DANGOTE CEMENT

Building Prosperity

Annual Report 2014

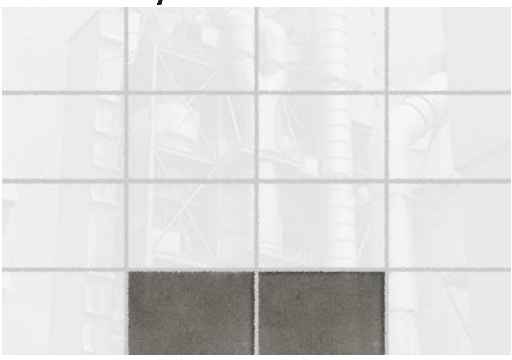
Cover picture: Lagos Island

Content


Ikoyi Water Front, Lagos

Dangote Cement... Building Prosperity in Africa

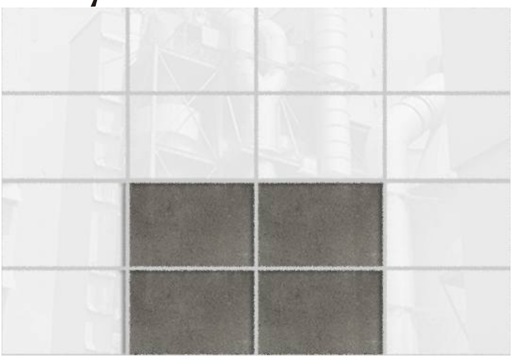
Yesterday...



2011

Countries: **2**
Capacity: **8mt**
Sites: **2**
Employees: **2,992**

Today...



2014

Countries: **4**
Capacity: **34mt**
Sites: **7**
Employees: **10,601**

and Tomorrow.

2017

Countries: **13**
Capacity: **44-54mt**
Sites: **15-17**
Employees: **20,000-30,000**

Key Figures

Highlights	2014	2013
Production Capacity (mt)	34.05	20.25
Sales Volume (mt)	14.0	14.0
Revenue (₦ Billion)	391.6	386.2
EBITDA (₦ Billion)	223.4	229.6
EBITDA Margin (%)	57.0	59.5
EBIT (₦ Billion)	187.1	195.9
EBIT Profit Margin (%)	47.8	50.7
Profit Before Tax (₦ Billion)	184.7	190.8
Earnings per share (₦)	9.42	11.85
Dividend per share (₦)	6.00	7.00
Cash Flow from Operations (₦ Billion)	215.9	284.0
Net Debt (₦ Billion)	222.0	110.6
Capital Expenditure (₦ Billion)	217.2	140.0

Schedule of capacity expansion across Africa

		Project Cost Investment	Cost Incurred to 31-Dec-14	Capacity 2015	2016	2017
Country	Town	($m)	($m)	(mt)	(mt)	(mt)
Nigeria	Itori	TBC	12			TBC
Rep. of Congo	Madingou	301	94		1.5	
Cameroon	Douala	133	102	1.5		
Cote d'Ivoire	Abidjan	136	6		1.5	
Ghana	Takoradi	135	22		1.5	
Liberia*	Monrovia	75	1			0.75
Sierra Leone*	Freetown	47	42	0.7		
Ethiopia	Mugher	480	342	2.5		
Kenya	TBC	TBC	0.4			TBC
Tanzania	Mtwara	523	255	3.0		
Zambia	Ndola	312	290	1.5		

*Depends on Ebola containment

Vision, Mission, Values

Vision

Our vision is to be Africa's leading producer of cement, respected for the quality of its products and services and for the way it conducts its business.

Mission

To deliver strong returns to our 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 growth 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, Sustainability and Environmental Conservation and to set a good example for other companies to follow.

Values

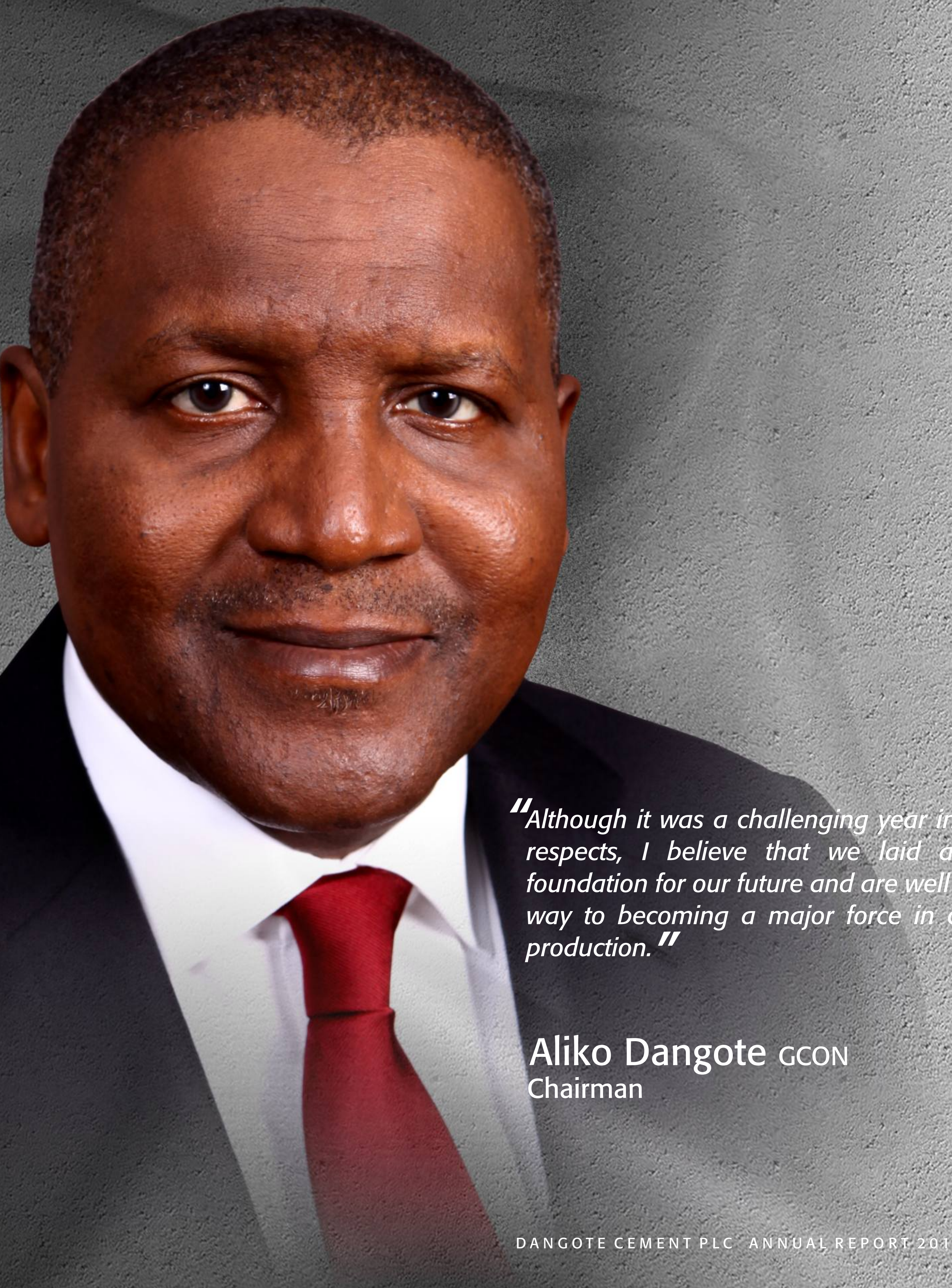
Excellence

Customer service

Leadership

Entrepreneurship

Quarry Site, Gboko, Nigeria



"Although it was a challenging year in many respects, I believe that we laid a good foundation for our future and are well on our way to becoming a major force in cement production."

Aliko Dangote GCON
Chairman

Chairman's Statement

Dear Shareholders,

It is my pleasure to deliver this Annual Report at the 6th Annual General Meeting of our Company, Dangote Cement.

I am pleased to report that 2014 was the year in which we achieved significant progress in our goal to become a truly Pan-African manufacturer and distributor of cement. We began the year with three factories in Nigeria, a small import operation in Ghana and several building sites across Sub-Saharan Africa.

As a result of the sizeable investments that we have made over the past few years, Dangote Cement ended the year with new lines in Nigeria, factories becoming operational in Senegal and South Africa, with other plants in Cameroon and Zambia preparing for production in early 2015.

Our capacity increased from just under 21 million tonnes in January to more than 34 million tonnes at the end of the year.

It was an unprecedented rate of expansion and as you are aware, we are still expanding with new factories expected to open later this year in Ethiopia and Tanzania and import and grinding facilities opening in other countries.

Sub-Saharan Africa has great potential. The World Bank estimates growth of 4.6% across the region in 2015, which we believe justifies the large investments we are making in the cement plants that will support this economic growth. In the coming decades, Africans will build millions of homes, thousands of kilometres of roads and railways, as well as airports, ports, shops, offices, factories and utility infrastructures. All of these will require cement - a basic raw material for which there is no alternative in construction.

At the same time, as we were extending our geographical footprint across Africa, we consolidated our position in Nigeria by increasing our capacity from 20 to 29 million tonnes. I believe this has given us an excellent base from which to capture the growth in Nigeria, perhaps the most attractive cement market in the whole of Africa, averaging nearly a 10% annual increase since 2004.

"We have begun delivering on the promise of our ambitious strategy to become a truly pan-African manufacturer."

Apart from expanding the scale and reach of our business, we took many steps to make it more efficient and more accountable by welcoming two new Independent Directors and by engaging with experts in risk management, environmental care, social responsibility and better governance.

As a result of all of these initiatives, I believe our Company is well on its way to be a global and respected force in cement production, operating modern and efficient plants in exciting growth markets that will generate substantial returns for shareholders for many years to come.

In previous years, I have been privileged to report strong growth in revenues and profits. However, 2014 was a challenging year for us and our growth fell short of what we had hoped to achieve.

Our Company faced strong macro-economic headwinds during the year. Falling oil prices, devaluation of the Naira and a slowdown in GDP growth all combined to subdue construction activities in 2014.

In the first half of the year, problems with our kiln fuel supplies, gas and low-pour fuel oil (LPFO), reduced our ability to produce cement in sufficient quantity to meet the Nigerian market's needs. In the second half of 2014, lingering rains affected demand for longer than is usual in Nigeria's rainy season. The result was that the market for cement in Nigeria fell by 0.8% to 21 million tonnes – the first year-on-year decline in consumption for more than a decade.

In addition, there were some delays in the commissioning of projects in other African countries that left our overall revenues short of what we had hoped at the beginning of the year.

As a consequence of these factors affecting sales across our operations, Group revenues rose by just 1.4% to ₦391.6 billion, with pre-tax profits 3.2% lower at ₦184.7 billion.

With certain of our Nigerian operations exiting tax-exempt status at the end of 2013, earnings per share fell by 20.5% to ₦9.42 as a result of the tax charged on profit from these older lines.

About Us
Operational Review
Corporate Governance
Financial Statements

Chairman's Statement

The Board has recommended for your approval a dividend of ₦6.00 per 50 kobo share. The dividend will be payable on Thursday, 30th April, 2015 to shareholders whose names appear in the Companys' Register of Members at the close of business on Friday 17th April, 2015.

The ability of any cement company to succeed depends to a large degree on the health of the economies in which it operates. The rebasing of Nigeria's economy in April showed both its true strength and its potential for future growth. According to the National Bureau of Statistics, Nigeria's GDP was $488billion in 2013, putting it ahead of South Africa as the largest economy in Africa. However, the fact that per-capita GDP is just $2,688 shows how much further the country must develop if it is to become a more modern and wealthier society.

This potential is also reflected in Nigeria's cement consumption, which is around 125kg per person. This is much lower than the global average of more than 500kg (including China) or approximately 450kg even when China's high consumption is excluded. It is low even by the standards of Ghana and Senegal, which have per-capita consumption of nearly 200kg.

Nigeria's economic growth is expected to continue. In January 2015, in its Global Economic Prospects, the World Bank estimated that real GDP would increase by 5.5% in 2015, rising to 5.8% in 2016. However, these forecasts were compiled as the price of oil continued its slide from nearly $100/barrel in September for Brent Crude, to about $57 at the end of December. In early February 2015, the price of Brent stood at $58. Around 65-70% of Nigeria's revenues come from oil and such a loss of income may result in cutbacks in major capital projects, given that the Federal Government has lowered its assumptions about the oil price used to underpin the 2015 Budget.

The associated fall in our currency will also affect Nigeria's prospects in the coming years. The Naira was devalued by 10% in November to a midpoint of ₦168 to the US dollar, with a fluctuation of plus or minus 5%. At the end of the year, the Naira was trading at ₦183.5 in the Interbank market and it slipped to more than ₦200 in February after the decision to delay the General Election.

Pressure on the Naira made it difficult to trade in foreign currency at the official CBN rate and we and many other companies were obliged to and other costs at the significantly higher Interbank rate. In Nigeria, around 70% of our costs are in some way exposed to currency fluctuations and it was for this reason, to offset an increase in our costs, that we increased the ex-factory price of cement in December, to approximately ₦1,645 for a 50kg bag of our 42.4R grade cement.

Turning to matters in the cement industry, the early part of 2014 was characterised by much debate on the need to impose strict guidelines on how cement should be used.

Many incidences of buildings collapsing, some with very tragic consequences, served to highlight the fact that some types of cement are unsuitable for use in load-bearing structures, even in the walls of houses more than a single storey high. Incorrect mixing of cement is also a factor and one that we have addressed in our educational efforts with block moulders.

We supported the introduction of clear standards across Nigeria, which state that the most basic type of cement, 32.5 grade, should be used only for plastering and other applications where significant loading forces are not experienced. Following this directive, we launched our own 32.5 product in November in order to serve the market's needs. It sells alongside our standard 42.5R cement, which the SON has deemed suitable for most building applications except in heavy load-bearing structures required in, for example, large buildings, flyovers, bridges and dams. For these more specialist applications we sell the strongest 52.5 grade cement.

> *"We will mine our own coal in locations close to our plants in Kogi and Benue States. This will help to improve our margins even further."*

The rainy season lingered well beyond its usual time and this quite literally dampened demand, particularly in the key block-moulding market where dry conditions are essential for this large-scale outdoor industry.

At the same time, production levels began

Chairman's Statement

toimprove and we started to commission our new lines at Obajana and Ibese, in total, nine million tonnes.

With this new capacity, we took the decision to mothball our Gboko plant in Benue State because of its reliance on expensive liquid fuels, which increased our overall cost mix in Nigeria. Production will be transferred to the higher-margin, gas-fired lines at Ibese and Obajana, which (apart from Lines 1&2 at Obajana) also benefit from continuing tax-exempt status. Thus, both our operating profits and after-tax earnings will benefit. We remain committed to Gboko and its staff and are converting the plant to run entirely on coal, including its power plant, which is far cheaper than the LPFO previously used in its kilns. Its profitability will be improved when it reopens.

At the same time we are converting all our other facilities in Nigeria to run entirely on coal should the primary fuel of gas fail entirely or become more expensive than coal. We began this process by commissioning coal mills to serve kilns on Lines 1&2 at Ibese and Line 3 at Obajana in the final quarter of 2014. Almost immediately our use of LPFO fell to very low levels on these lines, thus improving the margins we achieved on them. We expect to commission new coal grinding facilities on the remaining lines by the middle of 2015 and although imported coal will be used to begin with, we intend to begin mining our own coal more cheaply in locations close to our plants in Kogi and Benue States.

Outside Nigeria, we have begun delivering on the promise to become a truly Pan-African manufacturer. Our plants in South Africa and Senegal became operational and as 2014 ended, we were readying plants in Zambia and Cameroon to open in the first quarter of 2015. Our 2.5 million tonne factory in Ethiopia is expected to open in April 2015 and during 2015 and 2016 we also will open new facilities in Tanzania, Republic of Congo, Ghana, Côte d'Ivoire, Sierra Leone and Liberia.

As we expand our capacity in Nigeria and Sub-Saharan Africa, we are focused on internal initiatives that will help to improve our governance. The board appointed four new Non-Executive Directors, Ernest Ebi, Emmanuel Ikazoboh, Fidelis Madavo and Khalid Al Bakhit, who bring with them skills and experience that will strengthen the independence and functioning of the Board.

In addition, management was strengthened with the appointment of Brian Egan as Group Chief Financial Officer. Brian is a member of the Institute of Chartered Accountants in Ireland. He has substantial international experience and has held a number of senior positions including Executive Director and Chief Financial Officer of Petropavlovsk Plc and of Aricom Plc, both listed on the Main Board of the London Stock Exchange.

We engaged a Chief Risk Officer, Dr Adenike Fajemirokun, who developed a comprehensive Risk-Management Programme that is being implemented across Dangote Cement.

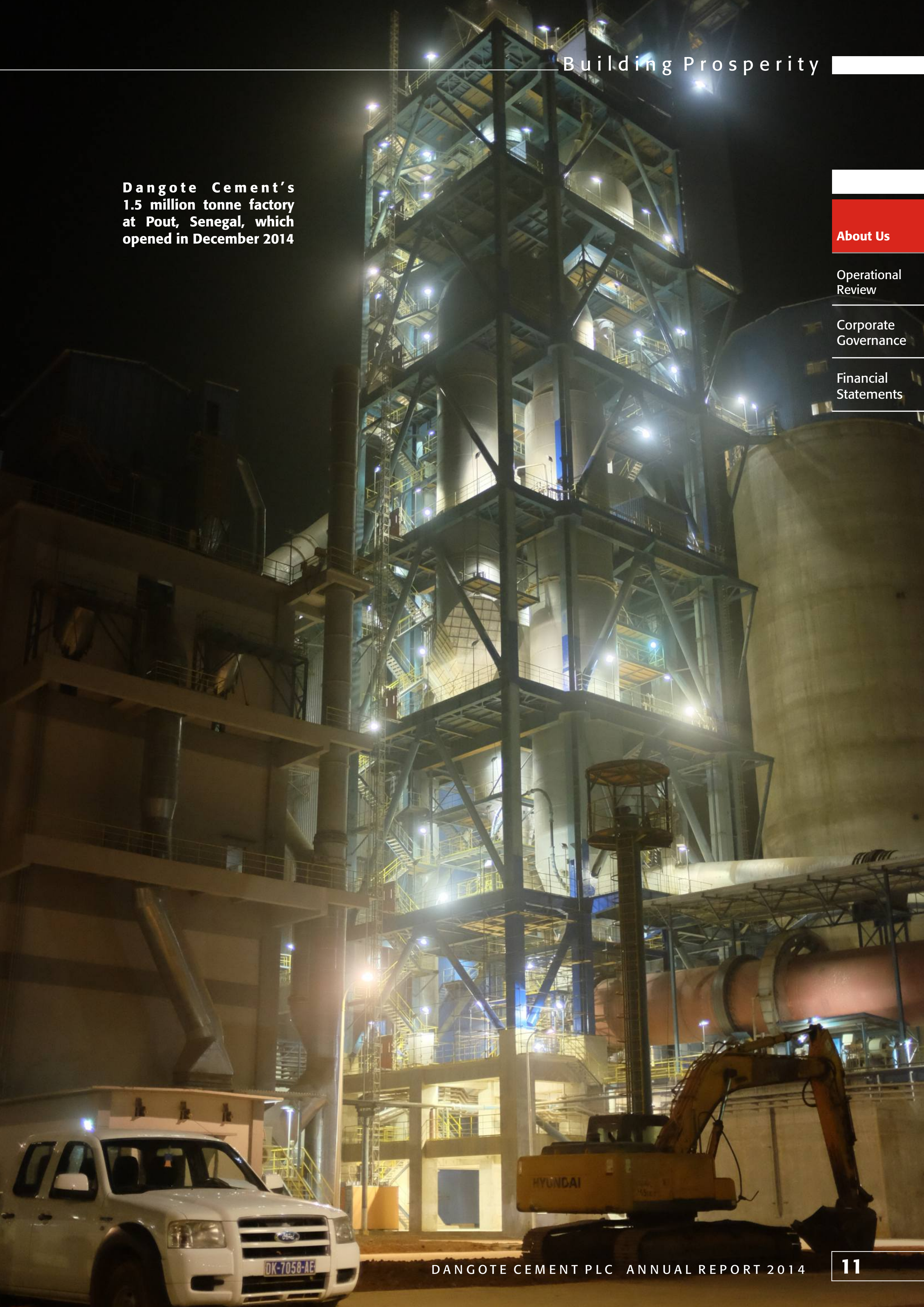
In Sustainability, the Head of the Dangote Foundation, Dr. Adhiambo Odaga, worked with the International Finance Corporation (IFC) and Environmental Resources Management (ERM) to bring our operations up to global standards.

I am pleased to tell you that the Board has appointed a new Chief Executive Officer, Onne van der Weijde, who succeeded Devakumar Edwin on 2nd February, 2015. Previously Chief Executive Officer of Ambuja Cements, a listed subsidiary of Holcim in India, Onne brings substantial experience of managing large and growing cement companies. I would like to pay tribute to Devakumar Edwin for his tireless efforts in transfoming Dangote Cement from a small Nigerian manufacturer with just one plant, to a Pan-Africa giant. Devakumar Edwin will remain on the Board as a Non-Executive Director.

In conclusion, it was a challenging year in Nigeria for reasons that were largely beyond our control. However, I am happy that we achieved many milestones across Africa and made the important transition from building cement plants to making cement. We are well on our way to becoming a global and respected cement producer, operating in some of the most exciting markets in the world.

I would like to thank all of our staff for their energy and commitment, our customers for their loyalty and our shareholders, for your continuing support.

Aliko Dangote GCON
Chairman



Dangote Cement's 1.5 million tonne factory at Pout, Senegal, which opened in December 2014

Company Overview

Dangote Cement is Africa's leading cement producer with three plants in Nigeria and operations in twelve other African countries. The Group is a quarry-to-customer business with integrated production capacity of 29 million tonnes operational in Nigeria at the end of 2014, a further 5mt of import, grinding and production capacity operational in Ghana, South Africa and Senegal, and plants being readied in Zambia and Cameroon for production in the first quarter of 2015.

Within the next three years we will also commission production, grinding or import facilities in Ethiopia, Tanzania, Sierra Leone, Côte d'Ivoire, Liberia, Republic of Congo and Kenya, bringing our total capacity to more than 44 million tonnes across Sub-Saharan Africa.

The company that became Dangote Cement was founded at a time when Nigeria was almost entirely dependent on imports. Indeed, importation of cement was our main business for many years until the Federal Government launched its industrial policy of Backward Integration in 2002. This bold initiative was designed to reduce Nigeria's dependence on imports by encouraging the industry to build enough capacity to serve Nigeria's needs, not just in that decade but long into the future.

Possibly Africa's most attractive market for cement, Nigeria has substantial limestone and energy resources, a large and increasingly prosperous population, strong GDP growth and a pressing need to improve infrastructure and housing on a massive scale.

We have invested several billion dollars building new capacity that has single-handedly helped Nigeria to become self-sufficient in cement. In the process we have created thousands of jobs across the country in factories, logistics, sales and administration.

At 13.25 million tonnes, our 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 and supported by a town that previously was just a small village. Obajana uses gas, coal and low-pour fuel oil to fuel its kilns and power plants, though we are progressively reducing its reliance on oil and switching to coal, which is substantially cheaper.

Our Ibese Cement Plant in Ogun State has four cement lines with a combined capacity of 12 million tonnes. Its first two lines were inaugurated in February 2012 and the second pair of lines began commissioning late in 2014. Like Obajana, Ibese is being equipped with coal facilities to reduce its operating costs.


Construction in Ethiopia


Construction in Ethiopia


Loading point in Ghana

Company Overview


Ibese Plant, Ogun State, Nigeria

Our Gboko plant in Benue State has 4 million tonnes of capacity. Acquired originally during the privatisation exercise in Nigeria, we refurbished and upgraded the plant to its present capacity. Originally designed to use LPFO, we are now converting it to use coal, which is much cheaper.

Over the past few years, the profitability and strong cash generation of our plants in Nigeria has helped us to expand our business across Africa with a mixture of integrated, grinding and import facilities.

We began 2014 with around 20 million tonnes of production and import capacity in Nigeria and Ghana and ended the year with nearly 34 million tonnes across Nigeria, Ghana, South Africa, and Senegal, with plants nearing completion in Cameroon, Ethiopia and Zambia. By 2018, we plan to have at least 44 million tonnes of capacity and also operate in Sierra Leone, Tanzania, Kenya, Congo, Liberia and Cote d'Ivoire. With this expansion, Dangote Cement is well on the way to becoming a global force in cement production.

We will take advantage of being able to operate within trading blocks that enable us to export our cement from one country and import it into our own facilities elsewhere. Such an export-to-import strategy makes great sense in West Africa, where many countries lack native limestone.

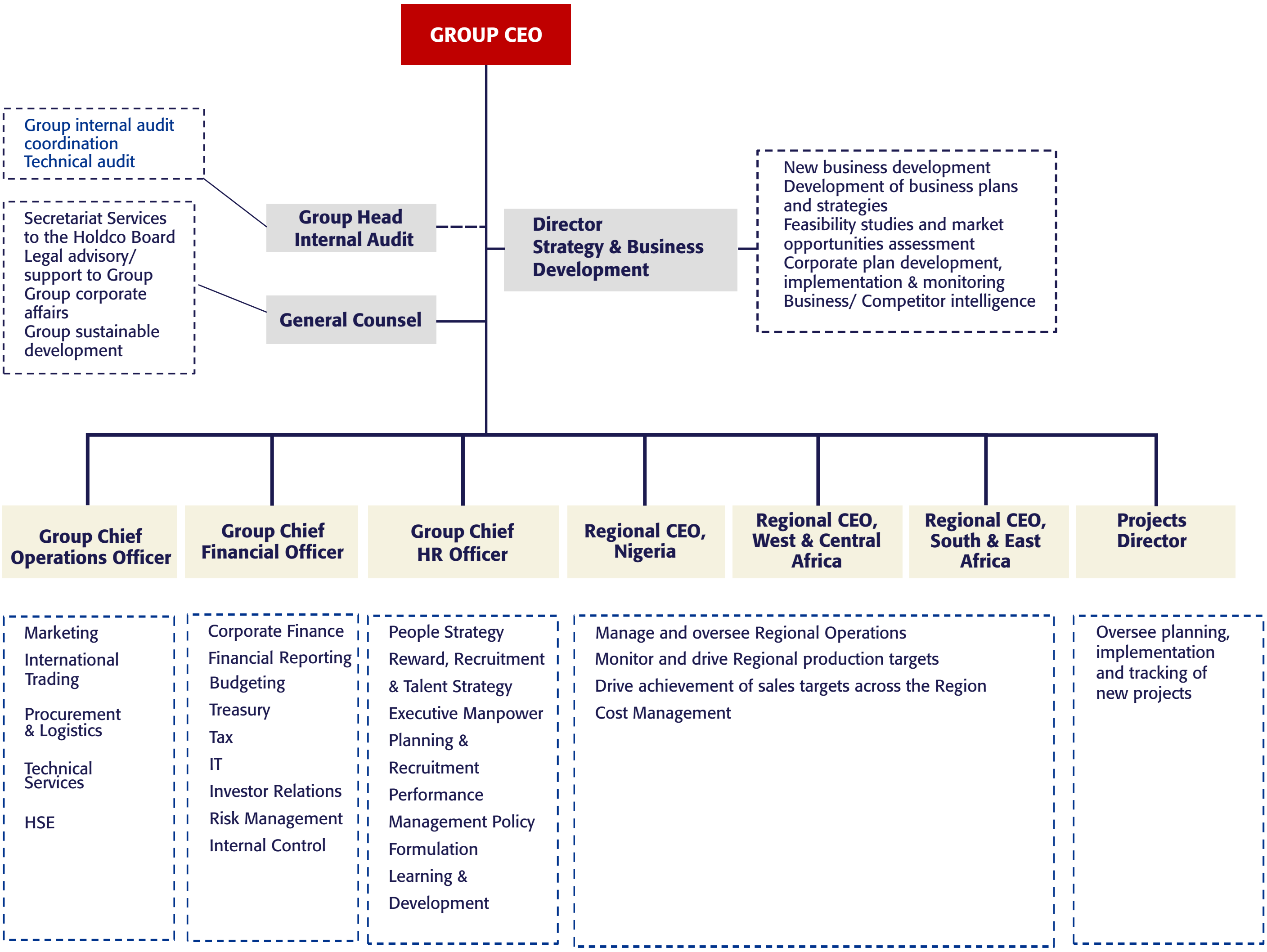
Although the pace of our expansion is unprecedented in the cement industry, we are investing for growth at a time when many of the world's largest cement companies are focusing more upon debt reduction than capacity expansion, particularly in potentially high-growth regions like Africa. This is our strategic advantage.

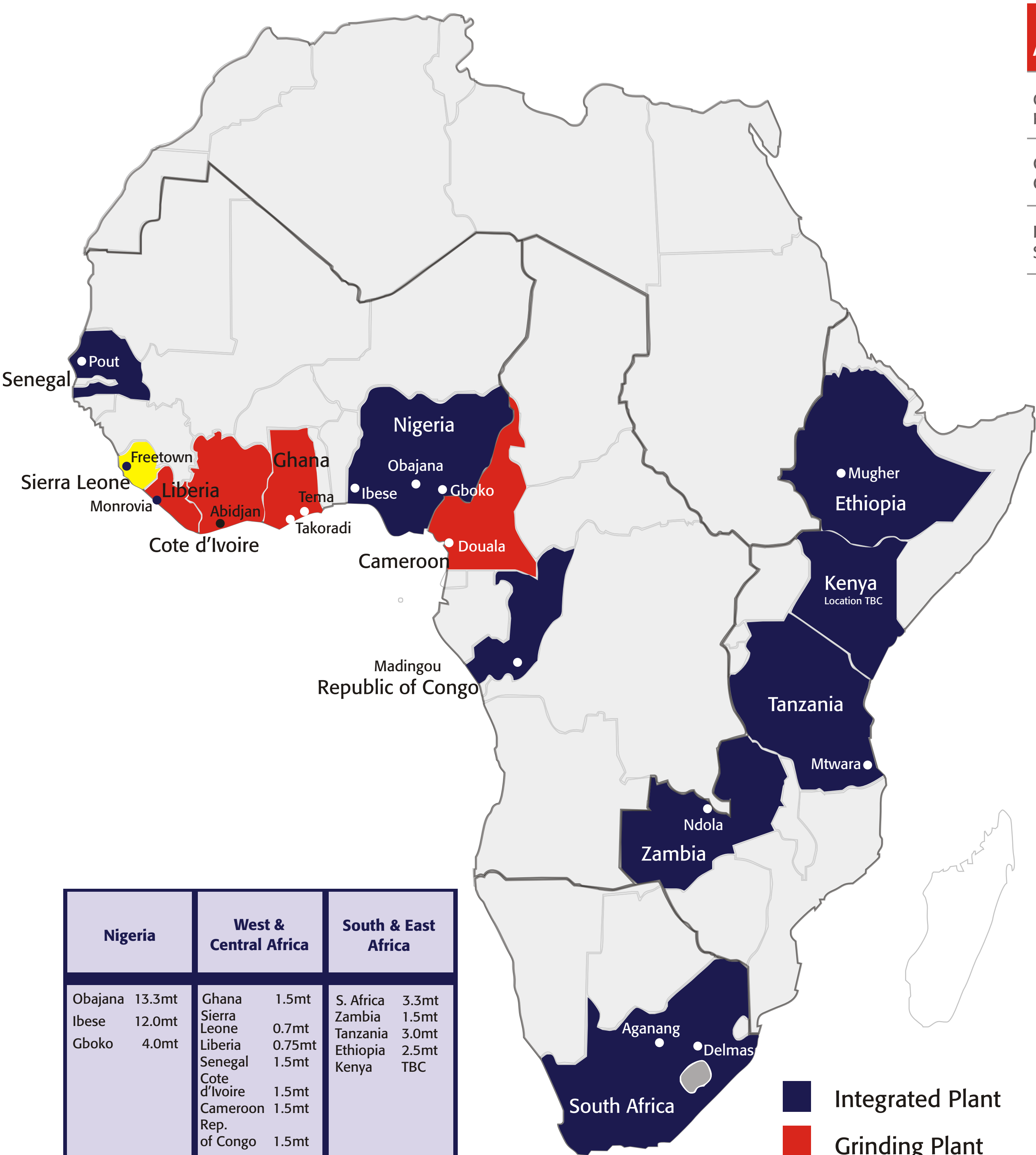
Our operational advantage in Africa is our ability to build modern, energy-efficient factories that will provide strong competition for many of Africa's ageing cement plants, producing higher-quality, stronger and quicker-setting cement at lower cost. We will support these facilities with strong logistical capabilities and the ability to procure equipment and supplies in bulk across the Group, thereby reducing costs.

These strategic and operational advantages will fortify our position as the leading provider of cement in a continent that is poised to begin a huge build-out of its infrastructure and housing. It is a project that will take more than one generation to complete and we are confident that our strategy will ensure that Dangote Cement becomes and remains the partner of choice for those who are building a new African continent.

Pan-African Operations

Operating Structure





Nigeria		West & Central Africa		South & East Africa	
Obajana	13.3mt	Ghana	1.5mt	S. Africa	3.3mt
Ibese	12.0mt	Sierra Leone	0.7mt	Zambia	1.5mt
Gboko	4.0mt	Liberia	0.75mt	Tanzania	3.0mt
		Senegal	1.5mt	Ethiopia	2.5mt
		Cote d'Ivoire	1.5mt	Kenya	TBC
		Cameroon	1.5mt		
		Rep. of Congo	1.5mt		
	29.3mt		8.95mt		10.3 mt

Nigeria

Obajana, Kogi State

Obajana has 13.25mt of capacity across four lines, the newest of which was commissioned in late 2014. Obajana uses gas for its kilns and power plants and until late 2014, relied on low-pour fuel oil as a back-up fuel for its kilns. In November 2014 we commissioned a coal mill to serve Line 3 and are installing coal mills to serve Lines 1,2 and 4. Obajana has limestone reserves of 647 million tonnes expected to last for about 45 years. The plant is supported by a fleet of 2,370 trucks.

Ibese, Ogun State

Opened in February 2012, Ibese serves the key Lagos and South West markets. Lines 1&2, totalling 6.0mt, were augmented by Lines 3&4, also totalling 6.0mt, in the final quarter of 2014. Ibese uses gas in its kilns, but coal mills were added to Lines 1&2 in late 2014 and additional coal mills will be added to Lines 3&4 by mid 2015. Ibese has 1,150 million tonnes of limestone, enough for about 78 years, and is supported by 1,488 cement delivery trucks.

Gboko, Benue State

At 4mt, Gboko is the smallest of our factories in Nigeria. Because of its distance from the national gas infrastructure, Gboko was designed to run its kilns entirely on LPFO and use diesel to generate electricity. We mothballed Gboko in November 2014 in order to convert it to run entirely on coal by the middle of 2015, which will substantially increase its profitability. Gboko has 133 million tonnes of limestone reserves, enough for more than 30 years, and 800 trucks for deliveries.

LEGEND

- Integrated Plant
- Grinding Plant
- Import Terminal

West & Central Africa

Pout, Senegal

Our 1.5mt plant in Pout began cement production in December 2014 to serve local and export markets such as Mali, as well as Sierra Leone and Liberia, where we plan to open bulk cement import and bagging facilities. With good limestone reserves of 300 million tonnes, Senegal is a long-term strategic resource, given the general lack of limestone along the coast of West Africa. The plant is near Pout, 29km from Dakar, and will benefit from tax exemptions for seven years after opening.

Douala, Cameroon

Our 1.5mt clinker import and grinding facility in the port of Douala is expected to open in early 2015 to benefit from a recent ban on importation of bulk cement. A jetty for offloading clinker directly into the plant will be built later this year. Per-capita consumption is low at around 65kg in 2012, according to Global Cement Report X and represents a good growth market. Although Cameroon has little native limestone for cement production, it has ample supplies of the pozzolana additives we can grind with clinker to make cement.

Tema, Ghana

Dangote Cement has operated in Ghana since 2010, importing and bagging bulk cement at its terminal in Tema and selling into the domestic market. We are upgrading this terminal so it can efficiently handle up to one million tonnes of bulk cement per year. In addition, we plan to open a 1.5mt grinding plant at Takoradi in 2016 with an intention to grind clinker from Nigeria. Ghana has little limestone and imports more than six million tonnes of cement each year.

LEGEND

Integrated Plant

Grinding Plant

Import Terminal

West & Central Africa

Abidjan, Côte d'Ivoire

We plan to open a 1.5mt grinding plant in the port of Abidjan in 2016, to serve mainly domestic market. With a population of 20.6 million, the country's consumption of cement is low at around 64kg per person, according to Global Cement Report X. With no limestone of its own, Côte d'Ivoire is obliged to import cement, which we can supply from either Senegal or Nigeria. From Côte d'Ivoire we can reach previously underserved interior regions of ECOWAS.

Madingou, Rep. of Congo

We are investing more than $300m to build a 1.5mt integrated plant near Madingou, 139km from Brazzaville, to serve local and export markets such as Democratic Republic of Congo and Angola. The Republic of Congo has a high proportion of imports, so our plant will make an immediate difference to the local cement economy. We expect that exports from Republic of Congo to other countries in the CEMAC trading zone will be free of import duties. The plant has reserves of 144 million tonnes of limestone.

Monrovia, Liberia

We are building a 0.75mt grinding plant in Liberia in the port of Monrovia to serve mostly local markets. Following delays caused by the Ebola crisis we now hope that the plant will be operational in 2017, bagging bulk cement from Senegal. Liberia is a small import market with per-capita consumption of less than 90kg. Increasing stability and growth suggest its cement consumption will increase in the coming years, but the country is an obligatory importer owing to a lack of native limestone.

Freetown, Sierra Leone

Our 0.7mt import terminal in Freetown is expected to open in 2015 after an investment of $47m. Sierra Leone is a small importer of cement at present, although the country has been experiencing good growth due to its developing mining industry and is investing in infrastructure to support resource extraction. With a population of 6.1million, per-capita consumption is low at 56kg, suggesting there is room for growth when the economy recovers from the Ebola crisis.

South & East Africa

Aganang, South Africa

A 1.8 million tonne integrated plant located near Lichtenburg in the North-West province of South Africa, Aganang is the primary operation of Sephaku Cement, a joint venture with JSE-listed Sephaku Holdings, which owns 36%. It has an open-cast quarry with 100 million tonnes of limestone and a clinker and cement plant that uses 45% of its clinker to produce its own bagged and bulk cement. The remaining 55% of clinker from Aganang is transferred to the Delmas milling plant for grinding into cement.

Delmas, South Africa

Sephaku Cement's Delmas plant of 1.5 million tonne capacity, is situated in Mpumalanga, around 60km east of Johannesburg. A grinding plant only, it grinds clinker supplied by Aganang with fly ash produced at Sephaku's fly ash classification plant, located at Eskom's Kendal Power Station approximately 35km to the east of Delmas. The plant can produce both bagged and bulk cement at all grades for the key inland market around Johannesburg.

Ndola, Zambia

Our 1.5mt plant in Ndola, 271km from Lusaka will open in early 2015. The plant will produce 42.5 grade cement to compete against the lower-grade but dominant 32.5 products in the market. Aside from selling into local markets in the Copperbelt region, it will export cement to the mining regions of the Democratic Republic of Congo and Rwanda. Sustained economic growth will drive per-capita consumption upward from around 64kg at present. The plant has reserves of more than 240 million tonnes of limestone.

LEGEND

- Integrated Plant
- Grinding Plant
- Import Terminal

South & East Africa

Mugher, Ethiopia

Our 2.5 million tonne plant in Ethiopia is expected to begin operations in late March or early April 2015, following an investment of $480 million. Located in Mugher, 87km from Addis Ababa the plant will serve mostly local markets, where per-capita consumption is less than 70kg. Ethiopia has good potential for cement manufacturing, with solid economic growth and a large population of 87million. The government offers two-year tax incentives and is investing heavily in infrastructure. The site has limestone reserves of 223 million tonnes.

Kenya, Location TBC

In Kenya we are still prospecting for a viable site and have a number of locations available to us that we are exploring in more detail. Depending on the viability of these sites we may install between 1.5mt and 3.0mt of capacity to become operational in 2017. The Kenyan market is already well served by cement companies but we believe that good economic prospects will continue to drive consumption well above the 80kg per person recorded by Global Cement Report in 2012.

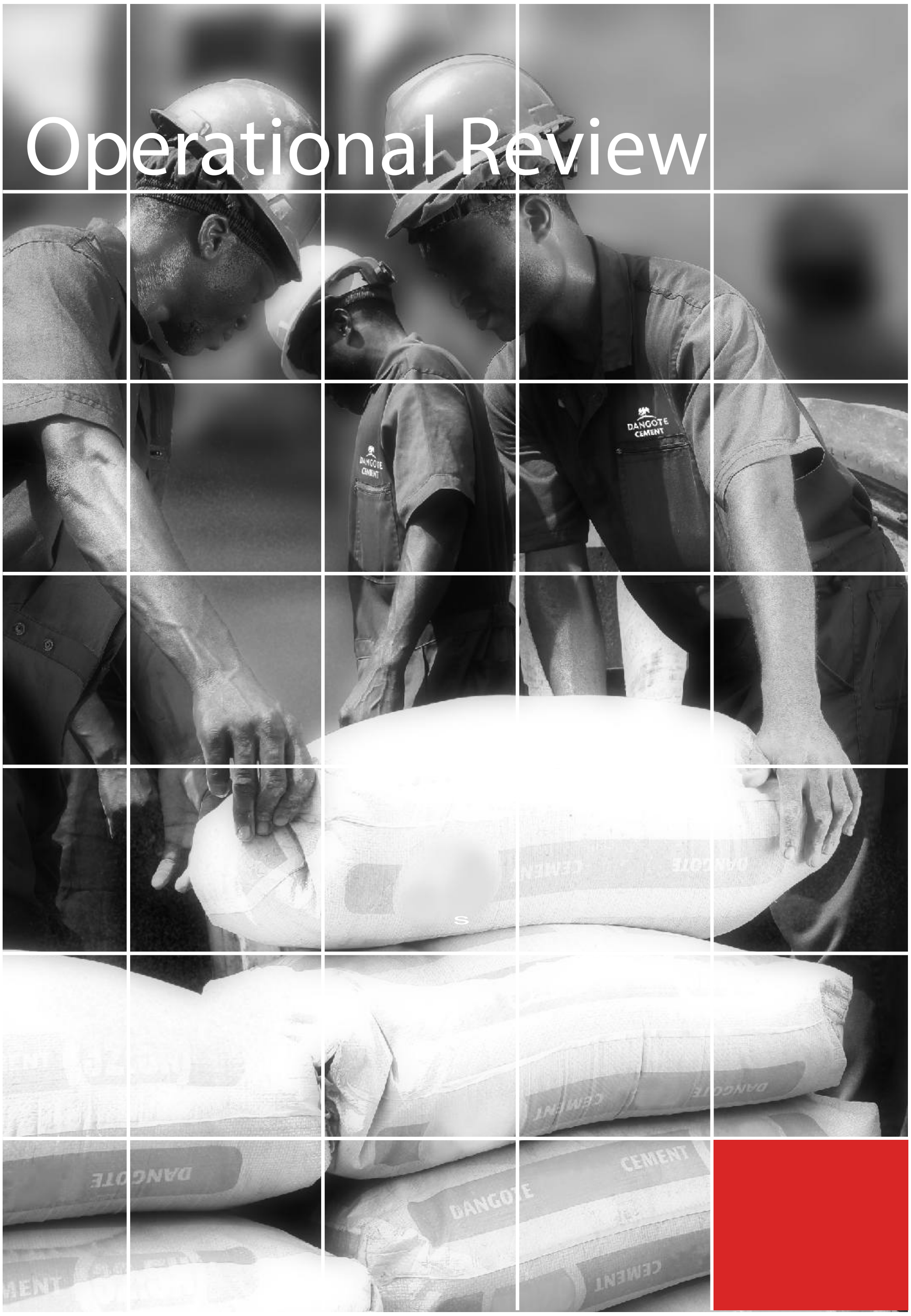
Mtwara, Tanzania

Our 3.0mt plant in Mtwara, about 400km from Dar es Salaam, is expected to begin operations by the end of 2015, after an investment of more than $500m. The factory will serve mostly the domestic market, in which low per-capita consumption of 45kg-50kg in 2012 presents good potential for increase, given Tanzania's solid economic growth of around 7%. The Mtwara plant will also be able to serve local export markets by sea. The plant has 500 million tonnes of limestone reserves, enough for 149 years.

LEGEND

- Integrated Plant
- Grinding Plant
- Import Terminal

Operational Review




INTERNATIONAL
STATION 3

Interview with the Group Chief Executive Officer

Devakumar Edwin
Group CEO

"2014 has been the year in which we became an international cement group."

How would you summarise Dangote Cement's performance in what was clearly a challenging year? What were the most significant developments?

It was certainly a challenging year but also a year in which we began delivering on our long-term strategy to open new facilities in other African countries.

In Nigeria, we had constraints in our gas and oil supplies and obviously that affected production, particularly at our Obajana plant, which supplies around a third of all Nigeria's cement. We had numerous stoppages, which are not good for cement plants because of the impact on the kilns, and clearly this affected our revenues and profitability. In the last few months of the year, we had a particularly drawn-out rainy season which affected the demand for cement because building and block moulding are highly dependent on the weather. So, our stocks began to rise and again we had to stop production on certain lines to prevent excessive inventory.

But I am proud to report that we commissioned nine million tonnes of new capacity at our Obajana and Ibese plants and this puts them amongst the biggest cement plants in the world. What is more, we equipped some of the lines with coal grinding facilities and this will reduce our dependence on oil as a fuel for the kilns, which in turn will reduce our future costs.

Beyond Nigeria, I am pleased to report that after some delays, we opened up new factories in South Africa, Senegal and, we have started the commissioning process at our plants in Cameroon, Zambia and Ethiopia, which is evidence that we are becoming a much larger, more international company.

Although 2014 was static in terms of our volumes, it is clear that this was mostly because of external factors in Nigeria. What is most important for shareholders to understand is that the long-term success of our company does not depend on our financial or operational performance in a single year like 2014. We are building an international cement company for the long term and the actions we have taken this year have always had that strategy in mind. So overall, although we could have done better operationally and financially, I think we have positioned our selves very strongly for the future.

After several years of price stability, why did your pricing strategy change during the year?

We raised the price of cement in the first quarter of the year and this was our first price increase in five years, despite continuing increases in our input costs.

At that time, we were looking to differentiate our product, which is 42.5 grade cement and useful for a great many applications, against the 32.5 grade cement more commonly sold in Nigeria, which we feel is only suitable for applications such as plastering and flooring, because of the peculiar construction practices prevailing in Nigeria. Clearly, if you believe you are selling a better product you should charge more for it.

Later in the year, as the rains persisted, we began to build up some inventory and we decided to encourage our distributors and other customers by introducing a lifting bonus. We introduced a

Interview with the Group Chief Executive Officer

14% price cut in November to try to stimulate demand but soon after it was becoming very clear that economic headwinds were blowing strongly against us.

The sudden drop in the price of oil caused devaluation of the Naira and it became increasingly difficult for us to buy foreign exchange at reasonable prices because the Central Bank of Nigeria was committed to protecting its currency.

If you look at our costs, around 70% are in some way exposed to currency fluctuations and even though the price of fuel was falling, the cost of buying it in Dollars was actually rising. So unfortunately we had to increase the price in order to protect the profitability that we need, to continue to expand and create shareholder value.

We believe that we can mitigate some of the impact on margins by reducing our costs, for example by substituting coal for LPFO. We took a decision to mothball our Gboko plant because the cost of production at Gboko is expensive due to the costly fuel (LPFO) when compared to Obajana and Ibese which primarily operate on gas. This will help to improve the margins.

What is more, it is important to understand that for the last two years our gas supplies have been disrupted at Obajana and this has meant we have not been operating at the highest margins we should achieve. Now we have strong indications that our gas supply will be much more robust in the coming years and clearly this will also have a significant impact on our profitability at this huge and very efficient plant. At Obajana the cost of coal will be competitive compared to gas. Equipping all our factories to run on coal instead of oil will also cut costs, particularly at Gboko where only oil is used. When that plant reopens, its profitability will be transformed.

The Company now has a lot of surplus capacity. How will you manage this in the coming years?

As I had mentioned earlier, we decided to shuffle our production portfolio, taking advantage of the new capacities commissioned at Obajana and Ibese. We mothballed the Gboko plant which is dependent exclusively on LPFO both for power generation as well as clinker production and started meeting the sales demand through the new capacities at Obajana and Ibese. Further, while the pioneer status period has expired at Gboko, the other two plants still enjoy the pioneer status tax holiday period. In 2015, we shall expand exports in a much larger way to Republic of Niger and, we shall commence export of cement to Ghana and clinker to Cameroon. The exports would help us to operate our plants at higher capacity utilisation levels

However, if you look at historic growth of Nigeria's cement market, it has been around 10% since 2004 and despite current economic headwinds, we see no reason why it should not continue at that level or above, in the medium term given Nigeria's economic strength. We may have surplus capacity now but within a few years, at that kind of growth rate, we will have to build more factories because demand will be so high.

> *"I am proud to report that we commissioned nine million tonnes of new capacity at our Obajana and Ibese plants and this puts them amongst the biggest cement plants in the world."*

The first of Dangote Cement's Pan-African plants opened in 2014 in South Africa and Senegal, and now you have commissioned the Cameroon plant and started the commissioning process at your plants in Zambia and Ethiopia. How will this change the business and how do you manage this transformation?

As far as our plants outside Nigeria are concerned, we are moving from the project phase to operations phase. We are going from a promise of expansion to the reality of operating and competing for market share across Africa. As part of this transition we have obviously got our

Interview with the Group Chief Executive Officer

staff, logistics and sales strategies in place and we are ready to compete in what we think will be strong markets for decades to come. Clearly, this gives Dangote Cement and its shareholders full participation in GDP growth across Sub-Saharan Africa, which I think everyone agrees will be strong in the coming decades.

We have organised the Company into three regions: Nigeria, West & Central Africa, and South & East Africa. Each has its own Regional CEO and Regional CFO. They are responsible for running their regions, though of course they report to the Group CEO and Group CFO in Lagos, Nigeria.

The new plants in Africa will have different levels of profitability depending on each market and there will be some degree of dilution of the overall Group margin. But these plants will still be very profitable by global standards and we are confident of achieving above-average returns for shareholders.

"If you look at historic growth of Nigeria's cement market, it has been around 10% since 2004 and despite current economic headwinds, we see no reason why it should not continue at that level or above, in the medium term."

Now that the Company is opening plants in Africa while others are being completed, what can we expect in terms of future expansion?

We still have plants to open in several more African countries, including Tanzania, Republic of Congo, Cote d'Ivoire, Kenya, Liberia and Sierra Leone and that will keep us quite busy for the time being. Of course, we look at new opportunities where we think we can invest and make good returns, but at the moment we have no firm plans to develop outside of what we have already announced. But we are an ambitious company, keen to grow and will keep our options open. Activities including exploration and securing licenses are on-going in other countries to access the potential for setting up factories.

What internal initiatives have you undertaken to make the Company more efficient?

Obviously, the macroeconomic issues facing Nigeria have focused our minds even further on improving efficiency and controlling costs right across the Group. The biggest change is the shuffling of the production portfolio from Gboko plant to Obajana and Ibese plants. These newer plants use gas as the primary fuel and it is far cheaper than the low-pour fuel oil we had to use at Gboko because it is so far away from the major gas pipelines. So we are equiping Gboko with coal-grinding facilities that will improve its profitability when it reopens.

At the same time we are investing in coal-grinding facilities at Ibese and Obajana so they will no longer need to use LPFO as a back-up fuel if the gas supply falls short. As part of this programme we commissioned coal-grinding facilities on Ibese Lines 1&2 in the final quarter of 2014 and almost immediately ended our use of LPFO there, which certainly helped margins in those last few weeks of the year.

Aside from these initiatives, which will make the most difference to our efficiency, we are always trying to operate more efficiently, whether in our operations or logistics. For example, we have converted much of our truck fleet to operate on Compressed Natural Gas and have an efficient tracking system that enables us to monitor the trucks and make much more efficient use of them. We have implemented SAP right across the Group and that is making a substantial difference in all areas of the business.

How has the Company improved governance and risk management during the year?

We have made significant strides in both areas during 2014. In terms of governance the Board appointed four Non-Executive Directors, two of whom represent significant shareholders, and the other two are Independent Directors. It shows that we are serious about the way our Company is run, particularly on behalf of minority shareholders.

Interview with the Group Chief Executive Officer

We also appointed a new Group Chief Financial Officer, Brian Egan, who has the experience of being an Executive Director and CFO of two companies listed on the London Stock Exchange.

In Risk-Management, we are benefiting from the appointment of a new Chief Risk Officer, Dr. Adenike Fajemirokun, who has developed a risk management programme that is being implemented.

This extensive project has looked at every aspect of our business and then recommended and implemented policies to identify and mitigate against any risks that the Company faces.

Can you tell us about Dangote Cement's environmental and social commitments?

Our plants are designed to operate at better than European standards in terms of pollution and dust control, with low CO2 footprint, low NOx and SOx levels as well as low noise levels. They are of a very modern design, which means they are very efficient at using and recycling heat, the generation of which is a major cost in cement production. In all our plants in Nigeria, we have successfully obtained ISO 14001:2004 Environmental Management System Certification, which governs our responsibilities towards the environment and BS OHSAS:18001:2007 Occupational Health and Safety Management System Certification which governs our responsibilities towards our staff and our host communities.

Our social commitments are extensive. We support local communities in many ways, including the provision of electricity, housing, healthcare and the opportunity to work with us either directly or in supporting services. In addition, we provide scholarships for local students to attend higher education.

In our efforts on Sustainability, we are working with International Finance Corporation and with Environmental Resources Managament, to roll out standards and management systems for Environmental, Health & Safety and Social Investment. These initiatives are already being implemented at Obajana and we detail them in our review of Sustainability.

Furthermore, we have the Dangote Academy, whose Obajana campus and Oshogbo campus opened in 2014. This is a major educational initiative in which we will work with industry partners to train the engineers and technicians we will need in the future, not just in Nigeria but across Africa.

Finally, what is the outlook for Dangote Cement?

We are confident of a bright future for our Company. In 2015 we will face additional challenges from macro-economic factors. The falling oil price, for example, will undoubtedly put pressure on the value of the Naira, which will pose challenges for us as around 70% of our operating expenses are in some way exposed to the Dollar. There is an election in Nigeria later in March 2015 and this creates some uncertainty in the market, as we have been advising investors for some time now.

These challenges may persist for a while but we are building a company to produce cement in Africa for decades to come. This is why we are focused on our long-term expansion and when we have built out this current phase we will have more than 50 million tonnes of capacity. Beyond that we will consider our opportunities very carefully and do what is in the best interests of maximizing returns for our shareholders.

Devakumar Edwin
Group Chief Executive Officer

Group Chief Financial Officer's Review

Brian Egan
Group CFO

"The Group continues to have a strong balance sheet with net debt of ₦222bn, less than one time EBITDA"

Summary of Financial Performance

Financial Highlights	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Group revenue	391,639,060	386,177,220
EBITDA*	223,367,846	229,587,911
Operating profit	187,101,999	195,882,405
Net profit	159,501,493	201,198,088
Earnings per ordinary share (Naira)	9.42	11.85
Net assets	591,886,155	550,093,270
Net debt	221,988,466	110,638,197

*represents earnings before interest, taxes, depreciation & amortisation

Sales Revenue	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Nigeria	371,534,117	371,551,567
West & Central Africa	6,195,401	14,101,858
South & East Africa	13,909,542	599,906
	391,639,060	386,253,331
Inter segment sales	-	(76,111)
Total sales revenue	**391,639,060**	**386,177,220**

Physical Volumes	31-Dec-14	31-Dec-13
Sales:	'000 tonnes	'000 tonnes
Nigeria	12,873	13,293
West & Central Africa	309	704
South & East Africa	789	-
Total cement sold	**13,971**	**13,997**
Total attributable production	**13,858**	**13,094**

Group Chief Financial Officer's Review

The Group's cement sales volume remained almost flat, with additional volumes from Sephaku Cement in the South & East Africa region offsetting the decrease in volumes in Nigeria and West & Central Africa regions. Group revenues increased by 1.4% to ₦391.6bn (2013: ₦386.2bn) with higher revenues in South Africa partially neutralized by a reduction in revenues from Ghana.

Our Nigerian cement volumes registered a small decline in 2014, falling slightly from 13.3 million tons in 2013 to 12.9 million tons in 2014. Revenues from Nigeria remained broadly constant over the two years at ₦371.5bn (2013: ₦371.6bn). The impact of the 10% quality surcharge introduced in March 2014 was offset by discounts extended in the final quarter of 2014 to stimulate sales.

Our South African subsidiary Sephaku Cement began production at its Delmas grinding plant in early 2014, with production at the Aganang integrated plant later in the year. Sephaku accounted for all revenues from the South & East Africa region in 2014, which was ₦13.9bn compared with ₦0.6bn of 2013. In total, South & East Africa shipped 0.8 million tonnes of cement.

In West & Central Africa, Ghana contributed ₦6.2bn of revenue, a 56% reduction compared to 2013, following the decision to scale back imports in view of the volatility of exchange rates. Ghana shipped 0.3 million tonnes of cement in 2014. Although our plant in Senegal was successfully commissioned in late December 2014, it did not contribute to regional revenues.

Profitability

	31-Dec-14 ₦'000	31-Dec-13 ₦'000
EBITDA	223,367,846	229,587,911
Depreciation, amortisation	(36,265,847)	(33,705,506)
Operating profit	**187,101,999**	**195,882,405**

Operating profit as contributed by business segments is outlined below :

	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Nigeria	190,907,941	201,079,677
West & Central Africa	(3,861,782)	(4,169,725)
South & East Africa	55,840	(1,027,547)
Total	**187,101,999**	**195,882,405**

There was an overall decline in the operating profit for our core Nigeria operations. In addition, we incurred start-up costs for operations outside Nigeria. The Group posted an operating profit of ₦187.1bn, 4.5% lower than the ₦195.9bn generated last year. The Group's operating margin fell from 50.7% in 2013 to 47.8% in 2014.

Operating profits in the Nigerian operations decreased by 5.1% to ₦190.9bn while the operating margin fell from 54.1% in 2013 to 51.4% in 2014. Manufacturing costs of goods sold increased by 11%. The increase was mainly driven by the poor gas availability which in turn had an impact on the availability of LPFO.

In South & East Africa, the commissioning of Sephaku's two plants generated revenue of ₦13.9bn compared to ₦0.6bn in 2013. Sephaku Cement relied on purchased clinker until the commissioning of the Aganang plant in Q4 2014. Although this reduced margins, Sephaku Cement posted an operating profit of ₦0.9bn. This contributed to a regional operating profit of ₦55.8 million in South & East Africa, compared to its operating loss of ₦1.0bn in 2013.

In West & Central Africa, the operating loss of ₦3.9bn in 2014 represents losses incurred in Ghana in addition to start-up costs in Senegal and Cameroon. Our operations in Senegal and Cameroon are expected to contribute revenues from the first half of 2015.

Cost of Sales

	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Material consumed	33,226,289	31,104,715
Fuel & power consumed	62,023,119	48,599,511
Royalty	461,447	447,833
Salaries and related staff costs	10,756,389	7,777,310
Depreciation & amortization	21,646,569	20,130,299
Other production expenses	19,274,103	17,896,768
(Increase)/decrease in finished goods and work in progress	(4,330,019)	4,516,199
Total	**143,057,897**	**130,472,635**

Group Chief Financial Officer's Review

The increase in the cost of fuel & power consumed was driven by the poor availability of gas during the year, which resulted in the use of significantly more expensive LPFO and AGO for our Nigerian operations. In addition there was a 26.5% increase in the price of gas, which also impacted profitability.

Staff costs increased across the Group as a result of increased staff numbers, inflationary salary increases and the start of operations at Sephaku.

Administration and Selling Expenses

	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Operating costs	**65,087,835**	**61,546,657**

Total operating expenses rose by 5.8% to ₦65.1bn, mostly as a result of Sephaku starting operations and non-capitalisable expenses incurred for projects under construction.

Finance Income and Expense

	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Interest income	3,147,210	5,630,349
Exchange gain	27,417,912	2,966,150
Finance income	**30,565,122**	**8,596,499**
Interest expense	22,500,889	15,394,630
Exchange loss	14,545,013	1,061,331
Less interest capitalised	(4,067,708)	(2,738,419)
Total finance cost	**32,978,194**	**13,717,542**

The Group's interest income decreased due to a reduction in investible surplus funds.

Interest expense increased by 46.2% compared to 2013 due to higher average borrowings. The average effective interest during the year was 10% (2013:10%)

The Nigerian Naira fell in value significantly during the last quarter of the year resulting in high exchange gains from assets denominated in foreign currency and losses from liabilities denominated in foreign currencies including gains from inter-Group assets and liabilities that do not eliminate in full on consolidation.

The profit before tax was ₦184.7bn, compared with ₦190.8bn the previous year.

Taxation

	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Tax (charge)/credit	**(25,187,434)**	**10,436,726**

Following the expiry of tax exemptions for some of the production lines in Nigeria, we incurred a tax expense of ₦25.2bn compared with a tax credit of ₦10.4bn last year. The effective tax rate was 12.8% for the Nigerian operations and 13.6% for the Group.

During the year the Group made total tax payments of ₦225.6m.

The Group's profit for the year was ₦159.5bn (2013: ₦201.2bn). As a result of the tax charges and other factors mentioned above, earnings per share fell by 20.5% to ₦9.42 (2013: ₦11.85).

Financial Position

	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Property, plant and equipment	747,793,820	581,465,116
Other non-current assets	96,124,145	111,351,233
Intangible assets	3,698,535	2,306,170
Current assets	116,510,891	78,801,211
Cash and bank	20,593,140	70,501,583
Total assets	**984,720,531**	**844,425,313**
Non-current liabilities	27,943,899	4,714,880
Current liabilities	122,308,871	108,477,383
Debt	242,581,606	181,139,780
Total liabilities	**392,834,376**	**294,332,043**

The balance sheet continues to remain strong with non-current assets increasing from ₦695.1bn at the end of 2013 to ₦847.6bn at 31st December 2014. This was mainly as a result of increased capital expenditure, both within Nigeria and in other African countries. Total additions to property, plant and equipment amounted to ₦217.2bn, of which ₦121.8bn was spent in Nigeria, ₦23.2bn in West & Central Africa and ₦72.2bn in South & East Africa. The gross capital expenditure was partially offset by a depreciation charge of ₦36bn.

Group Chief Financial Officer's Review

There was a deferred tax asset write down of ₦3bn, and a ₦12.2bn fall in prepayments. Consequently non-current assets increased by ₦152.5bn.

The increase in current assets was mainly driven by the increase in the stock of spares, finished goods and work in progress, as well as trade and other receivables driven by the new production lines in Nigeria and South Africa and a build-up of inventory for projects nearing completion and about to start production.

The increase in current liabilities was mainly due to a ₦17.5bn increase in trade and other payables. This increase was mainly attributable to increased trade payables due to the expansion of our operations.

The increase in equity represents the profit for the year of ₦159.5bn less dividend paid of ₦119.3bn, plus a translation gain of ₦1.1bn and actuarial gains of ₦0.4bn.

Net Debt Movement

	Cash ₦'000	Debt ₦'000	Net Debt ₦'000
At 1st January 2014	70,501,583	(181,139,780)	(110,638,197)
Cash generated from operations before working capital changes	241,933,133	-	241,933,133
Change in working capital	(26,042,576)	-	(26,042,576)
Income tax paid	(225,936)	-	(225,936)
Capital expenditure	(217,192,188)	-	(217,192,188)
Other investing activities	(109,708)	-	(109,708)
Change in non-current prepayments	22,109,864	-	22,109,864
Net interest payments	(13,460,848)	-	(13,460,848)
Net loans obtained from parent company and banks	58,841,333	(58,841,333)	-
Dividend paid	(119,283,552)	-	(119,283,552)
Other cash and non-cash movements (net)	3,522,035	(2,600,493)	921,542
As at 31st December 2014	**20,593,140**	**(242,581,606)**	**(221,988,466)**

The Group generated cash of ₦241.9bn before changes in working capital. Out of this, after expending ₦26.0bn on incremental working capital, tax payments of ₦226.0 million and other payments of ₦316 million, the net cash flow from operations was ₦215.3bn.

Financing outflows were ₦80.4bn (2013: ₦76.3bn), reflecting additional loans taken of ₦138.9bn, loans repaid of ₦83.4bn, interest payments of ₦16.6bn and ₦119.3bn in dividends paid. Our borrowings are from financial institutions as well as Dangote Industries Limited, the parent company. Cash and cash equivalents (including bank overdrafts used for cash management purposes) decreased from ₦69.6bn at the start of the year to ₦16.4bn at the end of 2014. Net debt was ₦222bn, an increase of ₦111.4bn from ₦110.6bn at 1st January 2014.

We invested ₦217.2bn in projects and normal capital expenditure (2013: ₦140.0bn). The capital expenditure was mainly to increase our production capacity in Nigeria as well as expenditure on the production plants under construction in the various African countries.

Group Chief Financial Officer's Review

Capital Expenditure by Region

	Nigeria ₦'000	South & East Africa ₦'000	West & Central Africa ₦'000	Total ₦'000
Nigeria	121,796,962	-	-	121,796,962
Senegal	-	-	5,405,835	5,405,835
Cameroon	-	-	9,715,829	9,715,829
Congo	-	-	5,284,449	5,284,449
Ghana	-	-	1,268,664	1,268,664
Cote d'Ivoire	-	-	601,488	601,488
Sierra Leone	-	-	897,002	897,002
Other	-	-	61,302	61,302
South Africa	-	11,570,164	-	11,570,164
Ethiopia	-	18,380,072	-	18,380,072
Tanzania	-	11,601,180	-	11,601,180
Zambia	-	30,609,241	-	30,609,241
As at 31st December 2014	**121,796,962**	**72,160,657**	**23,234,569**	**217,192,188**

Subsequent Events
In January 2015, our subsidiary in Senegal commenced commercial cement production. In March 2015, our Cameroon subsidiary, commenced commercial production.

The Directors have proposed a dividend of ₦6.00 per share to be paid to shareholders on 30th April 2015. This represents a dividend pay-out ratio of 63.7%, higher than last year's 59.1%.

The proposed dividend is subject to the approval of shareholders at the Company's Annual General Meeting on Wednesday, 29th April 2015. If approved, the total amount payable in respect of dividends for 2014 will be ₦102.2bn. The dividend will be payable to all shareholders whose names appear in the Register of Members at close of business on Friday, 17 April 2015.

Financial Position
In compliance with the Regulatory requirement in Nigeria, the Consolidated and Separate Statement of Financial Position as at 31st December 2014 has been signed by Dangote Cement's Head of Finance, Hope Uwagboe, who is a Registered Member of a Nigerian Professional Accountancy Institute.

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 Group generates sufficient cash flows to fund its operations. Borrowings are mainly to fund the expansion projects in various African countries as well as to increase the production capacity of our core Nigeria operations.

Brian Egan

Brian Egan
Group Chief Financial Officer

Review of Operations in Nigeria

Daljeet Ghai
Regional CEO, Nigeria

> *"We achieved our strategy to build out our capacity to 29.25mt in Nigeria and developed our distribution capabilities to support our direct-delivery strategy."*

Strategic Overview
Nigeria is and will remain the strong foundation upon which Dangote Cement is built. Although Nigeria's demand for cement has risen steadily over the past decade, per-capita consumption is still low at about 125kg, against a global average of more than 400kg.

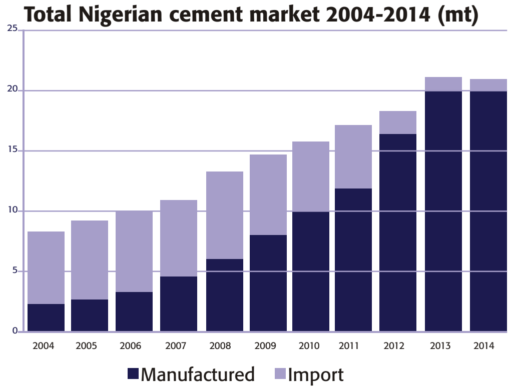
Our strategy in Nigeria has been to achieve a rapid build-out of capacity at our plants in Obajana, Ibese and Gboko. With 29.25mt of capacity close to raw materials such as limestone, gas and now coal, our plants are ideally located to serve the entire Nigerian market. Our strategy of delivering directly to customers has proved popular and now accounts for more than half of our sales.

With more than enough capacity to serve Nigeria's needs, at least in the next few years, our longer-term plan is to export any surplus cement or clinker to the grinding facilities we are building in Cameroon and neighbouring countries in the ECOWAS region (Economic Community of West African States), many of which lack native limestone resources necessary to make cement.

Operations in 2014
We estimated the total market for cement in Nigeria to have been 21.0 million tonnes in 2014, slightly lower than the 21.1 million tonnes sold in 2013. Sales of Dangote cement fell by 3.2% to 12.9 million tonnes in 2014, or around 61% of total Nigerian market sales.

Lagos and the South West remain the biggest markets for cement in Nigeria, with around 28% of our cement sales being shipped to customers in this high-growth region. Sales to the South East accounted for around 12% and nearly 20% of cement was dispatched to the South South. Our smallest region is the troubled North East, which accounted for just 3% of cement sales in 2014.

Total Nigerian cement market 2004-2014 (mt)



Nigeria's importation of cement remains low and we estimate that just 1.2 million tonnes of cement were imported during 2014, slightly higher than the 1.1 million tonnes imported in the same period last year.

In the first half of 2014, production of cement at our factories was severely constrained by excessive shortages of gas and back-up LPFO, particularly at the Obajana plant, which is primarily gas fired.

We estimate that Obajana alone accounted for approximately 35.2% of all cement sold in

Review of Operations in Nigeria

Nigeria in 2014 and this constraint on gas supply was a significant factor in the slowdown of industry dispatches.

The gas shortages that have affected us since 2012 were caused by a general lack of investment in the gas distribution network serving the central regions of the country and the need to maintain and upgrade important infrastructure such as pipelines and treatment stations.

The problem of gas disruption was exacerbated by a lack of the LPFO that we used as a back-up fuel, as we and other industries were forced to switch to it during gas shortages. Switching to LPFO en masse depleted national reserves and put refineries under considerable pressure, meaning we had to import LPFO in the spot market at extra cost. In addition, the shortages of gas forced us to use a much higher level of diesel than normal for power production.

By the final quarter of 2014, however, we saw an improvement in the gas supply at Obajana, with the plant running on 100% gas in November and December (see chart).

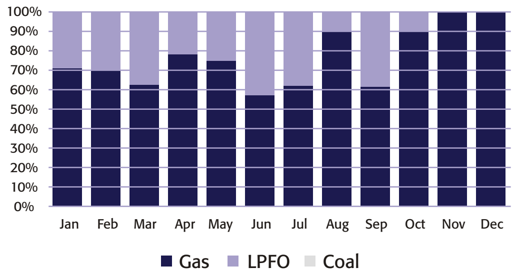
The rainy season lingered well beyond its normal course and though not heavy, its persistence led to a reduction in demand from key markets, particularly block moulders, whose operations are highly sensitive to rain, which prevents the drying out of blocks once turned out of their moulds.

Obajana
Our flagship plant at Obajana, in Kogi State, suffered disruption to both its gas and LPFO supplies; as a result, sales fell by 6.5% to 7.4 million tonnes in 2014. This represents a capacity utilisation rate of about 72% (assuming the full year at 10.25mt), and 57% of volume in Nigeria.

Obajana averaged 76% gas utilisation ratio during the period, with low gas supply compounded by some shortages of the back-up furnace oil (LPFO) we use to fuel the kilns. In response, we commissioned coal facilities for Line 3 and began work on building new coal facilities for lines 1, 2 and 4. We expect to complete these facilities in the middle of 2015.

Relative consumption of fuels at Obajana is shown in the chart below.

Obajana kiln fuel utilisation, 2014

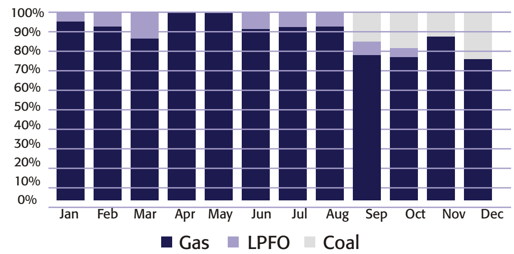


In November, we began the comissioning of the new Line 4 and with this addition, Obajana now has 13.25 million tonnes of capacity, making it one of the largest cement plants in the world.

Ibese
Ibese began the year with 6.0 million tonnes of capacity and ended it with 12.0 million tonnes. Ibese sold 3.9 million tonnes of cement during 2014, which was only slightly lower than the 4.0 million tonnes sold in 2013. This represents a capacity utilisation rate of about 65% assuming 6mt capacity, and 30% of our volumes in Nigeria.

Gas utilisation averaged 89% at Ibese during the period and in October we commissioned coal mills at Ibese to provide an alternative back-up fuel to LPFO on Lines 1&2. The rapid impact of coal substitution is evident in the chart below.

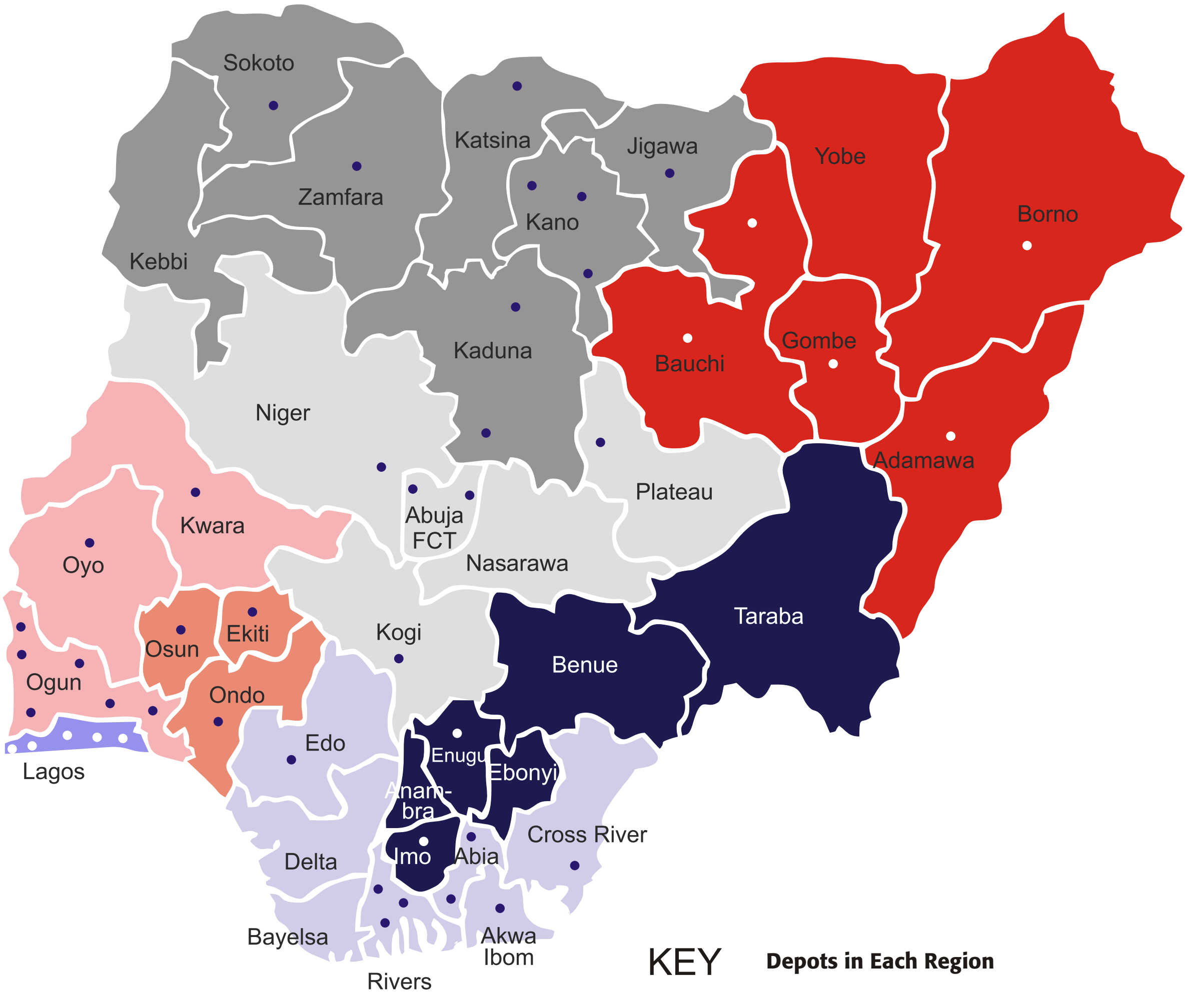
Ibese kiln fuel utilisation, 2014



We have begun work on coal grinding facilities for Ibese's new Lines 3&4 and expect this work to be completed in the middle of 2015.

In the final quarter of 2014 we started the commissioning of Lines 3&4 at Ibese, representing nearly US$540m of investment. Commercial sales from these new lines are expected in 2015.

Review of Operations in Nigeria



KEY **Depots in Each Region**

Region	States Covered	No. of Depots
Lagos	Lagos	5
South West 1	Ogun, Oyo, Kwara	8
South West 2	Osun, Ekiti, Ondo	3
South East	Enugu, Anambra, Ebonyi, Abia, Imo	2
South South	Delta, Rivers, Bayelsa, Akwa Ibom, Cross River	8
North Central	FCT, Niger, Nasarawa, Kogi, Plateau , Benue, Kaduna	5
North East	Borno, Bauchi, Gombe, Adamawa, Yobe, Taraba	5
North West	Kano, Katsina, Jigawa, Zamfara, Sokoto, Kebbi	9
	Total	45

Review of Operations in Nigeria

Gboko
Our Gboko plant in Benue State increased sales by 15.7% to 1.6 million tonnes. Gboko contributed 13% of all cement we sold in Nigeria in 2014 and it is our least profitable plant, being fueled entirely by LPFO, which is several times more expensive per tonne of cement than alternatives such as gas or coal.

In November, having brought onstream nine million tonnes of new capacity at the gas-fired Ibese and Obajana plants, we took the decision to mothball the plant and shift its production to those higher-margin factories.

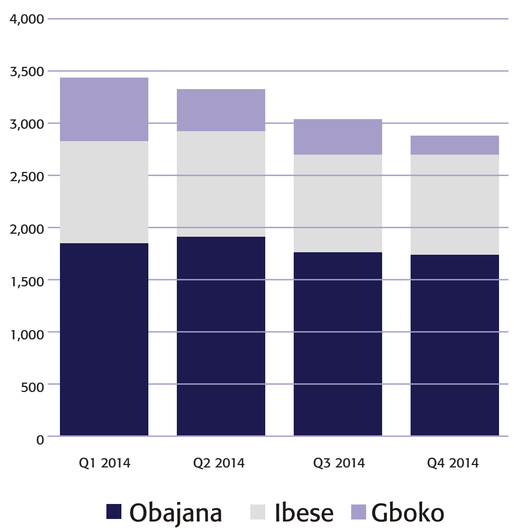
We are installing coal mills to enable use of coal in the kilns instead of LPFO. Eventually we hope coal will be mined locally at Gboko, making it even cheaper than imported coal, which has to be trucked long distances from the ports.

In addition we are installing 3x30MW coal-fired power plants so that by 2016, Gboko will be able to operate at much more competitive cost levels.

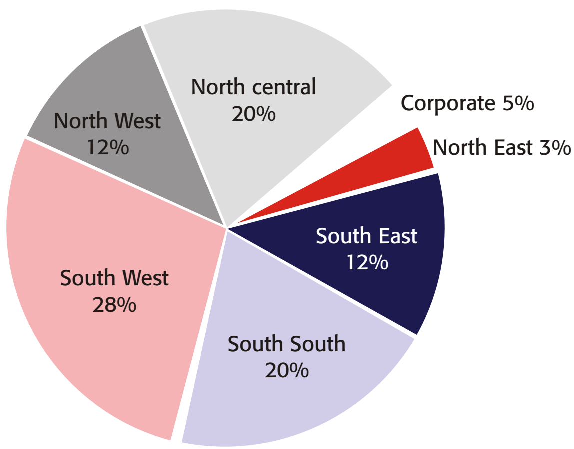
Sales and Distribution
We continued to develop our distribution capabilities and now have approximately 4,700 trucks available to carry cement to our customers. Our direct delivery model is proving very popular and we can supply cement directly to building sites at very competitive prices. In support, we have more than 45 depots from which we can distribute cement into key markets.

In addition, our logistics fleet includes 545 trucks for hauling imported gypsum from port to plant and 235 trucks for hauling fuel.

Quarterly Nigerian plant sales, 2014 ('000 tonnes)

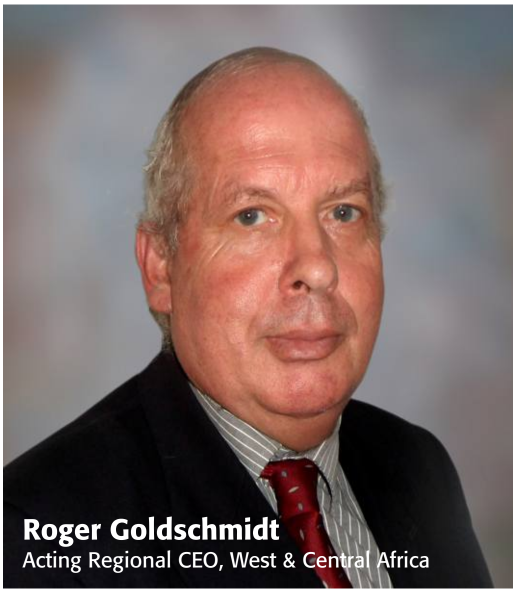


Estimated regional share of sales, 2014



Daljeet Ghai
Regional CEO, Nigeria

Review of Operations in West & Central Africa



Roger Goldschmidt
Acting Regional CEO, West & Central Africa

> *"At the end of 2014, we launched operations in Senegal and we are readying our grinding plant in Cameroon to open early in 2015.*

Strategic Overview
With the exception of Cameroon and Republic of Congo, our operations in West & Central Africa are within the ECOWAS trading zone, whose fifteen countries have a combined population of more than 310 million people. Per-capita consumption was approximately 114kg in 2012 according to Global Cement Report X published in 2013.

Apart from good deposits in Nigeria and Senegal, the ECOWAS region has very little commercially viable limestone, which is necessary for making cement. Indeed, many of its coastal countries have no limestone whatsoever, meaning, they are obligatory importers of cement or its intermediate raw material, clinker, which is then ground with additives such as untreated limestone or pozzolana to make cement.

To date, most imports have come from the Far East and incur long shipping times and high import duties on arrival. In response, we will pursue a longer-term strategy in which we manufacture clinker or cement at our factories in Nigeria and Senegal and then ship it to clinker grinding or import/bagging facilities that we are building along the coast, from Cameroon to Sierra Leone.

This strategy has several advantages over currently being imported from the Far East notably, the duty-free trading regime within ECOWAS and the close proximity of our manufacturing plants in Nigeria and Senegal, which means the cost and shipping time will be substantially reduced.

Since May 2010, we have been importing bulk cement from the Far East into our import facility in Tema, Ghana. We will increase our presence in Ghana by upgrading this facility and also by building a 1.5mt cement grinding plant by the coast at Takoradi.

We are also building grinding facilities in Ivory Coast and Liberia, which will be commissioned in the coming year or two to serve domestic markets and inland neighbours.

In addition, the integrated plant we are building in the Republic of Congo will be able to serve domestic demand as well as export overland including the Cabinda region of Angola and the Kinshasa region of the Democratic Republic of Congo.

A key element of our strategy will be to sell the higher grade 42.5 strength cement into markets that have previously been served only with 32.5 grade. We believe competitively priced 42.5 grade will prove a highly attractive alternative, given its superior strength.

Furthermore, with our use of vertical rolling mill technologies we are able to grind finer and more rapidly setting formulations of cement that will appeal to a wide range of users.

Operations in 2014
West & Central Africa contributed revenues of ₦6.2bn in 2014, most of which was generated from sales of 0.3 million tonnes of imported

Review of Operations in West & Central Africa

cement in Ghana. This represents a decrease of 56.0% on revenues of ₦14.1bn in 2013.

Ghana
Over the past decade, Ghana has experienced significant economic growth as a result of its recent oil discovery and political stability. However, from an average growth rate of 9.7% from 2010-2013, the economy has slowed somewhat and the IMF expects growth of 4.7%-4.9% in the next two years.

The key to continuing growth will be public infrastructure investment which should be funded by oil revenues. Cement consumption has increased steadily over the last few years, owing to strong growth in the construction sector and a rise in per capita income. Cement consumption is around 186kg in Ghana, which is high by regional standards.

The country continues to have major development needs due to poor basic infrastructure and a severe housing shortage. The government plans to tackle the infrastructure deficit and complete infrastructural projects in various parts of the economy including health, education, roads, railways and ports.

In 2014, conditions were challenging for importers of cement. Devaluation of the Ghanaian Cedi made it difficult to import cement into Ghana during much of 2014 and as a result, revenues fell from ₦14.1 billion in 2013 to ₦6.2 billion in 2014. This represents sales of 309kt of cement, compared with around 710kt sold in 2013.

The packing plant in Tema has just been upgraded and expanded allowing for a larger and quicker flow-through of packaged cement. The planning of the Takoradi clinker grinding plant is at an advanced stage.

Senegal
Our operations in West & Central Africa were strengthened by the commissioning of our $310million 1.5mt integrated plant in Senegal, in December, although its first commercial sales were made after the end of the financial year.

Senegal has experienced modest economic growth compared with other countries within ECOWAS, averaging 3.8% growth in GDP since 2004. The IMF estimates growth of around 4.5% in 2015 and 2016.

The cement market has two other participants with 6.5 million tonnes of capacity between them. Growth in cement consumption has averaged around 6% since 2010, reaching about 3 million tonnes in 2013. Although the market has a significant oversupply at present, we regard Senegal as an important long-term strategic resource, given that it has good reserves of limestone in a region that is notably lacking in the raw material for cement.

Before our entry the domestic market was almost entirely made up of 32.5 grade cement. Our plant will produce only 42.5 cement, so offering the domestic market higher quality cement at a competitive price, which the construction industry urgently needs. The plan is also to sell into the neighbouring countries of the UEMOA common market such as Mali, Burkina Faso, and Ivory Coast, as well as into The Gambia, Guinea, Sierra Leone and Liberia.

Cameroon
At the end of 2014 we were readying our 1.5mt grinding plant in the port at Douala, following an investment of $133m. Initially the plant will be supplied with clinker from the Far East but our intention is to supply it with clinker from Nigeria from 2015. We believe clinker supplied from our own plants will be of much higher quality than imported clinker, thereby enabling us to use less clinker to make the same amount of finished cement, when compared with imported clinkers.

Cameroon has good market potential, with cement consumption of around 2.5 million tonnes in 2014, of which nearly half was imported. The government has now stopped importation of bulk and bagged cement and we have an immediate opportunity to substitute a significant amount of importation in the first year of operation. Furthermore, by producing higher-quality 42.5 cement and focusing on good customer service, we are confident of a successful entry into this growing African market.

With a population of nearly 21 million and per-capita consumption of just 66kg, there will be plenty of scope for increased consumption if the

Review of Operations in West & Central Africa

country achieves the 5% GDP growth forecast by the IMF in 2015 and 2016.

In time we will export to Chad and other inland neighbours where pricing is considerably higher than Cameroon.

Sierra Leone
Our work on building an import facility of between 0.5-0.7mt in Freetown has been delayed by the crisis of Ebola in Sierra Leone. Although much of the facility has already been constructed, important equipment for the site has been delayed in Europe until the situation improves. We now expect the plant to open in 2015 to serve local markets and inland neighbours.

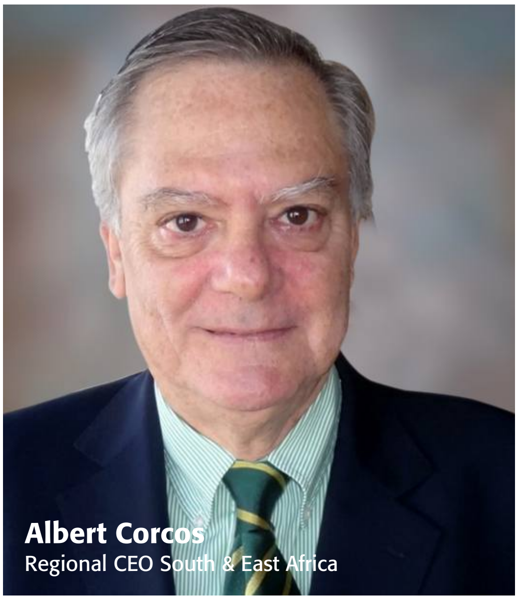
Liberia
As with Sierra Leone, the Ebola crisis has delayed our plans for a 0.75mt grinding facility in the port at Monrovia, which was originally scheduled to open in the second half of 2015. We now plan to supply clinker and cement from Senegal to serve domestic and inland markets in 2017.

Cote d'Ivoire
Work continues on the 1.5mt grinding plant we are building in the port at Abidjan to serve mostly domestic markets from the second half of 2016. As with other grinding plants in West Africa, we plan to supply Cote d'Ivoire with clinker produced in Nigeria.

Republic of Congo
Work is progressing on the 1.5mt integrated plant we are building in Madingou, which we plan to open in the second half of 2016. Republic of Congo has a small but deficit cement market with sub-scale manufacturing capabilities offering low grade quality at present.

Roger Goldschmidt
Acting Regional CEO, West & Central Africa

Review of Operations in South & East Africa



Albert Corcos
Regional CEO South & East Africa

"We began our first operations in the region with South Africa opening in two phases at Delmas and Aganang."

Strategic Overview

South & East Africa represents a region of more than 400 million people with good potential for economic growth but low cement consumption, estimated to have been about 104kg in 2012, according to Global Cement Report X, published in 2013.

With operations in five countries, we will be able to reach a further nine countries across the region, most of them in the COMESA trading area. Unlike West Africa, Southern & Eastern Africa has adequate supplies of limestone to support the integrated plants we are building.

However, the east coast of Africa also attracts low-cost imports from across the Indian Ocean. And so, our strategy for countries other than Tanzania, is to operate mostly in inland areas that are buffered by distance from the competitive threat of imported cement. Our plant at Mtwara, Tanzania, will target the country's main consumption centres as well as neighbouring markets. Its cost structure will be low enough for it to compete effectively with imports.

Operations in 2014

We began our first operations in South & East Africa during 2014 and so, the region contributed its first meaningful revenues after several years of capital investment. Revenues of ₦13.9billion (2013: ₦0.6billion) represented 3.5% of total Group revenues, with operating profits just above breakeven. This represents contributions from South Africa alone.

South Africa

We began operations at Sephaku Cement (SepCem), a joint venture with JSE-listed Sephaku Holdings, which owns 36%. Sephaku consists of two sites, the Aganang integrated plant and the Delmas grinding plant.

The Aganang plant, located between Lichtenburg and Mahikeng in the North West province of South Africa, is SepCem's primary operation and consists of a limestone open-cast quarry, as well as a clinker and cement producing plant which mines the limestone raw material, processes it to form clinker and blends approximately 45% of the clinker with other components to produce the cement in bag and bulk form. The remaining 55% of clinker is transferred to the Delmas grinding plant for further processing.

Aganang commenced clinker and cement production in August and October 2014 respectively after successfully completing the commissioning of the plant. Its clinker completely replaced the third-party clinker that was being milled at Delmas from January 2014 in its first few weeks of production. Delmas has been grinding Aganang's clinker since early September, significantly reducing input costs and further strengthening its market competitiveness. SepCem is producing cement in all three strength classes and plans are in place to increase the 42.5R and 52.5N volumes targeting technical users as Aganang ramps up cement production.

The Delmas grinding plant commenced production in January 2014 and has a cement production capacity of 1.5 million tonnes. The capacity utilisation at the Delmas grinding plant reached an annualised rate of 80% in September

Review of Operations in South & East Africa

2014 as a result of the continued successful penetration of the South African cement market.

The plant is supplying the SepCem brand to all the major retail (bag) market distributors and has managed to grow its revenues substantially since production started in January 2014.

SepCem has received support from bag and bulk users and will ensure that its key selling proposition of consistent quality cement products as well as exceptional service offering is extensively pursued. The success of the sales and marketing strategy is largely due to the highly experienced sales team headed by seasoned industry executives.

South Africa's economy is among the less rapidly growing in Sub-Saharan Africa, with the IMF forecasting a modest increase of 1.4% in 2015 and 2.0% in 2016. Its cement market is well developed with around 18 million tonnes of capacity, although much of this is ageing and therefore has higher maintenance and energy costs. We believe our more modern plants will have technological advantages that will translate into more competitive operating costs.

South Africa's population is relatively large at more than 51 million and per-capita consumption of cement at 222kg in 2012 is high for the region but only half the global average. Growth in cement sales was around 2.2% per year from 2010 to 2013, but we are optimistic this will increase when South Africa's economy begins to accelerate again.

Zambia

At the end of 2014, we began cold commissioning of equipment at our 1.5 million tonne plant in Ndola, near Zambia's northern border. Ndola is the commercial heart of Copperbelt Province, a key mining region in Africa and an important demand centre for cement.

Zambia's economy has grown strongly in recent years, averaging 7.8% according to the IMF, which estimates growth at 6.5% in 2015 and 7.2% in 2016. Per-capita consumption is low at 64kg but the population is relatively large at 13.7 million and estimated to be growing at around 4.2%. Cement consumption was more than 1.5mt in 2014, up from approximately 0.7mt in 2010.

The Zambian market is mostly for bagged cement and our key targets will be builders' merchants, infrastructure works, commercial building and the mining industry. We have invested in our own delivery fleet and will be selling directly from the plant or from our own warehouses, rather than relying on distributors to get our products to market. We are also exploring ways to increase demand for Ready Mix in mining areas. In addition, we can export cement into the nearby Lumumbashi market in the Democratic Republic of Congo which is also an important region for mining.

Ethiopia

Although we have experienced minor delays in Ethiopia, our 2.5 million tonne plant near Mugher is on track to begin operations in quarter 2 of 2015. Ethiopia is a competitive market, with 13 million tonnes of capacity against around 7 million tonnes of consumption, but we are confident we will be able to differentiate our cement by offering a higher quality 42.5 product.

Market growth has been robust at around 14% per year from 2010 to 2013, according to Global Cement Report X. We intend to focus on building strong relationships with the major merchants and contractors serving the key markets of Addis Ababa, Adama and Shashemene, using our own distribution fleet. We will also target export markets in Somalia and South Sudan.

With a population of more than 87 million, Ethiopia is one of the fastest growing non-oil economies in Africa. Over the next two years, the IMF expects GDP to grow by an average of 8.3 per cent. With the population increasing at 2.6% each year, power generation has become a top priority for the government.

Ethiopia's current power generation capacity is 2,000MW however the government plans to increase this to 10,000MW and then to 20,000MW in the next five to ten years. Heavy investment in hydro-electric power will undoubtedly increase demand for high-strength cement. Other key demand drivers will be increasing levels of urbanisation, from the low 17% at present, and the accompanying increases in housing and transport infrastructure.

Review of Operations in South & East Africa

Tanzania
Work continues on our 3.0 million tonne plant at Mtwara, Tanzania, which is expected to open this year in a country where per-capita consumption is very low at 46kg, according to Global Cement Report X, but which has been growing at nearly 8% from 2010 to 2013.

Tanzania's population is 48 million and growing at 3%. As such, the upside potential of the Tanzanian market is substantial and cement demand will be supported by the good economic growth of around 7%, which is forecast to continue through 2015/6, a similar rate to that achieved over the past 10 years.

To put the market potential in context, an average per-capita consumption rate of around 400kg would suggest growth to more than 25 million tonnes in the coming decades, when population growth is factored in.

Although located near the coast, the plant will be able to serve local and export markets, given Tanzania's proximity to other countries within the duty-free COMESA trading zone.

Kenya
We are reviewing plans for Kenya with a view to increasing the scale of our proposed factory from 1.5 to 3.0 million tonnes. This is because we are confident there will be sufficient demand both in Kenya and neighbouring countries. We have secured a prospecting license and are now in the process of upgrading it to a mining license.

Kenya's cement market has grown from around 3.1 million tonnes in 2010, to approximately 4.1 million tonnes in 2013, a growth rate of more than 7.5%. However, with a population of more than 43 million, per-capita consumption is low at 80kg, which is not even 20% of the global average.

The country is facing a significant infrastructure deficit with substantial improvements needed in transport and energy. More than $7bn is reportedly being invested in energy generation, transmission and distribution projects. With ambitious infrastructure plan and a massive housing deficit, cement demand should remain strong in the coming years.

Albert Corcos.

Albert Corcos
Regional CEO South & East Africa

Limestone is the main ingredient of cement production. It is mixed with minor additives such as laterite and shale and ground into a fine powder ready to be cooked in the kiln at about 1,450 degrees to produce clinker. We then grind the clinker with additives, typically uncooked limestone and gypsum to make cement. It takes 1.6 tonnes of the limestone, to make 1.0 tonnes of clinker, which in turn will make around 1.3 tonnes of cement when ground with the additional limestone and gypsum, which controls the setting properties of the cement.

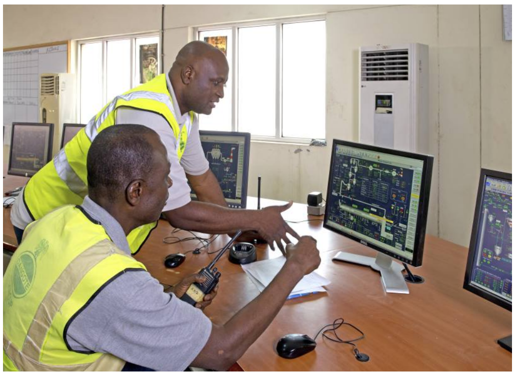
Our People

Dangote Cement is one of the largest employers in Nigeria and our employees are the driving force of our strategy to expand well beyond our own country to become a global and respected cement producer. As such, everyone at Dangote Cement has a responsibility to pursue, achieve and we hope, exceed the targets and goals they are set to help the Company achieve this goal.

Because their combined effort and commitment is a major factor in ensuring our competitiveness and strong performance, we must ensure that our employees are well looked after. We do this by continuously reviewing their working conditions, offering competitive salaries and creating opportunities for talent and career development.

Dangote Cement is also engaged in improving the skill levels of its staff by providing training opportunities through our own educational hub, the Dangote Academy, or through reputable institutions inside Nigeria and abroad.

Annual performance reviews are a key component of our employee development. Here we provide all staff and supervisors the opportunity to discuss their job performance and set goals for future professional development. Several resources are provided to



assist our employees in the performance evaluation process.

Beyond our offices and factories, we at Dangote Cement are aware that the Company plays an important part in the Nigerian economy. Wherever possible, we use local businesses to provide support services for our operations which, in turn, benefits the communities in which we operate.

The Company gives priority to maintaining good relationships with our host communities and remains committed to ensuring that local communities and other stakeholders are actively involved and carried along in our development plans.

Dangote Academy

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

The Academy's aims are as follows:

1. To be the umbrella organization for all talent development and learning initiatives in the Group
2. To provide the facilities and a platform for technical skills acquisition benchmarked to world-class standards
3. To attract and develop high quality talents from secondary and tertiary institutions through a structured process
4. To align our skills development to the rapid changes in our industries' technologies by building long-term relationships with OEMs and institutions of learning.

The Academy opened its first campus in Oshogbo in 2010, from which more than 450 students have graduated and gained employment within the Group. The Oshogbo campus can train 80 students at a time and will expand this number to 100 in the near future.

A second campus is under construction at Obajana Cement Plant in Kogi State and will open in 2015, providing classrooms and workshops as well as accommodation for more than 400 students. The Obajana campus will be the Academy's flagship centre of learning in the coming years and will provide training for staff from Dangote Cement factories across Africa. It will be equipped with classrooms, high-tech workshops and machine simulators to train students in the use of key manufacturing systems.

The Academy works with industrial partners such as Haver & Boecker, FLSmidth, Loesche, Siemens and others to provide high-quality training in cement production. It is collaborating with the Haver & Boecker Academy, Germany, to establish the German model of Dual Vocational Education System at the Dangote Academy.

Key initiatives include the Graduate Engineers Training Scheme (GETS), the Vocational Training Scheme (VTS) and the Junior Technician Scheme (JTS).

Graduate Engineers Training Scheme
The GETS is designed to enable young engineers pursue a career in 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 workshop skills, progressing to IT and personal skills, plant skills and more advanced training in

Dangote Academy

management and leadership. Graduates from this scheme will go on to become highly skilled plant engineers in Nigeria and our other projects in Africa.

Vocational Training Scheme

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

Five streams of trainees, in batches of about 50 students, have been trained since 2010 and about 90% of those graduated have found employment with Dangote Cement.

Junior Technician Scheme

The JTS is the latest addition to the Academy's learning initiatives and was conceived as a supporting scheme to the VTS. The 18-month course has taken its first and second batches of students, totaling around 150 trainees. Skills training includes training in areas such as welding and fabrication, fitting and mechanical maintenance, heavy earth-moving machine maintenance, electrical and instrumentation skills.

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 for the South & East Africa and Central & West Africa clusters to support the regional businesses. The operations of these academies will remain centrally guided (for consistency and quality) but will be executed locally.

In time, we have the ambition to develop the Dangote Academy beyond its technical training roots and transform it into a Technology & Management Institute, from which we hope it will then evolve into a University of Technology & Management.

Our Approach to Sustainability

Sustainability encompasses three key areas: Environmental Care, Health & Safety and Social Investment (EHSS). Dangote Cement is collating existing policies and developing new Group-wide policies to manage our approach to these important activities of our businesses.

Dangote Cement has already pursued EHSS activities at individual plants, however this new initiative aims to introduce Group-wide policies that can be applied consistently across all businesses and all sites. EHSS efforts will be coordinated by a dedicated EHSS team.

Health and Safety

Dangote Cement is committed to the implementation and maintenance of an Occupational Health & Safety Management System (OHSMS) that ensures the prevention of occupational accidents or ill-health that may potentially affect anyone who works at or visits our places of business.

We have a strong commitment to the continuous improvement of the way we manage our work places and observe strict compliance of legal & regulatory requirements that govern them. We aim to provide a conducive environment for all stakeholders in the manufacturing, packaging and sales of Dangote cement.

The OHSMS policy is reviewed every five years for continuing suitability, thereby providing the basis for setting and reviewing Occupational Health & Safety objectives and targets.

Environmental Care

Dangote Cement is committed to the implementation and maintenance of the National Institute of Standards ISO 14001:2004 Environmental Management System (EMS), which ensures the prevention of pollution within the defined scope of its operations. We observe strict compliance with relevant legal and other requirements with a view to providing a conducive environment for the manufacturing, packaging and selling of cement. Through this, we aspire to continual improvement of our operations.

This environmental policy, which is sustained by all concerned through proper communication and awareness of the significance of having a pollution-free environment, is documented, implemented, maintained and endorsed by the Plant Directors and circulated to employees, suppliers and other interested parties. The EMS policy is reviewed every five years for continuing suitability, thereby providing the basis for setting and reviewing environmental objectives and targets.

Social Investment

Social Investment is a key priority across the

Our Approach to Sustainability

entire Dangote Cement and Group-wide investments seek to:

1) Broaden economic empowerment through support of entrepreneurial initiatives including micro, small and medium enterprise development programmes that promote access to finance, business development services, and access to markets

2) Improve health by strengthening the quality of medical services, tackling malnutrition and improving access to safe water and sanitation

3) Promote quality education by improving access to and standards of basic education through: support for enhanced training of teachers and improvements in the curriculum; improvements in the availability of quality vocational and technical education in Nigeria to increase employment opportunities as they align with labour market demands; and building education facilities.

As an example of its efforts in healthcare, Dangote Cement sponsored Development Africa to carry out its Nigeria Malaria Control and Prevention Program (NMCPP) in its host communities. Malaria is the leading cause of death in Nigeria. NMCPP seeks to reduce the burden of malaria in line with the National Plan for Malaria Eradication and the United Nations Millennium Development Goals (MDGs). This is in line with Dangote Cement's commitment to improving the health and wellbeing of its host communities.

Working with key stakeholders including State Ministries of Health, Local Government Areas, (LGAs), traditional and community elders, NMCPPs were held at easily accessible Primary Health Care facilities (PHC) and community centers in Gboko LGA, Benue State, Lokoja LGA, Kogi State and Yewa North LGA, Ogun State. Volunteers were recruited from the community to assist in the execution of the projects.

Community members, particularly mothers turned out in large numbers. They received information about the proper use of long-lasting insecticide-treated nets (LLINs) and how to prevent, control and treat malaria.

They were also screened for malaria using the Rapid Diagnostic Test (RDT) kits and those who tested positive were treated immediately using Artemisinin based Combination Therapy (ACT). Pregnant women are at higher risk of contracting malaria. They were given priority and those that tested positive for malaria were treated with the recommended dose of Intermittent Preventative Treatment (IPT).

HOST COMMUNITY MALARIA AWARENESS PROGRAM SUMMARY DATA

State	OGUN STATE	KOGI STATE	BENUE STATE	
Local Government area, LGA	Yewa North LGA	Lokoja LGA	Gboko LGA	Total
No. screened	719	1,083	1,115	2,917
LLINS distributed	1,500	1,400	1,500	4,400
No. positive for malaria & treated (ACT)	250	181	224	655
Prevalence of malaria	34.80%	16.70%	20.10%	
Women treated with IPT	14	27	72	113
IPT dosages given'	24	42	93	159
No. under-5s benefitting from the program	104	232	247	583
No. at community symposiums	1,377	1,092	1,139	3,608
Community agents	100	105	106	311
Health workers*	50	0	50	100
Dangote staff	97	108	124	329
Total trained	1,624	1,305	1,419	4,348

*Training of Community Health Workers in Obajana, Kogi State was postponed due to a strike involving medical practitioners in the state during project implementation. The training has tentatively been rescheduled to take place during the M&E phase of the project.

Our Approach to Sustainability

Educational flyers and LLINs (two per family) were distributed to those who attended.

Training is an important part of NMCPP. Community agents including teachers, youth and community leaders, community-based organisations, civil servants, association leaders, etc., received information that they could readily share with their constituents. Health workers received a two-day intensive training on various aspects of malaria and current targets, policies and practices on effective prevention and treatment. Emphasis was placed on community-based health workers who are the first point of contact for communities at Primary Health Care centers. Dangote Cement staff were also provided with malaria prevention and control awareness training, which should help mitigate productivity losses from malaria and related workforce illness.

EHSS Management System

Dangote Cement is committed to adopting the International Finance Corporation's (IFC) Performance Standards on Environmental and Social Sustainability, which were published in 2012. The IFC, part of the World Bank Group, has developed best practices in the form of its Sustainability Framework, which it describes as follows:

The Sustainability Framework comprises the IFC's Policy and Performance Standards on Environmental and Social Sustainability, and the IFC's Access to Information Policy. The Policy on Environmental and Social Sustainability describes the IFC's commitments, roles and responsibilities related to environmental and social sustainability.

The Performance Standards are directed towards clients, providing guidance on how to identify risks and impacts and are designed to help avoid, mitigate, and manage risks and impacts as a way of doing business in a sustainable way, including stakeholder engagement and disclosure obligations of the client in relation to project-level activities.

In the case of its direct investments (including project and corporate finance provided through financial intermediaries), the IFC requires its clients to apply the Performance Standards to manage environmental and social risks and impacts so that development opportunities are enhanced. The IFC uses the Sustainability Framework along with other strategies, policies, and initiatives to direct the business activities of the Corporation in order to achieve its overall development objectives.

Dangote Cement is therefore working closely with the IFC as a technical partner to achieve this mandate. Through a competitive process, it contracted Environmental Risk Management, (ERM), a leading firm of global sustainability consultants, to develop a renewed Group-wide EHSS Management System (EHSSMS) framework addressing health, safety, environmental and community development issues.

Dangote Cement's EHSS Goals

- Comply with all local EHSS regulations as a minimum and key international standards (e.g. IFC PSs and sector guidelines)
- Achieve safety performance better than industry peers in the countries where the Group operates
- Develop sustainable and mutually beneficial relationships with local communities and key stakeholders
- Apply fair labour standards across the Group and its contractors
- Ensure that all employees abide by our ethical business code
- Attain carbon and dust emissions and resource efficiency performance in line with (or better than) industry peers
- Undertake ESHIA for new projects/ processes according to international standards and avoid, mitigate or off set significant risks and impacts
- Implement a reliable and systematic assurance and sustainability reporting system

At the end of an ERM-facilitated consultative process, which included a high-level review of EHSS practices across Dangote Cement, the management endorsed the new Environmental, Health & Safety and Social Management System (EHSS MS) vision and roadmap to complement its ambitious 2017 business vision. As part of this effort, Dangote Cement committed to establishing an EHSS Directorate, and commissioned ERM to carry out work to lay the

Our Approach to Sustainability

foundation for the implementation of the road map. ERM tasks include:

1) EHSS Directorate recruitment
Support the creation and recruitment of an EHSS Directorate which is expected to include an EHSS Director, an Environmental Manager, a Health & Safety Manager and a Social Manager, all operating at Group-wide level. The international EHSS recruitment firm, Allen and York, is leading the global search for the senior executives to drive Dangote Cement's new Sustainability Management System. We expect to have a team in place in the first half of 2015. They will then implement EHSS strategies across the Group.
2) Review of new projects
Review, in collaboration with IFC, a select number of new projects across Africa against recognised international standards, e.g. the IFC's Performance Standards.
3) Develop key technical procedures or standards for Dangote Cement on:
    - Environmental, Social & Health Impact Assessment (EHSIA) according to international best practices
    - EHSS risk identification and assessment
    - Stakeholder engagement
    - Land acquisition and resettlement
    - Community Investment
    - Occupational safety management

> *"As part of the steep trajectory we are currently driving across the Group, it is essential that we articulate and implement a more robust Sustainability mandate that will enable us create more value and profitability across all our business operations. Not only will this enhance our environmental, health, safety and social practices, it would also promote greater alignment and efficiency across the Group."*
>
> Aliko Dangote, Chairman, Dangote Cement

As at the end of 2014, most of these standards were under final internal and external review and they are expected to be implemented across Dangote cement in the first few months of 2015.
4) Mentoring of key Dangote Cement leaders, to enhance awareness of EHSS amongst key staff and emphasise the importance of EHSS best practices as part of corporate behaviour, operational efficiency and perceptions of the Group from outside stakeholders such as shareholders. Through these enlightened leaders, a positive EHSS culture should spread across the entire Group.
5) Capacity building, providing time and expertise to build in- house EHSS awareness and skills across the Group.
6) Development of the Cement Social baseline, Stakeholder Engagement Plan and Social Investment Plan. The aim is to assess current social conditions of host communities at Obajana, identifying any needs, issues or impacts posed by our operations on the community. It will develop Social Investment and Stakeholder Engagement plans specific to Obajana.

As part of ERM's consultancy, Dangote Cement staff participated in a series of EHSS systems review and capacity building workshops at each of its cement plants. At the end of the exercise, each plant developed an EHSS action plan aligned to the Group's 2017 EHSS vision and these are now being implemented. The workshops were followed up with an EHSS Leadership Training workshop for senior managers. Dangote Cement leadership is also included in a tailored EHSS mentorship programme.

Obajana Cement's community development team is preparing to apply the Community Investment Standard as it undertakes a review of its Community Investment strategy. Dangote Cement's new and oncoming plants across Africa were also included in a high-level review against recognised international standards with a view to ensuring that the EHSS MS framework would be applied across the entire business.

When Dangote Cement's EHSS staff are in place, implementation of standards will commence in 2015 to align existing EHSS practices and standards with the newly formulated policies.

Our Approach to Sustainability

1-4 Host community Malaria awareness programme. 5-6 Disaster relief materials donated to Benue State.
7 Kogi State Women's Empowerment Programme. 8 Calabar Carnival.

Dangote Block Moulders Initiative

Working with Block Moulders to ensure quality, strength and consistency

Block Moulders are a key market for Dangote Cement. A roadside but strongly craft-based industry, Block Moulders use approximately 20% of all the cement we sell. The reason is that the clay brick industry is not well developed in Nigeria and therefore most low-rise buildings rely on blocks whose strength is endowed by cement.

But the persistent problems of building collapse in Nigeria have highlighted that not all blocks manufactured in this way were fit for purpose and a small proportion of them simply could not bear the loads placed upon them. As we saw many times in 2014, the consequences of building collapse were tragic.

As Nigeria's leading manufacturer of cement used for moulding blocks, we felt a strong sense of responsibility to help the industry ensure that best practices were disseminated and adopted.

In 2013, Dangote Cement partnered with the Nigerian Institute of Building (NIOB) to work towards the development of a responsible building culture across the country. In addition, we collaborated with other regulatory bodies such as SON, NIQS, NIA, CORBON, CMAN and COREN on the sensitisation programme that addressed the issues of building collapse and the remedies.

During 2014, guidelines were issued by the authorities that only 52.5 and 42.5 strength cement were suitable for load bearing, while the less-strong 32.5 grade of cement was suitable for applications including plastering and the laying of floors and paving.

We supported this clear definition of what types of cement were suitable for building and for making blocks. But specifying the type of cement to be used for block moulding would be useless if those manufacturing the blocks were not adopting best practices when mixing cement with components such as sharp sand, stone dust and clean water, which together make up the load-bearing and non-load-bearing blocks they make. It was the recognition of these shortcomings that spurred our joint initiatives with the NIOB during 2014.

Dangote Cement organised a series of sensitization campaign for Bricklayers, Block Moulders and other artisans to demonstrate the proper blend in block moulding and concrete mixing in accordance with the standards specified by the Standards Organization of Nigeria. During the year, our outreach teams visited Block Moulders in virtually all the major sites across Nigeria.

A major objective for the nationwide training of the Block Moulders, bricklayers and concrete producers was to create awareness of all the different grades of Dangote Cement and the uses to which they could be applied.

A key educational message was that different construction require different types of cement, correctly mixed with other components to make a high-quality, structurally sound product. Our

Dangote Block Moulders Initiative

educational teams were thereby able to dispel the long-held notion that "Cement is Cement" without regard for its grades and qualities.

The educational programme consisted of four elements:

1) PowerPoint presentations on mixing ratios, usage of cement based on types/ quality, different types of other raw materials, storage of raw materials and how artisans could source the best raw materials. The Block Moulders were educated on the different uses and application of the different cement grades. We also taught them best practices in the management of their businsses.
2) Demonstrating the qualities of the 3X brand as a more fortified cement with extra yield, extra life and extra strength.
3) Training in how to produce consistent quality blocks that will stand the test of time through appropriate mixing of materials (sand, water and cement) used in block moulding. We took many artisans and their representatives on factory tours to appreciate how quality cement is produced, showing them the process from the quarry to the final grinding and bagging, emphasising our high standards of quality control at every stage of the process.
4) As a gesture of goodwill, we provided many of them with new tools such as wheelbarrows and shovels, safety equipment such as gloves, rain boots, umbrellas, etc.

Aside from our outreach programmes, we participated in a number of trade fairs at which we highlighted these same factors to visitors, thus, widening the scope of our educational activities in the correct use of cement in building.

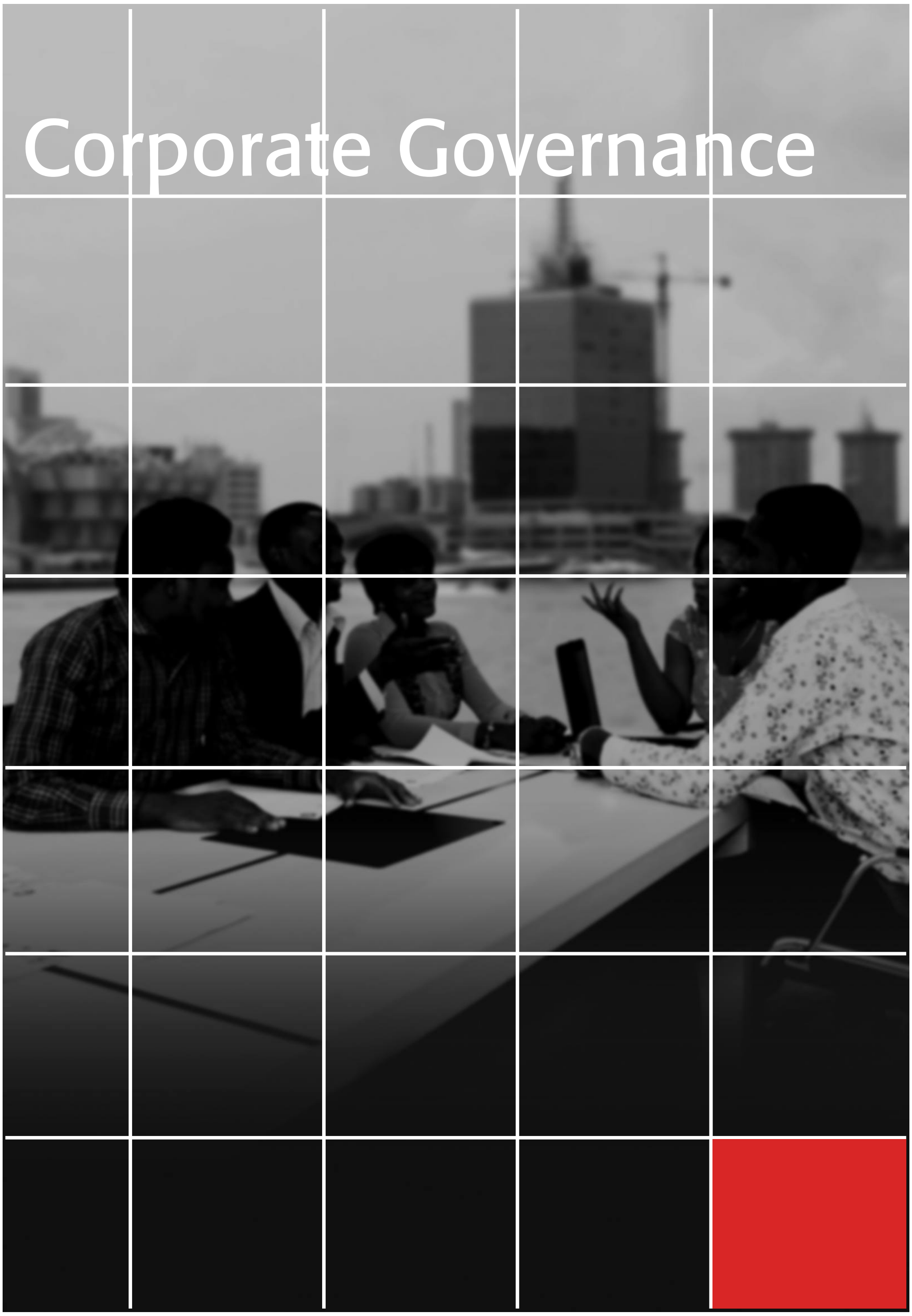
The results have been encouraging. Through our educational initiatives, Dangote Cement has unified Block Moulders across Nigeria in the common goal of adopting best practices to ensure consistent and high-quality products, made with the latest techniques and equipment and capable of withstanding the building loads imposed upon them.

Distributor Awards

Dangote Cement 2nd Annual Distributor Awards- Cementing Partnerships

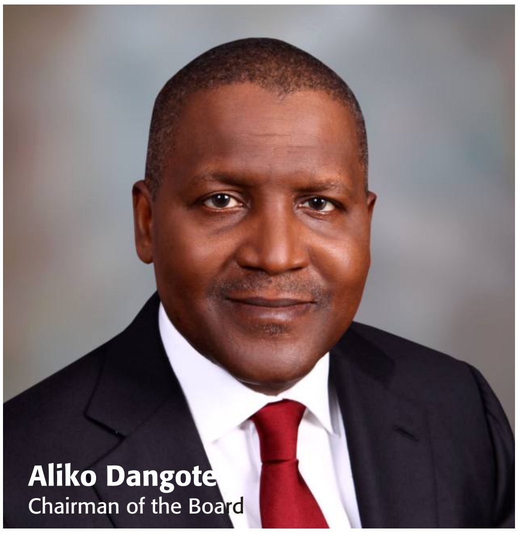
In May 2014, Dangote Cement rewarded 850 distributors with a total of ₦1.2 billion according to the volume of cement they sold in 2013. The customer appreciation ceremony, which took place in Lagos, was aimed at encouraging and thanking our highly valued Distributors for their loyalty, which has been pivotal to the company's success.

Corporate Governance




MARBLE HOUSE

Corporate Governance Report



Aliko Dangote
Chairman of the Board

Dear Shareholder,

On behalf of the Board, I am pleased to present the Corporate Governance Report for 2014.

The Board is collectively responsible to the Company's shareholders for the long-term success of the business and its overall strategic direction, values and governance. It provides the leadership necessary for the Company to meet its business objectives within the framework of its internal controls, while also discharging the Company's obligations to its stakeholders.

Dangote Cement is committed to best practices and procedures in corporate governance. The Company's Board of Directors is committed to ensuring that proper corporate governance is constantly practised and reviewed in line with the dynamics of the business environment in which the Company operates.

The corporate governance policies adopted by the Board of Directors are designed to ensure that the Company's business is conducted in a fair, honest and transparent manner that conforms to the highest ethical standards and that the welfare of all employees are catered to as well as the implementation of a robust corporate social responsibility to the general public. As a responsible corporate citizen, Dangote Cement complies with all applicable national and international laws and regulations.

The Board reserves to itself certain powers, duties and responsibilities and has delegated authority and responsibility for the day to day running of the Company to the Chief Executive Officer ably assisted by Senior Executives.

The Board's responsibilities include:

- Ensuring the Company's business operations are conducted in a fair, honest and transparent manner that conform to high ethical standards
- Ensuring the accurate, adequate and timely rendition of statutory returns and financial reporting to the regulatory authorities (NSE, CAC, SEC) and shareholders
- Ensuring value creation for shareholders, employees and other stakeholders
- Ensuring the integrity of the Company's financial and internal control policies
- Monitoring the implementation of policies and the strategic direction of the Company
- Reviewing and approving all major transactions and capital expenditure of the Company
- Ensuring the statutory rights of shareholders are protected at all times
- Setting performance objectives, monitoring implementation and corporate performance
- Reviewing and approving corporate policies, strategy, annual budget and business plan.

The Board carries out its responsibilities through the Board sub-committees. The terms of reference of the sub-committees have set out their roles, responsibilities, scope of authorities and the fact that they report to the Board. In line with the Code of Corporate Governance, the record of the Directors' attendance at the meetings is available for inspection.

Corporate Governance Report

The Board of Directors as at 19th March, 2015

Director	Title	Date of Appointment
Aliko Dangote	Chairman	4 November 2002
Onne van der Weijde*	Chief Executive Officer	2 February 2015
Devakumar Edwin**	Non-Executive Director	22 July 2005
Sani Dangote	Non-Executive Director	22 July 2005
Olakunle Alake	Non-Executive Director	22 July 2005
Abdu Dantata	Non-Executive Director	22 July 2005
Joseph Makoju	Non-Executive Director	2 December 2010
Olusegun Olusanya	Non-Executive Director	2 December 2010
Emmanuel Ikazoboh	Independent Non-Executive Director	30 January 2014
Ernest Ebi	Independent Non-Executive Director	30 January 2014
Fidelis Madavo	Non-Executive Director	30 July 2014
Khalid Al Bakhit	Non-Executive Director	28 October 2014

*Appointed as CEO 2nd February, 2015 ** Resigned as CEO 31st January, 2015

Board Appointments
The Board was considerably strengthened in 2014 with the appointment of four new Non-Executive Directors. On 30th January, 2014, Emmanuel Ikazoboh and Ernest Ebi were appointed to the Board and bring with them a wealth of knowledge and experience in governance and strategy. The Board has also benefited from the appointments of Fidelis Madavo on 30th July, 2014, a representative of Public Investment Corporation, who brings a wealth of experience in mining and of Khalid Al Bakhit on 28th October, 2014, a representative of Investment Corporation of Dubai. The profiles of the new Directors are on page 65 of this report. The appointment of Emmanuel Ikazoboh and Ernest Ebi was ratified at the 2014 AGM held in May 2014. The appointment of Fidelis Madavo and Khalid Al Bakhit is to be ratified at the 2015 Annual General Meeting.

Onne van der Weijde joined the Company as Chief Executive Officer in February 2015, succeeding Devakumar Edwin, who resigned as CEO on 31st January, 2015. Onne brings with him many years of experience managing large and growing cement companies with international shareholders. We thank Devakumar Edwin for his invaluable contribution to the growth of our business and are grateful for his continuing support as a Non-Executive Director on the Board.

The Board Composition
As at the date of the report, the Board comprises of myself as Chairman, one Executive Director and ten Non-Executive Directors, two of whom are considered by the Company to be independent in character and judgment and free from any business or other relationships that could materially interfere with the exercise of their judgment. Biographies of the Directors, including details of their skills and experience, are provided in pages 64 to 65. Ernest Ebi, Emmanuel Ikazoboh, Fidelis Madavo and Kahlid Al Bakhit undertook an induction programme following their appointment. This included meetings with Senior Management within the Company, attendance at Committee meetings and the provision of detailed information on the Company. The Board is satisfied that all of the Directors have sufficient time to devote to their roles and that having appointed additional four new Directors in 2014, it is not placing undue reliance on key individuals. Indeed, with the addition of our new colleagues, I anticipate the continuation of constructive debate and healthy discussions at our Board meetings.

During the year, the Board met on 6 scheduled occasions. I also met with the Non-Executive Directors separately.

Meeting Attendance in 2014

Members	No. of meetings*
Aliko Dangote	6/6
Devakumar Edwin	6/6
Sani Dangote	5/6
Olakunle Alake	6/6
Abdu Dantata	4/6
Joseph Makoju	6/6
Olusegun Olusanya	6/6
Emmanuel Ikazoboh	4/5
Ernest Ebi	5/5
Fidelis Madavo	2/3
Khalid Al Bakhit	0/1

*Meeting dates are on page 157

Corporate Governance Report

Board and Board Committees
The Board is responsible and accountable for the Company's system of corporate governance. It is ultimately accountable for the Company's activities, strategy, risk management and financial performance. The Board has established a number of committees and provides sufficient resources to enable them to undertake their duties. These are detailed on page 62 to 63.

Key Activities of the Board in 2014
In addition to standard agenda items, the Board considered the following matters during the year:
- Insider trading policy
- Anti-bribery and corruption policy
- Corporate Governance evaluation
- EHSS Standards to be adopted Group-wide
- African projects
- Pricing strategy
- Financial performance and budget control
- Internal risk management and control system

New Committees
We formed two new committees in December 2014, the Nomination Committee and the Technical Committee. The Nomination Committee will be chaired by myself and the Technical Committee will be chaired by Fidelis Madavo. The key expectation of the Nomination Committee in 2015 is to review succession planning for the Executive Directors and Senior Executives. The Technical Committee will be responsible for reviewing the technical analysis of projects and investment proposals. Details of the members of these new committees are on page 63.

Training and Professional Development
The Board has established a formal training orientation program to familiarise new Directors with the Company's operations, strategic plan, senior management and its business environment. New Directors are also inducted in their fiduciary duties and responsibilities. To assist the Directors to fully and effectively discharge their duties to the Company, Directors attend professional continuing education programmes at the Institute of Directors and Nigeria Stock Exchange to keep their knowledge of Industry and business operations best practices updated.

Code of Corporate Governance Compliance
The Board is committed to high standards of corporate governance and compliance with the Code of Corporate Governance for Public Companies in Nigeria. We believe that good governance is fundamental to the success of the Company and to our relationship with our key stakeholders. We strive to ensure the Company observes the highest standards of transparency and accountability without constraining enterprise and innovation.

Performance Evaluation of the Board
In 2015, the Board intends to engage an independent external consultant to undertake a formal evaluation of its own performance. This will be an annual requirement for the Board. Following the evaluation process, the Board will continue to implement necessary changes to enhance its performance.

Shareholder Engagement
The Group CEO, Group CFO, Investor Relations team and I have maintained an ongoing and active dialogue with institutional investors through a regular programme of meetings covering a wide range of issues. We attended several investor conferences in Nigeria, the UAE, the UK and other financial centers, meeting nearly 300 investors in the year. We strive to set high standards of corporate disclosure in our quarterly results statements and other communications. I am pleased to report that the Company was ranked 8th out of 79 companies in the 2014 Pan-European Extel Survey of the Construction and Building Materials Sector. This is a positive outcome for our first submission for ranking against our international peers.

Appointment of Directors
Directors are appointed to the Board by the shareholders in General Meeting. Apart from the legal and regulatory requirements, there are no specific requirements for qualification for Board membership. However, the Company strives to ensure the right mix that is necessary to effectively discharge Board functions.

Rotation of Directors
At this 6th Annual General Meeting, in compliance with the Companies and Allied Matters Act S.259(2) CAP C20 LFN 2004, the Directors to retire by rotation are Joseph Makoju,

Corporate Governance Report

Abdu Dantata and Devakumar Edwin; being eligible, have offered themselves for re-election.

Company Secretary
In October 2014, Dangote Cement reorganized its Legal and Company Secretarial Department. Mahmud Kazaure in addition to his duties as Group Chief Legal Counsel, has been appointed as the Company Secretary. His profile is provided on page 69 of this report. Mr Ityoyila Ukpi who has been the Acting Company Secretary reporting to the Head of the Legal Department, is now Deputy Company Secretary.

The Company Secretary is responsible for implementing and sustaining high levels of corporate governance and keeps abreast of legislation, regulation and corporate governance developments which may impact on the business. All Directors have direct access to the Company Secretary. The Board has the power to appoint or remove the Company Secretary and conducts an annual evaluation of his activities.

Whistle Blowing Policy
The Company has set regulations to identify non-compliant events, as well as the implementation of a whistle blowing policy, which allows all employees and business partners to raise genuine concerns, in good faith, without fear of reprisals.

Insider Trading
The Board approved an Insider Trading Policy in March, 2015, which is compliant with the provisions of Section 14 of the Amended Listing Rules of the Nigerian Stock Exchange. The policy applies to all Directors and Employees of the Company. Furthermore, in compliance with Section 14.4 of the Amended Listing Rules, we will disclose in our quarterly reports the compliance of our Directors with the Listing Rules and our Insider Trading Policy. I can confirm that having made specific enquiries of our Directors, they have all confirmed their compliance with the policy in the period before our results were announced for the 2014 financial year.

Anti-Bribery and Corruption
The Board approved an Anti-bribery and Anti-corruption Policy in March, 2015 in line with best international standards. The Board plans to establish an Anti-corruption programme in line with this Policy

Market Disclosure
The Company prepares quarterly results as required by Nigerian Stock Exchange and SEC rules and also prepares a detailed narrative statement to accompany the results. Our results are disseminated widely through the NSE, newswires and our own distribution lists. Furthermore, for each set of results we hold a global investor call in which we actively engage with investors and answer their questions as fully as we can.

Controlling Shareholder
The Company's controlling shareholder Dangote Industries Limited has continued to reduce its holding in Dangote Cement towards the NSE-required level of 80% or less as at the date of the report DIL held an interest of 90.93% of Dangote Cement.

Aliko Dangote
Chairman
19th March, 2015

Building the limestone conveyor in Ethiopia. The quarry is 4,200m away from the plant and 500m lower, so the gradient of the conveyor is 1 in 8 - a difficult engineering challenge.

Board and Committee Structure

Dangote Cement is managed by the Board and its Committees. Each Committee has a written Charter and Terms of Reference that have been approved by the Board and which are reviewed regularly to ensure that they comply with all legal and regulatory requirements, reflecting developments in best practices. The full Charter and Terms of Reference can be obtained from the Company Secretary.

The composition of the Board and Committees as at 19th March, 2015 is as follows:

Board of Directors
1 Chairman
1 Executive Director
10 Non-Executive Directors

Finance and General Purpose Committee
7 Non-Executive Directors

Audit and Risk Committee
7 Non-Executive Directors

Remuneration and Governance Committee
7 Non-Executive Directors

Nomination Committee
5 Non-Executive Directors

Technical Committee
7 Non-Executive Directors

Statutory Audit Committee***
3 Board Members
3 Members of the public shareholders

***The Statutory Audit Commitee is not a Commitee of the Board

Board and Committee Structure

Board of Directors

- Aliko Dangote GCON (c)
- Onne van der Weijde*
- Devakumar Edwin**
- Sani Dangote
- Abdu Dantata
- Olakunle Alake
- Joseph Makoju OFR GCSO
- Olusegun Olusanya
- Emmanual Ikozoboh
- Ernest Ebi
- Fidelis Madavo
- Khalid Al Bakhit

Finance and General Purpose Committee

- Olusegun Olusanya (c)
- Devakumar Edwin**
- Sani Dangote
- Olakunle Alake
- Emmanuel Ikazoboh
- Ernest Ebi
- Fidelis Madavo

Audit and Risk Committee

- Ernest Ebi (c)
- Devakumar Edwin**
- Olusegun Olusanya
- Sani Dangote
- Olakunle Alake
- Emmanuel Ikazoboh
- Fidelis Madavo

Remuneration and Governance Committee

- Emmanuel Ikazoboh (c)
- Devakumar Edwin**
- Sani Dangote
- Olusegun Olusanya
- Abdu Dantata
- Joseph Makoju
- Ernest Ebi

Nomination Committee

- Aliko Dangote (c)
- Olusegun Olusanya
- Emmanuel Ikazoboh
- Ernest Ebi
- Fidelis Madavo

Technical Committee

- Fidelis Madavo (c)
- Devakumar Edwin**
- Olakunle Alake
- Abdu Dantata
- Joseph Makoju
- Ernest Ebi
- Khalid Al Bakhit

Statutory Audit Committee***

- Robert Ade-Odiachi (c)
- Olakunle Alake
- Joseph Makoju
- Olusegun Olusanya
- Sada Ladan-Baki
- Bridget Shiedu

(c) Chairman
* Appointed as GCEO on 2nd February, 2015
** Resigned as GCEO 31st January, 2015 but remains on the Board as Non-Executive Director
***The Statutory Audit Commitee is not a Commitee of the Board

Board of Directors as at 19th March, 2015

Aliko Dangote GCON
Chairman

Aliko Dangote 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 in Dangote Industries. A graduate of Business Studies from the Al-Azahar University, Cairo, Egypt, he started business in 1978 trading in commodities before entering into full-scale manufacturing. Mr Dangote is well known for his involvement in local and international initiatives to improve healthcare and wellbeing.

Onne van der Weijde
Chief Executive Officer

Onne van der Weijde joined Dangote Cement as CEO in February 2015. He brings with him a wealth of experience at senior levels in the cement industry including Holcim (Indonesia and India) and ACC Limited. Before his appointment, he was the CEO of Ambuja Cements Limited in India. A Dutch citizen, he holds a Bachelor's Degree in Economics and Accounting from the University of Rotterdam in the Netherlands and an M.B.A. from the University of Bradford in the UK.

Sani Dangote
Non-Executive Director

Sani Dangote was appointed to the Board in 2005. He is a businessman with more than 30 years' experience and investments 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.

Devakumar Edwin
Non-Executive Director

Devakumar Edwin was appointed CEO in 2012. He resigned on the 31st of January 2015 and remains as a Non-Executive Director. Following 14 years in industrial management in India, he joined Dangote Industries in 1992 and has since held several managerial positions within the Group. He has been instrumental in the Group's rapid growth and its plant construction projects. He is a Chartered Engineer, holding Graduate and Master's degrees in Engineering from the Madras University in India. He also holds a Post-graduate Diploma in Management from IITM, Holland.

Abdu Dantata
Non-Executive Director

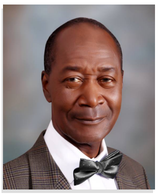
Abdu Dantata was appointed to the Board in 2005. He is the Executive Director in charge of Logistics and Distribution for Dangote Industries. He was the Executive Director, Sales & Marketing in Dangote Industries, a position he has held since the Group was established more than 20 years ago. Abdu Dantata 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.

Olakunle Alake
Non-Executive Director

Olakunle Alake was appointed to the Board in 2005. He holds a Bachelor's degree in Civil Engineering from Obafemi Awolowo University, Ile-Ife (1983) and is a Fellow of the Institute of Chartered Accountants of Nigeria. He joined Dangote Industries in 1990, after six years at PwC. He has held several management positions in Dangote Industries, including Financial Controller and Head of Strategic Services. He was appointed to the Board of Dangote Industries as Executive Director in 2001 and has since been instrumental to the growth of the Group.

Board of Directors as at 19th March, 2015

Joseph Makoju OFR GCSO
Non-Executive Director



Joseph Makoju was appointed to the Board in 2010. He holds a B.Sc. and an M.Phil. in Mechanical Engineering from the University of Nottingham, United Kingdom. He has worked in several world-class corporations including Shell BP, Blue Circle (UK) and WAPCO, which he led as Managing Director/CEO for a decade before taking up the appointment as Managing Director/CEO of National Electric Power Authority (Power Holding Company of Nigeria). He also served as Special Adviser (Electric Power) to the President, Federal Republic of Nigeria, under two separate administrations.

Olusegun Olusanya
Non-Executive Director

Olusegun Olusanya was appointed to the Board of Dangote Cement in 2010. He is an Accountant and holds an M.Sc. in Economics from the London School of Economics. He has been Deputy General Manager, Finance and Strategic Planning at Savannah Bank Nigeria Plc, Executive Director at Afribank Nigeria Plc and Executive Director, Union Bank between 1993 and 1999. Mr Olusanya was also Chairman of the National Bank of Nigeria Limited. and sits on the board of several companies.

Emmanuel Ikazoboh
Independent Non-Executive Director

Emmanuel Ikazoboh was appointed to the Board on 30th January, 2014. Until May 2011, he was the Administrator of The Nigerian Stock Exchange. Previously he was a Senior Partner with Akintola Williams Deloitte, Nigeria. He holds an M.B.A. in Financial Management and Marketing from Manchester University Business School. He is a UK Certified Accountant and a Fellow of the Institute of Chartered Accountants of Nigeria.

Ernest Ebi
Independent Non-Executive Director

Ernest Ebi was appointed to the Board on 30th January, 2014. He holds a B.B.A. in Marketing from Howard University, Washington DC, USA. He graduated in 1978 and obtained his M.B.A. from the same Institution in 1979. He brings 38 years of banking experience in managerial positions in International Merchant Bank, Diamond Bank and as Deputy Governor at the Central Bank of Nigeria in charge of its Corporate Strategy Department, International Economic Relations Department and Trade & Exchange.

Fidelis Madavo
Non-Executive Director

Fidelis Madavo was appointed to the Board on 30th July, 2014. He is Head of Resources and Portfolio Manager for Strategic and African Listed Investments at the Public Investment Corporation of South Africa (PIC). He joined PIC in 1997, prior to which he was Vice President in the Mining Team at Citigroup and a mining analyst with Investec. He spent 10 years with CRU International, a mining consultancy. He has a degree in Chemical Engineering and an M.Sc. from City University London.

Khalid Al Bakhit
Non-Executive Director

Khalid Al Bakhit was appointed to the Board on 28th October, 2014. With over 26 years of experience in the real estate and construction industry. He serves on the Board of Directors of many of the largest real estate companies in Dubai including Nakheel, Limitless and the Community Development Authority. Prior to joining ICD, Mr. Al Bakhit was Managing Director of Universal Concrete Products, Unimix Block Industry and National Transport Authority. Khalid Al Bakhit is Chairman of ICD-Brookfield, a real estate fund.

Board of Directors as at 19th March, 2015

1. **Aliko Dangote** GCON Chairman
2. **Onne van der Weijde** Chief Executive Officer
3. **Devakumar Edwin** Non-Executive Director
4. **Sani Dangote** Non-Executive Director
5. **Abdu Dantata** Non-Executive Director
6. **Olakunle Alake** Non-Executive Director
7. **Joseph Makoju** OFR GCSO Non-Executive Director
8. **Olusegun Olusanya** Non-Executive Director
9. **Emmanuel Ikazoboh** Independent Non-Executive Director
10. **Ernest Ebi** Independent Non-Executive Director
11. **Fidelis Madavo** Non-Executive Director
12. **Khalid Al Bakhit** Non-Executive Director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Executive Officers as at 19th March, 2015

Onne van der Weijde
Chief Executive Officer
(from 1/2/15)

Onne van der Weijde joined Dangote Cement as CEO in February 2015. He brings with him a wealth of experience at senior levels in the cement industry including Holcim (Indonesia and India) and ACC Limited. Before his appointment, he was the CEO of Ambuja Cements Ltd in India. A Dutch citizen, he holds a Bachelor's Degree in Economics and Accounting from the University of Rotterdam in the Netherlands and an M.B.A. from the University of Bradford in the UK.

Brian Egan
Group Chief Financial Officer

Brian Egan joined Dangote Cement in 2014, having previously been an Executive Director and CFO of Petropavlovsk Plc and of Aricom Plc, which were listed on the Main Board of the London Stock Exchange. He has held senior finance position in a number of leading multinational organisations. He trained with KPMG and is a member of The Institute of Chartered Accountants in Ireland.

Daljeet Ghai
Regional CEO, Nigeria

Daljeet Ghai joined in 2010 after a long career in the Indian cement industry, during which time he was CEO North of ACC. Prior to his time at ACC, he was Joint President of Gagal Cement Works and General Manager, Projects, of ACC. He holds a degree in Chemical Engineering. He is now responsible for production and logistical operations at Dangote Cement's three plants in Nigeria.

Albert Corcos
Regional CEO, E&S Africa

Albert Corcos joined the Company in 2013 and has more than 30 years' experience in the cement industry, mostly with Lafarge, where he was most recently Chief Executive of Lafarge South Africa, from 2006-09. He has also served as a Board Member of Cimpor and led its cost-cutting initiatives. He is now responsible for Dangote Cement's operations in East & South Africa, stretching from Ethiopia to South Africa.

Roger Goldschmidt
Act. Regional CEO, W&C Africa

Roger Goldschmidt joined Dangote Cement in August 2011 as Regional CFO for West & Central Africa. He is a UK-qualified Chartered Accountant whose long career experience includes various finance positions at companies including Del Monte, where he was Vice President, Finance, (Europe, Middle East & Africa), and Chief Financial Officer of Goldwell Group, overseeing 21 worldwide subsidiaries.

Knut Ulvmoen MFR
Sales Director, Nigeria

Knut Ulvmoen joined Dangote in 1996 as the Finance Director. He is a management professional with extensive background in finance and administration of multinational companies including Revisor-Centret, Norcem Group, Bulkcem and Scancem. He has been instrumental in moving the Company from import and trading into a manufacturing conglomerate. He holds a MSc. in Business Administration. He is a Member of the Norwegian Association of Authorised Accountants.

About Us
Operational Review
Corporate Governance
Financial Statements

Executive Officers as at 19th March, 2015

Mahmud Kazaure
Group Chief Legal Counsel & Company Secretary

Mahmud Kazaure joined in 2011 and has broad legal experience including commercial law, international business, 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 before the United States Supreme Court. He has a Master of Laws from Howard University School of Law, Washington DC.

Sivakumar Gopalan
Group Financial Controller

Sivakumar Gopalan is a member of the Institute of Chartered Accountants of India with more than 30 years experience in various roles of finance & accounting, including financial control, treasury management, mergers & acquisitions and investor relations. Prior to joining Dangote Cement in 2013, he worked at ACC Limited India, a listed subsidiary of Holcim Group, where he held the post of Vice President, Finance.

Oare Ojeikere
Group Chief Marketing Officer

Oare Ojeikere joined in February 2014, with significant cross-industry Marketing management experience, after having previously worked as Marketing Director, Coca-Cola Nigeria and of 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 is a member of the Nigerian Institute of Marketing.

Juan-Carlos Rincon
Group Chief HR Officer

Juan Carlos Rincon 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 continents.

Kashinath Bhairappa
Deputy Director, Projects

Kashinath Bhairappa is a graduate Mechanical Engineer. He joined Dangote Cement in February 2001 as a General Manager and elevated to Deputy Director of Projects, responsible for looking after 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 projects management and execution.

Rao Kallepalli
Deputy Director, Projects

Kallapalle 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 Industry Engineering. He holds a B.Tech in Electrical Engineering and an M.Tech in Industrial Engineering and Operations Research.

Gboko, Benue State, Nigeria

Gboko is the oldest of our plants in Nigeria, with four million tonnes of capacity to serve the eastern and southern regions, as well as export markets in Chad and Cameroon. In 2015, the plant will be equipped with coal mills and supporting facilities to end its reliance on low pour fuel oil, which is an expensive form of kiln fuel. This will improve its profitability upon reopening.

Report of the Directors for the year ended 31st December, 2014

The Directors of Dangote Cement are pleased to submit to you, the Shareholders, the Annual Report including the financial statements and audit report for the year ended 31st December, 2014. The Corporate Governance Statement forms part of this Report of the Directors. Having taken into account all the matters considered by and brought to the attention of the Board during the year, we are satisfied that the Annual Report, taken as a whole, is fair, balanced and reasonable.

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 include ensuring that:

(i) adequate internal control procedures are established to safeguard assets of the Company and to present and detect fraud and other irregularities;

(ii) proper accounting records are maintained and with reasonable accuracy;

(iii) applicable accounting standards are followed;

(iv) suitable accounting policies are used and consistently applied;

(v) the appropriate financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Legal Form
Dangote Cement Plc was previously named Obajana Cement Plc and was incorporated as a public limited company in Nigeria on 4th November, 1992. It commenced its operations in January 2007. The Company name was changed from Obajana Cement Plc to Dangote Cement Plc by special resolution on 14th July, 2010.

Dangote Cement shares were listed on the Nigerian Stock Exchange in October 2010. It is the largest company traded on the Exchange.

Principal Activities and Future Plans
The Company was established for the operation of factories for the preparation, manufacture, control, research, sale and distribution of cement and related products. The production activities of the Company are undertaken at the Obajana Plant in Kogi State, Gboko Plant in Benue State and Ibese Plant in Ogun State, all in Nigeria.

The Company has expanded into other countries in Africa and has a number of subsidiaries across Africa engaged in principally the same activities. Information with respect to these subsidiaries is on pages 15 to 20.

Plans for future developments are included in the Chairman's Statement on pages 7 to 10 and Operational Review on pages 23 to 54.

Business Review and Results
The Business Review comprises of the following, each of which are incorporated by reference into, and form part of this Directors' Report:

- The Chairman's Statement on pages 7 to 10;
- The Interview with the Chief Executive Officer on pages 23 to 26;
- The Chief Financial Officer's Statement on pages 27 to 31;
- Our Operational Review (Regions) on pages 32 to 41;
- The Statements in the section entitled Our Approach to Sustainability on pages 47 to 51;
- The Corporate Governance Report on pages 57 to 60;
- The Remuneration Committee Report on pages 77 to 79;
- The Audit and Risk Committee Report on pages 80 to 85;
- The Finance and General Purposes Committee Report on page 86.

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
Group revenue increased to ₦391.6bn (2013: ₦386.2bn). Profit for the year attributable to shareholders was ₦159.5bn (2013: ₦201.2bn).

Report of the Directors for the year ended 31st December, 2014

About Us
Operational Review
Corporate Governance
Financial Statements

Dividends
As the business of the Company grows, considering the Africa expansion plans, the Directors intend to pursue a dividend policy that reflects the Company's cash flow and earnings, while maintaining an appropriate level of dividend cover and having regard to further fund the development of the Company's activities.

The Directors recommend a dividend for 2014 of ₦6.00 per Ordinary share (2013: ₦7.00). The final dividend, if approved by shareholders at the 2015 Annual General Meeting, will be paid on Thursday 30th April, 2015 to shareholders on the register as at Friday, 17th April, 2015.

The Board considers that the proposed dividend level is appropriately covered and is consistent with the Company's developments spending.

Unclaimed Dividends
The Company notes that some dividend warrants sent to shareholders have remained unclaimed or are yet to be presented for payment or 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 address of the registered office. Members are being urged to advise the Registrars or the Company Secretary of any change of address or situation, particularly as it relates to warrants, as well as mandate their dividend and use the Central Securities Clearing System (CSCS). A form has been provided for that purpose within this document. The total amount outstanding as at 31st December, 2014 is ₦827.9m. A list of unclaimed dividends has been posted on the Group's website (www.dangote.com).

Directors
The Directors of the Company at the date of this report and their biographical details appear on pages 64 to 65 and are incorporated into this report by reference. Subject to the following, all of the Directors held office throughout the year ended 31st December, 2014. Ernest Ebi and Emmanuel Ikazoboh were appointed to the Board as Non-Executive Directors on 30th January, 2014. The Board appointed three Directors since the last Annual General Meeting. Fidelis Madavo was appointed Non-Executive Director on 30th July, 2014; Khalid Al Bakhit was appointed Non-Executive Director on 28th October, 2014. Onne van der Weijde was appointed Chief Executive Officer on the 2nd February, 2015. The appointment will be presented to shareholders for approval at the Annual General Meeting.

The appointment and removal or reappointment of Directors is governed by its Articles of Association and Companies and Allied Matters Act (CAMA) LFN 2004. It also sets out the powers of Directors.

Directors' Interests
In accordance with Section 275 of the provisions of the Companies and Allied Matters Act, CAP C20 LFN 2004, the Company's Directors direct and indirect interests in the issued share capital of the Company as recorded in the Register of Members as at 31st December, 2014, are as follows :

	As at 31st December, 2013	As at 31st December, 2014		As at 19th March, 2015
	Ordinary Shares of ₦0.50k each	Ordinary Shares of ₦0.50k each	Holding % of issued share capital	Ordinary Shares of ₦0.50k each
Aliko Dangote	27,642,637	27,642,637	0.16	27,642,637
Olakunle Alake	3,666,702	3,906,702	0.02	3,906,702
Abdu Dantata	0	2,500,000	0.00	2,500,000
Emmanuel Ikazoboh	N/A	40,000	0.00	40,000
Olusegun Olusanya	16,313	16,313	0.00	16,313
Joseph Makoju	11,000	11,000	0.00	11,000
Sani Dangote	0	0	0.00	0
Devakumar Edwin	0	0	0.00	0
Ernest Ebi*	N/A	0	0.00	0
Fidelis Madavo*	N/A	0	0.00	0
Khalid Al Bakhit*	N/A	0	0.00	0
Onne van der Weijde*	N/A	0	0.00	0

*Not members of the Board as at 31st December, 2013

Report of the Directors for the year ended 31st December, 2014

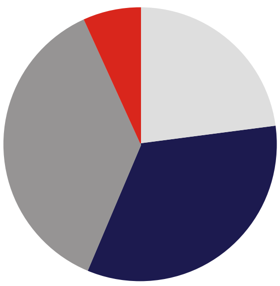
Conflict of Interest
The Company maintains a register of declared interest of Directors in accordance with the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004.

SIAO, a company in which Robert Ade-Odiachi (Chairman, Statutory Audit Committee) is a Partner, provided accountancy advisory services to Dangote Cement in 2014.

Powers of Directors
Subject to the Company's Articles of Association, the prevailing legislation and any directions given by special resolution, the business and affairs of the Company will be managed by the Directors who may exercise all such powers of the Company.

Supplier Payment Policy
It is Company policy 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, 2014, were 94 days on average for the Company (2013: 66) .

Donations
Sponsorship and charitable donations amounted to ₦1.1bn (2013: ₦1.5bn).



Details are available in the supplementary information section, page 155

No political donations were made by the Company in 2014 or in the preceding years. During the year, the Company continued to provide its charitable financial support to its host communities as well as through the Dangote Foundation (the "Foundation"). The Foundation was established in 1994 to coordinate the Dangote Group of Companies' social investments in Nigeria. The Foundation is a non-commercial and charitable organization that focuses on empowerment, education, health and disaster relief.

The Company regards the provision of charitable donations as an important part of its strategy to maintain good relationships with its stakeholders.

Details of the Company's charitable activities are set out in the section titled "Our Approach to Sustainability " on pages 47 to 51 of this Report.

Sustainability
Further information is given in the section titled Our Approach to Sustainability on pages 47 to 51.

Corporate Governance and Shareholder Relations
The Corporate Governance Report on pages 57 to 60 forms part of the Directors' Report.

Details of the Company's compliance with the Code of Corporate Governance for Public Companies in Nigeria, including relations with shareholders, are set out in the Corporate Governance Report on page 59.

Employees
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 in all indices.

The Company continuously strives to improve its operations to ensure a safe working environment. Safety and environment workshops are organized for all senior employees with a broad focus on good housekeeping to ensure good and safe working environment. Fire-fighting and prevention equipments are installed in strategic locations in the offices and plants.

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

Report of the Directors for the year ended 31st December, 2014

and international training and development programmes during the period under review.

Employees are provided with information about the Company through the Internal Communications Unit.

The Company is committed to providing equal opportunity for individuals in all aspects of employment. The Company gives every consideration to applications for employment by disabled persons where the requirements of the job may be adequately filled by a disabled person.

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.

Retirement Benefits
The Company operates a defined contribution pension scheme for members of staff in Nigeria, which is independent of its finances and is managed by Pension Fund Administrators.

The scheme, which is funded by contributions from the employees at (8%) and by the Company at 10% each of the employee's basic, housing and transport allowances, is consistent with the provisions of the Pension Reform Act, 2014. The Company also operates a staff terminal gratuity scheme covering all confirmed employees. The Company funds the scheme wholly.

Post Balance Sheet Events
On 2nd February 2015, Onne van der Weijde became Group CEO of Dangote Cement. Devakumar Edwin resigned as Group CEO on 31st January, 2015 but remains on the Board as a Non-Executive Director.

Before his appointment, he was the CEO of Ambuja Cements Limited in India. He was CFO at Holcim Indonesia from 2001 to 2005. In 2005, he was appointed General Manager of Holcim India Limited and in 2006, he also assumed the CFO function at ACC Limited until October, 2008. From November 2009, he was CEO of Ambuja Cements Limited.

A Dutch citizen, Onne holds a Bachelor's Degree in Economics and Accounting from the University of Rotterdam in the Netherlands and an MBA from the University of Bradford in the UK.

Research and Innovation
With rapid urbanization 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. We have developed three cement grades to meet different consumer needs: the 32.5 grade is for plastering and flooring; the 42.5 grade is for building construction; the 52.5 grade is for civil construction projects with heavy load-bearing structures.

In search of self-sufficiency in all production inputs, Dangote Cement is exploring the possibility of mining coal near to the cement plants to exploit a cheaper fuel source than the LPFO used when gas is at low pressure or unavailable.

The Company is also making a significant contribution towards research into the exploration of gypsum under the auspices of Cement Manufacturers Association of Nigeria (CMAN). Gypsum remains one of the raw materials required for cement manufacturing that is not commercially mined in Nigeria, and the Company is committed to building capacity locally to explore and exploit gypsum reserves.

Capital Structure
The Company has one class of ordinary shares, which reflects 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 of the shareholding and transfer of shares is governed by the Company's Articles of Association and relevant principal regulation in force. There are no restrictions with respect thereto. Details of significant shareholdings are provided on page 76.

Report of the Directors for the year ended 31st December, 2014

Shareholder Analysis

Range			No. of Holders	%	Units	%
1	-	1,000	28,937	72.48	10,293,321	0.06
1,001	-	5,000	8,293	20.77	16,539,831	0.10
5,001	-	10,000	1,268	3.18	8,947,768	0.05
10,001	-	50,000	1,101	2.76	22,718,514	0.13
50,001	-	100,000	157	0.39	11,286,839	0.07
100,001	-	500,000	159	0.40	35,518,251	0.21
500,001	-	1,000,000	39	0.10	28,468,974	0.17
1,000,001	-	5,000,000	65	0.16	137,149504	0.80
5,000,001	-	10,000,000	8	0.02	55,323,174	0.32
10,000,001	-	100,000,000,000	22	0.06	16,714,261,228	98.09
			39,923	**100.00**	**17,040,507,404**	**100.00**

Substantial Interest in Shares
As at the year-end date and the date of this report, only Dangote Industries Limited held more than 5% of the issued share capital of the Company.

	31st December, 2014		**19th March, 2015**	
Shareholder	Number of ordinary shares	% of issued ordinary share capital	Number of ordinary share	% of issued ordinary shares capital
Dangote Industries Ltd.	15,494,247,300	90.93	15,494,247,300	90.93

Note: The Company considers all shares other than shares held by Dangote Industries Limited (90.93%) and Aliko Dangote (0.16%) as free float shares

All of its issued shares are fully paid and details of the share capital history during the year are set out on page 149. No additional shares were issued during the year.

The Articles of Association may be amended by special resolution approved by the shareholders.

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 audit information of which the Company's auditor is unaware
- Each of the Directors has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Akintola Williams Deloitte and Ahmed Zakari & Co., as joint auditors, have indicated their willingness to continue in office 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 their remuneration.

The Company intends to follow the provisions of the 2011 Nigeria Corporate Governance Code and put 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.

By order of the Board

Mahmud Kazaure
Company Secretary/Group Chief Legal Counsel
19th March, 2015

Remuneration Report

About Us
Operational Review
Corporate Governance
Financial Statements

Emmanuel Ikazoboh
Chairman, Remuneration and Governance Committee

Members and Meeting Attendance in 2014

Members	No. of meetings*
Emmanuel Ikazoboh	3/3
Devakumar Edwin	3/3
Olusegun Olusanya	3/3
Abdu Dantata	1/3
Joseph Makoju	3/3
Ernest Ebi	3/3
Sani Dangote	2/3

*Meeting dates are on page 157

Introduction

This report explains the remuneration paid to the Directors of Dangote Cement during 2014 and the proposed remuneration arrangements for 2015. It also explains the basis for the Remuneration and Governance Committee's decision making and how the Company's Remuneration Policy is aligned with the short-term and long-term strategy and objectives of Dangote Cement.

The Committee held three meetings during 2014. The Company's Chairman has attended part of these meetings, at my invitation, to provide advice on specific questions raised by the Committee and on matters relating to the performance and remuneration, although he was not in attendance during any discussions relating to his own remuneration.

The Company Secretary attended each meeting as Secretary to the Committee. KPMG Advisory Services provided advice to the Committee during the year.

Changes to the Members of the Committee

The Committee was reconstituted in March 2014 with Emmanuel Ikazoboh, an Independent Non-Executive Director appointed as Chairman. Ernest Ebi, another Independent Non-Executive Director was also appointed to the Committee to further strengthen its independence.

Role of the Committee

The principal role is to recommend to the Board the framework and policy for the remuneration of the Company's Chairman, the Executive Director, the Company Secretary and members of the Executive Committee.

In addition, and in consultation with the Chairman and/or Chief Executive Officer as appropriate, the Committee is responsible for reviewing the total individual remuneration package of the Executive Director and for reviewing annual proposals for the Senior Executives.

Specific Areas of Focus during the year

In addition to the normal duties undertaken by the Committee during the year, we have also considered the following matters:

1. Approval of the 2014 Remuneration Report
2. Review of the new performance management structure and staff remuneration policies
3. Review of the staff handbook and the conditions of service

Remuneration Policy

The Committee recognizes that the Company's high-calibre Executive Committee is key to delivering the Group's strategy to grow the business. The Group's Remuneration Policy is being designed to provide remuneration packages to retain and motivate these high-calibre executives and to attract new talent as required. The Company's remuneration of the Executive Director's and Senior Executives' in 2015, is intended to be performance-related.

The Committee believes that the Company's policy reinforces effective risk management by aligning the Executive Director's and Senior Executives' interest with the long-term interest of shareholders.

Remuneration Report

The Committee will continue to monitor the Remuneration Policies alignment with the Group's business priorities and objectives, whilst ensuring that our remuneration framework continues to motivate, reward and retain our senior management in order to deliver the Company's strategy.

In 2014, the remuneration components for Executive Director and Senior Executive comprised of basic salary and benefits.

Non-Executive Directors' Remuneration
Fees for Non-Executive Directors are reviewed annually and are approved by the shareholders on the recommendation of the Board. The Board is conscious that, just as the Company must set remuneration levels to attract and retain high-calibre executives, it must also ensure that remuneration rates for Non-Executive Directors are set at a level that will attract the calibre of Directors necessary to contribute to an effective and high-performing Board. This should also reflect the responsibilities and time spent by the Directors on matters relating to the Company.

The Remuneration and Governance Committee periodically conduct a peer review of the remuneration of the Non-executive Director with comparative institutions in line with leading practices and presents it recommendation to the Board and shareholders for approval.

Details of the fees paid to Non-Executive Directors in respect of the year ended 31st December, 2014, are set out on page 79.

Executive Director
It is the Group's policy that Executive Director's service contract has a fixed term of three years, but is capable of termination given a maximum of six-months notice. There are no provisions in the Executive Director's appointment arrangements for compensation payable on early termination of his Directorship. The appointment can be terminated by paying in lieu of the notice period with such payment being limited to the Executive Director's basic salary.

Non-Executive Directors
Non-Executive Directors, who are appointed for an initial term of three years, have formal letters of appointment setting out their duties and responsibilities. These letters are available for inspection at the Company's registered office.

There are no provisions in any of the current Non-Executive Directors' appointment arrangements for compensation payable on early termination of their Directorship. Each Director is subject to re-election at the first Annual General Meeting following his or her appointment by the Board. Fidelis Madavo and Khalid Al Bakhit, who joined the board after the last Annual General Meeting, will be ratified at the 2015 Annual General Meeting. In addition, in accordance with the provision in the SEC Corporate Governance Code, all eligible Directors will stand for re-election at this year's Annual General Meeting.

Fees payable to the Directors are recommended by the Board and approved by the shareholders at the Annual General Meeting. The Company pays an approved welfare package to Directors which does not go to the shareholders for further approval.

Compliance
The Remuneration and Governance Committee complies with the Code of Corporate Governance for Public Companies in Nigeria.

Attendance Fee
Members of the Board are paid ₦350,000 as sitting allowance for each Committee meeting attended and ₦400,000 for each Board meeting attended.

The Chairman of the Board is paid ₦500,000 for each Board Meeting attended while the Chairman of each Committee is paid ₦400,000 for each committee meeting attended.

Directors' Interests
The interests in the ordinary shares of the Company of Directors who held office during the period 1st January, 2014 to 31st December, 2014, are set out in the Report of Directors' on page 73.

Remuneration Report

Table of Emoluments
The total amounts for Directors' remuneration for the year ended 31st December, 2014 are as follows:

Executive Director

	Basic Salary *	Benefits and Allowances	Total
	₦	₦	₦
Devakumar Edwin	51,000,000	47,622,624	98,622,624

Non-Executive Directors

	Basic fees	Other Benefits	Total
	₦	₦	₦
Aliko Dangote (Chairman)	5,000,000	14,783,874	19,783,874
Sani Dangote	4,000,000	15,722,624	19,722,624
Olakunle Alake	4,000,000	16,122,624	20,122,624
Abdu Dantata	4,000,000	12,172,624	16,172,624
Joseph Makoju	4,000,000	13,672,624	17,672,624
Olusegun Olusanya	4,000,000	17,472,624	21,472,624
Emmanuel Ikazoboh	4,000,000	15,822,624	19,822,624
Ernest Ebi	4,000,000	15,822,624	19,872,624
Fidelis Madavo	0	800,000	800,000
Khalid Al Bakhit	0	0	0
Total Non-Executive Directors	**33,000,000**	**122,442,242**	**155,442,242**
Total	**84,000,000**	**170,064,866**	**254,064,866**

*Basic Net Salary of $300,000 converted to Naira

Proposed Non-Executive Director fees for 2015:	
Aliko Dangote	₦5,000,000
Sani Dangote	₦4,000,000
Devakumar Edwin	₦4,000,000
Olakunle Alake	₦4,000,000
Abdu Dantata	₦4,000,000
Joseph Makoju	₦4,000,000
Olusegun Olusanya	₦4,000,000
Emmanuel Ikazoboh	₦4,000,000
Ernest Ebi	₦4,000,000
Fidelis Madavo	₦4,000,000
Khalid Al Bakhit	₦4,000,000
Total	**₦45,000,000**

Emmanuel Ikazoboh
Remuneration and Governance Committee Chairman
19th March, 2015

Audit and Risk Committee Report

Ernest Ebi
Chairman, Audit and Risk Committee

> *"Our primary focus for risk management in 2014 was on strengthening and implementing our risk-management framework whilst supporting our strategic initiatives."*

Members and Meeting Attendance in 2014

Members	No. of meeting*
Ernest Ebi	3/3
Olusegun Olusanya	3/3
Devakumar Edwin	3/3
Sani Dangote	3/3
Olakunle Alake	3/3
Emmanuel Ikazoboh	3/3
Fidelis Madavo	new member

*Meeting dates are on page 157

Changes to the Members of the Committee

The Committee was reconstituted with the addition of Ernest Ebi (appointed Chairman of the Committee) and Emmanuel Ikazoboh in March 2014. Fidelis Madavo joined the Committee in December 2014.

Risk management is a principle we take seriously at Dangote Cement. It is considered pivotal to the achievement of our corporate goals.

Our primary focus for risk management in 2014 was on strengthening and implementing our risk-management framework whilst supporting our strategic initiatives.

We have taken a holistic view of risk management, so that we have an enterprise-wide view of risk management that goes beyond the management of one single risk.

Board Audit and Risk Committee Mandate

Responsibility for the management of risk resides with the Board, which monitors our risk profile through its Audit and Risk Committee. The Chairman of the Board Audit and Risk Committee reports on items discussed during the Risk Committee's meetings to the Board.

The responsibility for day to day management has been delegated as described in the section below:

- Certain functions and responsibilities to relevant governance committees to support the fulfillment of these responsibilities, in particular, to the Audit and Risk Committee whose functions are described in more details below.
- Responsibility for risk policy, the organisation and governance of risk management and ensuring and overseeing the execution of risk management including identification, analysis and risk mitigation, within the scope of the risk appetite approved by the Board. This Committee may be supported by specialised risk sub-committees.

Summary of Board Audit & Risk Committee Major Achievements

In 2014, Dangote Cement embarked on an aggressive yet controlled approach to structuring its risk-management activities with clear objectives and a well-established process to deliver them. Our risk management achievements to date are listed below:

- Entrenching a strong culture of risk awareness across the organisation
- Understanding Dangote Cement's risk and defining the required methodology, approach and tools for effective and optimal risk management
- Defining accountabilities and responsibilities for managing risks prevalent in Dangote Cement
- Deriving the risk-appetite framework and governance structure

Audit and Risk Committee Report

- Regular risk reporting and tracking of key risks
- Concluding an enterprise-wide risk and control assessment of all Dangote Cement plants (see Risk-Management Framework and Approach)

Risk-Management Principles

Dangote Cement actively takes on risks in pursuit of our business objectives. These are underpinned by our commitment to being an organisation with a high-quality Enterprise Risk Management capability, which encompasses all our activities and adds value to economic growth and the protection of our shareholders' assets.

Consequently we execute our philosophy, guided by the following risk-management principles:

- The management of risk is the responsibility of all employees
- Risk is taken within a defined risk appetite and profile
- Risk taken needs to be adequately balanced with measurable reward
- Risk must be continuously monitored and managed.

Risk-Management Objectives

Top quality management of risks is a high priority for Dangote Cement. The objectives are as follows:

- Identify material risks within Dangote Cement
- Help Dangote Cement's Board and management improve the control and co-ordination of risk taking across the business
- Ensure that Dangote Cement's growth plans are properly supported by effective risk infrastructure
- Define Dangote Cement's risk appetite and ensure that business plans are aligned with it
- Optimise risk/return decisions by taking them as closely as possible to the business, while establishing strong and independent review and challenge structures
- Complete stress tests to manage risk profile and ensure that specific deliverables remain possible under a range of adverse business conditions.

Risk Culture

Risk management is integral to the success of our business and as such is the responsibility of all executives, management and staff.

Dangote Cement acknowledges the need for encouraging a strong risk culture to strengthen and reinforce our resilience by encouraging a holistic approach to the management of risk. We are building a risk culture based on a close alignment with our employees to support understanding, trust and openness together with clear independence to ensure strong, rigorous, analytical and objective decision making and consistency across the Company when it comes to risk. Risk is a shared responsibility between the business owners and risk teams with the business operating as a 'first line of defence'.

We expect employees to exhibit behaviors that maintain a strong risk culture. The risk culture behaviors we are targeting for our employees include:

- Placing Dangote Cement and its reputation at the heart of all decisions
- Being fully responsible for our risks
- Being rigorous, thorough and proactive in the assessment of risk
- Brainstorming and troubleshooting collectively in the assessment of risks.

To reinforce these behaviors we have launched a number of Group-wide activities in 2014, including mandatory training on risk awareness from the Board right across Dangote Cement. We also have regular communications, including those from our Board members, on the importance of a strong risk culture.

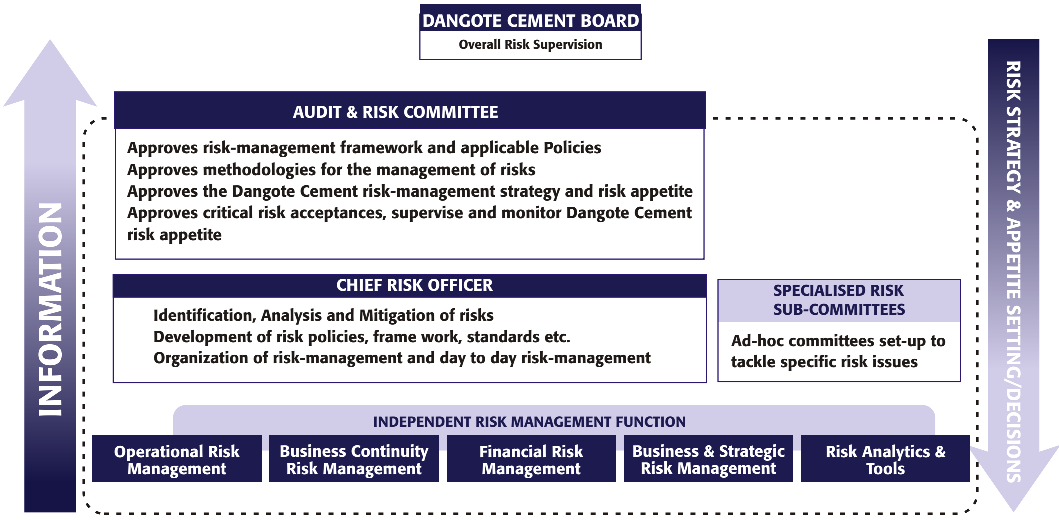
Risk Governance and Organisational Structure

Dangote Cement has businesses that span various African countries, all at different stages of progress. Consequently, from an external perspective, we are therefore regulated and supervised by relevant authorities in each of the countries and jurisdictions in which we conduct business. Such regulation focuses on our conduct of business as well as organisational and reporting requirements.

Risk management staff work closely with Dangote Cement's Legal Department, to ensure our compliance with all applicable laws and regulations.

"Risk management is a principle we take seriously at Dangote Cement. It is considered pivotal to the achievement of the corporate goals of Dangote Cement."

Audit and Risk Committee Report



Risk Appetite
Our risk appetite is a reflection of the maximum level of risk that we are prepared to accept in order to achieve our business objectives. We have defined our risk appetite to ensure that risk is proactively managed to the level desired and approved by the Board of Dangote Cement.

The Board reviews and approves the risk appetite. This will be done on an annual basis to ensure that it is consistent with Dangote Cement's strategy, business environment and stakeholder requirements. Our risk appetite statement is our means of translating our strategy into tangible targets and tolerance levels across major risk categories.

Dangote Cement's governing risk appetite statement is given below:

Risk Drivers	Definition
Earnings	Dangote Cement should always have the ability, but not be required, to pay a dividend
Solvency	Dangote Cement will manage its financial resources such that it can withstand a 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 will aim to have a world-class approach to health and safety
Environment (CSR)	Dangote Cement will ensure that the adverse impact of its operations is minimal on the environment

Audit and Risk Committee Report

Using the above statements governing risk appetite tolerance levels, thresholds and targets are set at different trigger levels, with clearly defined escalation requirements that enable appropriate actions to be defined and implemented as required.

Risk Management Framework and Approach
Our expansion strategy has resulted in a diversified group, which requires us to identify, measure, aggregate and manage our risks effectively and to ensure the effective and efficient use of our capital.

Effective systems, processes and policies are a critical component of our risk-management capability. Our risk management process at the highest level is made up of five steps: identify, assess, control, report and manage/challenge. Each of these steps is broken down further to establish end-to-end activities within the risk management process and to assign relevant methodologies to complete them. These are illustrated below:

> *"Effective systems, processes and policies are a critical component of our risk-management capability. Our Risk-Management Process is at the highest level."*

Audit and Risk Committee Report

Principal Current and Emerging Risk Factors
Dangote Cement is exposed to a wide range of risks inherent in its business activities. The most significant of these are covered in the table below and have dedicated functions with the risk management organisation model.

Risk Group	Types of Risk Exposures	Risk Mitigation Strategy
Business & Strategic Risk Management	Pressure of competition on market share; overcapacity; price wars; concentration risk; reputational risk; governance & risk oversight; environmental sustainability.	Close monitoring of industry and market trends, attainment of strategic milestones, and pricing of products; Proper implementation and monitoring of policies and procedures relating to Corporate Governance and Environmental Sustainability.
Operational Risk Management	Operational inefficiencies; human resources mis-management; Information technology issues; litigation against the Group; compliance risk; reporting risk; health & safety malpractices; quality control risk; technical failures; theft & fraud.	Proper implementation of a robust Operational Risk-Management framework; conduct risk assessments, maintenance of a robust Key Risk Indicator dashboard, collation of loss incident reports organisation-wide for proper identification and treatment of prevalent and emerging operational risks.
Financial Risk Management	Insurance risk; credit risks; market risks including interest rate risk and foreign exchange risk; liquidity and funding risks.	Close monitoring of limits and market trends; ensuring complete and proper documentation is in place for all transactions; setting and monitoring stop-loss limits.
Business Continuity Management	Major disruptions from social sabotage, unrests, political crisis, terrorism; floods; epidemics; geological damage such as earthquakes and landslides.	Development of a robust Business Continuity Plan with defined recovery team structures, call trees, Business Priority Maps and IT Disaster Recovery Plans.
Risk Analytics & Modelling	Scenario modelling	Deployment of extensive portfolio reporting mechanisms highlighting correlations and combined views across data distribution types, confidence levels, stressed scenarios and trade offs or opportunity costs useful for apt decision-making.

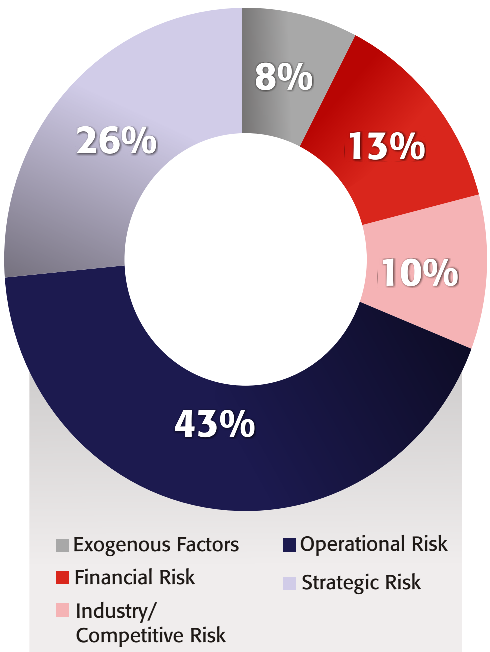
Audit and Risk Committee Report

Overall Risk Position

The overall risk position indicates Dangote Cement's current risk positions across identified risk categories. Dangote risk-management ensures these risks are within our risk appetite and tolerance level through effective and efficient execution of our risk-management objectives:

Business Unit Risk Categories	**Description**
Exogenous Factors	The risk arising from events outside Dangote Cement and beyond our influence and control
Financial Risk	Financial risk is an umbrella term for multiple types of risk associated with financing
Industry Competitive Risk	The risk that will result in a decline of our competitive edge within the markets we operate
Operational Risk	The risk resulting from inadequate or failed internal processes, people and systems or from external events and capable of impacting the operations of our organisation
Strategic Risk	Long-term or opportunity risk concerned with where Dangote Cement wants to go, how it plans to get there and how it can ensure survival

Percentage Distribution Across Risk Types



Outlook

Dangote Cement is purposeful in setting its goals for the future. This tone is reflected in its risk management practices. Its Risk Management department ensures that the structures, policies and procedures deployed organisation-wide enable the attainment of corporate goals whilst minimising the organization's exposure to losses whether financial or non-financial such as reputational damage or brand erosion.

With the growth and expansion of Dangote Cement, more sophistication and granularity would be applied in the way risk is managed across the organisation.

Ernest Ebi
Chairman, Audit and Risk Committee
19th March, 2015

Finance and General Purpose Committee Report

Olusegun Olusanya
Chairman, Finance and General Purpose Committee

Members and Meeting Attendance in 2014

Members	No. of meetings*
Olusegun Olusanya	6/6
Devakumar Edwin	5/6
Sani Dangote	5/6
Olakunle Alake	6/6
Emmanuel Ikazoboh	3/4
Ernest Ebi	4/4
Fidelis Madavo	new member

*Meeting dates are on page 157

Changes to Members of the Committee

The Committee was reconstituted with the addition of Emmanuel Ikazoboh, Ernest Ebi in March 2014 and Fidelis Madavo in December 2014.

Overview of Scope and Activity

This Committee oversees financial reporting, internal control management, treasury, investment and financial risk management, capital structure, major acquisitions, corporate finance strategy and activities.

Finance and Treasury

1. Review and recommend to the Board on the matters pertaining to the capital structure and corporate finance strategy of the Company, including, without limitation: the issuance of equity and debt securities; financing plans generally; debt ratings; share repurchase philosophy and strategy; share redemption and purchase activities; and dividend policy.
2. Review, in consultation with the independent auditors and the internal auditors, the integrity of the Company's internal and external financial reporting processes and controls.
3. Review and recommend to the Board on matters pertaining to global treasury operation, investment strategies, banking and cash management arrangements and financial risk management (interest rate, foreign exchange, etc.).

Corporate Transactions

Review and make recommendations to the Board on matters pertaining to major investments, acquisitions divestitures, joint ventures or similar transactions and the policies and processes of the Company related thereto.

Reports

1. Report regularly to the Board:
a. Following all meetings of the Committee;
b. With respect to such other matters that are relevant to the Committee's discharge of its responsibilities;
2. With respect to such recommendations as the Committee may deem appropriate; and
3. Maintain minutes or other records of meetings and activities of the Committee.

Committee Effectiveness

1. Conduct an annual self-assessment and report conclusions and recommendations for change to the Board.
2. Consider whether or not the Committee receives adequate and appropriate support in fulfillment of its role and whether or not its current workload is manageable.

Activities During the Reporting Year

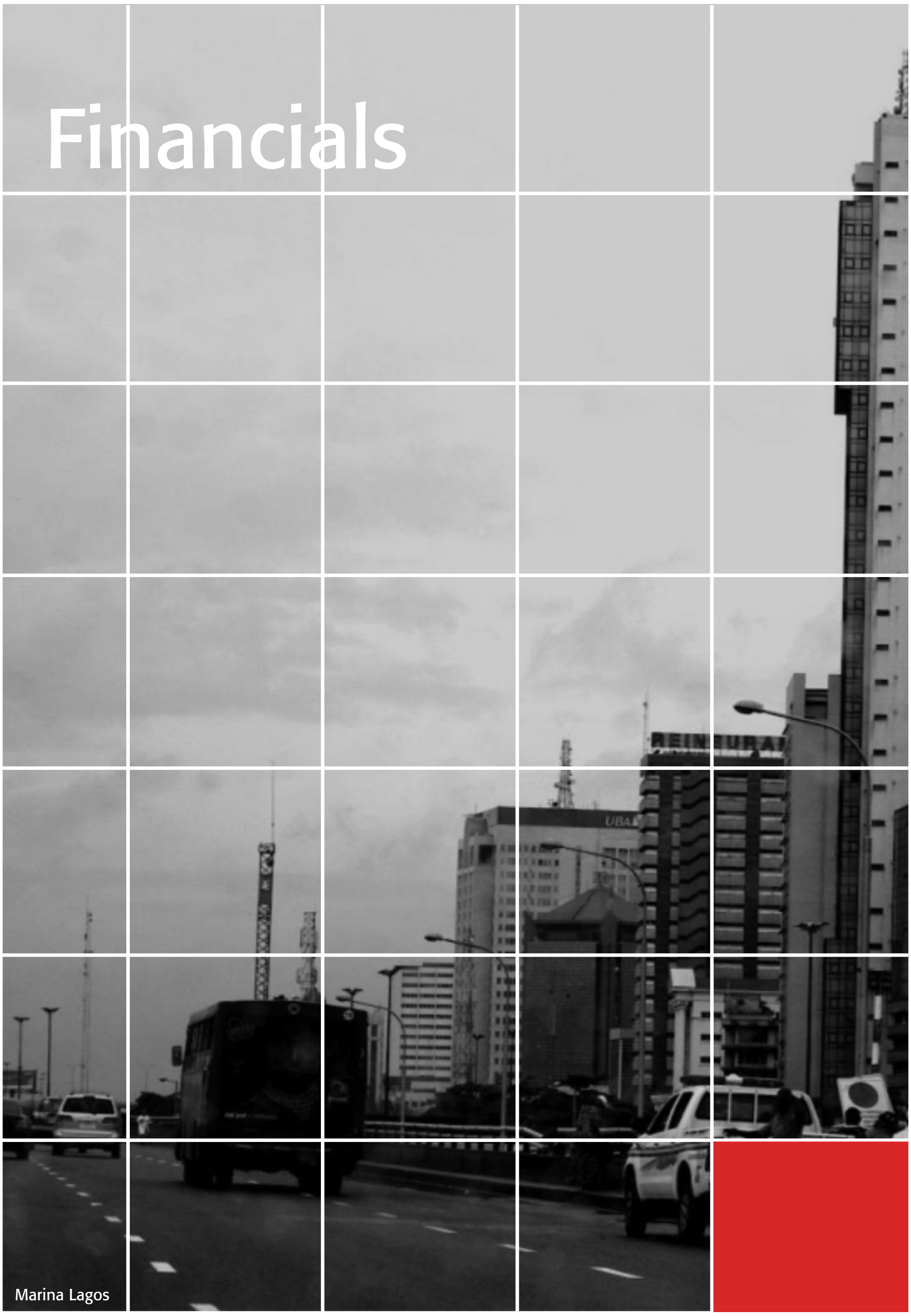
- Review of the quarterly statements
- Review of the 2013 full year accounts
- Review of the quarterly and annual forecasts
- Consideration of dividend payment for 2013
- Review of rescheduled payments for DIL subordinated loans and
- Review of the annual Budget

Other attendees to Committee meetings by invitation of the Board included:

Brian Egan	Group CFO
Daljeet Ghai	Regional CEO (Nigeria)
Sivakumar Gopalan	Group Financial Controller
Narayan KBV	Regional CFO (Nigeria)

Olusegun Olusanya
Chairman, Finance & General Purpose Committee
19th March, 2015

Financials



Marina Lagos

2014 at a Glance

Total Capacity

2014 34.05mt

2013	20.3
2012	19.3
2011	8.0
2010	8.0

Cement Sales

2014 13.9mt

2013	13.9
2012	10.3
2011	6.8
2010	6.1

Revenue

2014 ₦391.6billion

2013	386.2
2012	298.5
2011	241.4
2010	202.6

Operating Profit

2014 ₦187.1billion

2013	195.9
2012	146.5
2011	117.7
2010	103.0

Earnings per Share

2014 ₦9.42

2013	11.85
2012	8.52
2011	7.13
2010	6.37

Dividend per Share

2014 ₦6.00

2013	7.0
2012	3.0
2011	1.25
2010	2. 25

Capital Expenditure

2014 ₦217.2billion

2013	140.0
2012	129.1
2011	59.3
2010	113.7

Total Assets

2014 ₦984.7billion

2013	844.4
2012	658.2
2011	518.5
2010	396.3

Report of the Statutory Audit Committee to Shareholders

In accordance with section 359(6) of the Companies and Allied Matters Acct, Cap C20 LFN 2004, we have;

I. Reviewed the scope and planning of the audit requirements;

II. Reviewed the External Auditors findings and recommendations on management matters together with management responses;

III. Ascertained that the accounting and reporting policies of the company for the year ended 31st December, 2014 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the scope and planning of the audit for the year ended 31st December, 2014 were adequate and the management responses to the Auditors' findings were satisfactory.

Robert Ade-Odiachi

Chairman, Statutory Audit Committee

Dated 19th March, 2015

Statement Of Directors' Responsibilities for the Preparation and Approval Of The Financial Statements for the year ended 31st December 2014

The Directors of Dangote Cement Plc are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and Company as at 31st December 2014. They are also responsible for the preparation of 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, 2011.

In preparing the consolidated and separate 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 IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company's financial position and financial performance; and
- making an assessment of the Group's and Company'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 and Company's transactions and disclose with reasonable accuracy at any time of 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.

Going Concern:

The Directors have made an assessment of the Group's and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not remain a going concern in the year ahead.

The consolidated and separate financial statements of the Group and Company for the year ended 31st December 2014 were approved by Directors on 19th March 2015.

On behalf of the Directors of the Group

Aliko Dangote, GCON Chairman, Board of Directors FRC/2013/IODN/00000001766	Devakumar Edwin Group CEO FRC/2013/NSE/00000002070

Independent Auditors Report

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Report on the Financial Statements

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 2014, the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity, consolidated and separate statements of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with the Companies and Allied Matters Act CAP C20 LFN 2004, the Financial Reporting Council of Nigeria Act, 2011, the International Financial Reporting Standards and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of Dangote Cement Plc and its Subsidiaries as at 31 December 2014 and of its financial performance and 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.

Other reporting responsibilities

In accordance with the Sixth Schedule of Companies and Allied Matters Act CAP C20 LFN 2004 we expressly state that:

i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) The Group has kept proper books of account, so far as appears from our examination of those books.

iii) The consolidated and separate statements of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account.

Uche Erobu, FCA-FRC/2013/ICAN/00000000871
For. Akintola Williams Deloitte
Chartered Accountants
Lagos, Nigeria
19th March, 2015

Tajudeen Oni, FCA – FRC/2013/ICAN/00000000749
For. Ahmed Zakari & Co
Chartered Accountants
Lagos, Nigeria
19th March, 2015

Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31st December 2014

	Note	Group		Company	
		Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000
Revenue	5	391,639,060	386,177,220	371,534,117	371,551,567
Cost of sales*	7	(143,057,897)	(130,472,635)	(128,583,576)	(115,892,838)
Gross profit		248,581,163	255,704,585	242,950,541	255,658,729
Administrative expenses	8	(27,659,437)	(25,993,138)	(20,939,192)	(20,079,595)
Selling and distribution expenses*	9	(37,428,398)	(35,553,519)	(34,645,344)	(35,226,976)
Other income	11	3,608,671	1,724,477	3,541,936	727,519
Profit from operating activities		**187,101,999**	**195,882,405**	**190,907,941**	**201,079,677**
Finance income	10	30,565,122	8,596,499	42,498,705	10,380,078
Finance costs	10	(32,978,194)	(13,717,542)	(20,366,983)	(11,448,932)
Profit before tax		**184,688,927**	**190,761,362**	**213,039,663**	**200,010,823**
Income tax (expense)/credit	14	(25,187,434)	10,436,726	(27,225,540)	10,251,931
Profit for the year		**159,501,493**	**201,198,088**	**185,814,123**	**210,262,754**
Other comprehensive income, net of income tax:					
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences		1,152,198	(4,800,187)	-	-
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plan	27	449,717	280,490	449,717	280,490
Other comprehensive income for the year, net of income tax		**1,601,915**	**(4,519,697)**	**449,717**	**280,490**
Total comprehensive income for the year		**161,103,408**	**196,678,391**	**186,263,840**	**210,543,244**
Profit for the year attributable to:					
Owners of the Company		160,578,394	201,912,292	185,814,123	210,262,754
Non-controlling Interests		(1,076,901)	(714,204)	-	-
		159,501,493	**201,198,088**	**185,814,123**	**210,262,754**
Total comprehensive income for the year attributable to:					
Owners of the Company		161,944,112	198,883,980	186,263,840	210,543,244
Non-controlling Interests		(840,704)	(2,205,589)	-	-
		161,103,408	**196,678,391**	**186,263,840**	**210,543,244**
Earnings per share, basic and diluted (Naira)	13	9.42	11.85	10.90	12.34

* Prior year amounts have been regrouped to align with current year presentation. This does not have any impact on the results.

The accompanying notes and non-IFRS statements on pages 98 to 148 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Financial Position
as at 31st December 2014

	Note	Group 31-Dec-14 ₦'000	Group 31-Dec-13 ₦'000	Company 31-Dec-14 ₦'000	Company 31-Dec-13 ₦'000
Assets					
Non-current assets					
Property, plant and equipment	15	747,793,820	581,465,116	526,721,478	452,046,889
Intangible assets	16	3,698,535	2,306,170	682,327	672,190
Investments	17.2	-	389	26,077,270	25,207,676
Deferred tax asset	14	16,633,430	19,635,374	13,154,316	18,359,111
Prepayments for property, plant & equipment	18	79,490,715	91,715,470	1,772,564	23,950,013
Receivables from subsidiaries	29	-	-	277,149,739	164,524,881
Total non-current assets		**847,616,500**	**695,122,519**	**845,557,694**	**684,760,760**
Current assets					
Inventories	19	42,687,840	27,667,288	36,314,579	23,576,746
Trade and other receivables*	20	15,640,277	11,488,091	8,462,728	9,120,840
Prepayments and other current assets	18	58,182,774	39,645,832	56,756,552	36,798,572
Cash and bank balances	30	20,593,140	70,501,583	16,349,511	67,442,862
Total current assets		**137,104,031**	**149,302,794**	**117,883,370**	**136,939,020**
Total assets		**984,720,531**	**844,425,313**	**963,441,064**	**821,699,780**
Liabilities					
Current liabilities					
Trade and other payables*	23	100,929,998	83,437,532	80,407,479	74,511,377
Current income tax payable	14	2,481,387	565,897	2,481,219	565,737
Financial debt*	24	110,639,898	56,289,386	106,442,007	55,431,396
Other current liabilities*	25.2	18,897,486	24,473,954	16,498,972	20,484,336
Total current liabilities*		**232,948,769**	**164,766,769**	**205,829,677**	**150,992,846**
Non-current liabilities					
Deferred tax liabilities	14	20,473,166	507,074	19,879,325	-
Financial debt	24	131,941,708	124,850,394	95,435,088	95,079,111
Provisions for liabilities and other charges	26	4,011,388	376,665	294,515	233,856
Retirement benefits obligation	27	2,069,460	1,962,640	2,069,460	1,962,640
Deferred revenue	25.1	1,389,885	1,868,501	1,389,885	1,868,501
Total non-current liabilities		**159,885,607**	**129,565,274**	**119,068,273**	**99,144,108**
Total liabilities		**392,834,376**	**294,332,043**	**324,897,950**	**250,136,954**
Net assets		**591,886,155**	**550,093,270**	**638,543,114**	**571,562,826**
Equity					
Share capital	21	8,520,254	8,520,254	8,520,254	8,520,254
Share premium	21	42,430,000	42,430,000	42,430,000	42,430,000
Capital contribution	24a	2,876,642	2,876,642	2,828,497	2,828,497
Currency translation reserve		(3,836,663)	(4,752,664)	-	-
Employee benefit reserve		(16,075)	(465,792)	(16,075)	(465,792)
Retained earnings		537,750,794	496,455,952	584,780,438	518,249,867
Equity attributable to owners of the company		587,724,952	545,064,392	638,543,114	571,562,826
Non-controlling interest		4,161,203	5,028,878	-	-
Total equity		**591,886,155**	**550,093,270**	**638,543,114**	**571,562,826**
Total equity and liabilities*		**984,720,531**	**844,425,313**	**963,441,064**	**821,699,780**

* Prior year amounts have been regrouped to align with current year presentation. This does not have any impact on the results.

The accompanying notes and non-IFRS statements on pages 98 to 148 form an integral part of these consolidated and separate financial statements.

Aliko Dangote, GCON	**Devakumar Edwin**	**Hope Uwagboe**
Chairman, Board of Directors	Group CEO	Head of Finance
FRC/2013/IODN/00000001766	FRC/2013/NSE/00000002070	FRC/2014/ICAN/00000010364

Consolidated Statement Of Changes In Equity
for the year ended 31st December 2014

	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Employee benefit reserve ₦'000	Currency translation reserve ₦'000	Capital contribution ₦'000	Attributable to owners of the parent ₦'000	Non-Controlling Interest ₦'000	Total equity ₦'000
Balance as at 1st January 2013	**8,520,254**	**42,430,000**	**345,665,182**	**(746,282)**	**(1,443,862)**	**2,876,642**	**397,301,934**	**7,234,467**	**404,536,401**
Profit for the year	-	-	201,912,292	-	-	-	201,912,292	(714,204)	201,198,088
Other comprehensive income for the year, net of income tax	-	-	-	280,490	(3,308,802)	-	(3,028,312)	(1,491,385)	(4,519,697)
Total comprehensive Income for the year	-	-	201,912,292	280,490	(3,308,802)	-	198,883,980	(2,205,589)	196,678,391
Dividends paid	-	-	(51,121,522)	-	-	-	(51,121,522)	-	(51,121,522)
Balance as at 31st December 2013	**8,520,254**	**42,430,000**	**496,455,952**	**(465,792)**	**(4,752,664)**	**2,876,642**	**545,064,392**	**5,028,878**	**550,093,270**
Profit for the year	-	-	160,578,394	-	-	-	160,578,394	(1,076,901)	159,501,493
Other comprehensive income for the year, net of income tax	-	-	-	449,717	916,001	-	1,365,718	236,197	1,601,915
Total comprehensive Income for the year	-	-	160,578,394	449,717	916,001	-	161,944,112	(840,704)	161,103,408
Effect of additional participation in Group companies	-	-		-	-	-	-	(26,971)	(26,971)
Dividends paid	-	-	(119,283,552)	-	-	-	(119,283,552)	-	(119,283,552)
Balance as at 31st December 2014	**8,520,254**	**42,430,000**	**537,750,794**	**(16,075)**	**(3,836,663)**	**2,876,642**	**587,724,952**	**4,161,203**	**591,886,155**

The accompanying notes and non-IFRS statements on pages 98 to 148 form an integral part of these consolidated and separate financial statements.

Separate Statement Of Changes In Equity
for the year ended 31st December 2014

	Share capital ₦'000	Share premium ₦'000	Capital Contribution ₦'000	Retained earnings ₦000	Employee Benefit reserve ₦'000	Total equity ₦'000
Balance as at 1st January 2013	**8,520,254**	**42,430,000**	**2,828,497**	**359,108,635**	**(746,282)**	**412,141,104**
Profit for the year	-	-	-	210,262,754	-	210,262,754
Other comprehensive income for the year, net of income tax	-	-	-	-	280,490	280,490
Total comprehensive income for the year	-	-	-	210,262,754	280,490	210,543,244
Dividends paid	-	-	-	(51,121,522)	-	(51,121,522)
Balance as at 31st December 2013	**8,520,254**	**42,430,000**	**2,828,497**	**518,249,867**	**(465,792)**	**571,562,826**
Profit for the year	-	-	-	185,814,123	-	185,814,123
Other comprehensive income for the year, net of income tax	-	-	-	-	449,717	449,717
Total comprehensive income for the year	-	-	-	185,814,123	449,717	186,263,840
Dividends paid	-	-	-	(119,283,552)	-	(119,283,552)
Balance as at 31st December 2014	**8,520,254**	**42,430,000**	**2,828,497**	**584,780,438**	**(16,075)**	**638,543,114**

The accompanying notes and non-IFRS statements on pages 98 to 148 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Cash Flows
for the year ended 31st December 2014

	Note	Group		Company	
		Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000
Cash flows from operating activities					
Profit before tax		184,688,927	190,761,362	213,039,663	200,010,823
Adjustments for:					
Depreciation & amortisation	15 & 16	36,265,847	33,705,506	34,202,056	32,165,155
Write off of property, plant and equipment		1,096,993	40,909	1,015,261	28,492
Interest expense	10	18,049,233	12,351,894	16,266,576	11,094,896
Interest income	10	(3,147,210)	(5,630,349)	(15,139,796)	(10,380,078)
Unrealised exchange loss on borrowings		954,791	-	954,791	-
Exchange gain on non-operating assets		-	-	(24,267,851)	-
Amortisation of deferred revenue	25	(541,736)	(602,255)	(541,736)	(602,101)
Other provisions		3,634,723	(110,645)	60,659	(40,926)
Provisions for employee benefits	27	872,873	795,262	872,873	795,262
Loss/(gain) on disposal of property, plant and equipment		58,692	(103,264)	58,692	(85,450)
		241,933,133	231,208,420	226,521,188	232,986,073
Changes in working capital:					
Change in inventories		(15,020,552)	4,810,651	(12,737,833)	7,276,792
Change in trade and other receivables*		(4,152,186)	31,760,194	658,112	23,342,152
Change in trade and other payables*		16,931,126	18,742,927	5,334,762	19,768,148
Change in prepayments and other * current assets		(18,536,942)	(8,429,970)	(19,957,980)	(8,398,032)
Change in other current liabilities*		(5,264,022)	5,877,608	(3,667,538)	3,213,703
Cash generated from operating activities		215,890,557	283,969,830	196,150,711	278,188,836
Gratuity paid and contribution to plan asset		(316,336)	(295,808)	(316,336	(295,808)
Income tax paid		(225,936)	(1,935,748)	(225,936)	(1,939,301)
Net cash generated from operating activities		**215,348,285**	**281,738,274**	**195,608,439**	**275,953,727**
Cash flows from investing activities					
Interest received		3,147,210	5,630,349	3,072,605	5,450,373
Acquisition of intangible assets		(1,596,321)	(442,212)	(243,893)	(222,590)
Acquisition of property, plant and equipment		(217,192,188)	(139,966,242)	(121,796,962)	(99,116,814)
Proceeds from disposal of property, plant and equipment		1,486,613	11,248	1,486,613	11,248
Acquisition of investment		-	(389)	(8,030)	(389)
Change in non-current prepayment		22,109,864	(40,799,285)	32,056,788	(2,887,804)
Change in long term receivables from subsidiaries		-	-	(76,691,920)	(71,853,488)
Net cash used in investing activities		**(192,044,822)**	**(175,566,531)**	**(162,124,799)**	**(168,619,464)**
Cashflows from financing activities					
Interest paid		(16,608,058)	(12,019,482)	(14,825,401)	(11,762,862)
Dividend paid		(119,283,552)	(51,121,522)	(119,283,552)	(51,121,522)
Loans obtained		138,898,479	21,403,960	132,923,092	15,919,867
Loans repaid		(83,391,130)	(34,625,397)	(83,391,130)	(34,625,397)
Net cash used in financing activities		**(80,384,261)**	**(76,362,441)**	**(84,576,991)**	**(81,589,914)**
(Decrease)/Increase in cash and cash equivalent		(57,080,798)	29,809,302	(51,093,351)	25,744,349
Effects of exchange rate changes on the balance of cash held in foreign currencies and other non-monetary impact		3,838,371	(3,325,762)	-	-
Cash and cash equivalents at beginning of year		69,645,893	43,162,353	67,442,862	41,698,513
Cash and cash equivalents at end of year	30.1	**16,403,466**	**69,645,893**	**16,349,511**	**67,442,862**

* Prior year amounts have been regrouped to align with current year presentation. This does not have any impact on the results.

The accompanying notes and non-IFRS statements on pages 98 to 148 form an integral part of these consolidated and separate financial statements.

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

1. General Information
Dangote Cement Plc (the Company) was incorporated in Nigeria as a public limited liability company on 4th November, 1992 and commenced operations in January 2007 under the name Obajana Cement Plc. The name was changed on 14th July 2010 to Dangote Cement Plc. Its parent company is Dangote Industries Limited ("DIL" or "the Parent Company"). Its ultimate controlling party is Alhaji Aliko Dangote.

The registered address of the Company is located at 1 Alfred Rewane Road, Ikoyi, Lagos, Nigeria.

The principal activity of the Company and its subsidiaries (together referred to as the Group) is to operate plants for the preparation, manufacture and distribution of cement and related products. The Company's production activities are currently undertaken at Obajana town in Kogi State, Gboko in Benue State and Ibese in Ogun State; all in Nigeria. Information in respect of the subsidiaries' locations is disclosed in Note 17.

The consolidated financial statements of the Group for the year ended 31st December 2014 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 2014 comprise those of the Company only.

These consolidated and separate financial statements for the year ended 31st December 2014 have been approved for issue by the Directors on 19th March 2015

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 Company's full financial statements for the year ended 31st December 2014 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 2014 and requirements of the Companies and Allied Matters Act (CAMA) 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 financial statements incorporate the financial statements of the Parent Company and entities controlled by the Company and its subsidiaries made up to 31st December 2014. 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,
(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. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Income and expenses of subsidiaries acquired or

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

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 interest having a deficit balance.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment that has been recognised in profit or loss.

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. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of 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 can create 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, 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 Goods Sold
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

Finance income comprises interest income on short-term deposits with banks, dividend income, changes in the fair value of financial assets at fair value through profit or loss and foreign exchange gains.

Dividend income from investments is recognised in the profit and loss account 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 capitalized 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 a 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 (N), which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand 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 repayment of the monetary items.

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

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 recognized in a currency translation reserve in equity. The exchange differences arising on the translation are taken directly to a separate component of other comprehensive income "Foreign currency translation adjustments". 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.

2.8 Property, Plant and Equipment
Items of property, plant and equipment are measured at cost or deemed 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 properties, 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 recognized 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)
Buildings	25
Plant and machinery	10 - 25
Power plants	5 - 25

Cement plants	5 - 25
Motor vehicles	4
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 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 amortizable 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 meet 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.

The costs will be amortised over the life of the project based on the expected flow of economic resources associated with the project.

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;
- 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.

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

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 recognized at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount except for financial instruments at fair value through profit or loss. For financial instruments classified as at Fair Value Through Profit or Loss (FVTPL) transaction costs incurred are recognized in profit and 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 amortized 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 Derivative Financial Instruments

Derivative financial instruments, such as foreign currency exchange contracts and interest rate swap contracts, are initially measured at fair value, at the date the derivative contracts are entered into. Derivative financial instruments are classified as held for trading unless they are designated as hedging instruments, for which hedge accounting is applied. Changes in the fair value of derivative financial instruments are recognised at each reporting date either in profit and loss or, in the case of a cash flow hedge or net investment hedge, in other comprehensive income, net of tax. For hedging instruments, the timing of recognition in the profit or loss depends on the nature of the hedge relationship. Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at FVTPL.

2.11.9 De-recognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled 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.

2.11.10 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.

2.11.11 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

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

- 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 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 recognized 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 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 amount recognised as government grant 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.

2.15.3 Defined Benefit Plans

For defined benefit retirement plans, the cost of providing benefits is determined using the

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Group presents current service costs in profit or loss in the line item employee benefits expense. Interest is accounted for as finance costs in profit or loss.

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.

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 recognizes 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 recognized 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 the 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 Company on its own common shares.

2.19 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 fulfilment 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 prescriptions of IAS 17 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 recognized 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.

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 this financial statements

In the current year, the Group has applied a number of new and revised IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1st January 2014.

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities

The Group has applied the amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities for the first time in the current year. The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis. Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in IFRS 10 as at 1st January 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of currently has a legally enforceable right of set-off and simultaneous realisation and settlement.

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the Group's consolidated financial statements.

Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets
The Group has applied the amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 Fair Value Measurements.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting
The Group has applied the amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting for the first time in the current year. The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness

The amendments have been applied restrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

IFRIC 21 Levies
The Group has applied IFRIC 21 Levies for the first time in the current year. IFRIC 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

IFRIC 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements."

3. Application of new and revised International Financial Reporting Standards (IFRSs)

3.2 New and revised IFRSs in issue but not yet effective
The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments[5]
IFRS 15	Revenue from Contracts with Customers[4]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[3]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants [3]
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions [1]
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle[2]
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle [1]

1. Effective for annual periods beginning on or after 1st July 2014, with earlier application permitted.
2. Effective for annual periods beginning on or after 1st July 2014, with limited exceptions. Earlier application is permitted.
3. Effective for annual periods beginning on or after 1st January 2016, with earlier application permitted.
4. Effective for annual periods beginning on or after 1st January 2017, with earlier application permitted.
5. Effective for annual periods beginning on or after 1st January 2018, with earlier application permitted.

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 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 of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are 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 anticipate that the application of IFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Group undertakes a detailed review.

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

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

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.

Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations
The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 Impairment of Assets regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1st January 2016. The directors of the Company do not anticipate that the application of these amendments to IFRS 11 will have a material impact on the Group's consolidated financial statements.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or
b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1st January 2016. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. The Directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the Directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants
The amendments to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

The Directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 41 will have a material impact on the Group's consolidated financial statements as the Group is not engaged in agricultural activities.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The Directors of the Company do not anticipate that the application of these amendments to IAS 19 will have a significant impact on the Group's consolidated financial statements.

Annual Improvements to IFRSs 2010-2012 Cycle
The Annual Improvements to IFRSs 2010-2012 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 2
(i) change the definitions of 'vesting condition' and 'market condition'; and
(ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'.

The amendments to IFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1st July 2014.

The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit or loss. The amendments to IFRS 3 are effective for business combinations for which the acquisition date is on or after 1st July 2014.

The amendments to IFRS 8
(i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and
(ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of IFRS 13 clarify that the issue of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/ amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's consolidated financial statements.

Annual Improvements to IFRSs 2011-2013 Cycle
The Annual Improvements to IFRSs 2011-2013 Cycle include a number of amendments to various IFRSs, which are summarised below. The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself. The amendments to IFRS 13 clarify that the scope of the portfolio exception for measuring the fair value

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

The amendments to IAS 40 clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of IAS 40; and
(b) the transaction meets the definition of a business combination under IFRS 3.

The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's consolidated financial statements.

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 judgmental. The items, subject to judgment, 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
The management of the Company have assessed whether or not the Group has control over the subsidiaries based on whether the Group has the practical ability to direct the relevant activities of each subsidiary laterally. In making their judgement, the directors considered the Group's absolute size of holding in the subsidiaries and the relative size of and dispersion of the shareholdings owned by the other shareholders. After assessment, the Directors concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities of the subsidiaries and therefore the Group has control over them.

4.2 Key Sources Of Estimation Uncertainty
4.2.1 Provision For Restoration Costs
Management of the Group exercises significant judgement in estimating provisions for restoration costs. Should these estimates vary, profit or loss and statement of financial position in the following years would be impacted.

4.2.2 Provisions For Employee Benefits
The actuarial techniques used to assess the value of the defined benefit plans involve financial assumptions (discount rate, rate of return on assets, medical costs trend rate) and demographic assumptions (salary increase rate, employee turnover rate, etc.). The Group uses the assistance of an external independent actuary in the assessment of these assumptions. For more details refer to note 27.2.

4.2.3 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 2014 and that has not highlighted any requirement for an adjustment to the residual lives and remaining useful lives of the assets for the current or future periods. For more details refer to note 2.

4.2.4 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.

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

5. Sales (Tonnes)	Group		Company	
	2014	2013	2014	2013
Sales volume:	'000 tonnes	'000 tonnes	'000 tonnes	'000 tonnes
Cement production capacity	34,050	20,250	29,250	19,250
Cement production volume	13,858	13,094	13,001	13,094
Trade cement purchase	344	695	-	-
(Increase)/decrease in stock of cement	(231)	208	(128)	199
	13,971	**13,997**	**12,873**	**13,293**

	Group		Company	
	2014	2013	2014	2013
Revenue (Naira):	₦'000	₦'000	₦'000	₦'000
Revenue from sales of cement	391,270,022	385,653,425	371,534,117	371,551,567
Revenue from sales of other products	369,038	599,906	-	-
	391,639,060	386,253,331	371,534,117	371,551,567
Elimination/adjustment	-	(76,111)	-	-
	391,639,060	**386,177,220**	**371,534,117**	**371,551,567**

Sales 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 ₦391.3 billion (2013: ₦385.7 billion) is revenue of approximately ₦16.7 billion (2013: ₦14.3billion) which arose from sales to the Group's largest customer. No customer contributed 10% or more to the Group's revenue for both 2014 and 2013.

6. Segment Information

6.1 Products And Services From Which Reportable Segments Derive Their Revenue

The Executive Management Committee is the Company's Chief Operating Decision Maker. Management has determined operating segments based on the information reported and reviewed by the Executive Management Committee for the purposes of allocating resources and assessing performance. The Executive Management Committee reviews internal management reports on a monthly 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 Group operates. The Group has 3 reportable segments based on location of the principal operations as follows:

- Nigeria
- West and Central Africa
- South and East Africa

All segments are involved in the production, distribution, and sale of cement and ash. 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 these industries.

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

2014

Segment results	Nigeria	West & Central Africa	South & East Africa	Eliminations	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Revenue	371,534,117	6,195,401	13,909,542	-	391,639,060
Depreciation & amortisation	34,202,056	833,955	1,229,836	-	36,265,847
Operating profit/(loss)	190,907,941	(3,861,782)	55,840	-	187,101,999
Other income	3,541,936	49,009	17,726	-	3,608,671
Finance income	42,498,705	1,437	132,169	(12,067,189)	30,565,122
Finance costs	20,366,983	10,194,194	3,634,623	(1,217,606)	32,978,194
Profit/(loss) after tax	185,814,123	(14,054,704)	(1,408,340)	(10,849,586)	159,501,493

Segment assets & liabilities

Non-current assets	845,557,694	97,519,215	220,460,411	(315,920,820)	847,616,500
Current assets	117,883,370	6,437,952	12,944,407	(161,698)	137,104,031
Total assets	963,441,064	103,957,167	233,404,818	(316,082,518)	984,720,531
Segment liabilities	324,897,950	128,391,136	216,723,313	(277,178,023)	392,834,376
Net additions to non-current assets excluding deferred tax	166,001,729	35,552,859	78,143,746	(124,202,409)	155,495,925

2013

Segment results	Nigeria	West & Central Africa	South & East Africa	Eliminations	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Revenue	371,551,567	14,101,858	599,906	(76,111)	386,177,220
Depreciation & amortisation	32,165,155	1,366,869	173,482	-	33,705,506
Operating profit/(loss)	201,079,677	(4,169,725)	(1,027,547)	-	195,882,405
Other income	727,519	962,319	34,639	-	1,724,477
Finance income	10,380,078	2,967,227	51,287	(4,802,093)	8,596,499
Finance costs	11,448,932	4,698,324	3,129	(2,432,843)	13,717,542
Profit/(loss) after tax	210,262,754	(5,901,191)	(794,221)	(2,369,254)	201,198,088

Segment assets & liabilities

Non-current assets	684,760,760	61,966,356	140,113,814	(191,718,411)	695,122,519
Current assets	136,939,020	8,469,848	3,932,068	(38,142)	149,302,794
Total assets	821,699,780	70,436,204	144,045,882	(191,756,553)	844,425,313
Segment liabilities	250,136,954	80,293,881	128,006,835	(164,105,627)	294,332,043
Net additions to non-current assets excluding deferred tax	166,703,518	15,273,055	59,560,458	(80,720,048)	160,816,983

Significant non-current assets by country excluding deferred tax

	Group 2014 ₦'000	Group 2013 ₦'000
Nigeria	832,403,378	666,401,649
South Africa	56,102,542	48,855,677
Senegal	50,491,884	43,633,830
Zambia	51,575,695	29,662,290
Ethiopia	61,994,355	39,211,548
Tanzania	47,308,705	21,108,036
Congo	16,821,920	1,664,414
Cameroon	17,400,057	9,937,465

Significant revenue by country (external customers)

Nigeria	371,534,117	371,475,456
Ghana	6,195,401	14,101,858
South Africa	13,909,542	599,906

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2.

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.

6.5 Eliminations and Adjustments
Elimination and Adjustments relate to the following:

- Profit/(loss) after tax of ₦10.85 billion (2013: ₦2.37billion) is due to elimination of interest on inter-company loan.
- Non-current assets of ₦315.92 billion (2013: ₦191.72 billion) 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 ₦161.7 million (2013: ₦38.14 million) are due to the elimination of current inter-company payable and receivable balances.
- Total liabilities of ₦277.18 billion (2013: ₦164.11 billion) due to the elimination of inter-company due to and due from related parties balances.
- Finance income ₦12.07 billion (2013: ₦4.80 billion) and finance costs of ₦1.22 billion (2013: ₦2.43 billion) are due to the elimination of interest on inter-company loan.

In addition to the depreciation and amortisation reported above, a sum of ₦1.10 billion (2013: ₦40.9 million) in the financial statements was written off (impaired) in respect of property, plant and equipment. The impairment loss was attributable to the Nigerian operations.

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

7. Cost of sales

	Group		Company	
	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000
Material consumed*	33,226,289	31,104,715	20,730,754	17,518,702
Fuel & power consumed*	62,023,119	48,599,511	60,810,555	48,463,019
Royalty (refer to (a)below)	461,447	447,833	456,519	447,833
Salaries and related staff costs	10,756,389	7,777,310	9,876,355	7,705,879
Depreciation & amortization	21,646,569	20,130,299	20,633,056	19,910,480
Plant maintenance	11,797,844	9,053,818	11,739,497	8,994,745
Other production expenses*	7,476,259	8,842,950	5,760,313	8,599,135
(Increase)/ decrease in finished goods and work in progress*	(4,330,019)	4,516,199	(1,423,473)	4,253,045
Total	**143,057,897**	**130,472,635**	**128,583,576**	**115,892,838**

(a) Royalty payable is charged based on volume of extraction made during the year.
* Prior year amounts have been regrouped to align with current year presentation. This does not have any impact on the results.

8. Administrative Expenses

	Group		Company	
	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000
Salaries and related staff costs	9,470,701	7,483,005	7,729,186	6,291,126
Corporate social responsibility	2,128,873	1,880,506	2,082,691	1,833,258
Management fee (refer (a) below)	1,047,894	877,414	1,047,894	877,414
Depreciation and amortisation	3,191,565	2,880,585	2,247,811	1,560,053
Audit fees	239,007	191,981	176,000	160,000
Directors' remuneration	254,065	144,989	254,065	144,989
Rent, rate and insurance	1,788,758	1,456,107	1,138,220	1,059,279
Repairs and maintenance	930,937	665,223	696,685	597,010
Travel expenses	1,013,201	1,036,924	807,830	918,947
Bank charges	565,057	501,273	485,357	453,522
General administrative expenses	3,900,415	3,314,091	2,407,942	2,774,512
Others (refer to (b) below)	2,031,971	5,532,548	850,250	3,380,993
Impairment of property, plant and equipment	1,096,993	28,492	1,015,261	28,492
Total	**27,659,437**	**25,993,138**	**20,939,192**	**20,079,595**

(a) The management fee is charged by Dangote Industries Limited for management and corporate services provided to Gboko plant. It is based on sales from the plant net of discounts, rebates and applicable concessions provided to customers.

(b) Included in "Others" in the prior year (Group) is an amount of ₦2.1 billion incurred in 2013 in respect of litigation and settlement of land dispute in Senegal. In 2012, the title of the land on which the facilities of Dangote Cement Senegal S.A are located was in dispute which was settled out of court in 2013 thereby necessitating the payment of ₦2.1 billion to the plaintiff.

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

Other employee related disclosures

Aggregate payroll costs:	Group Year ended 31-Dec-14 ₦'000	Group Year ended 31-Dec-13 ₦'000	Company Year ended 31-Dec-14 ₦'000	Company Year ended 31-Dec-13 ₦'000
Wages, salaries and staff welfare	18,988,639	14,224,207	16,640,925	12,965,294
Pension costs	721,554	512,191	447,719	507,794
Gratuity provision	516,897	523,917	516,897	523,917
	20,227,090	**15,260,315**	**17,605,541**	**13,997,005**

Chairman and Directors' remuneration

	Group Year ended 31-Dec-14 ₦'000	Group Year ended 31-Dec-13 ₦'000	Company Year ended 31-Dec-14 ₦'000	Company Year ended 31-Dec-13 ₦'000
Directors' remuneration comprises:				
Fees	33,000	7,600	33,000	7,600
Emoluments	221,065	137,389	221,065	137,389
	254,065	**144,989**	**254,065**	**144,989**
Chairman's fees	5,000	5,000	5,000	5,000
Highest paid Director	98,623	44,719	98,623	44,719

Number of Directors whose emoluments were within the following ranges:

₦ ₦				
1 – 3,200,000	1	-	1	-
3,200,001 – 8,750,000	-	6	-	6
8,750,001 – 20,000,000	6	-	6	-
Above 20,000,000	3	3	3	2
	10	**9**	**10**	**8**

Permanent employees remunerated at higher rate excluding allowances:

₦ ₦				
0 - 250,000	4,497	3,490	4,344	3,490
250,001 - 500,000	983	1,937	884	1,868
500,001 - 750,000	1,005	586	936	478
750,001 - 1,000,000	529	227	517	138
1,000,001 - 1,250,000	619	96	610	69
1,250,001 - 1,500,000	272	64	269	41
1,500,001 - 2,000,000	430	57	345	45
2,000,001 and above	650	78	391	73
	8,985	**6,535**	**8,296**	**6,202**

The average number of permanent employees employed during the year excluding Directors was as follows:				
Management	295	230	222	197
Non-management	7,917	5,963	7,578	5,644
	8,212	**6,193**	**7,800**	**5,841**

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

9. Selling and distribution expenses

	Group		Company	
	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000
Depreciation	11,427,713	10,694,622	11,321,189	10,694,622
Advertisement and promotion	2,911,675	4,176,297	2,747,239	3,933,764
Haulage expenses*	23,089,010	20,682,600	20,576,916	20,598,590
	37,428,398	**35,553,519**	**34,645,344**	**35,226,976**

* Prior year amounts have been regrouped to align with current year presentation. This does not have any impact on the results.

10. Finance income and finance costs

	Group		Company	
	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000
Finance income:				
Interest income	3,147,210	5,630,349	15,139,796	10,380,078
Foreign exchange gain (Note 10.1)	27,417,912	2,966,150	27,358,909	-
	30,565,122	**8,596,499**	**42,498,705**	**10,380,078**
Finance costs:				
Interest expenses	22,116,941	15,090,313	17,981,785	13,833,315
Less: amounts included in the cost of qualifying assets	(4,067,708)	(2,738,419)	(1,715,209)	(2,738,419)
	18,049,233	12,351,894	16,266,576	11,094,896
Foreign exchange loss (Note 10.1)	14,545,013	1,061,331	3,716,459	49,719
Defined benefit obligation	355,885	271,345	355,885	271,345
Unwinding of discount	28,063	32,972	28,063	32,972
	32,978,194	**13,717,542**	**20,366,983**	**11,448,932**

The Average effective interest rate on funds borrowed generally is 10% per annum for the Group and Company (2013: 10% and 12% per annum). This is the average rate for capitalisation.

10.1 Foreign exchange gain or loss arose as a result of the translation of foreign currencies denominated balances at the year end across the group. The increase in the current year was due to the depreciation of the respective currencies against the major foreign currencies at the year end.

11. Other income

	Group		Company	
	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000
Insurance claims	106,029	1,110,027	106,029	168,783
Scrap sales	-	72,864	-	72,864
Government grant (Note 25.1)	541,736	602,255	541,736	602,101
Sundry (expense)/income	2,960,906	(60,669)	2,894,171	(116,229)
	3,608,671	**1,724,477**	**3,541,936**	**727,519**

12. Profit for the year

Profit for the year includes the following charges/(credits):

	Group		Company	
	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000
Depreciation of property, plant and equipment	35,984,636	33,556,171	33,968,300	32,028,158
Amortisation of intangible assets	281,211	149,335	233,756	136,997
Auditors' remuneration	239,007	191,981	176,000	160,000
Employee benefits expense	20,227,090	15,260,315	17,605,541	13,997,005
Loss/(profit) on disposal of property, plant and equipment	58,692	(103,264)	58,692	(85,450)

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

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-14 ₦'000	Year ended 31-Dec-13 ₦'000	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000
Profit for the year attributable to owners of the Company	160,578,394	201,912,292	185,814,123	210,262,754
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	17,040,507	17,040,507	17,040,507	17,040,507
Basic & diluted earnings per share	**9.42**	**11.85**	**10.90**	**12.34**

14. Income taxes

14.1 Income tax recognised in profit or loss

	Group		Company	
	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000
Current tax expense in respect of the current year	(2,139,936)	(1,379)	(2,141,420)	(114)
Deferred tax (expense)/credit recognised in the current year	(23,047,498)	10,438,105	(25,084,120)	10,252,045
Total income tax recognised in the current year	**(25,187,434)**	**10,436,726**	**(27,225,540)**	**10,251,931**

Deferred tax assets have been recognised by the Group, since it is probable that future taxable profits will be available for offset.

The income tax (expense)/credit for the year can be reconciled to the accounting profit as follows:

	Group		Company	
	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000
Profit before income tax	184,688,927	190,761,362	213,039,663	200,010,823
Income tax expense calculated at 32% (2013: 32%)	(59,100,457)	(61,043,636)	(68,172,692)	(64,003,463)
Effect of income that is exempt from taxation	38,440,609	65,152,245	38,440,609	65,152,245
Effect of expenses that are not deductible in determining taxable profit	(5,692,392)	(3,599)	(1,960,642)	(114)
Effect of unused tax losses and offsets not recognised as deferred tax assets	(5,510,668)	(3,359,275)	-	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	(11,212)	-	-	-
Other	(733,986)	(280,926)	284,233	(850,916)
	(32,608,106)	**464,810**	**(31,408,492)**	**297,752**
Additional Capital Allowance granted on pioneer status during the year	7,420,672	9,971,916	4,182,952	9,954,179
Income tax income recognised in profit or loss	**(25,187,434)**	**10,436,726**	**(27,225,540)**	**10,251,931**

The income tax rate of 32% (including education tax of 2%), was used for the company tax computation as established by the tax legislation of Nigeria effective in 2014 and 2013. The Group is also subject to taxation in South Africa, which has a statutory rate of 28% in effect at the end of 31st December, 2014 and 2013. The effect of different tax rates of subsidiaries operating in other jurisdictions was not material and included in the "Other" line of reconciliation above for 2013 but has been shown separately for 2014.

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

14.2 Current tax liabilities:

	Group		Company	
	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000
Income tax payable	2,481,387	565,897	2,481,219	565,737

14.3 Deferred tax balance

	Group		Company	
	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000	Year ended 31-Dec-14 ₦'000	Year ended 31-Dec-13 ₦'000
Deferred tax assets	16,633,430	19,635,374	13,154,316	18,359,111
Deferred tax liabilities	(20,473,166)	(507,074)	(19,879,325)	-
	(3,839,736)	**19,128,300**	**(6,725,009)**	**18,359,111**

Group

2014

	Opening balance ₦'000	Recognised in profit or loss ₦'000	Effect of currency translation ₦'000	Closing balance ₦'000
Deferred tax assets /(liabilities) in relation to:				
Property, plant & equipment	16,988,466	(17,467,355)	-	(478,889)
Unrealised exchange (gain)/loss	-	(7,127,736)	-	(7,127,736)
Provision for doubtful debts	699,753	(310,038)	-	389,715
Other provisions	766,069	(178,991)	-	587,078
Other	674,012	2,036,622	79,462	2,790,096
	19,128,300	**(23,047,498)**	**79,462**	**(3,839,736)**

2013

	Opening balance ₦'000	Recognised in profit or loss ₦'000	Effect of currency translation ₦'000	Closing balance ₦'000
Deferred tax assets /(liabilities) in relation to:				
Property, plant & equipment	7,339,232	9,649,234	-	16,988,466
Provision for doubtful debts	647,763	51,990	-	699,753
Other provisions	120,070	645,999	-	766,069
Other	834,241	90,882	(251,111)	674,012
	8,941,306	**10,438,105**	**(251,111)**	**19,128,300**

Company

2014

	Opening balance ₦'000	Recognised in profit or loss ₦'000	Closing balance ₦'000
Deferred tax assets /(liabilities) in relation to:			
Property, plant & equipment	16,771,585	(17,467,355)	(695,770)
Unrealised exchange (gain)/loss	-	(7,127,736)	(7,127,736)
Provision for doubtful debts	699,343	(310,038)	389,305
Other provisions	888,183	(178,991)	709,192
	18,359,111	**(25,084,120)**	**(6,725,009)**

2013

	Opening balance ₦'000	Recognised in profit or loss ₦'000	Closing balance ₦'000
Deferred tax assets /(liabilities) in relation to:			
Property, plant & equipment	7,339,233	9,432,352	16,771,585
Provision for doubtful debts	647,763	51,580	699,343
Other provisions	120,070	768,113	888,183
	8,107,066	**10,252,045**	**18,359,111**

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

14.4 Pioneer Status
The pioneer status of lines 1&2 of our Obajana plant and Gboko plant expired on 31st December 2013. In determining the tax liability, the Directors have exercised our right of election in line with the commencement rule in Part IV of CITA 2004. This implies that the Company will be assessed on an actual year basis for tax. This may result in a higher effective tax rate for the 2016 Financial Year.

15. Property, plant and equipment
15.1 The Group

	Leasehold improvements & Buildings ₦'000	Plant and machinery ₦'000	Motor Vehicles ₦'000	Aircraft ₦'000	Furniture & Equipment ₦'000	Capital Work-In-Progress ₦'000	Total ₦'000
Cost or deemed cost							
At 1st January 2013	**34,570,070**	**314,038,199**	**32,749,196**	**1,504,557**	**1,392,004**	**136,546,504**	**520,800,530**
Additions	443,392	8,607,353	5,883,413	-	426,607	135,255,235	150,616,000
Reclassifications	(25,161,934)	(2,089,621)	12,475,426	-	(19,989)	14,796,118	-
Other reclassifications	-	-	(5,388)	-	-	(6,480,854)	(6,486,242)
Write-off/disposal	(145)	(13,755)	(169,572)	(1,504,557)	(1,048)	(1,413)	(1,690,490)
Effect of currency exchange differences	26,005,913	(473,991)	119,592	-	(20,933)	(32,096,495)	(6,465,914)
Balance at 31st December 2013	**35,857,296**	**320,068,185**	**51,052,667**	**-**	**1,776,641**	**248,019,095**	**656,773,884**
Additions	773,390	6,006,722	4,509,514	-	231,107	205,671,455	217,192,188
Reclassifications (Notes 15.1)	5,584,764	70,309,366	14,337,358	4,027,897	4,401	(94,263,786)	-
Other reclassifications (Notes 15.2)	(30,184)	(306,898)	379,180	-	(5,381)	(9,821,767)	(9,785,050)
Disposal (Notes 15.3)	-	(1,700,878)	(688,132)	-	-	-	(2,389,010)
Write-off (Notes 15.4)	-	(737,879)	(961,247)	-	-	(69,596)	(1,768,722)
Effect of currency exchange differences	(82,442)	(247,522)	(88,000)	-	(17,261)	(1,563,432)	(1,998,657)
Balance at 31st December 2014	**42,102,824**	**393,391,096**	**68,541,340**	**4,027,897**	**1,989,507**	**347,971,969**	**858,024,633**
Accumulated depreciation and impairment							
At 1st January 2013	**2,127,030**	**31,092,905**	**9,080,965**	**31,345**	**376,708**	**-**	**42,708,953**
Depreciation expense	1,681,394	18,921,007	12,174,221	376,139	403,410	-	33,556,171
Write-off/Disposal	-	(6,390)	(127,245)	(407,484)	(1,534)	-	(542,653)
Effect of currency exchange differences	(5,277)	(124,353)	(270,268)	-	(13,805)	-	(413,703)
Balance at 31st December 2013	**3,803,147**	**49,883,169**	**20,857,673**	**-**	**764,779**	**-**	**75,308,768**
Depreciation expense	1,929,449	20,614,407	12,670,214	311,196	459,370	-	35,984,636
Other reclassifications (Notes 15.2)	-	-	379,180	-	-	-	379,180
Disposal(Notes 15.3)	-	(181,643)	(662,062)	-	-	-	(843,705)
Write-off (Notes 15.4)	-	(34,087)	(637,642)	-	-	-	(671,729)
Effect of currency exchange differences	19,810	14,076	35,760	-	4,017	-	73,663
Balance at 31st December 2014	**5,752,406**	**70,295,922**	**32,643,123**	**311,196**	**1,228,166**	**-**	**110,230,813**
Carrying amounts							
At 31st December 2013	32,054,149	270,185,016	30,194,994	-	1,011,862	248,019,095	581,465,116
At 31st December 2014	**36,350,418**	**323,095,174**	**35,898,217**	**3,716,701**	**761,341**	**347,971,969**	**747,793,820**

15.1 Represents transfer from capital work in progress to various classes of assets

15.2 Includes amount transferred to related parties, adjustment in respect of some capitalisation done in 2013 and depreciation on assets used for project work capitalised.

15.3 Represent power plants and motor trucks disposed of during the year

15.4 Represents cost of damaged motor trucks and impairment of plant & machinery charged to profit or loss

15.5 Some borrowings are secured by a debenture on all the fixed and floating assets of the group

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

15. Property, plant and equipment
15.2 The Company

	Leasehold improvements & Buildings ₦'000	Plant and machinery ₦'000	Motor Vehicles ₦'000	Aircraft ₦'000	Furniture & Equipment ₦'000	Capital Work-In-Progress ₦'000	Total ₦'000
Cost or deemed cost							
At 1st January 2013	**31,222,024**	**309,525,230**	**29,652,233**	**1,504,557**	**917,545**	**46,823,737**	**419,645,326**
Additions	200,979	5,625,920	5,238,651	-	258,191	96,786,147	108,109,888
Reclassifications	1,264,580	345,454	12,440,150	-	62,720	(14,112,904)	-
Other reclassifications	-	-	-	-	-	(744,781)	(744,781)
Write off/disposal	-	-	(169,463)	1,504,557)	-	(15,000)	(1,689,020)
Balance at 31st December 2013	**32,687,583**	**315,496,604**	**47,161,571**	**-**	**1,238,456**	**128,737,199**	**525,321,413**
Additions	37,660	2,578,022	618,093	-	90,690	118,472,497	121,796,962
Reclassifications (note 15.1)	2,559,162	12,245,292	14,114,603	4,027,897	4,401	(32,951,355)	-
Other reclassifications (note 15.2)	-	(306,898)	-	-	(5,381)	(10,281,228)	(10,593,507)
Disposal (note 15.3)	-	(1,700,878)	(688,132)	-	-	-	(2,389,010)
Write off (note 15.4)	-	(737,879)	(914,555)	-	-	-	(1,652,434)
Balance at 31st December 2014	**35,284,405**	**327,574,263**	**60,291,580**	**4,027,897**	**1,328,166**	**203,977,113**	**632,483,424**
Accumulated depreciation							
Balance at 1st January 2013	**2,102,916**	**30,497,754**	**8,897,262**	**31,345**	**251,818**	**-**	**41,781,095**
Depreciation expense	1,666,503	18,587,258	11,084,907	376,139	313,351	-	32,028,158
Write off/disposal	-	-	(127,245)	(407,484)	-	-	(534,729)
Balance at 31st December 2013	**3,769,419**	**49,085,012**	**19,854,924**	**-**	**565,169**	**-**	**73,274,524**
Depreciation expense	1,812,200	19,437,825	12,071,752	311,196	335,327	-	33,968,300
Disposal (note 15.3)	-	(181,643)	(662,062)	-	-	-	(843,705)
Write off (note 15.4)	-	(34,087)	(603,086)	-	-	-	(637,173)
Balance at 31st December 2014	**5,581,619**	**68,307,107**	**30,661,528**	**311,196**	**900,496**	**-**	**105,761,946**
Carrying amounts							
At 31st December 2013	28,918,164	266,411,592	27,306,647	-	673,287	128,737,199	452,046,889
At 31st December 2014	**29,702,786**	**259,267,156**	**29,630,052**	**3,716,701**	**427,670**	**203,977,113**	**526,721,478**

15.1 Represents transfer from capital work in progress to various classes of assets

15.2 Includes amount transferred to other subsidiaries and related parties, and adjustment in respect of some capitalisation done in 2013.

15.3 Represent power plants and motor trucks disposed of during the year

15.4 Represents cost of damaged motor trucks and impairment of plant & machinery charged to profit or loss

15.5 Some borrowings are secured by a debenture on all the fixed and floating assets of the company

16. Intangible Assets

	Group Computer Software ₦'000	Exploration Assets ₦'000	Total ₦'000
Cost			
At 1st January 2013	**442,116**	**1,648,062**	**2,090,178**
Additions	308,157	134,055	442,212
Other reclassifications	585,749	-	585,749
Adjustment	(1,867)	-	(1,867)
Effect of foreign currency differences	(35,759)	(287,027)	(322,786)
Balance at 31st December 2013	**1,298,396**	**1,495,090**	**2,793,486**
Additions	966,928	629,393	1,596,321
Other reclassifications	30,184	-	30,184
Effect of foreign currency differences	6,684	44,743	51,427
Balance at 31st December 2014	**2,302,192**	**2,169,226**	**4,471,418**
Amortization			
At 1st January 2013	**363,444**	**-**	**363,444**
Amortization expense	149,335	-	149,335
Adjustment	(813)		(813)
Effect of foreign currency differences	(24,650)	-	(24,650)
Balance at 31st December 2013	**487,316**	**-**	**487,316**
Amortization expense	266,059	15,152	281,211
Effect of foreign currency differences	3,911	445	4,356
Balance at 31st December 2014	**757,286**	**15,597**	**772,883**
Carrying amounts			
At 31st December 2013	811,080	1,495,090	2,306,170
At 31st December 2014	**1,544,906**	**2,153,629**	**3,698,535**

Intangible asset (Computer software) represents software which has a useful life of 3 years and is amortized on a straight line basis over these years.

	Company Computer Software ₦'000	Exploration Assets ₦'000	Total ₦'000
Cost			
At 1st January 2013	**225,604**	**-**	**225,604**
Additions	222,590	-	222,590
Other reclassification	585,749		585,749
Balance at 31st December 2013	**1,033,943**	**-**	**1,033,943**
Additions	243,893	-	243,893
Balance at 31st December 2014	**1,277,836**	**-**	**1,277,836**
Amortization			
At 1st January 2013	224,756	-	224,756
Amortization expense	136,997	-	136,997
Balance at 31st December 2013	**361,753**	**-**	**361,753**
Amortization expense	233,756	-	233,756
Balance at 31st December 2014	**595,509**	**-**	**595,509**
At 31st December 2013	672,190	-	672,190
At 31st December 2014	**682,327**	**-**	**682,327**

16.1 Other reclassification represents portion of computer software reclassified from property, plant and equipment

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

17. Information regarding subsidiaries

17.1 Subsidiaries

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 Company 31-Dec-14	31-Dec-13
Sephaku Cement (Pty) Limited	Cement production	South Africa	64.00%	64.00%
Dangote Industries (Ethiopia) Plc	Cement production	Ethiopia	94.00%	86.96%
Dangote Industries (Zambia) Limited	Cement production	Zambia	75.00%	75.00%
Dangote Cement Senegal S.A	Cement production	Senegal	90.00%	90.00%
Dangote Cement Cameroon S.A	Cement Grinding	Cameroon	80.00%	80.00%
Dangote Industries Limited, Tanzania	Cement production	Tanzania	70.00%	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 Limited	Bagging and distribution of cement	Liberia	100.00%	100.00%
Dangote Cement Marketing Senegal S.A	Selling and distribution	Senegal	100.00%	100.00%
Dangote Cement Burkina Faso S.A	Selling and distribution	Burkina Faso	95.00%	-
Dangote Cement Chad S.A	Selling and distribution	Chad	95.00%	-
Dangote Cement Mali S.A	Selling and distribution	Mali	95.00%	-
Dangote Cement Niger SARL	Selling and distribution	Niger	95.00%	-
Dangote Industries Benin S.A	Selling and distribution	Benin	98.00%	-
Dangote Cement Togo S.A	Selling and distribution	Togo	90.00%	-
Dangote Cement Kenya Limited	Cement production	Kenya	90.00%	-
Dangote Quarries Kenya Limited	Limestone mining	Kenya	90.00%	-
Dangote Cement Madagascar Limited	Cement production	Madagascar	95.00%	-
Dangote Quarries Mozambique Limitada	Cement production	Mozambique	95.00%	-
Indirect Subsidiaries				
Names of Sephaku Cement (Pty) Limited subsidiaries				
Sephaku Development (Pty) Limited	Mining right holder	South Africa	100.00%	100.00%
Sephaku Delmas Properties (Pty) Limited	Investment property	South Africa	100.00%	100.00%
Blue Waves Properties 198 (Pty) Limited	Exploration	South Africa	100.00%	100.00%
Sephaku Limestone and Exploration (Pty) Limited	Exploration	South Africa	80.00%	80.00%
Sephaku Enterprise Development (Pty) Limited	Social responsibility	South Africa	100.00%	100.00%
Portion 11 Klein Westerford Properties (Pty) Limited	Investment property	South Africa	100.00%	100.00%
Name of Dangote Industries (Zambia) Limited subsidiary				
Dangote Quarries (Zambia) Limited	Limestone mining	Zambia	50.10%	50.10%

17.2 Investments

	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Sephaku Cement (Pty) Limited	-	-	24,283,254	24,283,254
Dangote Industries (Ethiopia) Plc	-	-	1,618,936	732,657
Dangote Industries (Zambia) Limited	-	-	115	115
Dangote Cement Senegal S.A	-	-	29,448	29,448
Dangote Cement Cameroon S.A	-	-	8,807	8,807
Dangote Industries Limited, Tanzania	-	-	69,636	69,636
Dangote Cement Congo S.A	-	-	3,481	785
Dangote Cement (Sierra Leone) Limited	-	-	18,048	72,190
Dangote Cement Cote D'Ivoire S.A	-	-	16,044	3,082
Dangote Industries Gabon S.A	-	-	5,748	3,081
Dangote Cement Marketing Senegal S.A	-	-	4,232	4,232
Dangote Cement Burkina Faso S.A	-	-	3,238	-
Dangote Cement Chad S.A	-	-	3,238	-
Dangote Cement Mali S.A	-	-	3,238	-
Dangote Cement Niger SARL	-	-	5,226	-
Dangote Cement Madagascar Limited	-	389	389	389
Dangote Industries Benin S.A	-	-	3,354	-
Dangote Cement Togo S.A	-	-	838	-
Societe des Ciments d' Onigbolo	-	-	1,582,369	1,582,369
	-	**389**	**27,659,639**	**26,790,045**
Impairment	-	-	(1,582,369)	(1,582,369)
Total	**-**	**389**	**26,077,270**	**25,207,676**

During the year there was a conversion of receivable to investment for Dangote Industries (Ethiopia) Plc leading to a change in interest held in the subsidiary. Investment in Dangote Cement (Sierra Leone) Limited was adjusted to reflect the correct investment value.

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

About Us
Operational Review
Corporate Governance
Financial Statements

17.3 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 2014	2013
Cement production	Congo	1	1
Bagging and distribution of cement	Liberia	1	1
Selling and distribution	Senegal	1	1
Bagging and distribution of cement	Ghana	1	1

Principal activity	Place of incorporation and operation	Number of non-wholly owned subsidiaries 2014	2013
Clinker & cement production	South Africa	1	1
Cement production	Ethiopia	1	1
Cement production	Zambia	1	1
Cement production	Senegal	1	1
Cement grinding	Cameroon	1	1
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	Burkina Faso	1	-
Selling and distribution	Chad	1	-
Selling and distribution	Mali	1	-
Selling and distribution	Niger	1	-
Cement production	Kenya	2	-
Cement production	Madagascar	1	-
Selling and distribution	Benin	1	-
Selling and distribution	Togo	1	-
Cement production	Mozambique	1	-

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 subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests 2014	2013	Profit/(loss)allocated to non-controlling interests 2014 ₦'000	2013 ₦'000	Accumulated non-controlling interests 2014 ₦'000	2013 ₦'000
Sephaku Cement (Pty) Limited	South Africa	36.00%	36.00%	648,996	(239,798)	6,688,858	5,869,358

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

17.3 Summarised below is the financial information in respect of the Group's subsidiary that has material non-controlling interests. Information below represent amounts before intragroup eliminations.

	Sephaku Cement (Pty) Limited	
	2014	**2013**
	₦'000	**₦'000**
The information in respect of the financial position of the subsidiaries		
Current assets	7,095,743	1,969,598
Non-current assets	59,581,656	50,131,941
Current liabilities	10,922,829	5,400,234
Non-current liabilities	37,174,409	30,397,532
Equity attributable to owners of the Company	18,502,142	16,225,754
Non-controlling interests	78,019	78,019
Information in respect of the profit and loss and other comprehensive income		
Revenue	13,909,542	599,906
Expenses	(14,189,855)	(1,451,176)
Tax credit	2,083,079	185,165
Profit/(loss) for the year	**1,802,766**	**(666,105)**
Profit/(loss) attributable to owners of the Company	1,153,770	(426,307)
Profit/(loss) attributable to the non-controlling interests	648,996	(239,798)
Profit/(loss) for the year	**1,802,766**	**(666,105)**
Other comprehensive income attributable to owners of the Company	-	-
Other comprehensive income for the year	-	-
Total comprehensive income attributable to owners of the Company	1,153,770	(426,307)
Total comprehensive income attributable to the non-controlling interests	648,996	(239,798)
Total comprehensive income for the year	**1,802,766**	**(666,105)**
Information in respect of the cash flows of the subsidiaries		
Dividends paid to non-controlling interests	-	-
Net cash inflow from operating activities	365,780	668,675
Net cash outflow from investing activities	(7,008,072)	(7,813,156)
Net cash inflow from financing activities	7,229,735	7,710,667
Net cash inflow	**587,443**	**566,186**

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

17.4 Change in the Group's ownership interest in a subsidiary
There was no disposal of investment in any of the subsidiaries undertaken by the Company during the reporting year, however there was a change in the interest held in Dangote Industries (Ethiopia) Plc (see note 17.1).

17.5 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.

17.6 Financial Support to consolidated structured entities
During the year, the Company provided financial support to its subsidiaries for capital development and/or for operational purposes. Assistance rendered was always in the form of funds transferred to them for the normal running of their operations or on their behalf to vendors/contractors for settlement of commitments.

As part of the requirements of the Syndicated Term Loan of R1.95bn facility from Nedbank Capital and Standard Bank of South Africa for the finance of the Group's South African plant in 2012, the Company extended an interest bearing subordinated loan to Sephaku Cement to the tune of R265 Million as a guarantee to help access the remainder of its loan with Nedbank/Standard Bank. This loan is expected to be repaid in two tranches at an interest rate of Johannesburg Inter-Bank Agreed Rate (JIBAR) plus 4% per annum but in order for the Company to fulfil this, it entered into a contractual obligation with Zenith Bank Plc. to avail a credit facility for a Term Loan to be on lent to Sephaku Cement Limited. The loan has a quarterly interest rate payment of 6% per annum and is expected to have a bullet repayment of principal upon maturity which is 48 months from the date the loan was advanced. In addition, the loan has been secured by a debenture over all fixed and floating assets of Dangote Cement Plc.

All financial support given on behalf of the subsidiaries have been accounted for as receivables from subsidiaries and eliminated on consolidation.
The table below shows the financial support given to major subsidiaries by the Company during the year:

	2014 ₦'000	2013 ₦'000
Dangote Cement Ghana Limited	689,659	2,571,478
Dangote Cement Senegal S.A	6,334,923	13,430,214
Dangote Industries (Zambia) Limited	20,315,511	10,291,555
Dangote Cement Cameroon S.A	4,207,768	6,423,823
Dangote Industries (Ethiopia) Plc	13,793,231	23,309,076
Dangote Industries Limited, Tanzania	21,972,294	18,646,285
Dangote Cement (Sierra Leone) Limited	837,923	1,043,736
Dangote Cement Congo S.A	13,118,619	540,545
Dangote Cement Cote D'Ivoire S.A	475,661	380,346
Dangote Industries Gabon S.A	-	16,616
Dangote Cement Liberia Limited	27,687	114,221
Total	**81,773,276**	**76,767,895**

The Group management has continued to show intentions to provide financial support to its subsidiaries and to assist, when necessary, any subsidiary to obtain financial support in the future and does not envisage any material risk as a result of this. Interest charged to the subsidiaries on the advances extended to them during the year was between 7% to 10%.

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

18. Prepayments

18.1 Prepayments for property, plant & equipment	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Non-current advance to contractors	79,490,715	91,715,470	1,772,564	23,950,013
Total non-current prepayments	**79,490,715**	**91,715,470**	**1,772,564**	**23,950,013**
18.2 Prepayments and other current assets				
Advance to contractors	26,623,838	23,301,601	25,542,639	20,941,803
Deposits for imports	17,880,447	12,616,503	17,880,447	12,602,408
Rent, rates and insurance	2,203,153	1,095,512	1,858,130	1,008,243
Total current prepayments	**46,707,438**	**37,013,616**	**45,281,216**	**34,552,454**
Related party transactions				
Parent company	-	-	-	-
Entities controlled by the parent company	10,937,734	2,158,775	10,937,734	1,772,677
Affiliates and associates of parent company	537,602	473,441	537,602	473,441
Total related party transactions	11,475,336	2,632,216	11,475,336	2,246,118
Prepayments and other current assets	**58,182,774**	**39,645,832**	**56,756,552**	**36,798,572**

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-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Finished product	4,303,990	3,022,790	2,973,154	2,539,486
Work-in-progress	4,754,100	1,705,281	2,603,110	1,613,305
Raw materials	3,930,796	3,002,453	3,014,644	1,614,985
Packaging materials	1,323,521	1,221,501	995,089	1,120,276
Consumables	4,233,467	3,968,817	4,160,525	3,906,947
Fuel	9,248,920	3,717,367	9,170,970	3,680,771
Spare parts	13,473,400	9,434,740	12,875,023	8,988,935
Goods in transit	1,419,646	1,594,339	522,064	112,041
	42,687,840	**27,667,288**	**36,314,579**	**23,576,746**

The cost of inventories recognised as an expense during the year was ₦85.87 billion and ₦79.98 billion (2013: ₦67.2 billion and ₦66.1 billion) in the consolidated and separate financial statements respectively.

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

20. Trade and other receivables

	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Trade receivables	5,526,204	9,386,389	2,398,315	9,093,143
Impairment allowance on trade receivables	(1,303,443)	(2,716,140)	(1,297,685)	(2,632,625)
	4,222,761	**6,670,249**	**1,100,630**	**6,460,518**
Deposit for supplies	5,836,896	2,244,611	5,530,589	1,222,038
Staff loans and advances	656,153	640,723	619,620	602,606
Other receivables	4,924,467	1,932,508	1,211,889	835,678
	15,640,277	**11,488,091**	**8,462,728**	**9,120,840**

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, ₦301 million (2013: ₦549 million) is due from the Group and Company's largest trade debtor respectively. There are no other customers who represent more than 10% of the total balance of trade receivables of the Group and Company respectively.

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-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
0 - 60 days	1,219,413	2,022,057	766,831	1,984,950
60 - 90 days	186,250	129,728	117,431	129,728
90 - 120 days	83,428	2,144,764	24,581	2,144,764
Total	**1,489,091**	**4,296,549**	**908,843**	**4,259,442**
Average age (days)	**27**	**58**	**25**	**58**

Movement in the allowance for doubtful debts

	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Balance at the beginning of the year	2,716,140	1,375,331	2,632,625	1,371,050
Impairment losses recognised on receivables	6,972	1,342,630	-	1,261,575
Amounts written off during the year as uncollectible	(1,334,940)	-	(1,334,940)	-
Impairment losses reversed	(84,729)	(1,821)	-	-
Balance at the end of the year	**1,303,443**	**2,716,140**	**1,297,685**	**2,632,625**

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-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
60-90 days	-	1,345,090	-	1,261,575
90-120 days	-	-	-	-
120+ days	1,303,443	1,371,050	1,297,685	1,371,050
	1,303,443	**2,716,140**	**1,297,685**	**2,632,625**

21. Share capital

	Group and Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Issued and fully paid		
Share capital 17,040,507,405		
(2013: 17,040,507,405) ordinary shares of ₦0.5 each	8,520,254	8,520,254
Share premium	42,430,000	42,430,000
	50,950,254	**50,950,254**

Authorised capital as at reporting dates represents 20,000,000,000 ordinary shares of ₦0.5 each.

Fully paid ordinary share carries one vote per share and a right to dividends when declared and approved.

22. Dividend

On 2nd May 2014, a dividend of ₦7.00 per share (total dividend ₦119.28 bn) was approved by shareholders to be paid to holders of fully paid ordinary shares in relation to the 2013 financial year.

In respect of the current year, the Directors proposed that a dividend of ₦6.00 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.

23. Trade and other payables

	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Trade payables	34,535,123	23,433,122	33,084,985	21,069,878
Payable to contractors	19,015,061	12,974,879	9,062,666	11,065,492
Value added tax	5,740,652	11,073,872	5,740,652	11,073,872
Withholding tax payable	3,694,683	564,750	1,231,477	556,404
Staff pension (Note 27.1)	133,606	135,787	94,088	131,390
Interest payable	6,622,738	5,797,524	6,622,738	5,797,524
Advances from customers	9,352,041	13,378,789	9,056,976	13,056,462
Other accruals and payables	21,836,094	16,078,809	15,513,897	11,760,355
	100,929,998	**83,437,532**	**80,407,479**	**74,511,377**

The average credit period on purchases of goods is 94 days (2013: 66 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 within the pre-agreed credit terms.

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

24. Borrowings	Group 31-Dec-14 ₦'000	Group 31-Dec-13 ₦'000	Company 31-Dec-14 ₦'000	Company 31-Dec-13 ₦'000
Unsecured borrowings at amortised cost				
Subordinated loans (Note 24(a))	29,988,945	29,996,737	29,988,945	29,996,737
Loans from Dangote Industries Limited	125,000,000	45,000,000	125,000,000	45,000,000
Bulk Commodities loans	514,214	514,214	514,214	514,214
	155,503,159	**75,510,951**	**155,503,159**	**75,510,951**
Secured borrowings at amortised cost				
Power intervention loan (Note 24 (b))	16,743,303	18,481,074	16,743,303	18,481,074
Bank loans	70,335,144	87,147,755	29,630,633	56,518,482
	87,078,447	**105,628,829**	**46,373,936**	**74,999,556**
Long-term portion of loans and borrowings	131,941,708	124,850,394	95,435,088	95,079,111
Current portion repayable in one year and shown under current liabilities	106,450,224	55,433,696	106,442,007	55,431,396
Overdraft balances	4,189,674	855,690	-	-
	110,639,898	**56,289,386**	**106,442,007**	**55,431,396**
Total borrowings	**242,581,606**	**181,139,780**	**201,877,095**	**150,510,507**

(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. Because of 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 capital contribution.

(b) In 2011 and 2012, the Bank of Industry through Guaranty Trust Bank Plc and Access Bank Plc granted the Company a ₦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 ₦20.7billion. 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.

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

	Currency	Nominal interest rate	Maturity on demand	Group 31-Dec-14 ₦'000	31-Dec-13 ₦'000
Bank overdrafts			On demand	**4,189,674**	**855,690**
Other borrowings					
Subordinated loans from Parent company	Naira	10%	12/2019	29,988,945	29,996,737
Other loans from Parent Company	Naira	10%	12/2019	125,000,000	45,000,000
Loan from Bulk Commodities Inc.	Naira	6%	On demand	514,214	514,214
Power intervention loan	Naira	7%	07&12/2021	16,743,303	18,481,074
Syndicated Bank loans	Naira	10-15%	12/2013&2014	-	5,333,333
Short term Loans from Banks	USD	6%	2015	29,630,633	51,185,149
Nedbank/Standard Bank Loan	Rands	9.95%	11/2022	36,514,837	29,773,583
				238,391,932	**180,284,090**
Total borrowings				**242,581,606**	**181,139,780**

	Currency	Nominal interest rate	Maturity	Company 31-Dec-14 ₦'000	31-Dec-13 ₦'000
Other borrowings					
Subordinated loans	Naira	10%	12/2019	29,988,945	29,996,737
Loans from parent Company	Naira	10%	12/2019	125,000,000	45,000,000
Loan from Bulk Commodities Inc.	Naira	6%	On demand	514,214	514,214
Power intervention loan	Naira	7%	07 & 12/2021	16,743,303	18,481,074
Syndicated bank loans	Naira	10 -15%	12/2013 & 2014	-	5,333,333
Short term loans from banks	USD	6%	2015	29,630,633	51,185,149
Total borrowings				**201,877,095**	**150,510,507**

The maturity profile of borrowings is as follows:

	Group 31-Dec-14 ₦'000	Group 31-Dec-13 ₦'000	Company 31-Dec-14 ₦'000	Company 31-Dec-13 ₦'000
Due within one month	4,596,556	6,930,926	406,349	6,075,046
Due from one to three months	251,065	1,333,727	250,000	1,333,333
Due from three to twelve months	105,792,277	48,024,733	105,785,658	48,023,017
Total current portion repayable in one year	**110,639,898**	**56,289,386**	**106,442,007**	**55,431,396**
Due in the second year	7,849,601	6,879,342	2,625,397	2,625,397
Due in the third year	7,849,601	6,879,570	2,625,397	2,625,397
Due in the fourth year	37,208,790	34,137,474	31,984,586	29,883,047
Due in the fifth year and further	79,033,716	76,954,008	58,199,708	59,945,270
Total long-term portion of loans and borrowings	**131,941,708**	**124,850,394**	**95,435,088**	**95,079,111**
Total	**242,581,606**	**181,139,780**	**201,877,095**	**150,510,507**

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

25. Deferred Revenue

	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
25.1 Deferred revenue arising from government grant (refer to (a) below	1,868,501	2,410,237	1,868,501	2,410,237
Current	478,616	541,736	478,616	541,736
Non-current	1,389,885	1,868,501	1,389,885	1,868,501
	1,868,501	**2,410,237**	**1,868,501**	**2,410,237**

a) The deferred revenue mainly arises as a result of the benefit received from government loans received in 2011 and 2012 (see note 24b). The revenue was recorded in the other income line.

Movement in Deferred revenue

	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
At 1st January	2,410,237	3,012,492	2,410,237	3,012,338
Released to profit and loss account (Other income)	(541,736)	(602,255)	(541,736)	(602,101)
Closing balance	**1,868,501**	**2,410,237**	**1,868,501**	**2,410,237**

25.2 Other current liabilities

Current portion of deferred revenue (Note 25.1)	478,616	541,736	478,616	541,736
Related party transactions				
Parent company	5,695,682	7,476,324	5,695,682	7,815,606
Entities controlled by the parent company	5,925,230	14,445,936	5,358,926	10,470,145
Affiliates and associates of parent company	6,797,958	2,009,958	4,965,748	1,656,849
	18,418,870	23,932,218	16,020,356	19,942,600
	18,897,486	**24,473,954**	**16,498,972**	**20,484,336**

26. Provisions for liabilities and other charges

	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Balance at beginning of the year	376,665	487,310	233,856	274,782
Effect of foreign exchange differences	(20,560)	(93,586)	-	-
Provisions made during the year	259,382	(50,031)	32,596	(73,898)
Unwinding of discount	28,063	32,972	28,063	32,972
	643,550	376,665	294,515	233,856
Witholding tax payables	3,367,838	-	-	-
Balance at the end of the year	**4,011,388**	**376,665**	**294,515**	**233,856**

The above provisions represent:

• The Group's obligations to settle environmental restoration and dismantling/decommissioning cost of property, plant and equipment. The expenditure is expected to be utilised at the end of the useful lives of the mines which is estimated to be between the years 2025 to 2035.

• Non current witholding tax on loan from the parent company intended to be remitted to tax authorities as and when due.

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

27. Employee Benefits
27.1 Defined contribution plans

	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Balance at beginning of the year	135,787	169,658	131,390	169,658
Provision for the year	721,554	512,191	447,719	507,794
Payments during the year	(723,735)	(546,062)	(485,021)	(546,062)
Balance at the end of the year	**133,606**	**135,787**	**94,088**	**131,390**

Provisions for staff pensions have been made in the financial statements in accordance with the Pension Reform Act 2004. The accrual at 31st December 2014 amounted to ₦134 million (2013: ₦136 million) for the Group.

Outstanding staff pension deductions that have not been remitted as at year end have been accrued for in accordance with the Pension Reform Act, 2004. 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 ₦722 million (2012: ₦512 million) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

27.2 Defined benefit plan
The Group operates a funded defined benefit plan (gratuity) for qualifying employees of the Group. Under the plan, the employees are entitled to a lump sum benefits on attainment of a retirement age or on disengagement after contributing a specific number of years in service. No other post-retirement benefits are provided to these employees. The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 31st December 2014 by HR Nigeria Limited. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The plan typically exposes the Group to actuarial risks such as; investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan assets is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in Government Securities and money market instruments. Due to the long-term nature of the plan liabilities, the board of the pension fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the fund.

Interest Rate Risk A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Group & Company	
	31-Dec-14	31-Dec-13
	%	%
Discount rate (s)	15	14
Expected rate (s) of salary increase	12	12
Inflation rate	9	9

Movements in the fair value of plan assets are as follows:

	Group & Company	
	31-Dec-14	31-Dec-13
	₦'000	₦'000
At 1st January	626,221	358,259
Interest income	103,947	59,070
Remeasurement loss- Return on plan assets excluding amounts included in net interest expense	(40,228)	(3,772)
Contributions by employer	273,918	212,664
At 31st December	**963,858**	**626,221**

Movements in the present value of the defined benefit obligation are as follows:

	Group & Company	
	31-Dec-14	31-Dec-13
	₦'000	₦'000
At 1st January	2,588,861	2,101,935
Current service cost	620,844	582,987
Interest cost	355,976	271,345
Remeasurement (gains)/losses- Actuarial gain	(489,945)	(284,262)
Benefits paid	(42,418)	(83,144)
At 31st December	**3,033,318**	**2,588,861**

The major categories of plan assets, and the expected rate of return at the end of the reporting period for each category, are as follows:

	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
	%	%	₦'000	₦'000
Government securities	12	12	496,472	415,493
Cash	-	-	12,217	40
Money market instruments	13	14	469,672	218,163
			978,361	**633,696**
Liability on plan assets			(14,503)	(7,475)
			963,858	**626,221**

The fair value of the above assets are based on quoted prices in active markets
The actual return on plan assets was ₦63.7 million (2013: ₦55.3 million).

The Group expects to make a contribution of ₦250 million (2013: ₦200 million) to the defined benefit plans during the next financial year.

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:

	Group & Company	
	31-Dec-14	31-Dec-13
	₦'000	₦'000
Current service cost	620,844	582,987
Net Interest expense	252,029	212,275
	872,873	**795,262**

Amounts recognised in other comprehensive income are as follows

	Group & Company	
	31-Dec-14	31-Dec-13
	₦'000	₦'000
Remeasurement on the net defined liability		
Actuarial gain on defined benefit obligation	489,945	284,262
Return on plan assets (excluding amounts included in net interest)	(40,228)	(3,772)
	449,717	**280,490**

The amount included in the consolidated and separate statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

	Group & Company	
	31-Dec-14	31-Dec-13
	₦'000	₦'000
Present value of defined benefit obligations	3,033,318	2,588,861
Fair value of plan assets	(963,858)	(626,221)
Net liability arising from defined benefit obligation	**2,069,460**	**1,962,640**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by ₦345 million (increase by ₦412 million) (2013: decrease by ₦320 million (increase by ₦387 million)).
- If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₦435 million (decrease by ₦367 million) (2013: increase by ₦403 million (decrease by ₦338 million)).
- If the assumed mortality age is rated up (down) by 1year, the defined benefit obligation would increase by ₦24 million (decrease by ₦22 million) (2013: increase by ₦20 million (decrease by ₦18 million)).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the benefit obligation at 31st December 2014 is 15 years (2013: 16 years).

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

28. Financial Instruments
28.1 Capital Management
The Group manages its capital to ensure that entities in 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 24 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-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Net debt	221,988,466	110,638,197	185,527,584	83,067,645
Equity	591,886,155	550,093,270	638,543,114	571,562,826

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 gearing 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 at 31st December 2014 is 38% (2013: 20%). The Group is anticipating this will increase going forward.

28.1.1 Debt to equity ratio
The debt to equity ratio at end of the reporting period was as follows:

	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Debt (Note 24)	242,581,606	181,139,780	201,877,095	150,510,507
Cash and bank balances (Note 30.1)	20,593,140	70,501,583	16,349,511	67,442,862
Net debt	221,988,466	110,638,197	185,527,584	83,067,645
Equity	591,886,155	550,093,270	638,543,114	571,562,826
Net debt/ Equity ratio	38%	20%	29%	15%

28.2 Categories of financial instruments

	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Financial assets- Loans and receivables				
Cash and bank balances	10,458,447	19,007,633	6,214,818	15,948,908
Short term deposits	10,134,693	51,493,950	10,134,693	51,493,954
Trade and other receivables(Note 28.2.1)	9,803,381	9,243,480	2,932,139	7,898,802
Due from related parties and receivables from subsidiaries	11,475,336	2,632,216	288,625,075	166,770,999
Total financial assets	41,871,857	82,377,279	307,906,725	242,112,663
Financial liabilities- at amortised cost				
Trade and other payables (Note 28.2.2)	91,494,663	71,798,910	73,435,350	62,881,101
Bank loans	82,888,773	104,773,139	46,373,936	74,999,556
Overdraft	4,189,674	855,690	-	-
Inter-company borrowings	155,503,159	75,510,951	155,503,159	75,510,951
Due to related parties	18,418,870	23,932,218	16,020,356	19,942,600
Total financial liabilities	352,495,139	276,870,908	291,332,801	233,334,208

28.2.1 Defined as total trade and other receivables excluding prepayments, accrued income and amounts relating to taxation.

28.2.2 Defined as total trade and other payables excluding taxation.

28.3 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.

28.4 Market Risk
The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (Note 28.5.1) and interest rates (Note 28.7.1).

28.5 Foreign Currency Risk Management
The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. 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-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
US Dollars	21,251,974	56,976,357	1,231,189	851,080

	Company			
	Liabilities		Assets	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
US Dollars	21,250,217	52,436,477	275,112,906	391,204

28.5.1 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% (2013: 3%)increase and decrease in the Naira against the US Dollar. 15% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and 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-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Effect on Profit or loss/Equity for a 15% (2013:3%) appreciation	2,102,053	1,683,758	(26,655,582)	1,561,358
Effect on Profit or loss/Equity for a 15% (2013:3%) depreciation	(2,102,053)	(1,683,758)	26,655,582	(1,561,358)

This is mainly attributable to the exposure outstanding on US dollar receivables and payables at the end of the reporting period.

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

28.6 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 mainly on a cash basis. Revolving credits granted to major distributors and very large corporate customers approximate about ₦5billion and these are payable within 15-30 days. Stringent credit control is exercised at 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 guaranteed against 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.

28.6.1 Maximum Exposure to Credit Risk

	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Financial assets-loans and receivables				
Cash and bank balances	10,458,447	19,007,633	6,214,818	15,948,908
Short term deposits	10,134,693	51,493,950	10,134,693	51,493,954
Trade and other receivables	9,803,381	9,243,480	2,932,139	7,898,802
Due from related parties	11,475,336	2,632,216	288,625,075	166,770,999
	41,871,857	**82,377,279**	**307,906,725**	**242,112,663**

28.7 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.

28.7.1 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

	<1 month	1– 3 months	3 mths – 1yr	1 - >5 yrs
As at 31st December 2014	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Financial debt	5,055,688	2,853,654	115,099,233	161,541,511
Trade payables	34,535,123	-	-	-
Other payables	56,959,540	-	-	-
Due to related parties	18,418,870			
	114,969,221	**2,853,654**	**115,099,233**	**161,541,511**

	<1 month	1– 3 months	3 mths – 1yr	1 - >5 yrs
As at 31st December 2013	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Financial debt	7,305,863	3,808,567	57,269,342	170,818,874
Trade payables	23,433,122	-	-	-
Other payables	48,365,788	-	-	-
Due to related parties	23,932,218			
	103,036,991	**3,808,567**	**57,269,342**	**170,818,874**

Company

	<1 month	1– 3 months	3 mths – 1yr	1 - >5 yrs
As at 31st December 2014	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Financial debt	542,945	2,238,730	112,231,407	117,630,193
Trade payables	33,084,985	-	-	-
Other payables	40,350,365	-	-	-
Due to related parties	16,020,356			
	89,998,651	**2,238,730**	**112,231,407**	**117,630,193**

	<1 month	1– 3 months	3 mths – 1yr	1 - >5 yrs
As at 31st December 2013	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Financial debt	6,231,762	3,323,899	54,530,263	125,845,291
Trade payables	21,069,878	-	-	-
Other payables	41,811,223	-	-	-
Due to related parties	19,942,600			
	89,055,463	**3,323,899**	**54,530,263**	**125,845,291**

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

Interest Risk
The following table details the sensitivity to a 1% increase or decrease in LIBOR (2013: 2% increase or decrease in MPR), which is the range of margin by which the Group and Company envisage changes to occur in 2015.

Sephaku's floating interest loan was tested for sensitivity using a 2% (2013: 0.5%) change in rates which is the average change in JIBAR over the last year.

	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Effect on Profit or loss/Equity for a 1% (2013:2%) increase in rate	(148,772)	(202,130)	1,777,125	(53,333)
Effect on Profit or loss/Equity for a 1% (2013:2%) decrease in rate	148,772	202,130	(1,777,125)	53,333

28.7.2 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 included in impairment loss. The fair values of loans and borrowings are determined using the effective interest method. For loans and borrowings payable at fixed rates fair value has been estimated by reference to the market rates available at the balance sheet date for similar instruments of maturity equal to the remaining fixed period. Management has determined that the fair value of loans and borrowings is not significantly different from their carrying amount.

29. 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 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.

29.1 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-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Parent company	-	-	-	-
Entities controlled by the parent company	42,540	175,992	35,514,183	18,110,749

During the year the company entered into the following trading transactions with related parties:

	Sale of goods		Purchases of goods	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Parent company	-	-	-	-
Entities controlled by the parent company	42,540	175,992	28,191,078	17,411,045

Sales to and purchases from related parties are made at normal market prices. Outstanding 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-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Current				
Parent company	-	-	5,695,682	7,476,324
Entities controlled by the parent company	10,937,734	2,158,775	5,925,230	14,445,936
Affiliates and associates of parent company	537,602	473,441	6,797,958	2,009,958
	11,475,336	**2,632,216**	**18,418,870**	**23,932,218**

	Company			
	Amounts owed by related parties		Amounts owed to related parties	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Non Current				
Entities controlled by the company	277,149,739	164,524,881	-	-

The above balances represents expenditures on projects in African countries. As these are not likely to be repaid within the next twelve months, they have been classified under non-current assets.

Current				
Parent company	-	-	5,695,682	7,815,606
Entities controlled by the parent company	10,937,734	1,772,677	5,358,926	10,470,145
Affiliates and associates of the parent company	537,602	473,441	4,965,748	1,656,849
	11,475,336	**2,246,118**	**16,020,356**	**19,942,600**

Sales of goods to related parties were made at the Group and Company's usual price lists, Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationships between the parties.

The amounts outstanding are unsecured and will be settled in cash. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

29.2 Loans from related parties	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Loans from affiliates and associates of the parent company	514,214	514,214	514,214	514,214
Loans from parent company	154,988,945	74,996,737	154,988,945	74,996,737

Except as described in note 24 (a), the Group has been providing loans at rates and terms comparable to the average commercial rate of interest terms prevailing in the market. The loans are unsecured.

29.3 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-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Short-term benefits	254,065	137,104	254,065	137,104
Provision for staff pension benefits	-	7,885	-	7,885
	254,065	**144,989**	**254,065**	**144,989**

About Us
Operational Review
Corporate Governance
Financial Statements

Notes to the Consolidated and Separate Financial Statements
for the year ended 31st December 2014

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 ₦1.048 billion (2013: ₦877 million) was charged and paid, being an appropriate allocation of costs incurred by relevant administrative departments.

30. Supplemental Cash Flow Disclosures
30.1 Cash and cash equivalents

	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Cash and bank balances	10,458,447	19,007,633	6,214,818	15,948,908
Short term deposits	10,134,693	51,493,950	10,134,693	51,493,954
	20,593,140	**70,501,583**	**16,349,511**	**67,442,862**
Bank overdrafts used for cash management purposes	(4,189,674)	(855,690)	-	-
Cash and cash equivalents	**16,403,466**	**69,645,893**	**16,349,511**	**67,442,862**

31. 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. The Group also entered into long term leases of land for 99 years.

Payments recognised as an expense

	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Minimum lease payments	1,130,538	746,802	824,497	623,549

Non-cancellable operating lease commitments

	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Not later than 1 year	677,789	679,519	365,581	551,204
Later than 1 year and not later than 5 years	299,499	309,784	87,269	80,672
Later than 5 years	-	-	-	-
	977,288	**989,303**	**452,850**	**631,876**

32. Commitments for expenditure

	Group		Company	
	31-Dec-14 ₦'000	31-Dec-13 ₦'000	31-Dec-14 ₦'000	31-Dec-13 ₦'000
Commitments for the acquisition of property, plant and equipment	305,367,181	76,975,344	135,875,042	16,601,890

The Company also has unconfirmed letters of credit amounting to ₦13.48 billion (USD 80.26 million)as at year end.

33. 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 amounting to ₦1.72 billion (2013: ₦14.17billion). According to the solicitors acting on behalf of the Company and its subsidiaries, the liabilities arising, if any, are not likely to be significant.

34. Subsequent Events
In January 2015, our subsidiary in Senegal commenced cement production. In March 2015, our Cameroon subsidiary, Dangote Cement Cameroon S.A has commenced cement production.

On 19th March, 2015 a dividend of ₦6.00 per share which will result in ₦102.2billion total dividend was recommended by the Directors for approval on the Annual General Meeting.

Consolidated Four-year Financial Summary Non IFRS Statement

Group Balance Sheet

	2014 ₦'000	2013 ₦'000	2012 ₦'000	2011 ₦'000
Assets/liabilities				
Property, plant and equipment	747,793,820	581,465,116	478,091,577	397,711,068
Intangible assets	3,698,535	2,306,170	1,726,734	1,797,127
Investments	-	389	-	50
Prepayments for property, plant & equipment	79,490,715	91,715,470	45,015,692	52,395,768
Net current liabilities	(95,844,738)	(15,463,975)	(12,135,067)	(49,196,828)
Deferred taxation (liabilities)/assets	(3,839,736)	19,128,300	8,941,306	(1,196,798)
Long term debts	(131,941,708)	(124,850,394)	(112,462,464)	(116,766,429)
Staff gratuity	(2,069,460)	(1,962,640)	(1,743,676)	(1,372,514)
Other non-current liabilities	(5,401,273)	(2,245,166)	(2,897,701)	(1,557,069)
Net assets	**591,886,155**	**550,093,270**	**404,536,401**	**281,814,375**
Capital and Reserves				
Share capital	8,520,254	8,520,254	8,520,254	7,745,685
Share premium	42,430,000	42,430,000	42,430,000	42,430,000
Capital Contribution	2,876,642	2,876,642	2,876,642	2,876,642
Employee benefit reserve	(16,075)	(465,792)	(746,282)	(473,946)
Currency translation reserve	(3,836,663)	(4,752,664)	(1,443,862)	-
Revenue reserve	537,750,794	496,455,952	345,665,182	220,689,333
Non controlling interest	4,161,203	5,028,878	7,234,467	8,546,661
Net assets	**591,886,155**	**550,093,270**	**404,536,401**	**281,814,375**
Turnover, Profit and Loss account				
Turnover	391,639,060	386,177,220	298,454,068	241,405,977
Profit before taxation	184,688,927	190,761,362	135,647,589	113,779,556
Taxation	(25,187,434)	10,436,726	9,376,645	(927,388)
Profit after taxation	**159,501,493**	**201,198,088**	**145,024,234**	**112,852,168**
Per share data (Naira):				
Earnings - (Basic)	9.42	11.85	8.52	7.13
Net assets	34.73	32.28	23.74	18.19

Earnings per share are based on profit after taxation and the weighted average number of issued and fully paid ordinary shares during the financial year.

Net assets per share are based on net assets and the weighted average number of issued and fully paid ordinary shares during the financial year.

Separate Five-year Financial Summary Non-IFRS Statement

Company Balance Sheet	IFRS				
	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11	31-Dec-10
	₦'000	₦'000	₦'000	₦'000	₦'000
Assets/(Liabilities)					
Property, plant and equipment	526,721,478	452,046,889	377,864,231	348,844,271	305,655,317
Intangible assets	682,327	672,190	848	8,650	54,437
Investments	26,077,270	25,207,676	25,096,917	27,622,401	50
Receivables from subsidiaries	277,149,739	164,524,881	85,925,971	70,227,221	-
Prepayments for property, plant & equipment	1,772,564	23,950,013	21,062,209	25,650,934	5,358,404
Net current liabilities	(87,946,307)	(14,053,826)	(18,436,841)	(66,613,235)	(19,167,946)
Deferred taxation (liabilities)/assets	(6,725,009)	18,359,111	8,107,066	(607,765)	(8,537,635)
Long term debts	(95,435,088)	(95,079,111)	(83,050,601)	(116,766,429)	(80,504,837
Staff gratuity	(2,069,460)	(1,962,640)	(1,743,676)	(1,372,514)	(913,632)
Other non-current liabilities	(1,684,400)	(2,102,357)	(2,685,020)	(1,231,999)	(319,370)
Net assets	**638,543,114**	**571,562,826**	**412,141,104**	**285,761,535**	**201,624,788**
Capital and reserves					
Share capital	8,520,254	8,520,254	8,520,254	7,745,685	7745685
Share premium	42,430,000	42,430,000	42,430,000	42,430,000	42,430,000
Capital contribution	2,828,497	2,828,497	2,828,497	2,828,497	2828497
Employee benefit reserve	(16,075)	(465,792)	(746,282)	(473,946)	
Retained earnings	584,780,438	518,249,867	359,108,635	233,231,299	148,620,606
Net assets	**638,543,114**	**571,562,826**	**412,141,104**	**285,761,535**	**201,624,788**

	IFRS				NGAAP
	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11	31-Dec-10
	₦'000	₦'000	₦'000	₦'000	₦'000
Turnover, Profit and Loss account					
Turnover	371,534,117	371,551,567	285,635,278	241,405,977	202,565,699
Profit before taxation	213,039,663	200,010,823	138,088,716	113,779,556	101,334,468
Taxation	(27,225,540)	10,251,931	7,927,403	(3,292,404)	(1,342,294)
Profit after taxation	185,814,123	210,262,754	146,016,119	110,487,152	99,992,174
Extraordinary item					(1,282,980)
Profit after taxation and extraordinary item	185,814,123	210,262,754	146,016,119	110,487,152	98,709,194
Per share data (Naira):					
Earnings - (Basic)	10.90	12.34	8.57	7.13	6.37
Net assets	37.47	33.54	24.19	18.45	13.02

Earnings per share are based on profit after taxation and the weighted average number of issued and fully paid ordinary shares during the financial year.

Net assets per share are based on net assets and the weighted average number of issued and fully paid ordinary shares during the financial year.

Consolidated and Separate Statement of Value Added (Non-IFRS)

	Group				Company			
	2014 ₦'000	%	2013 ₦'000	%	2014 ₦'000	%	2013 ₦'000	%
Sales	391,639,060		386,177,220		371,534,117		371,551,567	
Finance income	30,565,122		8,596,499		42,498,705		10,380,078	
Other income	3,608,671		1,724,477		3,541,936		727,519	
	425,812,853		396,498,196		417,574,758		382,659,164	
Bought-in-materials and services:								
Imported	(41,476,008)		(44,639,683)		(35,615,939)		(31,526,054)	
Local	(110,176,787)		(98,413,788)		(96,744,576)		(93,511,195)	
Value added	**274,160,058**	**100**	**253,444,725**	**100**	**285,214,243**	**100**	**257,621,915**	**100**
Applied as follows:								
To pay employees:								
Salaries, wages and other benefits	20,227,090	7	15,260,315	6	17,605,541	6	13,997,005	5
To pay government:								
Current taxation	2,139,936	1	1,379	-	2,141,420	1	114	-
Deferred taxation	23,047,498	8	(10,438,105)	(4)	25,084,120	9	(10,252,045)	(4)
To pay providers of capital:								
Finance charges	32,978,194	12	13,717,542	5	20,366,983	7	11,448,932	4
To provide for maintenance of fixed assets:								
Depreciation	35,984,636	13	33,556,171	13	33,968,300	12	32,028,158	13
Amortization	281,211	-	149,335	-	233,756	-	136,997	-
Retained in the Group								
Non-controlling interest	(1,076,901)	-	(714,204)	-	-	-	-	-
Profit and loss account	160,578,394	59	201,912,292	80	185,814,123	65	210,262,754	82
	274,160,058	**100**	**253,444,725**	**100**	**285,214,243**	**100**	**257,621,915**	**100**

Value added represents the additional wealth which the company has 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 shareholders, and that retained for future creation of more wealth.

Share Capital History

	Authorised		Issued and Fully Paid		Consideration/Remarks
Date	Increase	Cumulative	Increase	Cumulative	Cash/Bonus/Others
1992	500,000,000	210,000,000	210,000,000	210,000,000	Cash
2002	-	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

Obajana plant overview

Notice of 6th Annual General Meeting

Notice is hereby given that the 6th Annual General Meeting (AGM) of Dangote Cement Plc. (Dangote Cement Plc) will be held at the Civic Centre, Ozumba Mbadiwe Road, Victoria Island, Lagos on 29th April, 2015 at 11a.m. to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To receive the audited Financial Statements for the year ended 31 December, 2014, 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

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 not less than forty-eight (48) hours before the time of holding the meeting.

DIVIDEND WARRANTS AND CLOSURE OF REGISTER OF MEMBERS

If the Dividend declared by the Directors is approved by the Shareholders at the Annual General Meeting, dividend warrants would be posted on Thursday 30th April, 2015 to the shareholders, whose names are registered in the Company's Register of Members at the close of business on Friday, 17th April, 2015.

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 a member of the Audit Committee by giving notice to the Company Secretary at least twenty-one (21) days before the Annual General Meeting.

CLOSURE OF REGISTER

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed from Monday, 20th April, 2015 to Friday, 24th April, 2015.

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 of March, 2015.

Directors and Professional Advisers

Directors

Aliko Dangote	- Chairman
Onne van der Weijde	- Group Chief Executive Officer
Sani Dangote	- Non-Executive Director
Devakumar Edwin	- Non-Executive Director
Olakunle Alake	- Non-Executive Director
Abdu Dantata	- Non-Executive Director
Joseph Makoju	- Non-Executive Director
Olusegun Olusanya	- Non-Executive Director
Emmanuel Ikazoboh	- Independent Non-Executive Director
Ernest Ebi	- Independent Non-Executive Director
Fidelis Madavo	- Non-Executive Director
Khalid Al Bakhit	- Non-Executive Director

Company Secretary
Mahmud Kazaure

Joint Auditors
Akinola Williams Deloitte
Chartered Accountants
235 Ikorodu Road
Ilupeju, Lagos
Nigeria

Ahmed Zakari & Company
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

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	26 October 2010
Market Capitalization (31/12/14)	₦3,278,764,029,603
Outstanding Shares	17,040,507,404
Free Float	9.07%

Registration Information

RC Number	208767
Date of Incorporation	4 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

	₦'000
Sponsorship of the ICAN 44th Annual Accountants conference	5,000
Obajana Community Scholarship Programme	4,000
Construction of NYSC Lodge for Youth Corpers in YEWA North Ibese	2,000
Donation to Their World a World at School current 3 year program	94,889
Construction of classrooms in Nawarin, Mushin, Lagos State	36,000
Construction of class rooms blocks at Zangon Bare Gari, Kano State	3,614
Donation for Nigeria Institute of Architects for corporate participation	3,900
Capital Market Correspondents annual workshop	500
Construction of business studies school at Ado Bayero University Kano	99,166
Donation to SUNTRUST AFRICARE for development in Africa Summit	16,290
Construction of Diagnostic Hospital in Kano	119,130
Donation to the Destiny Child Centre	2,000
Medical Assistance to Mrs. Odunayo Jimoh for eye sight operation	1,500
Construction of Operation Theatre Murtala Muhammed Hospital Kano	45,290
Donation to Children of Africa for hospital in Bingerville (Cote D' Ivoire)	81,450
Donation for five fully equippped mobiles clinic in Kenya	93,667
Donation to the Olusegun Agagu Foundation	1,000
Sponsorship of the Nigeria institute of Structural Engineers annual conference	5,000
Donation to National Centre for Women Development	2,000
Donation to National Council for Women Society (NCWS) Benue State	2,000
Sponsorship of the Nigerian Society of Engineers annual conference	5,000
Donation to EMPRETEC Foundation for the Graduate Entrepreneurship Prog.	5,000
Donation to Kogi State Security Trust Fund	50,000
Sposnorship of the Corporate Council on Africa Inc. Event	8,425
Sponsorship of the development of Nigeria concrete mix design manual	10,000
Construction of Mosque at Obajana	8,876
Donation to Nigeria Guild of Editors (NGE) for building of their secretariat	10,000
Donation to the National Competitiveness Council of Nigeria as start-up funding	15,000
Sponsorship of Ogun State Investors Forum 2014	10,000
Donation to the Lagos State Bricklayers Association	1,000
Sponsorship of the Nigerian Police Week 2014	10,000
Sponsorship Centenary Anniversary celebration, Kogi State	10,000
Sponsorship of Manufacturers Association of Nigeria 7th Business Luncheon	2,000
Sponsorship of the Ministry of Investment & Co Oyo State Economic Summit	2,693
Donation towards the completion of Oyo-Iwaa Community Palace	5,000
Donation for Microenterprise Development- Dangote foundation	39,345
Donation to Ogun State 2014 International Womens Day Celebration	5,000
Sponsorship of the Nigeria Economic Summit-20th edition	15,000
Sponsorship of 7th Lagos State Economic Summit	30,000
Donation to Miners Association of Nigeria	5,000
Sponsorship of Kogi Summit 2014	590
Donation to the Leadership Group	40,000
Donation for the construction of Crescent University Hostels	26,197
Donation to the Kogi Women Empowerment Network	5,000
Donation to the Pan African Youth Council	43,125
Donation to the Women in Management Business & Public Service (WIMBIZ)	3,000
Sponsorship for National Conference on Public Procurement	10,000
Donation for 2014 Agriculture financial assistance	5,000
Sponsor for sentiziation workshop for Sandcrete Block Moulders	300
Donations for Nation Agric Foundation	5,000
Sponsorship of Afro Carribean Society Carnival - London	3,420
Sponsorship of the YEWA festival Ibese	2,000
Sponsorship of the 2014 PEARL Awards	10,000

Donations and Sponsorships

	₦'000
Sponsorship of the Manufacturers Association of Nigeria AGM 2014	10,000
Sponsorship of the Institute of Architechs Forum	2,000
Sponsorship of Oronna Ilaro Festival Ibese	5,000
Sponsorship of the Chartered Institute of Stakeholders Event	5,000
Donation to the Ebira Carnival	2,000
Sponsorship at premium package category for ASIA road show	5,000
Sponsorship of Kogi State 2nd annual confluence `V` Carnival	5,000
Dontation to Benue State Government Book Launch	1,000
Donation to Draft Competition and Consumer Protection	5,000
Sponsorship of enduring Business Partnerships Award for business reporting	3,000
Sponsorship of Smooth Luxury Concerts	5,000
Sponsorship of Lagos Motor Boat Club Independence dinner	1,000
Sponsorship of CRANS Annual Lecture	300
Sponsorship of Shagamu Day	10,000
Sponsorship of Ogun State Block Makers forum	500
Sponsorship of Nigeria Academy of Engineering 2014 Lecture	2,000
Total	**1,081,171**

Board and Committee Meeting Dates and Attendance

Board of Directors

	29th January	26th March	2nd May	30th July	29th October	30th December
Aliko Dangote GCON	√	√	√	√	√	√
Devakumar Edwin	√	√	√	√	√	√
Sani Dangote	√	√	√	√	√	×
Olakunle Alake	√	√	√	√	√	√
Abdu Dantata	√	√	√	√	×	×
Joseph Makoju	√	√	√	√	√	√
Olusegun Olusanya	√	√	√	√	√	√
Emmanuel Ikazoboh	NA	√	√	×	√	√
Ernest Ebi	NA	√	√	√	√	√
Fidelis Madavo	NA	NA	NA	√	×	√
Khalid Al Bakhit	NA	NA	NA	NA	NA	×

Finance and General Purpose Committee

	29th January	26th March	30th April	25th July	28th October	18th December
Olusegun Olusanya	√	√	√	√	√	√
Olakunle Alake	√	√	√	√	√	√
Devakumar Edwin	√	√	×	√	√	√
Emmanuel Ikazoboh	NA	NA	√	√	√	×
Ernest Ebi	NA	NA	√	√	√	√
Sani Dangote	×	√	√	√	√	√
Fidelis Madavo	NA	NA	NA	NA	NA	NA

Audit and Risk Committee

	28th April	25th July	23rd October
Ernest Ebi	√	√	√
Devakumar Edwin	√	√	√
Olakunle Alake	√	√	√
Olusegun Olusanya	√	√	√
Emmanuel Ikazoboh	√	√	√
Sani Dangote	√	√	√
Fidelis Madavo	NA	NA	NA

Remuneration and Governance Committee

	28th April	25th July	23rd October
Emmanuel Ikazoboh	√	√	√
Devakumar Edwin	√	√	√
Olusegun Olusanya	√	√	√
Abdu Dantata	√	×	×
Joseph Makoju	√	√	√
Ernest Ebi	√	√	√
Sani Dangote	×	√	√

Statutory Audit Committee

	28th March	22nd September
Robert Ade-Odiachi	√	√
Olakunle Alake	√	√
Olusegun Olusanya	√	√
Emmanuel Ikazoboh	√	×
Brigid Shiedu	√	√
Sadan Ladan-Baki	√	√

Key
√ - present
× - *absent*
NA - not yet a member

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
COMESA	Common Market for Eastern and Southern Africa
CO2	Carbondioxide
DIL	Dangote Industries Limited
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EBIT	Earnings Before Interest and Tax
ECOWAS	Economic Community of West African States
EHSS	Environmental Health, Safety and Security
FCT	Federal Capital Territory
GDP	Gross Domestic Product
GETS	Global Environment Telecommunications Service
IFC	International Finance Corporation
IMF	International Monetary Fund
ISO	International Standards Organisation
JSE	Johannesburg Stock Exchange
LPFO	Low Pour Fuel Oil
NIA	National Intelligence Agency
NIOB	Nigerian Institute of Building
NIQS	Nigerian Institute of Quantity Surveyors
NIS	Nigeria Industrial Standards
NMCP	National Malaria Control Program
NSE	Nigerian Stock Exchange
NOX	Mono-nitrogen Oxides
MT	Million Tonnes
OEMS	Original Equipment Manufacturer
OHSMS	Occupational Health and Safety Management System
Q	Quarter
SEC	Securities and Exchange Commission
SEPCEM	Sephaku Cement
SON	Standards Organization of Nigeria
SOX	Sulfur Oxides
SAP	System Application Package
TBC	To Be Confirmed
UEMOA	West African Economic and Monetary Union
VTS	Vaccination Tracking System

united securities

Mandate for e-dividend Payments

Date (DD/MM/YYYY)

The Registrar
United Securities Limited,
10, Amodu Ojikutu Street,
Victoria Island, Lagos.

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:

Kindly quote your shareholder account no in the box below

NAME OF COMPANY	SHAREHOLDING ACCOUNT NO
Dangote Cement Plc	

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

DANGOTE CEMENT PLC. RC: 208767

6th Annual General Meeting to be held at the Civic Centre, Ozumba Mbadiwe Road, Victoria Island, Lagos on Wednesday, 29th April , 2015 At 11.00 a.m.

PROXY FORM

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 6th Annual General Meeting to be held on 29th April,2015 and at any adjournment thereof.

DATED THE .... DAY OF .... 2015 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 31 December, 2014, and the reports of the Directors, Auditors and Audit Committee thereon;		
	2.	To declare a dividend;		
	3. 3.1 3.2 3.3 3.4	To elect or re-elect Directors Re-election as a Director of Joseph Makoju, who is retiring by rotation Re-election as a Director of Abdu Dantata, who is retiring by rotation Re-election as a Director of Devakumar Edwin, who is retiring by rotation Election of Fidelis Madavo, who was appointed as a Director during the year		
	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.		

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.

ADMISSION CARD

NAME AND ADDRESS OF SHAREHOLDER(S):

NUMBER OF SHARES HELD:

Please admit .... to the 6th Annual General Meeting of Dangote Cement Plc, to be held at The Civic Centre, Ozumba Mbadiwe Road, Victoria Island, Lagos at 11.00 a.m. on Wednesday, 29th April, 2015.

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

Notes

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