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If you are in any doubt about the contents of this document or any action to be taken, it is recommended that you consult your Stockbroker, Banker, Solicitor, Accountant or any other independent professional adviser duly registered under the Investments and Securities Act No. 29 of 2007 immediately.

If you have sold or otherwise transferred all your shares in Dangote Cement Plc, please give this document and the accompanying proxy forms to the purchaser or transferee or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee whose name is duly entered into the register of members of Dangote Cement Plc. In the alternative, kindly return this document to the Registrars – United Securities Limited at Plot 009, Amodu Ojikutu Street, Off Saka Tinubu Street, Victoria Island, Lagos.

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SHARE BUY BACK PROGRAMME

(Under Section 160 of the Companies and Allied Matters Act ("CAMA") Cap C20 LFN 2004)



DANGOTE CEMENT PLC

INCORPORATING AN EXPLANATORY STATEMENT ON THE PROPOSED SHARE BUY BACK PROGRAMME

(In compliance with Rule 13.18(f) of the Nigerian Stock Exchange Rulebook 2015 as amended)

Vetiva Capital Management Limited ("Vetiva") and Banwo & Ighodalo ("B&I") are acting as Financial Advisers and Legal Advisers respectively to Dangote Cement Plc ("Dangote Cement", "DCP" or the "Company") in connection with the proposed Share Buy Back Programme.

The notice convening the Extraordinary General Meeting of the shareholders of DCP is attached to this circular. To be valid, the Proxy Form must be completed, signed and duly stamped by the Commissioner of Stamp Duties, Federal Inland Revenue Services, where applicable (together with the powers of attorney or other authority, if any, under which it is signed and in accordance with the instructions printed thereon) and must be returned to the Registrar of DCP, not later than 48 hours before the time set for the meeting.

Dated 24 December, 2019

Tuesday, 24 December, 2019

To the Shareholders of:

Dangote Cement Plc

Dear Sir/Madam,

PROPOSED SHARE BUY BACK PROGRAMME

A. INTRODUCTION

The Notice of the Extraordinary General Meeting ("EGM") of Dangote Cement Plc ("Dangote Cement", "DCP" or the "Company") attached to this circular contains information on the Company's intention to execute a Share Buy Back Programme (the "Share Buy Back Programme" or the "Programme"). It is intended that the Programme be effected pursuant to section 160(2)(e) of the Companies and Allied Matters Act 1990 ("CAMA") and Rule 398 of the Securities and Exchange Commission ("SEC") Consolidated Rules and Regulations, 2013 (as amended) ("SEC Rules"), whilst shares bought back by the Company under the Programme be cancelled within ten (10) business days of the last date of completion of the Programme, in accordance with section 106 of CAMA, Rule 398(3)(x) of the SEC Rules and Rule 13.18(h) of the Nigerian Stock Exchange ("NSE") Rulebook 2015; the terms and conditions of which will be considered by you at the EGM.

The proposed Programme is being undertaken in line with the Company's corporate strategy to make the Company more attractive in the near term and positioning the Company for future long term growth. The Board is of the opinion that it is in the best interest of Shareholders to proceed with the proposed Programme. A Share Buy Back Programme may notably lead to an enhancement of the Company's earnings per share.

In the absence of any other mitigating factors, the Programme is generally expected to be value enhancing and will benefit the shareholders of the Company as a whole.

The Board of Directors has approved a proposal for the Programme by the Finance and Investment Committee of the Company. The Board has also appointed and authorised Vetiva Capital Management Limited and Banwo & Ighodalo as Financial Advisers and Legal Advisers respectively, to provide detailed advice to the Company in respect of the Programme and effect of the Programme which are summarized herein.

B. DESCRIPTION

The table below presents the indicative details of the proposed Programme:

Current Issued Shares:	17,040,507,405 fully paid up ordinary shares of 50 Kobo each
Programme Size:	Up to 1,704,050,741 fully paid up ordinary shares of 50 Kobo each, representing 10% of the total issued shares of the Company (the "Buy Back Shares"). The Share Buy Back Programme will be undertaken subject to the availability of shares and the Company is not obliged to buy all or any of the Buy Back Shares.
Timing:	The Programme will be completed within twelve (12) months from the date of receipt of the approval of shareholders for the Programme.

	<p>The Board may delay, amend or terminate the Programme at any time by releasing an announcement to that effect to the NSE, irrespective of whether any or all of the shares have been repurchased.</p> <p>Unless otherwise approved by the regulator, the Company shall not implement the Programme within fifteen (15) days prior to the publication of its annual or interim results.</p>
Mode:	Open Market and/or Self-Tender Offer
Price:	<ul style="list-style-type: none"> ▪ Open Market: prevailing market price ▪ Self-Tender Offer: price shall be determined by the Board, but it shall not be more than 5% above the average calculated market price over the five (5) days preceding the offer

C. JUSTIFICATION FOR THE PROGRAMME

The Board has considered and recommended the proposed Share Buy Back Programme based on the following reasons:

Increase Long Term Shareholder Value

Based on a review of DCP's stock market performance and prevailing equity market conditions, the Board is of the opinion that at the current market valuation levels, a share buy back programme which seeks to repurchase DCP shares is considered as one of the appropriate capital allocation decisions to improve long term shareholder value.

Valuable tool for Managing Capital Structure and Balance Sheet Efficiency

The Share Buy Back Programme supports the Company's continuous capital structure and balance sheet optimisation process. Repurchasing shares while improving financing, capital and balance sheet efficiency is expected to reduce the average cost of capital and therefore enhance shareholder value in the long term.

Window to Return Cash to Shareholders

Dangote Cement has different types of investors with varying preferences. Some investors prefer cash distributions, and others want to stay invested in the Company. A combination of dividends distribution and share buy backs would be used to strike the right balance. A share buy back reduces the number of shares outstanding and increases the proportional rights of any single share. Thus, assuming a certain amount of earnings, the earnings per share would be higher due to the share buy back and shareholders who want to continue to remain invested in the company in the long term would benefit from this.

D. SOURCE OF FUNDS

The Company recorded a Profit After Tax of N390.32bn for the year ended 31 December, 2018 and N154.35bn for the nine (9) month period ended 30 September, 2019. DCP's Retained Earnings stood at N848.70bn as at 31 December, 2018 and N731.15bn as at 30 September, 2019. The Company intends to fund the Programme from its reserves.

There will be brokerage fees and other costs, fees and charges incurred during the proposed Programme.

E. IMPACT ON WORKING CAPITAL AND GEARING RATIO

The Directors are of the opinion that the proposed Share Buy Back Programme would not have any material adverse impact on the Company's working capital position and gearing ratio in the long term.

F. DIRECTORS' DECLARATION OF INTENTION TO SELL

The table below details the direct and indirect shareholding of all Directors of the Company as at the date of this Explanatory Statement:

Director	Direct	Indirect	Total
Aliko Dangote, CON	27,642,637	14,612,796,970	14,640,439,607
Olakunle Alake	6,931,702	-	6,931,702
Devakumar V.G. Edwin	5,000,000	-	5,000,000
Ernest Ebi, MFR	100,000	-	100,000
Emmanuel Ikazoboh	-	98,149	98,149
Engr. Joseph Makoju Mni, OFR	11,000	-	11,000
Abdu Dantata	8,680	-	8,680
Cherie Blair (QC)	-	-	-
Alhaji Sani Dangote	-	-	-
Sir Michael Davis	-	-	-
Arvind Pathak ¹	-	-	-
Viswanathan Shankar	-	128,560,764	128,560,764
Dorothy Udeme Ufot, SAN	-	-	-
Douraid Zaghouni	-	243,540,000	243,540,000

As of the date of this Explanatory Statement, no Director of the Company who currently holds DCP shares would be participating in the Share Buy Back Programme.

G. CONSEQUENCES OF THE PROGRAMME

The Programme, when effected, is not expected to give rise to any consequences under the Takeover Rules of the SEC.

H. ELEMENTS OF THE PROGRAMME

i. Conditions Precedent

The Programme will become effective and binding if:

- The Company's Articles of Association is altered to authorize the Company to repurchase its shares and reduce its capital;
- The shareholders authorize the Programme and reduction of the Company's share capital;
- The Programme is authorized by the Federal High Court on such conditions as the court may impose in its discretion; and
- The SEC approves the Programme.

ii. Notification of the NSE

¹ Appointed on 29 October, 2019. His appointment is subject to ratification at the next annual general meeting

The NSE would be duly notified upon receipt of the approval of the SEC, prior to actual commencement of Share Buy Back Programme.

Action to be taken


The appropriate proxy form for the EGM is enclosed. It is particularly important that as many votes as possible are cast at the EGM so that the court may be satisfied that there is a fair representation of shareholders' opinion. If you are unable to attend the meeting in person, you are requested to complete the proxy form in accordance with the instructions therein and ensure same is delivered to the Registrar, to arrive not later than forty-eight (48) hours before the appointed time appointed for the meeting.

The lodging of a proxy form, which is only valid when appropriately stamped (where applicable), does not prevent you from attending in person and voting at the EGM or any adjournment thereof, should you so wish. However, in such an instance, your proxy will not be entitled to attend or vote.

Conclusion and Recommendation

Your Board considers that the proposed Programme is in the best interest of the Company and the shareholders in the long term. The Directors therefore recommend that the shareholders vote in favour of the relevant resolutions.

By order of the Board

DocuSigned by:

12/23/2019
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Aliko Dangote, GCN
Chairman, Dangote Cement Plc