interest
Non-controlling interest is the equity in a subsidiary or entity controlled by the Company, not attributable, directly or indirectly, to the parent company and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. Total comprehensive income attributable to non-controlling interests is presented on the line "Non-controlling interests" in the statement of financial position, even if it creates negative non-controlling interests.

2.4 Acquisition of entities under common control
Business combinations arising from transfers of interests in entities that were under the control of the shareholder that controls the Group are accounted for prospectively as at the date that transfer of interest was effected. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The difference between the consideration paid and the net assets acquired is accounted for directly in equity.

2.4.1 Changes in the Group's ownership interests in existing subsidiaries
Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

"When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.5 Revenue
Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, Value Added Tax and volume rebates.

2.5.1 Sale of goods
Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Amount relating to shipping and handling, whether included as part of sales or billed separately is recorded as revenue and cost incurred for shipping and handling are classified under "Selling and distribution expenses".

2.5.2 Finance income comprises
Interest income on short-term deposits with banks, dividend income, changes in the fair value of financial instruments at fair value through profit or loss and foreign exchange gains.

Dividend income from investments is recognised in profit and loss when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income on short-term deposits is recognised by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.6 Borrowing costs
Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

However, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset. The capitalisation of borrowing costs commences from the date of incurring of expenditure relating to the qualifying asset and ceases when all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. The interest rate used to determine the amount of capitalized interest cost is the actual interest rate when there is a specific borrowing facility related to construction project or the Group's average borrowing interest rate. Borrowing costs relating to the period after acquisition, construction or production are expensed. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. The borrowing costs capitalised may not exceed the actual interest incurred by the Group.

2.7 Foreign currency

2.7.1 Functional and presentation currency

These consolidated and separate financial statements are presented in the Nigerian Naira (₦), which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest million unless where otherwise stated.

2.7.2 Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the subsidiaries.

The schedule below shows the exchange rates presented in one unit of foreign currency to Naira for the significant currencies used in the Group

2.7.3 Foreign operations

In the Group's Consolidated Financial Statements, all assets and liabilities of Group entities with a functional currency other than the Naira are translated into Naira upon consolidation.

On consolidation, assets and liabilities have been translated at the closing rate at the reporting date. Income and expenses have been translated into the Naira at the average rate over the reporting period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences are charged/credited to other comprehensive income and recognised in currency translation reserve in equity. The exchange differences arising on the translation are taken directly to a separate component of other comprehensive income "Currency translation differences".

On the partial or total disposal of a foreign entity with a loss of control, the related share in the cumulative translation differences recognised in equity is recognised in the consolidated statement of profit or loss.

Currency	2017		2016	
	Average rate	Year End Rate	Average rate	Year End Rate
South African Rand to Naira	24.2238	26.7477	18.1383	22.8428
Central Africa Franc to Naira	0.5561	0.6060	0.4392	0.4929
Ethiopian Birr to Naira	13.2134	12.1711	11.6926	13.4721
Zambian Kwacha to Naira	33.4052	33.1428	25.5159	30.6808
Tanzanian Shilling to Naira	0.1422	0.1478	0.1185	0.1392
Ghanaian Cedi to Naira	72.3980	73.1413	66.2698	71.4286
United States dollar to Naira	318.4042	331.0300	259.9772	304.2000

2.8 Property, plant and equipment
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the assets. Property, plant and machinery under construction are disclosed as capital work-in-progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, including borrowing costs on qualifying assets in accordance with the Group's accounting policy and the estimated costs of dismantling and removing the items and restoring the site on which they are located if the Group has a legal or constructive obligation to do so.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets commences when the assets are ready for their intended use. When parts of an item of property, plant and equipment have different useful lives and are individually significant in relation to total cost of an item, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The cost of day to day servicing of the property plant and equipment is recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8.1 Depreciation
Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value (except for freehold land and assets under construction). Depreciation is recognised within "Cost of sales" and "Administrative and selling expenses," depending on the utilization of the respective assets on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term in which case the assets are depreciated over their useful life on the same basis as owned assets. Strategic spare parts with high value and held for commissioning of a new plant or for infrequent maintenance of plants are capitalised and depreciated over the shorter of their useful life and the remaining life of the plant from the date such strategic spare parts are capable of being used for their intended use.

Major overhaul expenditure, including replacement spares and labour costs, is capitalised and amortised over the average expected life between major overhauls. All other replacement spares and other costs relating to maintenance of plant are charged to profit or loss on consumption or as incurred respectively.

	Life (years)
Leasehold land improvement	Over the lease period
Buildings	25-50
Plant and machinery	10-25
Power plants	5-25
Cement plants	5-25
Motor vehicles	4-6
Computer hardware	3
Furniture and equipment	5
Aircraft and related components	5-25

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.9 Intangible assets
In accordance with criteria set out in IAS 38 – "Intangible assets", intangible assets are recognised only if identifiable; controlled by the entity because of past events; it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets primarily include amortisable items such as software, mineral rights, as well as certain development costs that meet the IAS 38 criteria.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortized using the straight-line method over their useful lives ranging from two to seven years.
Amortization expense is recorded in "Cost of sales" and "Selling and

distribution expenses" or administrative expenses, based on the function of the underlying assets. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Exploration assets are carried at cost less any impairment losses. All costs, including overhead costs directly associated with the specific project are capitalised. The directors evaluate each project at each period end to determine if the carrying value should be written off. In determining whether expenditure meets the criteria to be capitalised, the directors use information from several sources, depending on the level of exploration.

Purchased exploration and evaluation assets are recognised at the cost of acquisition or at the fair value if purchased as part of a business combination.

Exploration assets are amortised over a period of 30 years in line with the estimates lives of the mines

2.9.1 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:
- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.9.2 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value, with appropriate provisions for old and slow moving items. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is determined as follows:

Raw materials

Raw materials, which include purchase cost and other costs incurred to bring the materials to their location and condition, are valued using a weighted average cost basis.

Work in progress

Cost of work in progress includes cost of raw material, labour, production and attributable overheads based on normal operating capacity. Work in progress is valued using a weighted average cost basis.

Finished goods

Cost is determined using the weighted average method and includes cost of material, labour, production and attributable overheads based on normal operating capacity.

Spare parts and consumables

Spare parts which are expected to be fully utilized in production within the next operating cycle and other consumables are valued at weighted average cost after making allowance for obsolete and damaged stocks.

2.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised in the consolidated and separate statements of financial position when a member of the Group or the Company becomes a party to the contractual obligations of the instrument. Regular way purchases or sales of financial assets, i.e. purchases or sales under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned, are accounted for at the trade date.

Initially, financial instruments are recognised at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount except for financial instruments at fair value through profit or loss. For financial instruments classified as Fair Value Through Profit or Loss (FVTPL) transaction costs incurred are recognized in profit or loss. Subsequently, financial assets and liabilities are measured according to the category to which they are assigned. The Group does not make use of the option to designate financial assets or financial liabilities at fair value through profit or loss at inception (Fair Value Option). The Group does not have any financial assets classified as available for sale or held to maturity.

2.11.1 Financial assets
Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), (of which financial instruments are further classified as either held for trading ["HFT"] or designated at fair value through profit or loss' [FVTPL]), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables' (which include amounts due from related parties, loans and receivables). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

2.11.2 Cash and cash equivalents
The Group considers all highly liquid unrestricted investments with less than three months maturity from the date of acquisition to be cash equivalents. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

2.11.3 Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction cost. Financial assets classified as loans and receivables are subsequently measured at amortised cost using the effective interest method less any impairment losses.

Interest income is recognised by applying the effective interest rate, except for short-term receivables, where the effect of discounting is immaterial.

2.11.4 Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

2.11.5 Financial liabilities and equity instruments
Classification as debt or equity
Debt and equity instruments issued by a member of the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.11.6 Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity.

2.11.7 Financial liabilities
Financial liabilities are classified as either FVTPL or 'other financial liabilities' (which include loans from banks and related parties and trade and other payables).

The Group subsequently measures financial liabilities, except for derivative financial instruments, at amortised cost using the effective interest method.

2.11.8 De-recognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, canceled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.11.9 Offsetting
Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11.10 Effective interest method
The effective interest method is a method of calculating the amortised cost of an interest bearing financial instrument and of allocating interest income and expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the

expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2.12 Impairment

2.12.1 Financial assets

A financial asset, other than at FVTPL, is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events that occurred after the initial recognition of the financial assets have had a negative effect on the estimated future cash flows of that asset.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of an equity security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it is becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period by 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between the carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

An impairment loss of an available for sale financial asset is calculated by reference to its current fair value. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

"For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised."

2.12.2 Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in the Profit or loss.

2.13 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.13.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because of items of income or expense that are taxable or deductible in future years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.13.2 Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not recognized for the following temporary differences: (i) the initial recognition of goodwill, (ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and (iii) differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.13.3 Current and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.14 Government grants
Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The total of the government grant is recognised as deferred revenue on the statement of financial position and is recognised in profit or loss over the period the related expenditure is incurred.

2.15 Employee benefits
2.15.1 Short-term employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided by the employee.

2.15.2 Defined Contribution Plans
A Defined Contribution Plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Defined Contribution Pension Plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

2.16 Provisions
Provisions are recognised when the Group has a present obligation (legal

or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.16.1 Restoration costs

Environmental expenditure related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible is charged to profit or loss. The Group recognises its liability on a site-by-site basis when it can be reliably estimated. This liability includes the Group's portion of the total costs and also a portion of other potentially responsible parties' costs when it is probable that they will not be able to satisfy their respective shares of the clean-up obligation. Recoveries of reimbursements are recorded as assets when virtually certain.

2.17 Contingencies

Contingent liabilities are not recognised in the Consolidated Statement of Financial Position but are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognised in the Consolidated Statement of Financial Position but disclosed when an inflow of economic benefits is probable.

2.18 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period and for all periods presented is adjusted for the issue of bonus shares as if the bonus shares were outstanding at the beginning of earliest period presented.

Diluted earnings per share are computed by dividing adjusted net income available to shareholders of the Company by the weighted average number of common shares outstanding during the year adjusted to include any dilutive potential common shares.

Potential dilutive common shares result from stock options and convertible bonds issued by the Group on its own common shares.

19 Leases

In accordance with IFRIC 4 – Determining whether an arrangement contains a lease, arrangements including transactions that convey a right to use the asset, or where fulfillment of the arrangement is dependent on the use of a specific asset, are analysed in order to assess whether such arrangements contain a lease and whether the requirements of IAS 17 – Lease Contracts have to be applied.

Leases – as a lessee

In accordance with IAS 17, the Group capitalizes assets financed through finance leases where the lease arrangement transfers to the Group substantially all of the rewards and risks of ownership. Lease arrangements are evaluated based upon the following criteria:

- the lease term in relation to the assets' useful lives;
- the total future payments in relation to the fair value of the financed assets;
- existence of transfer of ownership;
- existence of a favourable purchase option; and
- specificity of the leased asset.

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding lease obligations, excluding finance charges, are included in current or long-term financial liabilities as applicable

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see note 2.6). Contingent rentals are recognised as expenses in the periods in which they are incurred.

All other leases are operating leases and they are not recognised on the Group's statement of financial position. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leases – as a lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3. Application of new and revised International Financial Reporting Standards (IFRSs)

3.1 New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in these financial statements

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1st January 2017.

Amendments to IAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes.

The Group's liabilities arising from financing activities consist of borrowings (note 25). A reconciliation between the opening and closing balances of these items is provided in note 24. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior period. Apart from the additional disclosure in note 25, the application of these amendments has had no impact on the Group's consolidated financial statements.

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The Group has applied these amendments for the first time in the current year. The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilise a deductible temporary difference.

The application of these amendments has had no impact on the Group's consolidated financial statements as the Group already assesses the sufficiency of future taxable profits in a way that is consistent with these amendments.

"Annual Improvements to IFRSs 2014-2016 Cycle

The Group has applied the amendments to IFRS 12 included in the Annual Improvements to IFRSs 2014-2016 Cycle for the first time in the current year. The other amendments included in this package are not yet mandatorily effective and they have not been early adopted by the Group.

IFRS 12 states that an entity need not provide summarised financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interests.

The application of these amendments has had no effect on the Group's consolidated financial statements as none of the Group's interests in these entities are classified, or included in a disposal group that is classified, as held for sale.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013

3.2 New and revised IFRSs in issue but not yet effective	
IFRS 9	Financial Instruments1
IFRS 15	Revenue from Contracts with Customers1
IFRS 16	Leases2
Amendments to IFRS 2	Classification and Measurement of Share-based Transactions1
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture3
Amendments IAS 40	Transfer of investment property1
Amendments to IFRSs	Annual improvements to IFRS standards 2014-2016 cycle1
IFRIC 22	Foreign Currency Transactions and Advance Consideration1
1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.	
2 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.	
3 Effective for annual periods beginning on or after a date to be determined.	

to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

"Key requirements of IFRS 9:

- all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company do not anticipate that the application of IFRS 9 in the future will have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities.

IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The directors of the Company do not anticipate that the application of IFRS 15 will have a material impact on the Group's consolidated financial statements.

"IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective. IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.
The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease. Furthermore, extensive disclosures are required by IFRS 16.

As at 31 December 2017, the Group has non-cancelable operating lease commitments of ₦2.1 billion. IAS 17 does not require the recognition of any right-of-use asset or liability for future payments for these leases; instead, certain information is disclosed as operating lease commitments in note 33. A preliminary assessment indicates that these arrangements will meet the definition of a lease under IFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of IFRS 16. The new requirement to recognise a right-of-use asset and a related lease liability is not expected to have a significant impact on the amounts recognised in the Group's consolidated financial statements..
In contrast, for finance leases where the Group is a lessee, as the Group has already recognised an asset and a related finance lease liability for the lease arrangement, and in cases where the Group is a lessor (for both operating and finance leases), the directors of the Company do not anticipate that the application of IFRS 16 will have a significant impact on the amounts recognised in the Group's consolidated financial statements.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

The amendments clarify the following:

1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.
2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's

tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

3. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:

   i) the original liability is derecognised;
   ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and
   iii) any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

   The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted. Specific transition provisions apply. The directors of the Company do not anticipate that the application of the amendments in the future will have a significant impact on the Group's consolidated financial statements as the Group does not have any cash-settled share-based payment arrangements or any withholding tax arrangements with tax authorities in relation to share-based payments.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

"Amendments to IAS 40 Transfers of Investment Property

The amendments clarify that a transfer to, or from, investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by observable evidence that a change in use has occurred. The amendments further clarify that situations other than the ones listed in IAS 40 may evidence a change in use, and that a change in use is possible for properties under construction (i.e. a change in use is not limited to completed properties). The amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. Entities can apply the amendments either retrospectively (if this is possible without the use of hindsight) or prospectively. Specific transition provisions apply.
The Group does not hold any Investment Property and the directors do not anticipate any material impact on the Group's consolidated financial statements in future periods unless there is a change in use of any of its properties.

Annual improvements to IFRSs 2014 – 2016 cycle

The Annual Improvements include amendments to IFRS 1 and IAS 28 which are not yet mandatorily effective for the Group. The package also includes amendments to IFRS 12 which is mandatorily effective for the Group in the current year.

The amendments to IAS 28 clarify that the option for a venture capital organisation and other similar entities to measure investments in associates and joint ventures at FVTPL is available separately for each associate or joint venture, and that election should be made at initial recognition of the associate or joint venture. In respect of the option for an entity that is not an investment entity (IE) to retain the fair value measurement applied by its associates and joint ventures that are IEs when applying the equity method, the amendments make a similar clarification that this choice is available for each IE associate or IE joint venture. The amendments apply retrospectively with earlier application permitted.

Both the amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after 1 January 2018.

The directors of the Company do not anticipate that the application of the amendments in the future will have any impact on the Group's consolidated financial statements as the Group is neither a first-time adopter of IFRS nor a venture capital organisation. Furthermore, the Group does not have any associate or joint venture that is an investment entity.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

IFRIC 22 addresses how to determine the 'date of transaction' for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or non-monetary liability (e.g. a non-refundable deposit or deferred revenue).

The Interpretation specifies that the date of transaction is the date on which the entity initially recognises the non- monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the Interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

The Interpretation is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. Entities can apply the Interpretation either retrospectively or prospectively. Specific transition provisions apply to prospective application.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Group's consolidated financial statements. This is because the Group already accounts for transactions involving the payment or receipt of advance consideration in a foreign currency in a way that is consistent with the amendments.

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management of the Group revises its estimates and assumptions on a regular basis to ensure that they are relevant regarding the past experience and the current economic and political environment. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The accounting for certain provisions, certain financial instruments and the disclosure of financial assets, contingent assets and liabilities at the date of the consolidated and separate financial statements is judgemental. The items, subject to judgement, are detailed in the corresponding notes to the consolidated and separate financial statements.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are discussed below:

4.1 Critical accounting judgements

4.1.1 Control over subsidiaries

Note 17 describes that Dangote Quarries (Zambia) Limited is a subsidiary of the Group although the Group only holds a 49.9% ownership interest in Dangote Quarries (Zambia) Limited. Based on the arrangements between the Group and other investors, the Group has the power to appoint and remove the majority of the board of Directors of Dangote Quarries (Zambia) Limited that has the power to direct the relevant activities of this entity. Therefore, the Directors of the Company concluded that the Group has the practical ability to direct the relevant activities of Dangote Quarries (Zambia) Limited and hence the Group has control over the entity.

4.1.2 Tax relief under Pioneer Status Incentive

The Directors of the Company have assessed whether the operations in Ibese production lines 1 & 2 and Obajana production line 3 are entitled to tax relief under the Pioneer Status Incentive (PSI). These production lines have already received Nigerian Investment Promotion Commission (NIPC) approval for the initial three years' tax holiday and applications for additional two years extension have been submitted.

While NIPC approval is yet to be obtained, the Directors' strong view, supported by the opinion of the Company's legal counsel, is that the Company has complied in full with the requirements of the Pioneer Status Incentive and is entitled to the two years extension. The tax benefit taken on the basis that the Company is entitled to two years extension under the Pioneer Incentive Scheme is ₦8.3B (2016: ₦24.0B and 2015: ₦27.8B).

The Company has also applied for tax relief under the Pioneer Status Incentive for Ibese production lines 3 & 4 and Obajana production line 4. Approval is yet to be obtained from the NIPC for these applications.

The Directors' view is that the Company has complied in full with the requirements of the Pioneer Status Incentive and has no reason to believe that the approval will be rejected. However, the Directors have decided to make a provision against the Pioneer Tax benefit while the Company continues to pursue approval for the Pioneer applications with the NIPC. If the NIPC approves our applications the tax benefit in 2017 would be ₦62.2B (2016: ₦43.8B and 2015: ₦28.1B).

4.2 Key sources of estimation uncertainty

4.2.1 Estimated useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charge for its items of property, plant and equipment on an annual basis.

The Group has carried out a review of the residual values and useful lives of property, plant and equipment as at 31st December 2017 and no adjustments done to the remaining useful lives of assets.

4.2.2 Valuation of deferred tax

The recognition of deferred tax assets requires an assessment of future taxable profit. Deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The availability of future taxable profits depends on several factors including the Group's future financial performance and if necessary, implementation of tax planning strategies.

	Group		Company	
5. Revenue (Tonnes)	**2017 '000 tonnes**	**2016 '000 tonnes**	**2017 '000 tonnes**	**2016 '000 tonnes**
Cement production capacity	43,550	42,550	29,250	29,250
Cement production volume	21,224	22,534	12,828	14,973
Trade cement purchase	1,180	1,086	-	-
(Increase)/decease in stocks of cement	(489)	(45)	(104)	155
Cement sales volume	**21,915**	**23,575**	**12,724**	**15,128**

	Group		Company	
Revenue (Naira)	**Year ended 31-Dec-17 ₦'million**	**Year ended 31-Dec-16 ₦'million**	**Year ended 31-Dec-17 ₦'million**	**Year ended 31-Dec-16 ₦'million**
Revenue from sales of cement	805,294	614,936	552,364	426,129
Revenue from sales of other products	288	167	-	-
	805,582	**615,103**	**552,364**	**426,129**

Revenue after adjusting intra-group sales as shown above are from external customers.

5.1 Information about major customers
Included in revenue arising from direct sales of cement of ₦805.3 billion (2016: ₦614.9 billion) is revenue of approximately ₦35.7 billion (2016: ₦29.8 billion) which arose from sales to the Group's largest customer.
No single customer contributed 10% or more to the Group's revenue for both 2017 and 2016 financial years.

6 Segment information

6.1 Products and services from which reportable segments derive their revenue

The Executive Management Committee is the Group'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 two reportable segments based on location of the principal operations as follows:

- Nigeria
- Pan-Africa

All segments are involved in the production, distribution, and sale of cement and/or related products.
Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

6.2 Segment revenue and results

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable segment. Performance is measured based on segment sales revenue and operating profit, as included in the internal management reports that are reviewed by the Executive Management Committee. Segment revenue and operating profit are used to measure performance as management believes that such information is the most relevant in evaluating results of certain segments relative to other entities that operate within the industry.

	2017				
	Nigeria ₦'million	**Pan-Africa ₦'million**	**Central administrative costs ₦'million**	**Eliminations ₦'million**	**Total ₦'million**
Segment Results					
Revenue	552,364	258,444	-	(5,226)	**805,582**
EBITDA*	360,759	38,276	(10,888)	-	**388,147**
Depreciation and amortisation	43,959	40,506	-	(526)	**83,939**
Profit/(loss) from operating activities	316,800	(2,230)	(10,888)	526	**304,208**
Other income	3,386	1,827	-	-	**5,213**
Finance income	71,286	4,939	-	(40,299)	**35,926**
Finance costs	35,035	40,356	-	(22,680)	**52,711**
Profit/(loss) after tax	265,528	(12,773)	(10,888)	(37,619)	**204,248**
Segment assets & liabilities					
Non-current assets	1,213,098	688,986	-	(646,500)	**1,255,584**
Current assets	426,869	164,727	-	(181,297)	**410,299**
Total Assets	**1,639,967**	**853,713**	**-**	**(827,797)**	**1,665,883**
Segment liabilities	649,505	873,906	-	(638,888)	**884,523**
Net additions to non-current assets, excluding deferred tax	(72,344)	60,266	-	62,403	**50,325**

* represents earnings before interest, taxes, depreciation & amortisation

2016

Segment Results

	Nigeria ₦'million	Pan-Africa ₦'million	Central costs ₦'million	Eliminations ₦'million	Total ₦'million
Revenue	426,129	195,028	-	(6,054)	**615,103**
EBITDA*	241,969	25,774	(10,531)	31	**257,243**
Depreciation and amortisation	47,113	28,384	-	(747)	**74,750**
Profit/(loss) from operating activities	194,856	(2,610)	(10,531)	778	**182,493**
Other Income	4,766	5,776	-	-	**10,542**
Finance income	205,642	(4,212)	-	(157,613)	**43,817**
Finance costs	34,356	24,887	-	(13,862)	**45,381**
Profit/(loss) after tax	317,377	(21,014)	(10,531)	(142,974)	**142,858**
Segment assets & liabilities					
Non-current assets	1,309,352	625,491	-	(708,903)	**1,225,940**
Current assets	193,601	126,924	-	(17,361)	**303,164**
Total assets	**1,502,953**	**752,415**	**-**	**(726,264)**	**1,529,104**
Segment liabilities	621,810	803,844	-	(622,078)	**803,576**
Net additions to non-current assets, excluding deferred tax	289,861	234,869	-	(280,594)	**244,136**

* represents earnings before interest, taxes, depreciation & amortisation

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Each segment bears its administrative costs and there are no allocations from central administration. This is the measure reported to the Chief Operating Decision Maker for the purposes of resource allocation and assessment of segment performance. Group financing (including finance income and finance costs) and income taxes are managed at an individual company level.

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

	Group	
	Year ended 31-Dec-17 ₦'million	Year ended 31-Dec-16 ₦'million
EBITDA	388,147	257,243
Depreciation and amortisation	(83,939)	(74,750)
Profit from operating activities	**304,208**	**182,493**
Finance income	35,926	43,817
Finance cost	(52,711)	(45,381)
Share of profit from associate	2,167	-
Profit before tax	**289,590**	**180,929**
Income tax expense	(85,342)	(38,071)
Profit after tax	**204,248**	**142,858**

Significant non current assets by country excluding deferred tax

	2017 ₦'million	2016 ₦'million
Nigeria	1,177,544	1,251,256
South Africa	84,249	75,248
Senegal	86,257	72,201
Zambia	90,019	88,913
Ethiopia	89,137	112,680
Tanzania	121,440	104,342
Congo	99,796	70,748
Cameroon	41,114	35,568

Significant revenue by country (external customers)

Nigeria	547,138	420,075
Ghana	28,066	32,856
South Africa	57,302	41,381
Ethiopia	54,527	40,071
Zambia	25,145	16,968
Tanzania	16,650	12,022
Senegal	28,750	19,937
Cameroon	43,186	31,194

Revenues are attributed to individual countries based on the geographical location of external customers.

6.3 Eliminations and Adjustments

Elimination and Adjustments relate to the following:

- Profit/(loss) after tax of ₦37.6 billion (2016: ₦143.0 billion) is due to elimination of interest on inter-company loan, trading activities and exchange differences reclassified to other comprehensive income.
- Non-current assets of ₦646.5 billion (2016: ₦708.9 billion) is due to the elimination of investment in subsidiaries with the parent's share of their equity and non-current inter-company payable and receivable balances.
- Current assets of ₦181.3 billion (2016: ₦17.4 million) is due to the elimination of current inter-company payable and receivable balances.
- Total liabilities of ₦638.9 billion (2016: ₦622.1 billion) is due to the elimination of inter-company due to and due from related parties balances.
- Finance income of ₦40.3 billion (2016: ₦157.6 billion) and finance cost of ₦22.7 billion (2016: ₦13.9 billion) is due to the elimination of interest on inter-company loan and exchange differences reclassified to other comprehensive income.
- Revenue of ₦5.2 billion (2016: ₦6.1 billion) represents sales by the Nigeria region to the Pan Africa region.

7. Production cost of sales	Group		Company	
	Year ended 31-Dec-17 ₦'million	Year ended 31-Dec-16 ₦'million	Year ended 31-Dec-17 ₦'million	Year ended 31-Dec-16 ₦'million
Materials consumed	111,559	87,203	31,942	24,927
Fuel & power consumed	111,569	112,265	64,070	81,678
Royalty*	1,136	1,382	655	741
Salaries and related staff costs	26,713	24,019	14,565	15,089
Depreciation and amortisation	59,598	51,245	32,435	33,870
Plant maintenance	26,848	29,063	10,848	17,690
Other production expenses	14,653	21,165	6,314	4,840
Increase in finished goods and work in progress	(786)	(2,526)	(2,235)	(706)
	351,290	**323,816**	**158,594**	**178,129**

* Royalty payable is charged based on volume of extraction made during the year.

8. Administrative expenses	**Group**		**Company**	
	Year ended 31-Dec-17 ₦'million	**Year ended 31-Dec-16 ₦'million**	**Year ended 31-Dec-17 ₦'million**	**Year ended 31-Dec-16 ₦'million**
Salaries and related staff costs	12,376	11,338	6,320	6,378
Corporate social responsibility	1,562	1,097	974	812
Management fee (refer (a) below)	3,853	3,054	3,853	3,054
Depreciation and amortisation	5,529	5,789	1,897	1,946
Auditors' remuneration (refer (c) below)	508	417	305	236
Directors' remuneration	1,071	638	1,062	632
Rent, rate and insurance	3,918	3,934	1,301	2,064
Repairs and maintenance	1,083	1,019	825	843
Travel expenses	2,041	1,905	901	898
Bank charges	1,222	1,126	415	438
General administrative expenses	5,003	4,088	1,521	969
Others (refer (b) below)	7,017	3,519	3,000	405
Impairment of property, plant and equipment	197	(1,255)	197	(1,588)
	45,380	**36,669**	**22,571**	**17,087**

(a)The management fee is charged by Dangote Industries Limited for management and corporate services provided to Dangote Cement Plc. It is an apportionment of the Parent company's shared-services to all its significant subsidiaries.

(b) The amount for the current year includes ₦3.55 billion for Group and ₦2.62 billion for Company for professional and consultancy fees.

(c) Auditors' remuneration is detailed in the table below:

	Group		**Company**	
	31-Dec-17 ₦'million	**31-Dec-16 ₦'million**	**31-Dec-17 ₦'million**	**31-Dec-16 ₦'million**
Audit fees	402	396	215	215
Limited review of quarterly financial statements*	37	21	21	21
Review of financial statements for specific transactions*	69	-	69	-
	508	**417**	**305**	**236**

* This was paid to the joint external auditors, Deloitte & Touche.

Other employee related disclosures	**Group**		**Company**	
Aggregate payroll costs:	**Year ended 31-Dec-17 ₦'million**	**Year ended 31-Dec-16 ₦'million**	**Year ended 31-Dec-17 ₦'million**	**Year ended 31-Dec-16 ₦'million**
Wages, salaries and staff welfare	47,253	43,399	26,936	27,588
Pension costs	2,707	2,292	1,826	1,534
	49,960	**45,691**	**28,762**	**29,122**

Chairman's and Directors' remuneration

	Group		**Company**	
	Year ended 31-Dec-17 ₦'million	**Year ended 31-Dec-16 ₦'million**	**Year ended 31-Dec-17 ₦'million**	**Year ended 31-Dec-16 ₦'million**
Directors' remuneration comprises:				
Fees	49	49	49	49
Emoluments	1,022	589	1,013	583
	1,071	**638**	**1,062**	**632**
Chairman	39	27	35	27
Highest paid Director	407	304	407	303

		Group		Company	
		31-Dec-17 Number	31-Dec-16 Number	31-Dec-17 Number	31-Dec-16 Number
Number of Directors whose emoluments were within the following ranges:					
₦	₦				
1 -	3,200,000	-	-	-	-
3,200,001 -	8,750,000	-	-	-	-
8,750,001 -	20,000,000	-	1	-	1
Above 20,000,000		14	12	14	12
		14	**13**	**14**	**13**
Permanent employees remunerated at higher rate excluding allowances:					
₦	₦				
Up to	250,000	6,346	8,883	4,936	8,058
250,001 -	500,000	4,924	3,035	4,727	2,711
500,001 -	750,000	1,469	1,381	1,403	1,228
750,001 -	1,000,000	943	724	884	658
1,000,001 -	1,250,000	489	311	474	259
1,250,001 -	1,500,000	186	120	155	101
1,500,001 -	2,000,000	273	283	143	143
2,000,001 and above		716	578	321	259
		15,346	**15,315**	**13,043**	**13,417**
The average number of permanent employees employed during the year excluding Directors was as follows:					
Management		489	485	338	307
Non-management		14,170	13,916	11,992	12,610
		14,659	**14,401**	**12,330**	**12,917**

9. Selling and distribution expenses	**Group**		**Company**	
	Year ended 31-Dec-17 ₦'million	**Year ended 31-Dec-16 ₦'million**	**Year ended 31-Dec-17 ₦'million**	**Year ended 31-Dec-16 ₦'million**
Salaries and related staff costs	10,871	10,334	7,877	7,655
Depreciation	18,812	17,716	9,627	11,297
Advertisement and promotion	2,199	1,534	1,429	701
Haulage expenses	74,653	49,344	46,537	29,465
Others	3,382	3,739	3,213	2,831
	109,917	**82,667**	**68,683**	**51,949**

10. Finance income and finance costs	**Group**		**Company**	
	Year ended 31-Dec-17 ₦'million	**Year ended 31-Dec-16 ₦'million**	**Year ended 31-Dec-17 ₦'million**	**Year ended 31-Dec-16 ₦'million**
Finance income:				
Interest income *	9,136	2,662	36,383	34,987
Foreign exchange gain **	26,790	41,155	34,903	170,655
	35,926	**43,817**	**71,286**	**205,642**
Finance costs:				
Interest expenses***	52,101	45,583	34,425	34,558
Less: amounts included in the cost of qualifying assets	-	(411)	-	(411)
	52,101	45,172	34,425	34,147
Other finance costs	610	209	610	209
	52,711	**45,381**	**35,035**	**34,356**

The average effective interest rate on funds borrowed generally is 13.26% and 13.07% per annum for Group and Company respectively. (2016: 13% per annum for both Group and Company).

*2016 Interest income for Company only financial statements was restated by ₦10.45 billion from ₦45.44 billion to ₦34.99 billion due to interest accrued for the Zambia and Ethiopia subsidiaries which was reversed as it was incorrectly charged.

** 2016 exchange gains for Company only financial statements were restated by ₦8.61 billion from ₦179.26 billion to ₦170.66 billion due to the exchange gains relating to interest reversed as explained above.

***2016 interest expense for Company only financial statement was restated by N0.3 billion from N34,24 billion to N34.56 billion due to accrued interest for the Zambia subsidiary that was incorrectly charged.

For impact on the Statement of Financial Position, see note 31.

11. Other income

	Group		Company	
	Year ended 31-Dec-17 ₦'million	Year ended 31-Dec-16 ₦'million	Year ended 31-Dec-17 ₦'million	Year ended 31-Dec-16 ₦'million
Insurance claims	411	48	219	42
Government grant (Note 26.1)	376	417	346	415
Sundry income	4,426	10,077	2,821	4,309
	5,213	**10,542**	**3,386**	**4,766**

12. Profit for the year

Profit for the year includes the following charges:

	Group		Company	
	Year ended 31-Dec-17 ₦'million	Year ended 31-Dec-16 ₦'million	Year ended 31-Dec-17 ₦'million	Year ended 31-Dec-16 ₦'million
Depreciation of property, plant and equipment	83,377	74,202	43,862	46,813
Amortisation of intangible assets	562	548	97	300
Auditors' remuneration	508	417	305	236
Employee benefits expense	49,960	45,691	28,762	29,122
Loss on disposal of property, plant and equipment	58	59	58	-

13. Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Group		Company	
	Year ended 31-Dec-17 ₦'million	Year ended 31-Dec-16 ₦'million	Year ended 31-Dec-17 ₦'million	Year ended 31-Dec-16 ₦'million
Profit for the year attributable to owners of the Company	198,585	149,536	254,630	306,251
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	17,041	17,041	17,041	17,041
Basic & diluted earnings per share (Naira)**	**11.65**	**8.78**	**14.94**	**17.97**

** Basic & diluted earnings per share has been restated by ₦2.56 from ₦11.34 to ₦8.78 for Group and ₦6.67 from ₦21.61 to ₦17.97 for company.

14. Income taxes

14.1 Income tax recognised in profit or loss

	Group		Company	
	Year ended 31-Dec-17 ₦'million	Year ended 31-Dec-16 ₦'million	Year ended 31-Dec-17 ₦'million	Year ended 31-Dec-16 ₦'million
Current tax				
Current tax on production lines out of tax relief	(8,738)	(4,637)	(8,124)	(3,673)
Provision for tax on operations awaiting tax relief approval	(40,323)	(11,332)	(40,323)	(11,332)
Current tax expense in respect of the current year	(49,061)	(15,969)	(48,447)	(15,005)
Deferred tax				
Deferred tax on production lines out of tax relief	(14,368)	10,332	(17,163)	(1,326)
Provision for tax on operations awaiting tax relief approval	(21,913)	(32,434)	(21,913)	(32,434)
Deferred tax expense recognised in the current year	(36,281)	(22,102)	(39,076)	(33,760)
Total income tax recognised in the current year**	**(85,342)**	**(38,071)**	**(87,523)**	**(48,765)**

	31-Dec-16	
Income tax expense	**Group ₦'million**	**Company ₦'million**
Tax as previously reported	5,695	(6,191)
Restatement**	(43,766)	(42,574)
	(38,071)	**(48,765)**

	Group		Company	
	31-Dec-16	1-Jan-16	31-Dec-16	1-Jan-16
Current tax payable	**₦'million**	**₦'million**	**₦'million**	**₦'million**
Tax as previously reported	4,674	1,289	4,306	1,305
Restatement**	13,546	2,214	13,546	2,214
	18,220	**3,503**	**17,852**	**3,519**

	Group		Company	
	31-Dec-16	1-Jan-16	31-Dec-16	1-Jan-16
Deferred tax assets	**₦'million**	**₦'million**	**₦'million**	**₦'million**
Tax as previously reported	50,110	14,465	26,255	10,913
Restatement**	1,196	3,110	4,329	5,051
	51,306	**17,575**	**30,584**	**15,964**

	Group		Company	
	31-Dec-16	1-Jan-16	31-Dec-16	1-Jan-16
Deferred tax liabilities	**₦'million**	**₦'million**	**₦'million**	**₦'million**
Tax as previously reported	43,695	24,504	41,858	23,998
Restatement**	59,467	28,947	59,467	28,947
	103,162	**53,451**	**101,325**	**52,945**

**In prior years, the company determined its tax charge on profits earned from Ibese production lines 3 & 4 and Obajana production line 4 on the basis that these product lines were entitled to a tax holiday under the Pioneer Status Incentive. With reference to disclosures in note 4.1.2, the tax charge has been re-stated for the 2016 and 2015 financial years and this has resulted in an increase in tax as shown above.

In addition, the interest reversal as detailed in note 10 resulted in the 2016 Company only tax being reduced by ₦1.2billion resulting in the net increase of ₦42.6 billion shown above.

The income tax expense for the year can be reconciled to the accounting profit as follows:

	Group		Company	
	Year ended 31-Dec-17 ₦'million	**Year ended 31-Dec-16 ₦'million**	**Year ended 31-Dec-17 ₦'million**	**Year ended 31-Dec-16 ₦'million**
Profit before income tax	289,590	180,929	342,153	355,016
Income tax expense calculated at 30% (2016: 30%)	(86,877)	(54,279)	(102,646)	(106,505)
Education Tax	(6,271)	(4,140)	(6,271)	(4,140)
Effect of tax holiday and income that is exempt from taxation	19,977	26,750	11,264	26,750
Effect of expenses that are not deductible in determining taxable profit	(638)	(2,652)	(550)	(1,901)
Effect of previously unrecognised temporary difference now recognised as deferred tax assets	5,145	7,118	-	-
Effect of deferred tax not recognised on net investment exchange gains	-	-	9,692	36,644
Effect of commencement rule	-	(11,230)	-	(11,230)
Effect of income taxes at different rates	2,570	11,680	2,570	11,680
Effect of unused tax losses and offsets not recognised as deferred tax assets	(16,815)	(12,206)	-	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	(809)	116	-	-
Others	(1,624)	772	(1,582)	(63)
Income tax income recognised in profit or loss**	**(85,342)**	**(38,071)**	**(87,523)**	**(48,765)**

The income tax rate of 30% was used for the company tax computation as established by the tax legislation of Nigeria effective in 2017 and 2016. The income tax rate in South Africa is 28% and 38.5% for Cameroon. All the other material subsidiaries are entitled to tax holiday ranging from 5 years to 7 years.
**restated as above.

14.2 Current tax payables

	Group			Company		
	31-Dec-17 ₦'million	**31-Dec-16 ₦'million**	**01-Jan-16 ₦'million**	**31-Dec-17 ₦'million**	**31-Dec-16 ₦'million**	**01-Jan-16 ₦'million**
Tax payable on operations out of tax relief	10,032	4,674	1,289	9,918	4,306	1,305
Tax payable on lines awaiting tax relief approval	53,869	13,546	2,214	53,869	13,546	2,214
Balance at the end of the year	**63,901**	**18,220**	**3,503**	**63,787**	**17,852**	**3,519**

14.3 Deferred tax balance

	Group			Company		
	31-Dec-17 ₦'million	**31-Dec-16 ₦'million**	**01-Jan-16 ₦'million**	**31-Dec-17 ₦'million**	**31-Dec-16 ₦'million**	**01-Jan-16 ₦'million**
Deferred tax assets	30,625	51,306	17,575	6,674	30,584	15,964
Deferred tax liabilities	(116,898)	(103,162)	(53,451)	(116,491)	(101,325)	(52,945)
Net deferred tax liabilities	**(86,273)**	**(51,856)**	**(35,876)**	**(109,817)**	**(70,741)**	**(36,981)**

Deferred tax assets have been recognised by the Group, since it is probable that future taxable profits will be available for offset.

Group 2017 Deferred tax assets /(liabilities) in relation to:	**Opening balance ₦'million**	**Recognised in profit or loss ₦'million**	**Effect of ₦'million**	**Closing balance ₦'million**
Property, plant & equipment	(94,616)	(46,825)	(2,990)	(144,431)
Unrealised exchange gains	(11,096)	(2,447)	(1,055)	(14,598)
Provisions	580	316	(388)	508
Tax losses	53,276	12,675	6,297	72,248
	(51,856)	**(36,281)**	**1,864**	**(86,273)**

2016 Deferred tax assets /(liabilities) in relation to:	**Opening balance ₦'million**	**Recognised in profit or loss ₦'million**	**Effect of translation currency ₦'million**	**Closing balance ₦'million**
Property, plant & equipment	(23,052)	(67,876)	(3,688)	(94,616)
Unrealised exchange gains	(17,378)	8,471	(2,189)	(11,096)
Provisions	1,151	(356)	(215)	580
Tax losses	3,403	37,659	12,214	53,276
	(35,876)	**(22,102)**	**6,122**	**(51,856)**

Company 2017	**Opening balance ₦'million**	**Recognised in profit or loss ₦'million**	**Closing balance ₦'million**
Deferred tax assets /(liabilities) in relation to:			
Property, plant & equipment	(60,942)	(43,726)	(104,668)
Unrealised exchange gains	(10,716)	4,723	(5,993)
Provisions	917	(73)	844
	(70,741)	**(39,076)**	**(109,817)**

2016	**Opening balance ₦'million**	**Recognised in profit or loss ₦'million**	**Closing balance ₦'million**
Deferred tax assets /(liabilities) in relation to:			
Property, plant & equipment	(23,268)	(37,674)	(60,942)
Unrealised exchange gains	(14,982)	4,266	(10,716)
Provisions	1,269	(352)	917
	(36,981)	**(33,760)**	**(70,741)**

Tax authorities in various jurisdictions where we operate in, reserve the right to audit the tax charges for the financial year ended 31 December 2017 and prior years. In cases where tax audits have been carried out and additional charges levied, we have responded to the tax authorities challenging the technical merits and made a provision we consider appropriate in line with the technical merits of issues raised by tax authorities.

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

	Group		**Company**	
	31-Dec-17 ₦'million	**31-Dec-16 ₦'million**	**31-Dec-17 ₦'million**	**31-Dec-16 ₦'million**
Tax losses	9,462	10,944	-	-
Unused tax credits	13,026	-	-	-
	22,488	**10,944**	**-**	**-**

The unrecognised tax credits will expire as follows

	Group		**Company**	
	31-Dec-17 ₦'million	**31-Dec-16 ₦'million**	**31-Dec-17 ₦'million**	**31-Dec-16 ₦'million**
Year 1	-	-	-	-
Year 2	10,944	-	-	-
Year 3	7,096	10,944	-	-
No expiry date	4,448	-	-	-
	22,488	**10,944**	**-**	**-**

Deferred tax liability amounting to ₦22.7 billion (2016: ₦12.8 billion) for both Group and Company was not recognised. This relates to exchange gains on inter-company loans classified as part of the net investment in subsidiaries

15. Property, plant and equipment

15.1 The Group

Cost	Leasehold improvements and buildings ₦'million	Plant and machinery ₦'million	Motor vehicles ₦'million	Aircraft ₦'million	Furniture & equipment ₦'million	Capital work-In-progress ₦'million	Total ₦'million
At 1st January 2016	117,947	741,582	92,639	4,028	4,630	109,966	1,070,792
Additions	4,499	28,418	33,145	-	992	69,114	136,168
Reclassifications (Note 15.1.1)	(3,436)	10,190	9,042	-	(23)	(15,773)	-
Other reclassifications (Note 15.1.2)	(741)	(985)	-	-	-	(3,578)	(5,304)
Disposal	-	(132)	(74)	-	(1)	-	(207)
Write-off	-	(242)	(422)	-	-	-	(664)
Effect of currency exchange differences	35,599	125,548	10,643	-	1,653	21,778	195,221
Balance at 31st December 2016	**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 (Note 15.1.1)	49,205	114,627	16,749	-	1,666	(182,247)	-
Other reclassifications (Note 15.1.2)	-	(347)	(15,225)	-	-	(8)	(15,580)
Disposal	-	(23)	(2,173)	-	(272)	-	(2,468)
Write-off	-	-	(238)	-	(22)	-	(260)
Effect of currency exchange differences	14,867	20,518	4,295	-	411	15,614	55,705
Balance at 31st December 2017	**218,895**	**1,044,204**	**160,302**	**4,028**	**9,443**	**82,152**	**1,519,024**
Accumulated depreciation and impairment							
At 1st January 2016	9,107	104,764	37,322	714	1,673	-	153,580
Depreciation expense	5,845	44,069	23,241	403	644	-	74,202
Reclassifications	(329)	330	-	-	(1)	-	-
Disposal	-	(132)	(15)	-	(1)	-	(148)
Impairment reversal	-	(121)	(1,664)	-	-	-	(1,785)
Effect of currency exchange differences	1,355	9,417	3,362	-	312	-	14,446
Balance at 31st December 2016	**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/(reversals)	1	62	(18)	-	(18)	-	27
Effect of currency exchange differences	914	3,245	1,239	-	209	-	5,607
Balance at 31st December 2017	**25,228**	**209,366**	**87,201**	**1,520**	**3,569**	**-**	**326,884**
Carrying amounts							
At 1st January 2016	108,840	636,818	55,317	3,314	2,957	109,966	917,212
At 31st December 2016	137,890	746,052	82,727	2,911	4,624	181,507	1,155,711
At 31st December 2017	**193,667**	**834,838**	**73,101**	**2,508**	**5,874**	**82,152**	**1,192,140**

15.1.1 Represents assets transferred from Capital work in progress on completion
15.1.2 Represents assets transferred to intangible assets, related parties and customers
15.1.3 Some borrowings are secured by a debenture on all fixed and floating assets (Note 25)

15.2 The Company

Cost	Leasehold improvements and buildings ₦'million	Plant and machinery ₦'million	Motor vehicles ₦'million	Aircraft ₦'million	Furniture & equipment ₦'million	Capital work-In-progress ₦'million	Total ₦'million
At 1st January 2016	43,677	530,799	73,439	4,028	1,603	63,104	716,650
Additions	3,914	17,643	5,381	-	369	35,588	62,895
Reclassifications (Note 15.2.1)	4	1,194	4,195	-	108	(5,501)	-
Other reclassifications (Note 15.2.2)	-	(985)	-	-	-	(24,689)	(25,674)
Disposal	-	(130)	-	-	-	-	(130)
Balance at 31st December 2016	**47,595**	**548,521**	**83,015**	**4,028**	**2,080**	**68,502**	**753,741**
Additions	-	3,061	92	-	5	37,312	40,470
Reclassifications (Note 15.2.1)	2,709	47,525	20,668	-	1,096	(71,998)	-
Other reclassifications (Note 15.2.2)	-	-	(15,420)	-	-	-	(15,420)
Disposal	-	(23)	(2,173)	-	(272)	-	(2,468)
Write-off	-	-	(197)	-	-	-	(197)
Balance at 31st December 2017	**50,304**	**599,084**	**85,985**	**4,028**	**2,909**	**33,816**	**776,126**
Accumulated depreciation and impairment							
Balance at 1st January 2016	7,706	95,373	34,642	714	1,198	-	139,633
Depreciation expense	1,883	29,462	14,780	403	285	-	46,813
Disposal	-	(130)	-	-	-	-	(130)
Impairment reversal	-	-	(1,592)	-	-	-	(1,592)
Balance at 31st December 2016	**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 reclassifications	-	-	(12)	-	-	-	(12)
Disposal	-	(17)	(2,121)	-	(272)	-	(2,410)
Balance at 31st December 2017	**11,598**	**152,090**	**59,350**	**1,520**	**1,606**	**-**	**226,164**
Carrying amounts							
At 1st January 2016	35,971	435,426	38,797	3,314	405	63,104	577,017
At 31st December 2016	38,006	423,816	35,185	2,911	597	68,502	569,017
At 31st December 2017	**38,706**	**446,994**	**26,635**	**2,508**	**1,303**	**33,816**	**549,962**

15.2.1 Represents assets transferred from Capital work in progress on completion
15.2.2 Represents assets transferred to subsidiaries, related parties and customers
15.2.3 Some borrowings are secured by a debenture on all fixed and floating assets (Note 25)

16. Intangible assets

Group Cost	Computer software ₦'million	Exploration assets ₦'million	Total ₦'million
At 1st January 2016	2,553	1,186	3,739
Additions	660	85	745
Other reclassifications	(75)	-	(75)
Effect of foreign currency differences	718	941	1,659
Balance at 31st December 2016	**3,856**	**2,212**	**6,068**
Additions	243	1,396	1,639
Other reclassifications (Note 16.1)	8	347	355
Effect of foreign currency differences	464	464	928
Balance at 31st December 2017	**4,571**	**4,419**	**8,990**
Amortisation			
At 1st January 2016	1,105	24	1,129
Amortisation expense	531	17	548
Effect of foreign currency differences	223	23	246
Balance at 31st December 2016	**1,859**	**64**	**1,923**
Amortisation expense	495	67	562
Effect of foreign currency differences	134	16	150
Balance at 31st December 2017	**2,488**	**147**	**2,635**
Carrying amounts			
At 1st January 2016	1,448	1,162	2,610
At 31st December 2016	1,997	2,148	4,145
At 31st December 2017	**2,083**	**4,272**	**6,355**

Intangible assets (computer software) represent software which have useful life of 3 years and amortised on a straight line basis over these years.

16.1 This represents exploration assets and software reclassed from property, plant and equipment on the completion of the plant construction.

Company **Cost**	**Computer software ₦'million**	**Exploration assets ₦'million**	**Total ₦'million**
At 1st January 2016	1,278	-	1,278
Additions	28	-	28
Balance at 31st December 2016	**1,306**	**-**	**1,306**
Additions	21	-	21
Balance at 31st December 2017	**1,327**	**-**	**1,327**
Amortisation			
At 1st January 2016	893	-	893
Amortisation expense	300	-	300
Balance at 31st December 2016	**1,193**	**-**	**1,193**
Amortisation expense	97	-	97
Balance at 31st December 2017	**1,290**	**-**	**1,290**
Carrying amounts			
At 1st January 2016	385	-	385
At 31st December 2016	113	-	113
At 31st December 2017	**37**	**-**	**37**

There are no development expenditures capitalised as internally generated intangible assets.

17. Information regarding subsidiaries and associate
17.1 Subsidiaries
Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal Activity	Place of incorporation and operation	Proportion of ownership or voting power held by the Group 31-Dec-17	31-Dec-16
Dangote Cement South Africa (Pty) Limited	Cement production	South Africa	64.00%	64.00%
Dangote Industries (Ethiopia) Plc	Cement production	Ethiopia	99.97%	94.00%
Dangote Industries (Zambia) Limited	Cement production	Zambia	75.00%	75.00%
Dangote Cement Senegal S.A	Cement production	Senegal	99.99%	90.00%
Dangote Cement Cameroon S.A	Cement Grinding	Cameroon	99.97%	80.00%
Dangote Industries Limited, Tanzania	Cement production	Tanzania	99.70%	70.00%
Dangote Cement Congo S.A	Cement production	Congo	100.00%	100.00%
Dangote Cement (Sierra Leone) Limited	Bagging and distribution of cement	Sierra Leone	99.60%	99.60%
Dangote Cement Cote D'Ivoire S.A	Bagging and distribution of cement	Cote D'Ivoire	80.00%	80.00%
Dangote Industries Gabon S.A	Cement Grinding	Gabon	80.00%	80.00%
Dangote Cement Ghana Limited	Bagging and distribution of cement	Ghana	100.00%	100.00%
Dangote Cement - Liberia Ltd.	Bagging and distribution of cement	Liberia	100.00%	100.00%
Dangote Cement Burkina Faso S.A	Selling and distribution of cement	Burkina Faso	95.00%	95.00%
Dangote Cement Chad S.A	Selling and distribution of cement	Chad	95.00%	95.00%
Dangote Cement Mali S.A	Selling and distribution of cement	Mali	95.00%	95.00%
Dangote Cement Niger SARL	Selling and distribution of cement	Niger	95.00%	95.00%
Dangote Industries Benin S.A	Selling and distribution of cement	Benin	98.00%	98.00%
Dangote Cement Togo S.A	Selling and distribution of cement	Togo	90.00%	90.00%
Dangote Cement Kenya Limited	Cement production	Kenya	90.00%	90.00%
Dangote Quarries Kenya Limited	Limestone mining	Kenya	90.00%	90.00%
Dangote Cement Madagascar Limited	Cement production	Madagascar	95.00%	95.00%
Dangote Quarries Mozambique Limitada	Cement production	Mozambique	95.00%	95.00%
Dangote Cement Nepal Pvt. Limited	Cement production	Nepal	100.00%	100.00%
Dangote Zimbabwe Holdings (Private) Limited	Cement production	Zimbabwe	90.00%	90.00%
Dangote Cement Zimbabwe (Private) Limited	Cement production	Zimbabwe	90.00%	90.00%
Dangote Energy Zimbabwe (Private) Limited	Power production	Zimbabwe	90.00%	90.00%
Dangote Mining Zimbabwe (Private) Limited	Coal production	Zimbabwe	90.00%	90.00%
Dangote Cement Guinea SA	Cement production	Guinea	95.00%	95.00%
Cimenterie Obajana Sprl- D.R. Congo	Cement production	D.R. Congo	98.00%	98.00%
Itori Cement Plc.	Cement production	Nigeria	99.00%	99.00%
Okpella Cement Plc.	Cement production	Nigeria	99.00%	99.00%
Dangote Takoradi Cement Production Limited	Cement Grinding	Ghana	99.00%	99.00%
Dangote Cement Yaounde	Cement Grinding	Cameroon	90.00%	90.00%
Dangote Cement Congo D.R. S.A	Cement production	D.R. Congo	99.00%	99.00%

17. Information regarding subsidiaries and associates
17.1 Subsidiaries

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

	Principal activity	Place of incorporation and operation	Proportion of ownership or voting power held by the Group	
Indirect subsidiary			**31-Dec-17**	**31-Dec-16**
Dangote Cement South Africa (Pty)				
Sephaku Development (Pty) Ltd	Mining right holder	South Africa	100.00%	100.00%
Sephaku Delmas Properties (Pty) Ltd	Investment property	South Africa	100.00%	100.00%
Blue Waves Properties 198 (Pty) Ltd	Exploration	South Africa	100.00%	100.00%
Sephaku Limestone and Exploration (Pty) Ltd	Exploration	South Africa	80.00%	80.00%
Sephaku Enterprise Development (Pty) Ltd	Social responsibility	South Africa	100.00%	100.00%
Portion 11 Klein Westerford Properties (Pty) Ltd	Investment property	South Africa	100.00%	100.00%
Dangote Dwaalboom mining (pty) Ltd	Investment property	South Africa	100.00%	100.00%
Dangote Industries (Zambia) Limited				
Dangote Quarries (Zambia) Limited	Limestone mining	Zambia	49.90%	49.90%
Dangote Cement Nepal Pvt.				
Birat Cement Pvt. Limited	Cement production and distribution	Nepal	100%	100%

17. Information regarding subsidiaries and associates

17.2 Investments in subsidiaries

	Group		Company		
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million
Dangote Cement South Africa (Pty) Limited	-	-	27,922	25,381	24,283
Dangote Industries (Ethiopia) Plc	-	-	40,036	39,338	1,619
Dangote Industries (Zambia) Limited	-	-	-	-	-
Dangote Cement Senegal S.A	-	-	64,782	29	29
Dangote Cement Cameroon S.A	-	-	15,160	9	9
Dangote Cement Ghana Limited	-	-	-	-	-
Dangote Industries Limited, Tanzania	-	-	13,851	13,851	70
Dangote Cement Congo S.A	-	-	3	3	3
Dangote Cement (Sierra Leone) Limited	-	-	18	18	18
Dangote Cement Cote D'Ivoire S.A	-	-	16	16	16
Dangote Industries Gabon S.A	-	-	6	6	6
Dangote Cement Marketing Senegal SA	-	-	-	-	4
Dangote Cement Burkina faso SA	-	-	3	3	3
Dangote Cement Chad SA	-	-	3	3	3
Dangote Cement Mali SA	-	-	3	3	3
Dangote Cement Niger SARL	-	-	5	5	5
Dangote Cement Madagascar Limited	-	-	-	-	-
Dangote Industries Benin S.A.	-	-	3	3	3
Dangote Cement Togo S.A.	-	-	5	5	1
Dangote Takoradi Cement Production Limited	-	-	141	-	-
Dangote Cement - Liberia Ltd.	-	-	-	-	-
Dangote Cement Kenya Limited	-	-	-	-	-
Dangote Quarries Kenya Limited	-	-	-	-	-
Dangote Quarries Mozambique Limitada	-	-	-	-	-
Dangote Cement Nepal Pvt. Ltd.	-	-	-	-	-
Dangote Zimbabwe Holdings (Private) Limited	-	-	-	-	-
Dangote Cement Zimbabwe (Private) Limited	-	-	-	-	-
Dangote Energy Zimbabwe (Private) Limited	-	-	-	-	-
Dangote Mining Zimbabwe (Private) Limited	-	-	-	-	-
Dangote Cement Guinea SA	-	-	-	-	-
Cimenterie Obajana Sprl- D.R. Congo	-	-	-	-	-
Itori Cement Plc.	-	-	-	-	-
Okpella Cement Plc.	-	-	-	-	-
Dangote Cement Yaounde	-	-	-	-	-
Dangote Cement Congo D.R. S.A.	-	-	-	-	-
	-	**-**	**161,957**	**78,673**	**26,075**

During the year, Dangote Cement Senegal S.A, Dangote Cement Cameroon S.A, Dangote Industries Limited, Tanzania and Dangote Industries (Ethiopia) Plc issued additional shares, all of which were issued to Dangote Cement Plc., resulting in the dilution of non controlling interest to 0.01%, 0.03%, 0.3% and 0.03% respectively.

17.3 Investment in Associate

	Group			Company		
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million
Balance at beginning of the year	1,582	1,582	1,582	1,582	1,582	1,582
Share of profit from associate	2,167	-	-	-	-	-
Balance at the end of the year	**3,749**	**1,582**	**1,582**	**1,582**	**1,582**	**1,582**

The Group holds 43% (2016: 43%) of the voting rights in Societe des Ciments d' Onigbolo, a company incorporated in the Republic of Benin with the Principal activity being the production of cement and related products.

Equity accounting is applied because the Group has significant influence. The Financial year end for the Associate is 31st December 2017. The share of profits for the periods prior to 2017 was immaterial and therefore not recognised.

17.4 Composition of the Group
Information about the composition of the Group at the end of the reporting period is as follows:

Principal activity	Place of incorporation and operation	Number of wholly owned subsidiaries	
		2017	**2016**
Cement production	Congo	1	1
Bagging and distribution of cement	Liberia	1	1
Bagging and distribution of cement	Ghana	1	1
Cement production	Nepal	1	1

Principal activity	Place of incorporation and operation	Number of non-wholly owned subsidiaries	
		2017	**2016**
Cement production	South Africa	1	1
Cement production	Ethiopia	1	1
Cement production	Zambia	1	1
Cement production	Senegal	1	1
Cement Grinding	Cameroon	2	2
Cement production	Tanzania	1	1
Bagging and distribution of cement	Sierra Leone	1	1
Bagging and distribution of cement	Cote D'Ivoire	1	1
Cement Grinding	Gabon	1	1
Selling and distribution of cement	Burkina Faso	1	1
Selling and distribution of cement	Chad	1	1
Selling and distribution of cement	Mali	1	1
Selling and distribution of cement	Niger	1	1
Limestone mining	Kenya	1	1
Cement production	Kenya	1	1
Cement production	Madagascar	1	1
Selling and distribution of cement	Benin	1	1
Selling and distribution of cement	Togo	1	1
Cement production	Mozambique	1	1
Holding company	Zimbabwe	1	1
Cement production	Zimbabwe	1	1
Power production	Zimbabwe	1	1
Coal production	Zimbabwe	1	1
Cement production	Guinea	1	1
Cement production	D.R. Congo	2	2
Cement production	Nigeria	2	2
Cement Grinding	Ghana	1	1

17.4 Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2017 %	2016 %	2017 ₦'million	2016 ₦'million	2017 ₦'million	2016 ₦'million
Sephaku Cement (Pty) Limited	South Africa	36.00%	36.00%	604	769	14,280	11,626
Dangote Industries (Zambia) Limited	Zambia	25.00%	25.00%	2,249	2,919	(1,286)	(2,945)
Dangote Industries (Ethiopia) Plc	Ethiopia	0.03%	6.00%	6	550	8	(797)
Dangote Industries Limited, Tanzania	Tanzania	0.30%	30.00%	(86)	(6,409)	(198)	(13,169)
Dangote Cement Senegal S.A	Senegal	0.01%	10.00%	2,149	(846)	2	(5,359)
Dangote Cement Cameroon S.A	Cameroon	0.03%	20.00%	387	(498)	2	(1,820)

17.5 Summarised below is the financial information in respect of the Group's subsidiaries that have material non-controlling interests. Information below represent amounts before intra-Group eliminations.

	Dangote Cement South Africa (Pty) Limited	Dangote Industries (Zambia) Limited	Dangote Industries (Ethiopia) Plc	Dangote Industries Limited, Tanzania	Dangote Cement Senegal S.A	Dangote Cement Cameroon S.A
	2017	2017	2017	2017	2017	2017
	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million
Information in respect of the financial position of the subsidiaries						
Current assets	23,055	11,415	54,337	31,400	12,663	14,530
Non-current assets	89,247	101,168	92,135	121,440	90,917	41,253
Current liabilities	28,877	117,437	122,092	218,860	62,754	30,549
Non-current liabilities	43,758	290	7	4	18,439	19,162
Equity attributable to owners of the Company	39,589	(5,144)	24,373	(66,024)	22,387	6,072
Non-controlling interests	78	-	-	-	-	-
Information in respect of the profit and loss and other comprehensive income						
Revenue	57,302	25,145	54,527	16,650	28,750	43,186
Expenses	(55,117)	(10,653)	(38,032)	(45,191)	(11,531)	(40,876)
Tax (expense)/credit	(508)	(5,497)	216	-	4,276	(375)
Profit/(loss) for the year	**1,677**	**8,995**	**16,711**	**(28,541)**	**21,495**	**1,935**
Profit/(loss) attributable to owners of the Company	1,073	6,746	16,705	(28,455)	19,346	1,548
Profit/(loss) attributable to the non-controlling interests	604	2,249	6	(86)	2,149	387
Profit/(loss) for the year	**1,677**	**8,995**	**16,711**	**(28,541)**	**21,495**	**1,935**
Other comprehensive income	-	(1,356)	(14,219)	(4,213)	-	-
Total comprehensive income for the year	**1,677**	**7,639**	**2,492**	**(32,754)**	**21,495**	**1,935**
Total comprehensive income attributable to owners of the Company	1,073	5,729	2,491	(32,655)	19,346	1,548
Total comprehensive income attributable to the non-controlling interests	604	1,910	1	(99)	2,149	387
Total comprehensive income for the year	**1,677**	**7,639**	**2,492**	**(32,754)**	**21,495**	**1,935**
Information in respect of the cash flows of the Subsidiaries						
Dividends paid to non-controlling interests	-	-	-	-	-	-
Net cash inflow/(outflow) from operating activities	12,223	4,213	23,678	(11,908)	10,398	(8,397)
Net cash inflow/(outflow) from investing activities	63	(1,074)	(482)	(15,191)	(2,489)	(395)
Net cash (outflow)/inflow from financing activities	(9,261)	-	(12,182)	24,635	(7,419)	7,947
Net cash inflow/(outflow)	**3,025**	**3,139**	**11,014**	**(2,464)**	**490**	**(845)**

17.5 Summarised below is the financial information in respect of the Group's subsidiaries that have material non-controlling interests. Information below represent amounts before intra-Group eliminations.

	Dangote Cement South Africa (Pty) Limited 2016 ₦'million	Dangote Industries (Zambia) Limited 2016 ₦'million	Dangote Industries (Ethiopia) Plc 2016 ₦'million	Dangote Industries Limited, Tanzania 2016 ₦'million	Dangote Cement Senegal S.A 2016 ₦'million	Dangote Cement Cameroon S.A 2016 ₦'million
Information in respect of the financial position of the subsidiaries						
Current assets	17,923	5,973	49,577	28,657	7,313	6,044
Non-current assets	79,952	104,564	110,078	104,342	72,201	36,035
Current liabilities	25,082	113,371	121,216	160,087	132,905	29,927
Non-current liabilities	40,498	246	8	3,029	197	21,251
Equity attributable to owners of the Company	32,217	(3,080)	38,431	(30,117)	(53,588)	(9,099)
Non-controlling interests	78	-	-	-	-	-
Information in respect of the profit and loss and other comprehensive income						
Revenue	41,381	16,968	40,071	12,022	19,937	31,194
Expenses	(38,234)	(16,890)	(33,703)	(33,385)	(28,396)	(33,655)
Tax (expense)/credit	(1,012)	11,600	2,805	-	-	(31)
Profit/(loss) for the year	**2,135**	**11,678**	**9,173**	**(21,363)**	**(8,459)**	**(2,492)**
Profit/(loss) attributable to owners of the Company	1,366	8,759	8,623	(14,954)	(7,613)	(1,994)
Profit/(loss) attributable to the non-controlling interests	769	2,919	550	(6,409)	(846)	(498)
Profit/(loss) for the year	**2,135**	**11,678**	**9,173**	**(21,363)**	**(8,459)**	**(2,492)**
Other comprehensive income	-	9,852	(7,206)	(487)	-	-
Total comprehensive income for the year	**2,135**	**21,530**	**1,967**	**(21,850)**	**(8,459)**	**(2,492)**
Total comprehensive income attributable to owners of the Company	1,366	16,148	1,850	(15,295)	(7,613)	(1,994)
Total comprehensive income attributable to the non-controlling interests	769	5,382	117	(6,555)	(846)	(498)
Total comprehensive income for the year	**2,135**	**21,530**	**1,967**	**(21,850)**	**(8,459)**	**(2,492)**
Information in respect of the cash flows of the Subsidiaries						
Dividends paid to non-controlling interests	-	-	-	-	-	-
Net cash inflow/(outflow) from operating activities	9,519	17,084	15,478	(36,026)	4,360	2,233
Net cash inflow/(outflow) from investing activities	2,088	(3,103)	(3,993)	(3,169)	(4,556)	(6,167)
Net cash (outflow)/inflow from financing activities	(13,098)	(16,874)	3,753	41,867	(1,588)	-
Net cash (outflow)/inflow	**(1,491)**	**(2,893)**	**15,238**	**2,672**	**(1,784)**	**(3,934)**

17.6 Change in the Group's ownership interest in a subsidiary

The shareholding in Dangote Cement Senegal S.A, Dangote Cement Cameroon S.A, Dangote Industries Limited, Tanzania and Dangote Industries (Ethiopia) Plc subsidiaries was increased as explained in note 17.2.

17.7 Significant restrictions

There are no significant restrictions on the Company's or its subsidiaries' ability to access or use its assets to settle the liabilities of the Group.

18. Prepayments

18.1 Prepayments for property, plant & equipment

	Group			Company		
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million
Non-current						
Advance to contractors	16,101	13,196	9,094	1,600	-	-
Total non-current prepayments	**16,101**	**13,196**	**9,094**	**1,600**	**-**	**-**
18.2 Prepayments and other current assets						
Advance to contractors	17,680	15,126	18,009	5,791	2,109	11,726
Deposits for import	13,839	36,774	24,295	9,914	36,360	24,295
Deposits for supplies	5,638	5,144	7,412	1,083	2,019	5,829
Rent, rates and insurance	2,596	2,627	2,167	1,303	1,359	1,528
Other financial assets	10	-	-	-	-	-
Total current prepayments	**39,763**	**59,671**	**51,883**	**18,091**	**41,847**	**43,378**
Related Party Transactions						
Parent company	-	-	-	-	-	-
Entities controlled by the parent company	75,733	18,537	8,169	72,706	18,537	8,169
Affiliates and associates of parent company	-	72	474	-	-	456
Receivables from subsidiaries	-	-	-	157,397	-	-
Total related party transactions	**75,733**	**18,609**	**8,643**	**230,103**	**18,537**	**8,625**
Prepayments and other current assets	**115,496**	**78,280**	**60,526**	**248,194**	**60,384**	**52,003**

Non-current advances to contractors represent various advances made to contractors for the construction of plants while current advances to contractors represent various advances made for the purchase of LPFO, AGO, coal and other materials which were not received at the year end.

19. Inventories

	Group			Company		
	31-Dec-17 ₦'million	**31-Dec-16 ₦'million**	**01-Jan-16 ₦'million**	**31-Dec-17 ₦'million**	**31-Dec-16 ₦'million**	**01-Jan-16 ₦'million**
Finished products	6,389	5,363	5,732	4,768	3,310	4,118
Work-in-progress	10,096	10,336	7,441	4,511	3,734	2,220
Raw materials	5,898	4,925	3,917	1,993	1,456	2,516
Packaging materials	4,180	4,262	3,474	1,332	2,636	1,299
Consumables	8,287	9,936	2,184	6,079	7,931	2,006
Fuel	11,621	14,861	7,165	9,312	11,465	5,943
Spare parts	36,403	30,948	21,904	26,275	24,926	20,163
Goods in transit	11,720	2,272	1,301	7,989	392	104
	94,594	**82,903**	**53,118**	**62,259**	**55,850**	**38,369**

The cost of inventories recognised as an expense during the year was ₦250.50 billion and ₦104.54 billion (2016: ₦212.37 billion and ₦115.64 billion) in the consolidated and separate financial statements respectively.

The amount recognised as obsolescence during the year was ₦133.4 million for Group and Company.

20. Trade and other receivables

	Group			Company		
	31-Dec-17 ₦'million	**31-Dec-16 ₦'million**	**01-Jan-16 ₦'million**	**31-Dec-17 ₦'million**	**31-Dec-16 ₦'million**	**01-Jan-16 ₦'million**
Trade receivables	16,784	16,695	7,559	10,180	10,454	3,924
Impairment allowance on trade receivables	**(645)**	**(708)**	**(1,325)**	**(616)**	**(627)**	**(1,298)**
	16,139	**15,987**	**6,234**	**9,564**	**9,827**	**2,626**
Staff loans and advances	1,463	1,398	1,045	1,209	1,150	919
Other receivables	12,553	8,894	4,265	1,567	880	707
Total trade and other receivables	**30,155**	**26,279**	**11,544**	**12,340**	**11,857**	**4,252**

Trade receivables

The average credit period on sales of goods for both the Group and Company is as shown below.

Of the trade receivables balance at the end of the year in the consolidated and separate financial statements respectively, ₦537 million (2016: ₦537.0 million) and ₦6.0 billion (2016: ₦4.2 billion) is due from the Group's and company's largest trade debtor respectively. The company's largest trade debtor is its subsidiary. There are no other customers who represent more than 10% of the total balance of trade receivables after impairment.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for impairment because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Trade receivables are considered to be past due when they exceed the credit period granted.

Age of receivables that are past due and not impaired

	Group			Company		
	31-Dec-17 ₦'million	**31-Dec-16 ₦'million**	**01-Jan-16 ₦'million**	**31-Dec-17 ₦'million**	**31-Dec-16 ₦'million**	**01-Jan-16 ₦'million**
0 - 60 days	7,592	5,536	1,848	6,648	3,878	1,120
60 - 90 days	39	1,599	253	2	1,068	85
90 - 120 days	34	3,568	247	2	3,463	139
120+	651	872	625	651	802	625
Total	**8,316**	**11,575**	**2,973**	**7,303**	**9,211**	**1,969**
Average age (days)	**45**	**43**	**32**	**55**	**48**	**26**

Movement in the allowance for doubtful debts

	Group		Company	
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million
Balance at the beginning of the year	708	1,325	627	1,298
Impairment losses recognised on receivables	26	54	-	-
Amounts written off during the year as uncollectable	(44)	(671)	(11)	(671)
Impairment losses reversed	(45)	-	-	-
Balance at the end of the year	**645**	**708**	**616**	**627**

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Age of past due and impaired trade receivables

	Group		Company	
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million
60-90 days	8	3	-	-
90-120 days	13	24	-	-
120+ days	624	681	616	627
	645	**708**	**616**	**627**

21. Finance lease receivables

	Group and Company	
	31-Dec-17 ₦'million	**31-Dec-16 ₦'million**
Current finance lease receivables	1,608	-
Non-current finance lease receivables	6,614	-
	8,222	**-**

21.1 Leasing arrangements

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

21.2 Amounts receivable under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	31-Dec-17 ₦'million	**31-Dec-16 ₦'million**	**31-Dec-17 ₦'million**	**31-Dec-16 ₦'million**
Not later than one year	2,691	-	1,608	-
Later than one year and not later than five years	8,523	-	6,614	-
	11,214	**-**	**8,222**	
Less: unearned finance income	(2,992)	-	-	-
Present value of minimum lease payments receivable	**8,222**	-	**8,222**	-
Allowance for uncollectible lease payments	-	-	-	-
	8,222	**-**	**8,222**	**-**

Unguaranteed residual values of assets leased under finance leases at the end of the reporting period are estimated at nil.
The average effective interest rate implicit in the contracts is 14% (31 December 2016:N/A) per annum.
The finance lease receivables at the end of the reporting period are neither past due nor impaired.

22. Share capital	Group	Company	
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million
Issued and fully paid:			
22.1 Share capital 17,040,507,405			
(2016: 17,040,507,405) ordinary shares of ₦0.5 each	8,520	8,520	8,520
Share premium	42,430	42,430	42,430

22.2 Authorised share capital as at reporting dates represents 20,000,000,000 units of ordinary shares of ₦0.5 each. Fully paid ordinary shares carry one vote per fully paid up share and a right to dividends when declared and approved.

22.3 Currency translation reserve
Exchange difference relating to the translation of the results and net investments of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e Currency Units) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of foreign operations

22.4 Capital contribution
A subordinated loan was obtained by the Company from the immediate parent, Dangote Industries Limited in 2010. The interest on the long term portion was waived for 2011. Given the favourable terms at which the Company secured the loan, an amount of ₦2.8 billion which is the difference between the fair value of the loan on initial recognition and the amount received, has been accounted for as a capital contribution.

22.5 Employee benefit reserve
The employee benefit reserve arises on the re-measurement of the defined benefit plan. Items of other comprehensive income included in the employee benefit reserve will not be reclassified subsequently to profit or loss.

23. Dividend
On 24th May 2017, a dividend of ₦8.50 per share (total dividend ₦144.8 billion) was approved by shareholders to be paid to holders of fully paid ordinary shares in relation to 2016 financial year.

In respect of the current year, the Directors proposed a dividend of ₦10.50 per share. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these consolidated and separate financial statements.

24. Trade and other payables

	Group			Company		
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million
Trade payables	78,561	83,164	44,044	50,235	53,660	30,341
Payable to contractors	30,933	33,851	34,234	21,148	22,532	19,893
Value added tax	2,775	651	1,520	873	399	110
Withholding tax payable	9,485	8,439	5,006	1,118	2,351	1,557
Staff pension (Note 29.1)	266	211	44	8	41	40
Advances from customers	27,163	44,077	11,286	16,592	35,783	8,769
Suppliers' credit*	41,492	42,353	-	23,337	42,353	-
Other accruals and payables	80,046	56,220	31,463	29,426	21,448	18,874
Total trade and other payables	**270,721**	**268,966**	**127,597**	**142,737**	**178,567**	**79,584**

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

The average credit period on purchases of goods is 82 days (2016: 94 days). Normally, no interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid in line with the pre-agreed credit terms.

25. Financial liabilities

	Group			Company		
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million
Unsecured borrowings at amortised cost						
Subordinated loans (Note 25(a))	29,998	29,998	29,989	29,998	29,998	29,989
Loans from Dangote Industries Limited	129,597	46,097	146,200	129,597	46,097	146,200
Bulk Commodities loans	16,159	9,794	657	1,093	1,004	657
Loans from Dangote Oil Refinery Company	-	130,000	-	-	130,000	-
Loans from Dangote Oil & Gas	39,262	-	-	39,262	-	-
	215,016	**215,889**	**176,846**	**199,950**	**207,099**	**176,846**
Secured borrowings at amortised cost						
Power intervention loan (Note 25 (b))	10,225	12,496	14,661	10,225	12,496	14,661
Bank loans	146,853	128,080	53,462	18,015	42,683	16,411
	157,078	**140,576**	**68,123**	**28,240**	**55,179**	**31,072**
Total borrowings at 31st December	**372,094**	**356,465**	**244,969**	**228,190**	**262,278**	**207,918**
Long-term portion of loans and borrowings	**242,894**	**152,475**	**208,329**	**157,195**	**86,182**	**181,384**
Current portion repayable in one year and shown under current liabilities	122,568	197,698	33,693	70,995	176,096	26,534
Overdraft balances	6,632	6,292	2,947	-	-	-
Short-term portion	**129,200**	**203,990**	**36,640**	**70,995**	**176,096**	**26,534**
Interest payable	15,583	16,310	10,635	15,195	16,174	10,635
Financial liabilities (short-term)	**144,783**	**220,300**	**47,275**	**86,190**	**192,270**	**37,169**

(a) A subordinated loan of ₦55.4 billion was obtained by the Company from Dangote Industries Limited in 2010. ₦30 billion was long-term and the remaining balance was short term and is repayable on demand. The long-term loan is unsecured, with interest at 10% per annum and is repayable in 3 years after a moratorium period ending 31st March 2017. The interest on the long term portion was waived for 2011. Given the favourable terms at which the Company secured the loan, an amount of ₦2.8 billion which is the difference between the fair value of the loan on initial recognition and the amount received, has been accounted for as a capital contribution.

(b) In 2011 and 2012, the Bank of Industry through Guaranty Trust Bank Plc and Access Bank Plc granted the Company the sum of ₦24.5 billion long-term loan repayable over 10 years at an all-in annual interest rate of 7% for part financing or refinancing the construction cost of the power plants at the Company's factories under the Power and Aviation Intervention Fund. The loan has a moratorium of 12 months. Given the concessional terms at which the Company secured the loan, it is considered to have an element of government grant. Using prevailing market interest rates for an equivalent loan of 12.5%, the fair value of the loan is estimated at ₦20.7 billion. The difference of ₦3.8 billion between the gross proceeds and the fair value of the loan is the benefit derived from the low interest loan and is recognised as deferred revenue. The facility is secured by a debenture on all fixed and floating assets of the Company to be shared pari passu with existing lenders.

Group	Currency	Nominal interest rate	Maturity on demand	31-Dec-17 ₦'million	31-Dec-16 ₦'million
Bank overdrafts			On demand	6,632	6,292
Other borrowings					
Subordinated loans from Parent company	Naira	MPR +1%	12/2019	29,998	29,998
Other loans from Parent Company	Naira	MPR +1%	2019	129,597	46,097
Loan from Bulk Commodities Inc.	USD	6%	On demand	16,159	9,794
Loans from Dangote Oil Refinery Company	Naira	MPR +1%	12/2017	-	130,000
Loans from Dangote Oil & Gas	Naira	MPR +1%	12/2018	39,262	-
Power intervention loan	Naira	7%	07 & 12/2021	10,225	12,496
Short term loans from Banks	USD	6%	2018	37,125	47,604
Long term bank loans	CFA	8.50%	07/2021	54,002	24,028
Nedbank/Standard Bank Loan	Rands	JIBAR + 4%	11/2022	49,094	50,156
				365,462	350,173
Total borrowings at 31st December				**372,094**	**356,465**

Company	Currency	Nominal interest rate	Maturity on demand	31-Dec-17 ₦'million	31-Dec-16 ₦'million
Other borrowings					
Subordinated loans	Naira	MPR +1%	12/2019	29,998	29,998
Loans from Parent Company	Naira	MPR +1%	2019	129,597	46,097
Loan from Bulk Commodities Inc.	USD	6%	On demand	1,093	1,004
Loans from Dangote Oil Refinery Company	Naira	MPR +1%	12/2017	-	130,000
Power intervention loan	Naira	7%	07 & 12/2021	10,225	12,496
Short term loans from Banks	USD	6%	2018	18,015	42,683
Loans from Dangote Oil & Gas	Naira	MPR +1%	12/2018	39,262	-
Total borrowings at 31st December				**228,190**	**262,278**

The maturity profiles of borrowings are as follows:

	Group		Company	
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million
Due within one month	11,199	6,699	406	406
Due from one to three months	4,886	3,071	2,750	250
Due from three to twelve months	113,115	194,220	67,839	175,440
Total current portion repayable in one year	**129,200**	**203,990**	**70,995**	**176,096**
Due in the second year	163,518	19,145	142,223	2,625
Due in the third year	37,484	16,111	12,623	2,625
Due in the fourth year	25,395	41,111	2,186	27,625
Due in the fifth year and further	16,497	76,108	163	53,307
Total long-term portion of loans and borrowings	**242,894**	**152,475**	**157,195**	**86,182**
Total	**372,094**	**356,465**	**228,190**	**262,278**

The table below details changes in the liabilities arising from financing activities, including both cash and non–cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

Group	**01-Jan-17 ₦'million**	**Financing cashflows ₦'million**	**Exchange (gains)/ losses ₦'million**	**Others ₦'million**	**31-Dec-17 ₦'million**
Subordinated loans (Note 25(a))	29,998	-	-	-	29,998
Loans from Dangote Industries Limited	46,097	83,500	-	-	129,597
Loans from Bulk Commodities Inc.	9,794	5,841	524	-	16,159
Loans from Dangote Oil Refinery Company	130,000	(130,000)	-	-	-
Power intervention loan (Note 25 (b))	12,496	(2,625)	-	354	10,225
Bank loans	121,788	5,961	12,472	-	140,221
Loans from Dangote Oil & Gas	-	39,914	(652)	-	39,262
	350,173	**2,591**	**12,344**	**354**	**365,462**

Company	**01-Jan-17 ₦'million**	**Financing cashflows ₦'million**	**Exchange (gains)/ losses ₦'million**	**Others ₦'million**	**31-Dec-17 ₦'million**
Subordinated loans (Note 25(a))	29,998	-	-	-	29,998
Loans from Dangote Industries Limited	46,097	83,500	-	-	129,597
Loans from Bulk Commodities Inc.	1,004	-	89	-	1,093
Loans from Dangote Oil Refinery Company	130,000	(130,000)	-	-	-
Power intervention loan (Note 25 (b))	12,496	(2,625)	-	354	10,225
Bank loans	42,683	(24,743)	75	-	18,015
Loans from Dangote Oil & Gas	-	39,914	(652)	-	39,262
	262,278	**(33,954)**	**(488)**	**354**	**228,190**

26. Deferred revenue

	Group			Company		
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million
26.1 Deferred revenue arising from government grant (refer to (a) below	1,147	1,446	1,390	629	975	1,390
	1,147	**1,446**	**1,390**	**629**	**975**	**1,390**
Current	308	374	415	274	346	415
Non-current	839	1,072	975	355	629	975
	1,147	**1,446**	**1,390**	**629**	**975**	**1,390**

a) The deferred revenue mainly arises as a result of the benefit received from government loans received in 2011 and 2012 (see note 25 (b). The revenue was recorded in other income line.

Movement in Deferred revenue

	Group			Company		
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million
At 1st January	1,446	1,390		975	1,390	
Additions during the year	77	473		-	-	
	1,523	1,863		975	1,390	
Released to profit and loss account (Other income)	(376)	(417)		(346)	(415)	
Closing balance	**1,147**	**1,446**		**629**	**975**	

	31-Dec-17	31-Dec-16	01-Jan-16	31-Dec-17	31-Dec-16	01-Jan-16
26.2 Other current liabilities						
Current portion of deferred revenue (Note 26.1)	308	374	415	274	346	415
Related party transactions						
Parent company	8,133	8,003	7,291	8,133	8,003	7,256
Entities controlled by the parent company	12,741	1,956	1,387	9,346	1,237	1,035
Affiliates and associates of parent company	19,889	7,974	15,444	15,083	5,497	13,822
Payables to Subsidiaries	-	-	-	18,406	-	-
Total of related party transactions	**40,763**	**17,933**	**24,122**	**50,968**	**14,737**	**22,113**
Other current liabilities	**41,071**	**18,307**	**24,537**	**51,242**	**15,083**	**22,528**

27. Provisions for liabilities and other charges

	Group			Company		
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million
Restoration	3,416	3,344	3,283	2,073	2,302	619

	Group					
	2017			2016		
	Restoration ₦'million	Others ₦'million	Total ₦'million	Restoration ₦'million	Others ₦'million	Total ₦'million
Balance at beginning of the year	3,344	-	3,344	3,283	-	3,283
Effect of foreign exchange differences	153	-	153	123	-	123
Provisions made during the year	(691)	-	(691)	1,854	-	1,854
Write back of provision no longer required	-	-	-	(1,984)	-	(1,984)
Unwinding of discount	610	-	610	68	-	68
Balance at the end of the year	**3,416**	**-**	**3,416**	**3,344**	**-**	**3,344**

	Company					
	2017			2016		
	Restoration ₦'million	Others ₦'million	Total ₦'million	Restoration ₦'million	Others ₦'million	Total ₦'million
Balance at beginning of the year	2,302	-	2,302	619	-	619
Provisions made during the year	(839)	-	(839)	1,615	-	1,615
Unwinding of discount	610	-	610	68	-	68
Balance at the end of the year	**2,073**	**-**	**2,073**	**2,302**	**-**	**2,302**

The Group's obligation is 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 years 2025 and 2035.

28. Long-term payables

	Group		Company	
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million
Balance at beginning of the year	17,730	24,442	-	24,442
Credit obtained during the year	-	21,354	-	3,624
Repayment during the year	-	-	-	-
Transfer to short term	(18,155)	(42,353)	-	(42,353)
Foreign exchange differences	425	14,287	-	14,287
Balance at the end of the year	**-**	**17,730**	**-**	**-**

Long term payables represent amounts payable for property, plant and equipment acquired on suppliers' credit.

29. Employee benefits

29.1 Defined Contribution Plans

	Group		Company	
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million
Balance at beginning of the year	211	44	41	40
Provision for the year	2,707	2,292	1,826	1,534
Payments during the year	(2,652)	(2,125)	(1,859)	(1,533)
Balance at the end of the year	**266**	**211**	**8**	**41**

Provisions for staff pensions have been made in the financial statements in accordance with the relevant pension rules applicable in the country. The accrual at 31st December 2017 amounted to ₦266 million (2016: ₦211 million) for the Group.

Outstanding staff pension deductions that have not been remitted as at year end have been accrued accordingly. The employees of the Group are members of a State arranged Pension scheme which is managed by several private sector service providers. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the defined contribution plan is to make the specified contributions.

The total expense recognised in profit or loss of ₦2.71 billion (2016: ₦2.29 billion) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

30. Financial instruments

30.1 Capital management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in note 25 offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed below.

	Group		Company	
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million
Net debt (Note 30.1.1)	203,707	240,772	125,722	196,768
Equity	781,360	725,528	991,017	881,231

The Group's risk management committee reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group endeavours to maintain an optimum mix of net debt to equity ratio which provides benefits of trading on equity without exposing the Group to any undue long term liquidity risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain the capital or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new and/or bonus shares, or raise debts in favourable market conditions.

The net debt to equity ratio as on 31st December 2017 is 26% (2016: 33%).

30.1.1 Debt to equity ratio

The debt to equity ratio at end of the reporting period was as follows.

	Group		Company	
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million
Financial debt (Note 25)	372,094	356,465	228,190	262,278
Cash and bank balances (Note 32)	(168,387)	(115,693)	(102,468)	(65,510)
Net debt	**203,707**	**240,772**	**125,722**	**196,768**
Equity	781,360	725,528	991,017	881,231
Net debt/ Equity ratio	**0.26**	**0.33**	**0.13**	**0.22**

30.2 Categories of financial instruments

	Group		Company	
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million
Cash and bank balances	82,297	74,001	30,141	33,173
Short term deposits	86,090	41,692	72,327	32,337
Trade and other receivables (Note 20)	30,155	26,279	12,340	11,857
Finance lease receivables	8,222	-	8,222	-
Due from related parties and receivables from subsidiaries	75,733	18,609	685,895	620,408
Total financial assets	**282,497**	**160,581**	**808,925**	**697,775**
Financial liabilities - at amortised cost				
Trade and other payables (Note 30.2.1)	231,298	215,799	124,154	140,034
Financial liabilities (Note 30.2.2)	387,677	372,775	243,385	278,452
Due to related parties	40,763	17,933	50,968	14,737
Long term payables	-	17,730	-	-
Total financial liabilities	**659,738**	**624,237**	**418,507**	**433,223**

30.2.1 Defined as total trade and other payables for Group excluding non income taxation ₦12.3 billion (2016: ₦9.1 billion) and advances from customers ₦27.2 billion (2016: ₦44.1 billion). For company, the corresponding amounts are non income taxation ₦2.0 billion (2016: ₦2.8 billion) and advances from customers ₦16.6 billion (2016: ₦35.8 billion).

30.2.2 Defined as total borrowings, principal and accrued interest.

30.3 Financial risk management objectives: The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group and analyses exposures by degree and magnitude of risks. These risks include market risk, credit risk, and liquidity risk

30.4 Market risk: The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (Note 30.5.1) and interest rates (Note 30.7.2).

30.5 Foreign currency risk management: The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Income is primarily earned in local currency for most of the locations with a significant portion of capital expenditure being in foreign currency. The Group manages foreign currency by monitoring our financial position in each country we operate, with the aim of having assets and liabilities denominated in the functional currency as much as possible. The carrying amounts of the Group and Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	Group			
	Liabilities		Assets	
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million
US Dollars	197,867	150,791	20,753	15,618

	Company			
		Liabilities	Assets	
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million
US Dollars	163,725	120,004	575,654	622,832

30.5.1 Foreign currency sensitivity analysis

The Group is mainly exposed to US Dollars.

The following table details the Group and Company's sensitivity to a 15% (2016: 35%) increase and decrease in the Naira against the US Dollar. 15% is the sensitivity rate that represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 15% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity for a 15% change in the exchange rates. A negative number below indicates a decrease in profit or equity for a 15% change in the exchange rates.

	Group		Company	
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million
Effect on Profit or loss/Equity for a 15% (2016:35%) appreciation	18,597	33,117	(43,253)	(123,193)
Effect on Profit or loss/Equity for a 15% (2016:35%) depreciation	(18,597)	(33,117)	43,253	123,193

This is mainly attributable to the exposure outstanding on US dollar receivables and payables at the end of the reporting period.

30.6 Credit risk management

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties.

The Group's and Company's business is predominantly on a cash basis. Revolving credits are granted to major distributors and very large corporate customers and these are payable within 30 days. Stringent credit control is exercised over the granting of credit, this is done through the review and approval by executive management based on the recommendation of the independent credit control group.

Credits to major distributors are covered by bank guarantee with an average credit period of no more than 15 days.

For very large corporate customers, clean credits are granted based on previous business relationships and positive credit worthiness which is performed on an on-going basis. These credits are usually payable at no more than 30 days.

The Group and the Company do not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as related entities with similar characteristics. There is no material single obligor exposure to report.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. On-going credit evaluation is performed on the financial condition of accounts receivable.

The credit risk on liquid funds financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

30.6.1 Maximum Exposure to Credit risk	Group 31-Dec-17 ₦'million	Group 31-Dec-16 ₦'million	Company 31-Dec-17 ₦'million	Company 31-Dec-16 ₦'million
Financial assets- Loans and receivables				
Cash and bank balances	82,297	74,001	30,141	33,173
Short term deposits	86,090	41,692	72,327	32,337
Trade and other receivables	30,155	26,279	12,340	11,857
Finance lease receivables	8,222	-	8,222	-
Due from related parties	75,733	18,609	685,895	620,408
	282,497	**160,581**	**808,925**	**697,775**

30.7 Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures and preference shares. The Group has access to sufficient sources of funds directly from external sources as well as from the Group's parent.

30.7.1 Liquidity maturity table

The following tables detail the Group and Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The tables below include both interest and principal cash flows for the Group.

Group

As at 31st December 2017	<1 month ₦'million	1– 3 months ₦'million	3 mths – 1yr ₦'million	>1 year ₦'million
Financial liabilities	27,340	6,576	119,227	251,915
Trade payables and other payables	189,806	-	41,492	-
Due to related parties	40,763	-	-	-
Total	**257,909**	**6,576**	**160,719**	**251,915**

As at 31st December 2016	<1 month ₦'million	1– 3 months ₦'million	3 mths – 1yr ₦'million	>1 year ₦'million
Financial liabilities	23,708	6,113	203,753	169,964
Trade payables and other payables	173,446	-	42,353	-
Due to related parties	17,933	-	-	-
Long term payables	-	-	-	17,730
Total	**215,087**	**6,113**	**246,106**	**187,694**

Company

As at 31st December 2017	<1 month ₦'million	1– 3 months ₦'million	3 mths – 1yr ₦'million	>1 year ₦'million
Financial liabilities	15,662	3,540	70,391	159,583
Trade payables and other payables	100,817	-	23,337	-
Due to related parties	50,968	-	-	-
Total	**167,447**	**3,540**	**93,728**	**159,583**

As at 31st December 2016	<1 month ₦'million	1– 3 months ₦'million	3 mths – 1yr ₦'million	>1 year ₦'million
Financial liabilities	16,701	2,245	180,622	92,709
Trade payables and other payables	97,681	-	42,353	-
Due to related parties	14,737	-	-	-
Total	**129,119**	**2,245**	**222,975**	**92,709**

30.7.2 Interest risk

The following table details the sensitivity to a 1% (2016: 1%) increase or decrease in LIBOR which is the range of margin by which the Group and Company envisage changes to occur in 2017.

	Group		Company	
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million
Effect on Profit or loss/Equity for a 1% (2016:1%) increase in rate	(349)	(449)	1,902	3,846
Effect on Profit or loss/Equity for a 1% (2016:1%) decrease in rate	349	449	(1902)	(3,846)

30.7.3 Fair valuation of financial assets and liabilities

The carrying amount of trade and other receivables, cash and bank balances and amounts due from and to related parties as well as trade payables, other payables approximate their fair values because of the short-term nature of these instruments and, for trade and other receivables, because of the fact that any loss from recoverability is reflected in an impairment loss. The fair values of financial debt approximate the carrying amount as the loans are pegged to market rates and reset when rates change.

31. Related-party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the Group and Company, and other related parties are disclosed below.

The Group and the Company, in the normal course of business, sells to and buys from other business enterprises that fall within the definition of a 'related party' contained in International Accounting Standard 24. These transactions mainly comprise purchases, sales, finance costs, finance income and management fees paid to shareholders. The companies in the Group also provide funds to and receive funds from each other as and when required for working capital financing and capital projects.

31.1 Trading transactions

During the year, Group entities entered into the following trading transactions with related parties that are not members of the Group:

	Sale of goods		Purchases of goods	
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million
Parent company	-	-	-	-
Entities controlled by the parent company	9,288	7,995	96,792	111,028
Affiliates and associates of the parent company	-	-	58	-

During the year, the company entered into the following trading transactions with related parties:

	Sale of goods		Purchases of goods	
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million
Parent company	-	-	-	-
Entities controlled by the parent company	6,669	7,995	74,206	77,007

In addition to sales and purchases of goods, the Company charged interest amounting to ₦29.4billion (2016: ₦33.3 billion) on loans granted to subsidiaries. This interest is eliminated on consolidation.
Also during the year, the parent company charged the Group total interest of ₦28.4 billion (2016: ₦29.0 billion), being the cost of borrowing to finance capital projects and other operational expenses.
Balances at year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables.

The following balances were outstanding at the end of the reporting period:

	Group					
	Amounts owed by related parties			Amounts owed to related parties		
	31-Dec-17	31-Dec-16	01-Jan-16	31-Dec-17	31-Dec-16	01-Jan-16
Current	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million
Parent company	-	-	-	8,133	8,003	7,291
Entities controlled by the parent company	75,733	18,537	8,169	12,741	1,956	1,387
Affiliates and associates of parent company	-	72	474	19,889	7,974	15,444
	75,733	**18,609**	**8,643**	**40,763**	**17,933**	**24,122**

	Company					
	Amounts owed by related parties			Amounts owed to related parties		
	31-Dec-17	31-Dec-16	01-Jan-16	31-Dec-17	31-Dec-16	01-Jan-16
Non-current	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million
Entities controlled by the company**	**455,792**	**601,871**	**383,845**	-	-	-

** The above balances represent expenditures on projects in African countries which have been restated by ₦31.45 billion from ₦633.32 billion to ₦601.87 billion for closing balance of 2016 and by ₦12.07 billion from ₦395.92 billion to ₦383.85 billion for opening balance of 2016. This is as a result of interest reversed as detailed in note 10.

	Company					
	Amounts owed by related parties			Amounts owed to related parties		
	31-Dec-17	31-Dec-16	01-Jan-16	31-Dec-17	31-Dec-16	01-Jan-16
Current	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million
Parent company	-	-	-	8,133	8,003	7,256
Entities controlled by the parent company	72,706	18,537	8,169	9,346	1,237	1,035
Affiliates and associates of the parent company	-	-	456	15,083	5,497	13,822
Entities controlled by the company	157,397	-	-	18,406	-	-
	230,103	**18,537**	**8,625**	**50,968**	**14,737**	**22,113**

31.2 Loans from related parties

	Group		Company	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
	₦'million	₦'million	₦'million	₦'million
Affiliates and associates of the parent company	16,159	9,794	1,093	1,004
Entities controlled by the parent company	39,262	130,000	39,262	130,000
Loans from parent company	159,595	76,095	159,595	76,095

Except as described in note 25(a), the Group has been provided loans at rates and terms comparable to the average commercial rate of interest terms prevailing in the market. The loans are unsecured.

31.3 Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

	Group		Company	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
	₦'million	₦'million	₦'million	₦'million
Short-term benefits	1,071	638	1,062	632
Provision for staff pension benefits	-	-	-	-
	1,071	**638**	**1,062**	**632**

Other related-party transactions

In addition to the above, Dangote Industries Limited performed certain administrative services for the Company, for which a management fee of ₦3.856 billion (2016: ₦3.054 billion) was charged and paid, being an appropriate allocation of costs incurred by relevant administrative departments.

32. Supplemental cash flow disclosures

Cash and cash equivalents

	Group			Company		
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million	01-Jan-16 ₦'million
Cash and bank balances	82,297	74,001	24,907	30,141	33,173	8,189
Short term deposits	86,090	41,692	15,885	72,327	32,337	9,773
Total cash and bank balances	**168,387**	**115,693**	**40,792**	**102,468**	**65,510**	**17,962**
Bank overdrafts used for cash management purposes	(6,632)	(6,292)	(2,947)	-	-	-
Cash and cash equivalents	**161,755**	**109,401**	**37,845**	**102,468**	**65,510**	**17,962**

Cash and cash equivalents include restricted cash of ₦46.6 billion on letters of credit for the acquisition of inventories and property, plant and equipment.

33. Operating lease arrangements

Operating leases relate to leases of depots with lease terms of between 1 and 3 years. The Group does not have an option to purchase the leased land at the expiry of the lease periods.

Payments recognised as an expense

	Group		Company	
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million
Minimum lease payments	1,016	841	634	706

Non-cancellable operating lease commitments

	Group		Company	
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million
Not later than 1 year	802	700	432	356
Later than 1 year and not later than 5 years	1,325	756	113	74
Later than 5 years	-	-	-	-
	2,127	**1,456**	**545**	**430**

34. Commitments for expenditure

	Group		Company	
	31-Dec-17 ₦'million	31-Dec-16 ₦'million	31-Dec-17 ₦'million	31-Dec-16 ₦'million
Commitments for the acquisition of property, plant and equipment	105,599	470,294	12,248	257,877

The Company also has unconfirmed letters of credit amounting to ₦ 153.39 billion (USD463.38 million) as at year end.

35. Contingent liabilities and contingent assets

No provision has been made in these consolidated and separate financial statements for contingent liabilities in respect of litigations against the Company and its subsidiaries to ₦16.30 billion (2016: ₦6.87 billion). According to the solicitors acting on behalf of the Company and its subsidiaries, the liabilities arising, if any, are not likely to be significant.

36. Subsequent Events

On 19th March, 2018 a dividend of ₦10.50 per share was proposed by the Directors for approval at the Annual General Meeting. This will result in a dividend payment of ₦178.9 billion.

Five-Year Financial Summary
Other National Disclosure

Group **Balance sheet**	**2017** **₦'million**	**2016** **₦'million**	**2015** **₦'million**	**2014** **₦'million**	**2013** **₦'million**
Assets/liabilities					
Property, plant and equipment	1,192,140	1,155,711	917,212	747,794	581,465
Intangible assets	6,355	4,145	2,610	3,699	2,306
Investments	3,749	1,582	1,582	-	-
Prepayments for property, plant & equipment	16,101	13,196	9,094	79,491	91,716
Finance lease receivables	6,614	-	-	-	-
Net current liabilities	(110,177)	(222,629)	(36,932)	(95,846)	(15,464)
Net deferred tax liabilities	(86,273)	(51,856)	(35,876)	(3,840)	19,128
Long term debts	(242,894)	(152,475)	(208,329)	(131,942)	(124,850)
Long term payables	-	(17,730)	(24,442)	-	-
Staff gratuity	-	-	(3,992)	(2,070)	(1,963)
Other non-current liabilities	(4,255)	(4,416)	(4,258)	(5,401)	(2,245)
Net assets	**781,360**	**725,528**	**616,669**	**591,885**	**550,093**
Capital and reserves					
Share capital	8,520	8,520	8,520	8,520	8,520
Share premium	42,430	42,430	42,430	42,430	42,430
Capital contribution	2,877	2,877	2,877	2,877	2,877
Employee benefit reserve	-	-	(1,007)	(16)	(466)
Currency translation reserve	75,441	78,964	(22,366)	(3,837)	(4,753)
Revenue reserve	639,462	605,662	592,450	537,750	496,456
Non controlling interest	12,630	(12,925)	(6,235)	4,161	5,029
	781,360	**725,528**	**616,669**	**591,885**	**550,093**
Turnover, profit or loss account					
Turnover	805,582	615,103	491,725	391,639	386,177
Profit before taxation	289,590	180,929	188,294	184,689	190,761
Taxation	(85,342)	(38,071)	(35,022)	(25,188)	10,437
Profit after taxation	**204,248**	**142,858**	**153,272**	**159,501**	**201,198**
Per-share data (Naira):					
Earnings - (Basic & diluted)	11.65	8.78	9.21	9.42	11.85
Net assets	45.85	42.58	36.19	34.73	32.28

Earnings per share are based on profit after taxation and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share are based on net assets and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Five-Year Financial Summary Other National Disclosure

Company Balance sheet	**2017 ₦'million**	**2016 ₦'million**	**2015 ₦'million**	**2014 ₦'million**	**2013 ₦'million**
Assets/(liabilities)					
Property, plant and equipment	549,962	569,017	577,017	526,722	452,047
Intangible assets	37	113	385	682	672
Investments	163,539	80,255	27,657	26,075	25,208
Receivables from subsidiaries	594,783	601,871	383,845	273,229	164,525
Prepayments for property, plant & equipment	1,600	-	-	1,773	23,950
Finance lease receivables	6,614	-	-	-	-
Net current liabilities	(56,078)	(210,171)	(30,214)	(87,944)	(14,054)
Net deferred tax liabilities	(109,817)	(70,741)	(36,981)	(6,096)	18,359
Long-term debts	(157,195)	(86,182)	(181,384)	(95,435)	(95,079)
Long-term payables	-	-	(24,442)	-	-
Staff gratuity	-	-	(3,992)	(2,070)	(1,963)
Other non-current liabilities	(2,428)	(2,931)	(1,594)	(1,685)	(2,102)
Net assets	**991,017**	**881,231**	**710,297**	**635,251**	**571,563**
Capital and reserves					
Share capital	8,520	8,520	8,520	8,520	8,520
Share premium	42,430	42,430	42,430	42,430	42,430
Capital contribution	2,828	2,828	2,828	2,828	2,828
Employee benefit reserve	-	-	(1,007)	(16)	(465)
Revenue reserve	937,239	827,453	657,526	581,489	518,250
	991,017	**881,231**	**710,297**	**635,251**	**571,563**
Profit or loss account					
Turnover	552,364	426,129	389,215	371,534	371,552
Profit before taxation	342,153	355,016	212,416	209,119	200,011
Taxation	(87,523)	(48,765)	(34,136)	(26,596)	10,252
Profit after taxation	**254,630**	**306,251**	**178,280**	**182,523**	**210,263**
Per-share data (Naira):					
Earnings (basic & diluted)	14.94	17.97	10.46	10.71	12.34
Net assets	58.16	51.71	41.68	37.28	33.54

Earnings per share are based on profit after taxation and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share are based on net assets and the weighted average number of issued and fully paid ordinary shares at the end of each financial year.

Statement of Value Added
Other National Disclosure

	Group				Company			
	2017 ₦'million	%	2016 ₦'million	%	2017 ₦'million	%	2016 ₦'million	%
Sales	805,582		615,103		552,364		426,129	
Finance Income	35,926		43,817		71,286		205,642	
Other income	5,213		10,542		3,386		4,766	
	846,721		669,462		627,036		636,537	
Bought-in-materials and services:								
- Imported	(89,060)		(86,226)		(59,699)		(63,724)	
- Local	(281,461)		(236,485)		(117,428)		(107,206)	
Value added	**476,200**	**100**	**346,751**	**100**	**449,909**	**100**	**465,607**	**100**
Applied as follows:								
To pay employees:								
Salaries, wages and other benefits	49,960	10	45,691	13	28,762	6	29,122	6
To pay Government:								
Current taxation	49,061	10	15,969	5	48,447	11	15,005	3
Deferred taxation	36,281	8	22,102	6	39,076	9	33,760	7
To pay providers of capital:								
Finance charges	52,711	11	45,381	13	35,035	8	34,356	8
To provide for maintenance								
of fixed assets:								
- Depreciation	83,377	18	74,202	22	43,862	10	46,813	10
- Amortisation	562	-	548	-	97	-	300	
Retained in the Group:								
- Non controlling interest	5,663	1	(6,678)	(2)	-	-	-	-
- Profit and loss account	198,585	42	149,536	43	254,630	56	306,251	66
	476,200	**100**	**346,751**	**100**	**449,909**	**100**	**465,607**	**100**

Value added represents the additional wealth which the Group and company have been able to create by its own and its employees' efforts. The statement shows the allocation of that wealth to employees, government, providers of finance, and that retained for future creation of more wealth.

Share Capital History

Date	Authorised increase	Authorised cumulative	Issued and fully paid increase	Issued and fully paid cumulative	Consideration/Remarks Cash/Bonus/Others
1992	500,000,000	210,000,000	210,000,000	210,000,000	Cash
2001	-	500,000,000	290,000,000	500,000,000	Cash
2010	9,500,000,000	10,000,000,000	7,000,000,000	7,500,000,000	Bonus
2010	-	-	245,685,184	7,745,685,184	Share Exchange (Merger)
2011	-	10,000,000,000	-	7,745,685,184	No Change
2012	-	10,000,000,000	774,568,578	8,520,253,762	Bonus
2013	-	10,000,000,000	-	8,520,253,762	No Change
2014	-	10,000,000,000	-	8,520,253,762	No Change
2015	-	10,000,000,000	-	8,520,253,762	No Change
2016	-	10,000,000,000	-	8,520,253,762	No Change
2017	-	10,000,000,000	-	8,520,253,762	No Change

Notice of 9th Annual General Meeting

Notice is hereby given that the 9th Annual General Meeting (AGM) of Dangote Cement Plc will be held on Wednesday, June 20, 2018, at the Civic Centre, Victoria Island, Lagos at 11.00 a.m. to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To receive the audited Financial Statements for the year ended 31st December, 2017 and the Reports of the Directors, Auditors and the Audit Committee thereon;
2. To declare a dividend;
3. To elect or re-elect Directors;
4. To fix the remuneration of the Directors;
5. To authorize the Directors to fix the remuneration of the Auditors;
6. To elect members of the Audit Committee

SPECIAL BUSINESS

1. To amend the Articles of Association of Dangote Cement Plc by Deleting Article 45 which provides that; "No dividend shall be paid otherwise that from profit. The Directors before recommending dividends and bonus must set aside out of the profit of the company a reasonable sum for depreciation and payment of auditing fees. At least twelve and a half percent of the net profit shall be credited to the reserve funds and balance thereafter shall get to any general purpose that shall be of communal interest to all members" and replace it with

   "No dividend shall be paid otherwise than from distributable profits of the company. The Directors before recommending dividends and bonus must ensure that the company shall after the payment, be able to pay its liabilities as they become due"

2. To amend the Articles of Association of Dangote Cement Plc by Deleting Article 46 which reads;

   "Any loss sustained in any year shall be made good from working capital and if this is insufficient from the reserve fund, in the latter case it shall be with the permission of the Board of Directors and shall be returned to reserve fund as soon as possible"

Notes:

PROXIES

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. A proxy for an organization may vote by a show of hand and on a poll. To be valid, executed forms of proxy should be deposited at the Registered Office of the Company or with the Registrars, United Securities Limited, 10, Amodu Ojikutu Street, Off Adeola Odeku Street, Victoria Island, Lagos not later than 48 hours before the time of holding the meeting. A blank proxy form is attached to the Annual Report.

CLOSURE OF REGISTER OF MEMBERS

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed from Monday, April 16, 2018 to Friday, April 20, 2018, both days inclusive.

DIVIDENDS AND CLOSURE OF REGISTER OF MEMBERS

If the Dividend recommended by the Directors is approved by members at the Annual General Meeting, dividend will be paid on Thursday, June 21, 2018, to shareholders whose names appear in the Company's Register of Members at the close of business on Friday, April 13, 2018.

UNCLAIMED SHARE CERTIFICATES AND DIVIDEND WARRANTS

All Shareholders are hereby informed that the Registrars of the Company are holding Share Certificates and Dividend Warrants which have been returned by the Post Office as "unclaimed". Some Dividend Warrants sent to Shareholders' registered addresses are yet to be presented for payment or returned to the Registrars of the Company for validation. All Shareholders are encouraged to complete e-dividend Mandate Form to ensure that all outstanding dividends are paid electronically.

AUDIT COMMITTEE

In accordance with Section 395(5) of the Companies and Allied Matters Act, CAP C20 LFN 2004, a shareholder may nominate another shareholder for appointment as member of the Audit Committee by giving notice to the Company Secretary at least 21 days before the Annual General Meeting.

E-DIVIDEND

Notice is hereby given to all Shareholders to open bank accounts for dividend payment. A detachable application form for e-dividend is attached to this Annual Report to enable all Shareholders furnish particulars of their accounts to the Registrars as soon as possible.

RIGHTS OF SECURITIES HOLDERS TO ASK QUESTIONS

Securities holders have a right to ask questions not only at the Annual General Meeting, but also in writing prior to the meeting. Questions should be submitted to the Company Secretary at the Company's registered office by the day before the Annual General Meeting is held.

ELECTRONIC REPORT

Our Annual Reports are available online for viewing and download from our website at www.dangotecement.com

BY THE ORDER OF THE BOARD OF DIRECTORS.

Mahmud Kazaure
Company Secretary

REGISTERED OFFICE

Union Marble House,
1, Alfred Rewane Road, P.O. Box 40032,
Falomo, Ikoyi, Lagos.
Dated this 19th March 2018

Directors and Professional Advisers

Directors

Aliko Dangote	Chairman
Joseph Makoju	Acting Group Chief Executive
Brian Egan	Executive Director, Finance
Olakunle Alake	Non-Executive Director
Sani Dangote	Non-Executive Director
Abdu Dantata	Non-Executive Director
Devakumar Edwin	Non-Executive Director
Fidelis Madavo	Non-Executive Director
Ernest Ebi	Independent Non-Executive Director
Emmanuel Ikazoboh	Independent Non-Executive Director
Olusegun Olusanya	Independent Non-Executive Director
Viswanathan Shankar	Independent Non-Executive Director
Dorothy Ufot	Independent Non-Executive Director
Douraid Zaghouani	Non-Executive Director

Group Legal Counsel and Company Secretary
Mahmud Kazaure

Joint Auditors
Deloitte & Touche
Chartered Accountants
Plot GA 1, Ozumba Mbadiwe Avenue
Victoria Island,
Lagos, Nigeria

Ahmed Zakari & Co.
Chartered Accountants
5th Floor, African Alliance Building
F1, Sani Abacha Way, Kano
Nigeria

Principal Bankers
Access Bank Plc
First Bank of Nigeria Plc
Guaranty Trust Bank Plc
Zenith Bank Plc
United Bank for Africa Plc

Primary Legal Advisers
Banwo & Ighodalo
Olaniwun Ajayi
Fola Sowemimo

Corporate Information

Capital Market Information

Dangote Cement Plc is listed on the main board of the Nigerian Stock Exchange (NSE).
Each share carries one voting right

NSE Ticker Symbol	DANGCEM
Bloomberg Code	DANGCEM:NL
Reuters Code	DANGCEM:LG
Date Listed	26th October, 2010
Market Capitalisation (19-03-18)	₦4,515,734,462,060
Outstanding Shares	17,040,507,404
Free Float	14.74%

Registration Information

RC Number	208767
Date of Incorporation	4th November, 1992

Registered Office

Union Marble House
1, Alfred Rewane Road
P.O. Box 40032
Falomo, Ikoyi
Lagos, Nigeria

Registrars

United Securities Limited
10, Amodu Ojikutu Street
Victoria Island
Lagos, Nigeria

For any queries regarding Dangote Cement please contact:

Investor Relations

Carl Franklin
+44 207 399 3070
carl.franklin@dangote.com

Corporate Communications

Anthony Chiejina
+234 1 448 0815
anthony.chiejina@dangote.com

Donations and sponsorships

	₦
Senegal	
Ramadan (rice and sugar) donation to villages around the plant	6,506,419
Donation to the authorities of Pout	1,498,701
Mecca pilgrimage donation to villagers around the plants	31,029,427
Donation of foods and beverage for Korite Festival preparation	7,765,995
Donation of sheep to local authorities for Tabaski Festival	4,177,788
Donation to local football team	278,052
Donation to school in Pout	1,401,383
Cement donations for religious mosque and church construction and rehabilitation	6,359,725
Medical donation for cancer league	278,052
Cameroon	
Chefferie of Sodiko Festival	4,123,512
Donation to policewomen	111,221
Labour Day kupe manenguba	55,610
Donation to Sultan	11,122,083
Community Development	446,552
Muslim Tabaski ceremony donation	278,052
SDO Wouri	278,052
SDO in Tombel	278,052
Sponsorship of Ngondo 2017	5,561,042
South West Festival Sponsorship	1,946,365
ISPS Committee	1,723,923
Ghana	
Donations to Nigeria High Commission for Independence Day celebration	361,990
Sierra Leone	
Parliament	640,612
School project	30,749
Freetown City Council	854,149
Police	92,675
ETLS	1,708,298
Ministry of Trade	948,319
EDSA	39,291
NRA	40,572
SLPA	8,541
NASSIT	12,812
Victims of mudslide, labour, health	711,079
Congo	
Donations to individual villagers and communities	210,819
Donations for the funeral of Dingui village chief	111,221
South Africa	
Donation to community school	130,912
Sponsorship of school athletics in Delmas	34,519
Carnival prize sponsorship, Concrete Society of SA Inland	121,119
Sponsorship of sporting event, EL Shaddai Hulpfonds	314,909
Toiletries for school at Aganang	100,516
Donations of ribbons and plastic, Girl Child Support	6,298
Sponsorship, Hoerskool Lichtenburg	314,909

Zambia	
Donations to chief for the local community	8,810,609
Cement donated to Chief Chiwala for royal buildings	238,914
Donations of fertiliser to villagers	474,353
Ministry of commerce for the building of hospital & schools	1,729,051
Ethiopia	
Donations for the construction of classrooms and staff rooms at Chanco	7,875,790
Financial support to victims of damaged crops	1,311,742
Pump house at Mugher	602,246
Community Development Fund	16,516,807
Donation of water wall for community	15,029,964
Sponsorship of Mulu Wongel child	660,672
Financial support for the compensation of four kebeles	34,847,339
Tanzania	
Donation to Tanga Hospital	2,843,048
Donation of school desks to government	1,421,524
Donation of cement to Mtwara district council	825,621
Nigeria	
Global Business Coalition for Health	165,185,000
Sustainable Development for Africa	165,185,000
Results for Development Institute	115,246,766
Nigeria Industrial Council	100,000,000
Nigeria Industrial Policy & Competitiveness Advisory Council (NIPCAC)	76,186,383
₦2 Billion Appeal Fund for LCT centres in Nupe-speaking LGAs in Niger, Kwara, & Kogi States	50,000,000
Nigeria Immigration Service Mosque	30,000,000
River State Golden Jubilee celebration	25,000,000
Abia State Government Partnership for Education for Employment (E4E) programme	18,500,000
The Nigerian Police Force (National Security Summit)	15,000,000
Kano State Government (Second Kano Economic & Investment Summit)	10,000,000
Tell Communications Ltd (Tell Awards for Excellence)	5,000,000
Chartered Institute of Stockbrokers	5,000,000
Kaduna Chamber of Commerce	5,000,000
Society for Corporate Governance Nigeria	5,000,000
Association of Stockbroking Houses of Nigeria (Ashon Capital Market Summit)	5,000,000
Awujale Palace (The Ojude Oba Festival).	5,000,000
Ogun State Immigration Command (Hosting State Comptrollers Annual Conference)	4,000,000
Palsea Capital Markets Association Limited	3,150,000
Nassarawa State Government (Supply of cement for construction of school)	3,045,004
Ibadan Polo Club	3,000,000
Abuja Chamber Of Commerce & Industry	3,000,000
Delta State Government (Construction of primary school at Ibusa)	2,880,000
African Development Forum	2,597,500
Book presentation in honour of Justice S.M. Belgore	2,000,000

Donations and sponsorships

Nigerian Mining & Geosciences Society	2,000,000
Federal Road Safety Corps	2,000,000
Nigerian Legion, Corps of Commissionaires, Lagos State Command	1,000,000
Nigerian Armed Forces	1,000,000
Otunba Ibikunle Foundation	1,000,000
Lagos State Block & Concrete Makers Association	750,000
Kogi Women & Youth Advancement Forum	525,500
City People Real Estate Awards	525,000
Arewa Youth Peace Initiative	500,000
National Union Of Chemical, Footwear, Rubber, Leather, & Non-Metallic Products Employees.	400,000
Dele Suru book launch	250,000
Brand Journalists' Association	250,000
Rotary Club	200,000
Dangote Women's Network	139,900
I.V. and launch of news bulletin	100,000
National Drug Law Enforcement Agency (NDLEA)	100,000
Logistics on World Environmental Day 2017	80,000
Grand reception for Hon. Lydia Agaigb	50,000
Auntie Kemi Model College (Hossana Specialist Hospital)	50,000
Total	**1,020,098,047**

Board and Committee meeting dates and attendance

Board Meetings

Directors	24th Feb.	27th Apr.	24th May.	27th July	19th Oct.	10th Dec.
Aliko Dangote	✓	✓	✓	✓	✓	✓
Joseph Makoju	✓	✓	✓	✓	✓	✓
Brian Egan	n/a	n/a	n/a	✓	✓	✓
Olakunle Alake	✓	✓	✓	✓	✓	✓
Sani Dangote	✓	✓	✓	✓	✓	✓
Abdu Dantata	✓	✓	✓	✓	✓	✓
Ernest Ebi	✓	✓	✓	✓	✓	✓
Devakumar Edwin	✓	✓	✓	✓	✓	✓
Emmanuel Ikazoboh	×	✓	✓	✓	✓	✓
Fidelis Madavo	✓	×	✓	✓	✓	✓
Olusegun Olusanya	✓	✓	✓	✓	✓	✓
Viswanathan Shankar	n/a	n/a	n/a	n/a	n/a	✓
Dorothy Ufot	✓	✓	✓	✓	✓	✓
Onne van der Weijde	✓	✓	✓	✓	✓	✓
Douraid Zaghouani	✓	✓	✓	✓	✓	✓

Finance and General Purpose Committee

Directors	30th Jan.	23rd Feb.	26th Apr.	26th July	18th Oct.	10th Dec.
Olusegun Olusanya	✓	✓	✓	✓	✓	✓
Olakunle Alake	✓	✓	✓	×	✓	✓
Sani Dangote	×	×	×	×	✓	✓
Ernest Ebi	✓	✓	✓	✓	✓	✓
Devakumar Edwin	×	×	✓	✓	✓	✓
Emmanuel Ikazoboh	✓	×	✓	✓	×	×
Fidelis Madavo	✓	×	×	✓	×	✓
Douraid Zaghouani	✓	✓	✓	✓	✓	✓

Audit, Compliance and Risk Management Committee

Directors	16th Feb.	20th Apr.	24th July	12th Oct.
Ernest Ebi	✓	✓	✓	✓
Olakunle Alake	✓	×	✓	×
Sani Dangote	×	✓	✓	×
Devakumar Edwin	✓	✓	✓	✓
Emmanuel Ikazoboh	✓	✓	✓	×
Fidelis Madavo	×	✓	×	✓
Olusegun Olusanya	✓	✓	✓	✓
Dorothy Ufot	✓	✓	✓	✓

Remuneration and Governance Committee

Directors	16th Feb.	20th Apr.	19th Jul.	9th Oct.
Emmanuel Ikazoboh	✓	✓	✓	✓
Sani Dangote	×	✓	✓	✓
Abdu Dantata	✓	✓	✓	✓
Ernest Ebi	✓	✓	✓	✓
Devakumar Edwin	×	✓	×	✓
Joseph Makoju	×	×	✓	✓
Olusegun Olusanya	✓	✓	✓	✓
Dorothy Ufot	✓	✓	✓	✓

Technical and Operations Committee

Directors	23rd Feb.	26th Apr.	26th Jul.	18th Oct.
Fidelis Madavo	×	×	✓	✓
Joseph Makoju	✓	✓	✓	✓
Olakunle Alake	✓	✓	✓	✓
Abdu Dantata	✓	✓	✓	✓
Ernest Ebi	✓	✓	✓	✓
Devakumar Edwin	✓	✓	✓	✓
Douraid Zaghouani	✓	✓	✓	✓
Onne van der Weijde	✓	✓	✓	✓

Nomination Committee

Directors	24th Feb.	18th Oct.	9th Dec.
Aliko Dangote	✓	✓	✓
Ernest Ebi	✓	✓	✓
Emmanuel Ikazoboh	×	×	✓
Fidelis Madavo	✓	×	✓
Olusegun Olusanya	✓	✓	✓

Statutory Audit Committee

Directors	29th Feb.	26th July	20th Oct.
Robert Ade-Odiachi	×	✓	✓
Nicholas Nyamali	✓	✓	✓
Sherrif Yusuf	✓	×	✓
Olakunle Alake	✓	✓	✓
Olusegun Olusanya	✓	✓	✓
Emmanuel Ikazoboh	×	✓	×

Glossary of abbreviations

AGM	Annual General Meeting
CAC	Corporate Affairs Commission
CBN	Central Bank Of Nigeria
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CEMAC	Central African Economic and Monetary Community
CMAN	Cement Manufacturer Association of Nigeria
COREN	Council for the Regulation of Engineering in Nigeria
CORBON	Council of Registered Builders of Nigeria
CO2	Carbon dioxide
DIL	Dangote Industries Limited
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EBIT	Earnings before interest and tax
ECOWAS	Economic Community of West African States
EHSS	Environmental Health, Safety and Security
GDP	Gross Domestic Product
GETS	Global Environment Telecommunications Service
IFC	International Finance Corporation
IMF	International Monetary Fund
ISO	International Standards Organisation
LPFO	Low Pour Fuel Oil
NIOB	Nigerian Institute of Building
NIQS	Nigerian Institute of Quantity Surveyors
NIS	Nigeria Industrial Standards
NSE	Nigerian Stock Exchange
Mt	Million Tonnes
Mta	Million tonnes of capacity
OEM	Original Equipment Manufacturer
OHSMS	Occupational Health and Safety Management System
Q	Quarter
SEC	Securities and Exchange Commission
SEPCEM	Sephaku Cement
SON	Standards Organisation of Nigeria
SOX	Sulfur Oxides
SAP	System Application Package
UEMOA	West African Economic and Monetary Union
VTS	Vaccination Tracking System
CGRS	Corporate Governance Rating System
ERM	Enterprise Risk Management
ICD	Investment Corporation of Dubai
IASB	International Accounting Standards Board
CAMA	Company and Allied Matters Act
FRC	Financial Reporting Council
GCEO	Group Chief Executive Officer
VRM	Vertical Rolling Mill
LPG	Liquid Petroleum Gas
CBI	Convention for Business Intelligence
EMS	Environmental Management System
HSE	Health, Safety & Environment
KPI	Key Performance Indicator
DRC	Democratic Republic of Congo
BACRMC	Board Audit, Compliance and Risk Management Committee

Mandate for E-Dividend Payment

united securities»»

Date (DD/MM/YYYY)

The Registrar,
United Securities Limited,
10, Amodu Ojikutu Street,
Victoria Island, Lagos, Nigeria.

Kindly tick & quote your shareholder account no. in the box below	
Name of Company	Shareholder Account No.

Dear Sir/Madam,

Kindly find below my/our bank details for the purpose of electronic payments of dividends due to me/us. I/We confirm that all information supplied is to the best of my/our knowledge correct and hereby indemnify United Securities Limited against any loss that may arise from their adoption of the details as supplied hereunder.

Surname /Company Name:

Other Names (for individual Shareholder)

Present Postal Address

City State

E-Mail Address 1:-

E-Mail Address 2:-

Mobile (GSM) Phone Number

Bank Name (SECTION TO BE COMPLETED BY YOUR BANK)

Bank Address

Bank Account Number

Bank Sort Code

I/We hereby request that from now, all dividend warrant (s) due to me/us from my/our holdings in all the companies indicated above be mandated to my/our Bank named above.

Shareholder`s signature or thumbprint

Shareholder`s signature or thumbprint

Company Seal/ Incorporation number (Corporate Shareholder)

AUTHORISED SIGNATURE & STAMP OF BANKERS

PLEASE NOTE THAT THE SECTION FOR YOUR BANK ACCOUNT DETAILS HAS TO BE COMPLETED BY YOUR BANK
Kindly return the duly completed form to the Registrar, United Securities Limited at the address stated below

United Securities Limited. RC 126257
10, Amodu Ojikutu Street, Off Saka Tinubu Street, Victoria Island, P.M.B. 12753 Lagos, Nigeria. Tel: +234(1)271-4566, 271-4567
Website: www.unitedsecuritieslimited.com; Email: info@unitedsecuritieslimited.com

Proxy Form

Dangote Cement Plc Rc: 208767

The 9th Annual General Meeting to be held at the Civic Centre, Victoria Island, Lagos, on Wednesday 20th June 2018 at 11.00 a.m.

I/WE ....

of ....

being a shareholder of Dangote Cement Plc hereby appoint .... or failing him/her

.... or ....

as my/our Proxy to act and vote for me/us on my/our behalf at the 9th Annual General Meeting to be held on Wednesday 20th June, 2018, and at any adjournment thereof.

Dated the .... 2018 Shareholder's signature ....

	NO.	ORDINARY BUSINESS	FOR	AGAINST
I/We desire this proxy to be used in favour of/or against the resolution as indicated alongside (strike out whichever is not applicable)	1.	To receive the audited Financial Statements for the year ended 31st December, 2017, and the reports of the Directors, Auditors and Audit Committee thereon		
	2.	To declare a dividend		
	3.	To ratify the appointment of Brian Egan as a Director To ratify the appointment of Viswanathan Shankar as a Director To ratify the appointment of Cherie Blair as a Director To ratify the appointment of Mick Davies as a Director		
	4.	To fix the remuneration of the Directors		
	5.	To authorise the Directors to fix the remuneration of the Auditors		
	6.	To elect members of the Audit Committee		
	7.	Special Business To amend Articles 45 of the Articles of Association To delete Article 46 of the Articles of Association		
		Please indicate with an "X" in the appropriate column, how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her discretion.		

This proxy form should NOT be completed and sent to the registered office if the member will be attending the meeting.

Note:

i. A member (shareholder) entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy in his stead All proxy form should be deposited at the registered office of the Registrar (as in notice) not later than 48 hours before the meeting.

ii. In the case of joint shareholders, any of them may complete the form, but the names of all joint shareholders must be stated

iii. If the shareholder is a Corporation, this form must be executed under its Common Seal or under the hand of some officers or an attorney duly authorized.

iv. The proxy must produce the admission card sent with the notice of the meeting to gain entrance to the meeting.

v. It is a legal requirement that all instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of the shareholders must bear appropriate stamp duty from the Stamp Duties office (not adhesive postage stamps).

Before posting this form, please tear off this part and retain it for admission to the meeting.

NAME AND ADDRESS NUMBER OF SHARES HELD: NUMBER OF SHAREHOLDER(S):

ADMISSION CARD

Please admit .... to the 9th Annual General Meeting of Dangote Cement Plc to be held at Civic Centre, Victoria Island, Lagos, on Wednesday 20th June, 2018 at 11.00 a.m.

Signature of person attending: ....

- This admission card should be produced by the shareholder or his/her proxy in order to obtain entrance to the Annual General Meeting.
- You are requested to sign this card at the entrance in the presence of the Company Secretary or his Nominee on the day of the Annual General Meeting.

Please be advised that to enable a Proxy gain entrance to the meeting, the Proxy Form is to be duly completed and delivered to the Company Secretary not later than 48 hours before the time fixed for the meeting.

The Registrar,
United Securities Limited
10, Amodu Ojikutu Street,
Victoria Island,
Lagos, Nigeria