



DANGOTE CEMENT PLC

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2012



NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30th JUNE, 2012

1. Reporting Entity

Dangote Cement Plc ('the Company') was incorporated in Nigeria as a public limited liability company on 4 November, 1992 and commenced operations in January 2007 under the name Obajana Cement Plc. The name was changed on 14 July 2010 to Dangote Cement Plc. The company is a subsidiary of Dangote Industries Limited (DIL) with a shareholding of 94.87%. In December 2009, the operations of Lagos Cement Terminal, a division of Dangote Industries Limited (DIL) were transferred to Dangote Cement Plc at net assets value. In December 2009, the Company acquired 74.77% and 99.90% holdings in Benue Cement Company Plc and Dangote Bail Limited respectively. The Company also has 99.00% holdings in Dangote Cement Works Limited.

In October 2010, the Company entered into a scheme of arrangement to combine with its subsidiaries; Benue Cement Company Plc, Dangote Cement Works Limited and Dangote Bail Limited as one company. The entire share capital and share premium of the companies mentioned above were cancelled upon the merger with Dangote Cement Plc.

The consolidated interim financial statements of the Company at and for the period ended 30th June 2012 comprise the Company and its subsidiaries (collectively referred to as "Group").

The Company and the Group was established to operate plant for the preparation, manufacture, and distribution of cement and related products. The Company's production activities are undertaken at Obajana town in Kogi State, Gboko in Benue State and ibese in Ogun state.

2. (i) Basis of Preparation

(a) Statement of compliance

The consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and do not include all of the information required for full annual financial statement.

The consolidated interim financial statements were approved by the board of directors on 31st July 2012.

In accordance with the pronouncement issued by Financial Reporting council of Nigeria, the interim financial statement prepared in accordance with IFRS is being published for the period ended 30th June 2012.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Derivative financial instruments, if applicable, are measured at fair value
- Investment property is measured at fair value
- The defined benefit asset is recognized as the net total of the plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.

(C) Functional and presentation currency

These consolidated interim financial statements are presented in Naira, which is the Company's functional currency and rounded to nearest thousand.

(d) Use of Estimates and Judgements

In preparation of interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial statements, the significant judgement made by management in applying the group's accounting policies and the key sources of estimation uncertainty are expected to be the same as those that will apply to be first annual IFRS financial statements.

Except as described below, the accounting policies applied by the group in this consolidated interim financial statements are the same as those applied by the group in its consolidated financial statements as at and for the period ended 31st December 2011.

2 (ii) Significant Accounting Policies

The following are the significant accounting policies adopted by the Group in the preparation of its interim financial statements and unless otherwise stated, accounting policies set out below have been applied consistently to all periods presented in this consolidated interim financial statement.

The financial statements are prepared under the historical cost basis and comply with the International Accounting Standards issued by IASB.

(a) Basis of consolidation

The consolidated interim financial statements include the consolidated financial statements of Dangote cement Plc and its subsidiaries; all made up to 30th June, 2012. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

(i) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value that the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, over the net fair value of the identifiable assets acquired and liabilities assumed at the acquisition date.

Capital reserve is the excess of fair value of the Holding company's share of the identifiable net assets of the subsidiary over the purchase consideration.

(ii) Goodwill

Goodwill arising on an acquisition of a business is carried at its value as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) that is expected to benefits from the synergies of the combination.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated interim financial statements from the date that control commences until the date that control ceases.

Losses applicable to the non-controlling interest in a subsidiary are allocated to the non-controlling interest.

(iv) Special purpose entities

The Group establishes a number of special purpose entities for executing projects. An SPE is consolidated based on evaluation of the substance of its relationship with

the Group and the SPE's risks and rewards. The Group concludes that it controls the SPE.

(b) Foreign currencies 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.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity investments, a financial liability designated as a hedge of the net investment in a foreign operation or qualifying cash flow hedges, which are recognised in other comprehensive income.

(c) Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(d) Debtors

Trade and other debtors are stated after deduction of specific provisions for any debt considered doubtful of collection.

(e) Property, plant & equipment

Items of property, plant and equipment are measured at cost or re-valued amounts less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset are capitalised up to the date of commissioning. Fixed assets 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, and borrowing costs on qualifying assets. Other subsequent interests are expensed.

When parts of an item of property, plant and equipment have different useful lives, 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 the profit or loss as incurred.

(f) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

The estimated useful lives for the current and comparative periods are as follows:

- Leasehold Land – Lease period
- Plant and Machinery – 10 to 25 years
- Cement Plant – 25 years
- Motor Vehicles – 4 years
- Computer hardware – 3 years

- Furniture and Equipment – 5 years

(g) Intangible assets

Qualified intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is based on the cost of an asset less its residual value.

Amortisation is recognised in profit and loss on a straight line basis over its estimated useful of the intangible assets other than goodwill from the date they are available for use.

(h) Borrowing costs

Borrowing costs relating to capital expenditure are capitalised in the period in which they are incurred. Interest accruing before the item of property, plant and equipment is put to use is added to the cost of the item. Other subsequent costs are expensed.

(i) Investments

• Long term investments

Long term investments are stated at cost less provision for permanent diminution in value.

• Short term deposits

Short term deposits represent placements with banks, financial institutions and other corporate bodies which are having initial maturity of more than three months/not repayable or demanded can be realised at par without financial loss. Income realised from placements are included in the profit or loss.

(j) 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. Subsequent to initial recognition loan and receivables are measured at amortised cost using the effective interest method less any impairment losses unless such receivables are to be realised at par in the future in exchange of another financial assets.

(k) Inventory

Clinker and cement are valued at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition. Other stocks are valued at average cost after making provision for obsolescence.

Net realisable value represents the estimated selling price less all estimated costs to completion and cost incurred in marketing, selling and distribution.

(l) Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period using tax rate enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred Tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes.

Deferred tax is measured at the rates that are expected to be applied to temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

(m) Provisions

Provisions are recognised when the company and its subsidiaries have a present obligation, whether legal or constructive, as a result of past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

(n) Earnings per share

Earnings per share are based on profit after taxation and the weighted average number of issued and fully paid ordinary shares at the end of the period.

(o) Retirement benefits

The company and its subsidiaries operate a defined contribution pension scheme for members of staff which is independent of its finances and is managed by Pension Fund Administrators. The scheme, which is funded by contributions from employees

and the company at 7.5% each of employee's basic, housing and transport allowances, is consistent with the provision of the Pension Reform Acts 2004.

The defined benefit scheme and all liabilities for same has been estimated and provided based on actuarial valuation.

(p) Significant Events and transactions

Company during the interim period has commissioned a new integrated cement plant at Ibeshe with a capacity of 6million tons per annum and (Line 3) at Obajana, Kogi state with a capacity of 5.25million tons per annum. This will significantly add to the revenue and profitability of the group for the subsequent quarters.

(q) Segment Reporting

The business segment of the company and its subsidiaries that are subject to similar risk and return are presented by products and geographical locations as detailed in note of the interim financial statements.

(r) Other disclosures

1. Restoration cost - According to IAS 16:7 which stipulates that "the cost of an item of property, plant and equipment cost also includes the costs of its dismantlement, removal or restoration, the obligation for which an entity incurs as a consequence of using the item during a particular period for purposes other than to produce inventories during that period".

In the light of the above, we have made provisions in our books for site restoration for our mines extracting limestone which serves as part of our raw materials in the production of cement.

This was calculated using the present value of future estimated restoration cost in line with current Inflation Rate and Monetary Policy Rates as published by the Central Bank of Nigeria. This impacted profit/ (loss) for the period ended June 30, 2012 to the tune of N74.8M. As at this date, the estimated limestone extraction as capitalised under Land (Mineral Reserves) stood at N2.6B and will be revalued annually according the current inflation rate and monetary policy rates.

2. Strategic spares - According to IAS 16, spare parts and servicing equipment are usually carried as inventory and recognised in profit or loss as consumed. However, major/critical spare parts and stand-by equipment qualify as property, plant and equipment when an entity expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment. The stock was reclassified and subjected to

depreciation which has impacted on the profit/(loss) for the period ended June 30, 2012 to the tune of N33.6m.

3. Employees' retirement benefits - According to IAS19:6, an entity should "determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period".

The employees, retirement benefit provision in the accounts were based on the actuarial valuation report carried out by an expert valuer. The impact on profit / (loss) the period ended June 30, 2012 is N152.3M.

4. Loans - According to IAS 23:1 provides that "Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognised as an expense". Also, IAS23:10 also stipulate that "the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made.

When an entity borrows funds specifically for the purpose of obtaining a particular qualifying asset, the borrowing costs that directly relate to that qualifying asset can be readily identified". The amount of interest capitalised under capital work in progress during the period ended June 30, 2012 was nill.

In the light of the above statements of IAS23, loans were classified into long and short term. For all long term loans, amortization was worked out taking into consideration the effective interest calculation. The excess of effective interest over the nominal interest was capitalised for loans directly related to construction of new facilities. For the other loans, such interest is expensed.

5. Provision for depreciation - IAS 16:10 provide that "An entity is required to determine the depreciation charge separately for each significant part of an item of property, plant and equipment".

In view of the above, depreciation charged on cement and power plants were calculated in line with IAS 16 where the component parts of the assets were depreciated according to the useful life of the assets in question.

6. The Group's product is not subject to significant seasonal fluctuations or substantial cyclical variation.

7. Dividend -The sum of N19.4b dividend was paid during the period ended June 30, 2012.

8. Major events - There were no major events after the interim period that is having significant impact and not disclosed in the interim financial statement.

9. Business combinations - There were no business combinations effected during the period ended 30th June of 2012.

10. Loan repayment - There was loan repayment during the period ended 30th June 2012 to the tune of N16.25B.

Dangote Cement Plc
Financial Statements for the period ended
30 JUNE 2012

Consolidated Statement of Comprehensive Income

	Notes	Group 30th June 2012 N'000	Company 30th June 2011 N'000	Group 31st December 2011 N'000
Revenue	3	142,009,015	112,732,602	235,914,970
Cost of sales		(55,899,440)	(52,256,217)	(96,799,569)
GROSS PROFIT		86,109,575	60,476,385	139,115,401
Other income	4	6,234,179	507,155	2,237,620
Selling and distribution expenses		(2,685,534)	(494,331)	(15,714,604)
Administration expenses		(12,051,092)	(2,755,806)	(7,066,099)
RESULTS FROM OPERATING ACTIVITIES		77,607,127	57,733,403	118,572,318
Finance income		639,719	1,101,875	1,648,660
Finance costs		(6,887,096)	(708,457)	(2,556,050)
Net finance income/(costs)	5	(6,247,377)	393,418	(907,390)
PROFIT BEFORE INCOME TAX		71,359,751	58,126,821	117,664,928
Income tax expense	6	9,523	(867,240)	7,626,723
PROFIT FROM CONTINUING OPERATIONS		71,369,274	57,259,581	125,291,651
DISCONTINUED OPERATIONS				
Profit or Loss from Discontinued operations	7	(248,800)	-	-
Profit for the period		71,120,474	57,259,581	125,291,651
Other comprehensive income for the period net of tax				
Foreign currency translation difference		78,947	-	-
Total Comprehensive income for the period		71,199,421	57,259,581	125,291,651
Profit attributable to:				
Equity holders of the parent		71,290,881	57,259,581	125,136,538
Non controlling interest		(170,407)	-	155,113
Profit for the period		71,120,474	57,259,581	125,291,651
Total comprehensive income attributable to:				
Equity holders of the parent		71,341,407	57,259,581	125,136,538
Non controlling interest		(141,986)	-	155,113
Total comprehensive income for the period		71,199,421	57,259,581	125,291,651
Earnings per share				
Basic earnings per share	8	4.18	3.70	8.08

The notes on pages 2-11 and other explanatory notes on pages 12 to 21 form an integral part of these financial statements.

Dangote Cement Plc
Financial Statements for the period ended
30 June 2012

Consolidated Statement of Financial Position

	Notes	Group 30th June 2012 N'000	Company 30th June 2011 N'000	Group 31st December 2011 N'000
ASSETS				
Property, plant and equipment	10	489,598,013	291,817,854	441,595,276
Intangible assets and goodwill	11	10,844,258	40,623	10,845,799
Long term financial assets	12	6,259,165	41,900,109	5,813,930
Investments in subsidiaries and associates	13	1,585,072	50	2,770
Deferred Taxation	9	7,313,217	-	7,307,875
Non-current assets		515,599,726	333,758,636	465,565,650
Inventories	14	21,960,114	17,782,553	13,228,054
Trade Debtors	15	2,218,130	2,985,298	2,172,834
Other Debtors and receivables	16	5,542,969	1,546,317	6,664,776
Prepayments	17	27,498,720	15,135,351	27,373,221
Due from related companies	18	4,742,817	17,544,689	4,280,074
Cash and cash equivalents	19	27,789,358	14,390,334	22,435,754
Current assets		89,752,109	69,384,542	76,154,713
Total assets		605,351,834	403,143,178	541,720,364
EQUITY				
Ordinary Share Capital	20	8,520,254	7,745,685	7,745,685
Share premium	21	42,430,000	42,430,000	42,430,000
Retained earnings		292,142,755	179,480,898	241,394,091
Other reserves	22	441,692	-	441,692
Exchange difference reserve	23	(1,943,313)	-	(1,943,313)
Equity attributable to owners of the Company		341,591,389	229,656,583	290,068,155
Non-controlling interests		8,747,982	-	8,710,396
Total equity		350,339,370	229,656,583	298,778,554
LIABILITIES				
Loans and borrowings	24	57,782,211	44,446,667	37,707,001
Intercompany loan	24	81,482,684	53,280,805	88,213,098
Long term provisions	25	2,947,138	1,929,489	2,229,560
Deferred tax liabilities	9	-	1,924,400	-
Employee benefits	26	1,529,232	1,079,348	1,293,459
Non-current liabilities		143,741,265	102,660,709	129,443,118
Bank overdraft	19	11,826,151	-	4,169,563
Trade Creditors		10,305,696	3,698,780	3,248,800
Other Creditors and payables		32,863,775	15,302,622	37,487,739
Loans and borrowings	24	18,036,700	22,220,000	29,038,086
Intercompany loan	24	3,776,256	505,037	3,790,276
Due to related parties	18	18,323,807	8,631,047	29,719,801
Provisions and accruals		14,042,052	16,462,978	1,764,988
Current tax liabilities	9	2,096,763	4,005,422	4,279,439
Current liabilities		111,271,200	70,825,886	113,498,692
Total liabilities		255,012,465	173,486,595	242,941,810
Total equity and liabilities		605,351,834	403,143,178	541,720,364

The notes on pages 2 to 11 and other explanatory notes on pages 12 to 21 form part of these financial statements.

Dangote Cement Plc
Financial Statements for the period ended
30 June 2012

Consolidated Statement of Changes in Equity

Note	Attributable to equity holders					Total	Non-Controlling interest	Total equity
	Share Capital	Share Premium	Retained Earnings	Other Reserve	Exchange diff. Reserve			
	N'000	N'000	N'000	N'000	N'000		N'000	N'000
Balance at 1 January 2012	7,745,685	42,430,000	241,394,091	441,692	(1,943,313)	290,068,155	8,710,396	298,778,554
Total comprehensive income for the period								
Profit for the period	-	-	71,290,881	-	-	71,290,881	(170,407)	71,120,474
Total other comprehensive income	-	-	(127,113)	-	-	(127,113)	206,060	78,947
Total comprehensive income for the period	-	-	71,163,768	-	-	71,163,768	35,653	71,199,421
Adjustment for pre-transition period	-	-	(279,760)	-	-	(279,760)	-	(279,760)
Share of post acquisition profit	-	-	3,437	-	-	3,437	1,934	5,371
Dividend paid	-	-	(19,364,213)	-	-	(19,364,213)	-	(19,364,213)
Bonus share issue	774,569	-	(774,569)	-	-	-	-	-
Balance at 30 June 2012	8,520,254	42,430,000	292,142,755	441,692	(1,943,313)	341,591,389	8,747,982	350,339,370
	N'000	N'000	N'000	N'000	N'000		N'000	N'000
Balance at 1 January 2011	7,745,685	42,430,000	161,333,530	-	-	211,509,215	-	211,509,215
Total comprehensive income for the period								
Profit for the year	-	-	125,136,538	-	-	125,136,538	-	125,136,538
Total comprehensive income for the period	-	-	125,136,538	-	-	125,136,538	-	125,136,538
Dividend paid - Dangote Cement Plc	-	-	(34,861,542)	-	-	(34,861,542)	-	(34,861,542)
Adjustment for pre-transition period	-	-	(5,141,477)	-	-	(5,141,477)	-	(5,141,477)
Prior year adjustments	-	-	(5,072,958)	-	-	(5,072,958)	-	(5,072,958)
On acquisition of Sephaku Cement (Pty) SA	-	-	-	-	-	-	8,647,473	8,647,473
Share of post acquisition other reserves and retained earnings	-	-	-	-	-	-	(689,550)	(689,550)
Investment in other subsidiaries	-	-	-	-	-	-	752,474	752,474
Group share of post acquisition other reserves	-	-	-	441,692	-	441,692	-	441,692
Currency translation differences	-	-	-	-	(1,943,313)	(1,943,313)	-	(1,943,313)
Balance at 31 December 2011	7,745,685	42,430,000	241,394,091	441,692	(1,943,313)	290,068,155	8,710,396	298,778,554

Dangote Cement Plc
Financial Statements for the period ended
30 June 2012

Consolidated Statement of Cash Flows
for the period ended 30 June 2012

Notes	Group 30th June 2012	Company 30th June 2011	Group 31st December 2011
	N'000	N'000	N'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the year	71,120,474	57,259,581	125,291,651
Add back:			
Adjustment for items not involving the movement of cash:			
-Depreciation, amortisation and other non- cash adjustment	11,278,625	6,890,962	14,340,057
- Finance costs, net	6,247,377	(393,418)	907,390
- Taxation	(9,523)	867,240	(7,626,723)
	88,636,952	64,624,365	132,912,376
Change in:			
- Current asset	(8,243,791)	35,315,974	36,941,317
-Current liability	3,314,002	(4,731,096)	21,898,363
-Employee benefits	235,773	451,161	665,272
-Provisions	717,578	5,838	305,909
Cash generated/(used) from operating activities	(3,976,438)	31,041,877	59,810,860
Finance costs	(6,887,096)	(708,457)	(2,556,050)
Finance income	639,719	1,101,875	1,648,660
Tax paid	(2,178,495)	(58,641)	(1,158,065)
Net cash generated by operating activities	76,234,643	96,001,019	190,657,781
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of PPE, long-term receivables and investment	(61,499,183)	(47,159,844)	(173,364,216)
Acquisition of Intangible and goodwill	(3,623)	13,814	(9,048,671)
Proceeds on sale of fixed assets	-	886	2,175
Net cash (used) from investing activities	(61,502,806)	(47,145,144)	(182,410,712)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/(Decrease)in loan and borrowings	9,073,824	(13,333,333)	(11,856,322)
Increase/(Decrease) in intercompany loans	(6,744,434)	(7,510,888)	29,308,049
Dividend Paid	(19,364,213)	(34,861,544)	(34,861,544)
Net cash generated/(used in) Financing activities	(17,034,823)	(55,705,765)	(17,409,817)
Net decrease in cash at bank and in hand	(2,302,986)	(6,849,890)	(9,162,747)
Cash at bank and in hand, beginning of year	18,266,193	21,240,224	27,428,940
Cash at bank and in hand, end of year	15,963,207	14,390,334	18,266,193

Dangote Cement Plc
Notes to the Financial Statements
Period ended 30 June 2012

3 Revenue

Revenue, which comprises entirely of domestic sales as well sales of ash by Sephaku cement company (a subsidiary of the company), represents the invoiced value of goods sold to external customers, net of returns and value added tax.

	Group 30th June 2012	Company 30th June 2011	Group 31st December 2011
	N'000	N'000	N'000
3.1			
a) Analysis by product			
Cement	141,738,201	112,732,602	235,704,876
Ash	270,814	-	210,094
	<u>142,009,015</u>	<u>112,732,602</u>	<u>235,914,970</u>
	Group 30th June 2012	Company 30th June 2011	Group 31st December 2011
	N'000	N'000	N'000
b) Analysis by geography			
Nigeria	141,738,201	112,732,602	235,704,876
South Africa	270,814	-	210,094
	<u>142,009,015</u>	<u>112,732,602</u>	<u>235,914,970</u>

3.2 Segment information

	Nigeria N'000	South Africa N'000	Others N'000	TOTAL N'000
Jun-12				
Revenue	141,738,201	270,814	-	142,009,015
Cost of sales	(55,771,349)	(128,091)	-	(55,899,440)
Gross Profit	<u>85,966,852</u>	<u>142,723</u>	<u>-</u>	<u>86,109,575</u>
Depreciation	<u>10,601,181</u>	<u>91,833</u>	<u>-</u>	<u>10,693,014</u>
Profit before income tax	<u>71,842,626</u>	<u>(482,875)</u>	<u>-</u>	<u>71,359,751</u>
Non-current asset	<u>424,851,777</u>	<u>20,513,836</u>	<u>70,234,113</u>	<u>515,599,726</u>
Net assets	<u>325,425,387</u>	<u>21,577,605</u>	<u>3,336,377</u>	<u>350,339,369</u>

Others represent subsidiaries in other African countries which are yet to commence operation.

	Consolidated 30th June 2012	Company 30th June 2011	Consolidated 31st December 2011
	N'000	N'000	N'000
4 Other income			
Gains from haulage	4,860,421	423,575	-
Insurance claims	25,093	-	26,731
Sundry Income	1,348,665	83,580	2,210,889
	<u>6,234,179</u>	<u>507,155</u>	<u>2,237,620</u>
5 Net finance costs			
Recognised in profit or loss			
Interest income on bank deposits	639,719	1,101,875	1,648,660
Foreign exchange gain	-	-	-
Finance income	<u>639,719</u>	<u>1,101,875</u>	<u>1,648,660</u>
Interest on bank overdraft	-	708,457	1,106,581
Other finance charges	4,216	-	-
Interest on term loans	4,338,080	-	1,221,737
Interest on intercompany loans	2,544,800	-	227,732
Finance expense	<u>6,887,096</u>	<u>708,457</u>	<u>2,556,050</u>
Net finance expense	<u>(6,247,377)</u>	<u>393,418</u>	<u>(907,390)</u>

Dangote Cement Plc
Notes to the Financial Statements
Period ended 30 June 2012

6 Income tax expense

		Group 30th June 2012 N'000	Company 30th June 2011 N'000	Group 31st December 2011 N'000
Current tax expense	(Note 6.1)	-	(867,240)	(2,089,540)
Deferred tax expense	(Note 6.1)	5,342	-	9,867,404
Prior year overprovision		4,181	-	-
Education tax		-	-	(151,141)
		<u>9,523</u>	<u>(867,240)</u>	<u>7,626,723</u>

6.1 The Obajana and Gboko plants of the company were granted Pioneer status for five years till 31 December 2013 while for Ibeshe plant, the company has sufficient capital allowances. No tax was charged due to this reason.

7 Profit or Loss from Discontinued operations

In January 2012 and February 2012 the company discontinued the cement terminal operations which involve bagging of imported bulk cement at her import terminals located in Portharcourt and Lagos respectively. Management's plan is to convert them to an export terminal, this decision was facilitated by the commencement of full operations of Ibeshe cement plant with a production capacity of 6 millions tons/annum commissioned in Q1 and Line 3 of Obajana cement plant with a production capacity of 5.25 millions tons/annum commissioned in Q2 2012.

	N'000	N'000	N'000
Revenue	51,167.00	-	-
Cost of sales	(123,653.00)	-	-
Gross Profit	<u>(72,486.00)</u>	<u>-</u>	<u>-</u>
Less: other fixed cost	(176,314.00)	-	-
Profit or Loss from Discontinued operations	<u>(248,800.00)</u>	<u>-</u>	<u>-</u>

8 Earnings per share

Earnings per share is calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares outstanding at the end of the financial year.

Basic earnings per share

From continuing operations	4.18	3.70	8.08
Balance, end of year	<u>4.18</u>	<u>3.70</u>	<u>8.08</u>

Basic earnings per share

Profit for the year attributable to the owners of the company	71,290,881	57,259,581	125,136,538
Earnings used in the calculation of basic earnings per share	71,290,881	57,259,581	125,136,538
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>17,040,508</u>	<u>15,491,370</u>	<u>15,491,370</u>

9 Taxation Per Balance Sheet

The movement in the tax payable account was as follows:

Balance, beginning of the year	4,279,439	3,196,823	3,196,823
Charge for the year	0	867,240	2,240,681
Payments during the year	(2,178,495)	(58,641)	(1,158,065)
Over provision	(4,181)	-	-
Withholding tax credits	-	-	-
Balance, end of year	<u>2,096,763</u>	<u>4,005,422</u>	<u>4,279,439</u>

(c) The movement in the deferred tax account was as follows:

Balance, beginning of the year	7,307,875	(1,924,400)	(2,559,529)
Charge for the year	-	-	-
Arising during the period	5,342	-	9,867,404
Balance, end of year	<u>7,313,217</u>	<u>(1,924,400)</u>	<u>7,307,875</u>

10 Property, plant and equipment

(a) The movement on these accounts during the year was as follows:

Jun-12	LAND	BUILDING	PLANT & MACHINERY	MOTOR VEHICLES	FURNITURE & FITTINGS	ASSETS UNDER CONSTRUCTION	TOTAL
	N	N	N	N	N	N	N
COST:							
Balance as at 1/1/2012	10,902,535	8,489,571	201,931,371	24,964,490	1,674,072	260,368,193	508,330,232
Reclassifications (Note 10.1)	1,939,341	6,461,408	139,272,628	1,669,748	228,861	(149,571,986)	-
Other Adjustments	-	23,955	1,216,061	-	76,143	(8,609,885)	(7,293,726)
Adjustment for pre-transition period (Note 10.2)	2,623,930	-	9,204,970	-	(225,604)	-	11,603,296
Additions during the year	-	125,327	220,232	340,827	56,119	58,729,141	59,471,646
Disposal	-	-	-	(15,170)	-	-	(15,170)
Balance as at 30/6/2012	15,465,806	15,100,261	351,845,262	26,959,895	1,809,591	160,915,463	572,096,278
ACCUMULATED DEPRECIATION:							
Balance as at 1/1/2012	1,135,783	3,640,644	49,648,026	11,103,153	1,207,349	-	66,734,955
Charge for the year	47,910	366,741	7,385,477	2,783,714	109,172	-	10,693,014
Other Adjustments	-	(27,909)	(209,676)	242,613	(15,754)	-	(10,726)
Adjustment for pre-transition period (Note 10.2)	1,058,113	-	4,258,126	-	(220,047)	-	5,096,192
Disposal	-	-	-	(15,170)	-	-	(15,170)
Balance as at 30/6/2012	2,241,806	3,979,476	61,081,953	14,114,310	1,080,720	-	82,498,265
NET BOOK VALUE:							
As at 30/6/2012	13,224,000	11,120,785	290,763,309	12,845,585	728,871	160,915,463	489,598,013
As at 31/12/2011	9,766,752	4,848,927	152,283,345	13,861,337	466,724	260,368,193	441,595,276
As at 30/06/2011	6,122,359	6,269,638	145,846,976	8,276,808	211,043	125,091,032	291,817,854

10.1 This represents capitalisation of assets created at company plant in Ibeshe.

10.2 This represents adjustments required to be made to comply with IAS 16 Property, plant and equipment.

Dangote Cement Plc
Notes to the Financial Statements
Period ended 30 June 2012

11 Intangible assets and goodwill

a. The movement on these accounts during the year was as follows:

Jun-12	COMPUTER SOFTWARE	EXPLORATION ASSETS	TOTAL
	N N'000	N N'000	N N'000
COST:			
Balance as at 1/1/2012	397,105	1,746,467	2,143,572
Additions during the year	5,059	3,623	8,682
Balance as at 30/6/2012	402,164	1,750,090	2,152,255
ACCUMULATED AMORTISATION:			
Balance as at 1/1/2012	347,702	-	347,702
Charge for the year	8,966	-	8,966
Balance as at 30/6/2012	356,668	-	356,668
NET BOOK VALUE:			
As at 30/6/2012	45,497	1,750,090	1,795,587
As at 31/12/2011	49,404	1,747,724	1,797,128
As at 30/06/2011	40,623	-	40,623

b. Goodwill

Effective 30th June 2011, Dangote Cement Plc acquired 64% interest in Sephaku Cement Pty) Limited South Africa. Goodwill arising from the combination was computed as follows:

	Group 30th June 2012 N'000	Company 30th June 2011 N'000	Group 31st December 2011 N'000
Purchase Consideration	24,283,254	-	24,283,254
Net assets attributable to Dangote Cement Plc as at 30 June 2011	(15,234,583)	-	(15,234,583)
Goodwill from acquisition	<u>9,048,671</u>	<u>-</u>	<u>9,048,671</u>
The net assets acquired include:			
Fixed assets	19,519,362	-	19,519,362
stock	10,417	-	10,417
Debtors and prepayments	339,677	-	339,677
Cash	6,188,717	-	6,188,717
Total assets	<u>26,058,173</u>	<u>-</u>	<u>26,058,173</u>
Other current liabilities	1,585,756	-	1,585,756
Deferred tax	668,381	-	668,381
Total liabilities	<u>2,254,137</u>	<u>-</u>	<u>2,254,137</u>
Net Assets	23,804,036	-	23,804,036
Net assets attributable to non-controlling interest at acquisition date	(8,569,453)	-	(8,569,453)
	<u>15,234,583</u>	<u>-</u>	<u>15,234,583</u>
Intangible assets and goodwill	<u>10,844,258</u>	<u>40,623</u>	<u>10,845,799</u>

Dangote Cement Plc
Notes to the Financial Statements
Period ended 30 June 2012

	Group 30th June 2012 N'000	Company 30th June 2011 N'000	Group 31st December 2011 N'000
12 Long term financial assets			
i Long term receivables			
Dangote Industries Benin S. A.	12,413	-	1,665,201
Dangote Industries Senegal S.A.Benin S. A.	-	20,525,157	-
Dangote Industries (Ethiopia) Plc	-	8,120,356	-
Dangote Industries (Zambia) Ltd.	-	7,355,763	-
Dangote Industries (Cameroun) Ltd.	-	1,887,510	-
Dangote Industries (Tanzania) Ltd.	-	520,343	-
Dangote Industries (Congo) S.A.	-	42,881	-
Dangote Industries (Sierra Leone) Ltd.	-	27,761	-
Dangote Industries Limited Cote D'ivoire	-	50,103	-
Dangote Industries Gabon	-	16,513	-
Greenview International Limited Ghana	765,821	396,732	908,086
Dangote Cement Liberia Limited	44,810	17,694	40,500
Algeria project	40,357	42,003	42,003
Kenya project	1,762	1,762	1,762
Niger project	1,312	1,081	1,081
Guinea project	6,817	692	692
Chattisgarh project	14,887	13,976	13,976
Enugu project	8,235	8,235	8,235
Odukpani project	17,044	2,430	2,430
Togo Cement project	2,775	-	-
Madagascar project	1,413	-	-
Egypt project	2,679	-	-
Others	2,072,328	-	-
	<u>2,992,653</u>	<u>39,030,992</u>	<u>2,683,966</u>
ii Gas pipeline - Build and transfer	<u>3,264,551</u>	<u>2,869,117</u>	<u>3,129,964</u>
<p>Gas pipeline represents the long term unamortised balance of the company's investments on the gas pipeline which was transferred to Nigerian Gas Company (NGC). The gas pipeline was constructed with the understanding that NGC would take it over at an agreed cost and that the company would recoup its costs from the amounts invoiced by NGC for gas consumption at an agreed rate.</p>			
iii. Deposit to Department of mineral resources SA	<u>1,961</u>	<u>-</u>	<u>-</u>
<p>In terms of section 41 of the mineral and petroleum development act of South Africa an applicant for a prospecting right, mining right or mining permit must make the prescribed financial provision for the rehabilitation or management of negative environmental impacts. The company subsidiary made deposits with the Department of Mineral Resources in compliance with their statutory requirement.</p>			
Long term financial assets	<u>6,259,165</u>	<u>41,900,109</u>	<u>5,813,930</u>

Dangote Cement Plc
Notes to the Financial Statements
Period ended 30 June 2012

13 Investments in Subsidiaries and associates	Group 30th June 2012 N'000	Company 30th June 2011 N'000	Group 31st December 2011 N'000
Lion Football Club Limited	50	50	50
Dangote Industries Benin S. A.	2,720	-	2,720
Golden Pond Trading 483 (Pty) Ltd.	2	-	-
Onigbolo cement company Benin	1,582,300	-	-
	<u>1,585,072</u>	<u>50</u>	<u>2,770</u>

The investment in Lion Football Club Limited is a passive investment with no operation and financial control and hence not consolidated.

The company holds 43% of Onigbolo cement company Benin but do not have any evidence of significant influence over the financial operating policies of this company thus there was no equity accounting of the activities for this investment.

14 Inventory	Group 30th June 2012 N'000	Company 30th June 2011 N'000	Group 31st December 2011 N'000
Inventories comprise			
Finished goods	2,076,768	917,492	1,284,300
Work-in-process	312,148	1,147,944	958,333
Raw materials	1,426,106	3,754,403	396,909
Packaging materials	940,599	529,968	158,277
Chemicals and consumables	2,800,825	-	1,164,589
Spare parts	5,285,339	4,753,354	5,672,479
Goods-in-transit	7,770,457	5,518,440	2,492,882
Fuel	1,347,872	-	1,100,285
Others	-	1,160,952	-
	<u>21,960,114</u>	<u>17,782,553</u>	<u>13,228,054</u>

15 Trade Debtors	Group 30th June 2012 N'000	Company 30th June 2011 N'000	Group 31st December 2011 N'000
Trade receivables	3,813,021	4,137,668	3,763,161
Less: Provision for doubtful debt	(1,594,891)	(1,152,370)	(1,590,327)
	<u>2,218,130</u>	<u>2,985,298</u>	<u>2,172,834</u>

16 Other debtors and receiveables

Other debtors and receiveables	6,231,226	5,629,041	9,438,179
Less: Provision for Other debtors	(688,257)	(4,082,724)	(2,773,403)
	<u>5,542,969</u>	<u>1,546,317</u>	<u>6,664,776</u>

Dangote Cement Plc
Notes to the Financial Statements
Period ended 30 June 2012

	Group 30th June 2012 N'000	Company 30th June 2011 N'000	Group 31st December 2011 N'000
17 Prepayments			
Prepayments	741,826	6,785,780	462,213
Advance to contractors	22,716,327	-	22,520,969
Deposit for import	3,699,130	8,349,571	2,894,229
Gas pipeline- Build and Transfer (Short term)	341,437	-	1,495,809
	<u>27,498,720</u>	<u>15,135,351</u>	<u>27,373,221</u>

18 Due from related parties

a. Due from related parties comprise

	N'000	N'000	N'000
DCW China	-	-	32,358
Savannah Sugar Company Plc	485,485	1,150,066	1,856,914
Greenview Nigeria Ltd.	-	483,056	-
Dangote Agro Sacks Ltd.	6,408	-	-
Kogi Oil Services	896	896	896
Dangote Noodles Limited	-	120,289	-
Dangote Transport Limited	106,087	-	140,534
Dangote global services Limited	8,599	-	8,599
Dansa Foods	91,112	-	93,591
Dangote Noodles Limited	32,079	-	142,851
Dangote Flour Plc	109,339	121,063	203,040
Dangote Sugar Refinery Plc	1,998,171	103,124	1,247,619
Dangote Pasta Limited	167,754	-	246,650
DIL Power Limited	-	-	18,037
Dangote Nigeria Limited	-	64,719	-
National Salt Company of Nigeria Plc	386,019	187,528	-
Fertilizer Plant Project	94	-	1,570
Dangote Super Group	261,833	-	286,616
Dangote Industries Limited	1,059,165	14,967,414	-
Dangote Ceramics	-	-	799.00
Sephaku Cement Pty., South Africa	29,776	-	-
Others	-	346,534	-
	<u>4,742,817</u>	<u>17,544,689</u>	<u>4,280,074</u>

	Group 30th June 2012 N'000	Company 30th June 2011 N'000	Group 31st December 2011 N'000
b. Due to related parties			
Due to related parties comprise			
Dangote Industries Limited	5,140,869	-	9,536,137
Bulk Commodities	11,054,058	6,321,131	18,014,303
Dangote Transport Limited	-	2,085,910	-
Dangote Agro Sacks Plc	1,372,525	224,006	1,294,853
Dangote AD Star Limited	-	-	11,730
National Salt Company of Nigeria	-	-	846,761
Oshogbo Steel Mills	11,031	-	16,017
Dangote Sugar Plc	710,089	-	-
Dangote Noodles Limited	35,235	-	-
Dangote Pasta Limited	-	-	-
	<u>18,323,807</u>	<u>8,631,047</u>	<u>29,719,801</u>

	Group 30th June 2012 N'000	Company 30th June 2011 N'000	Group 31st December 2011 N'000
19 Cash and cash equivalent			
Bank balances	14,180,453	8,473,665	12,751,413
Short term deposits (on demand)	13,608,905	5,916,669	9,684,341
	<u>27,789,358</u>	<u>14,390,334</u>	<u>22,435,754</u>
Bank overdraft	(11,826,151)	-	(4,169,563)
	<u>15,963,207</u>	<u>14,390,334</u>	<u>18,266,191</u>

Short term deposit relates to demand/on call investment with short maturity of less than 3 months.

20 Share capital

The movement in the share capital account was as follows:

Authorised: 20,000,000,000 (2009: 500,000,000)

(a) Ordinary shares of 50k each	10,000,000	10,000,000	10,000,000
	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
Allotted, called up and fully paid: 1,000,000,000 ordinary shares of 50k each	500,000	500,000	500,000
(b) (2009: 500,000,000) ordinary shares of 50k each			
14,000,000,000 (bonus issue at 50k per share)	7,000,000	7,000,000	7,000,000
491,370,368 new shares issued at 50k	245,685	245,685	245,685
(2012: 1,549,137 (bonus issue at N50k per share in the ratio of 1 share for every 10 shares held)	774,569	-	-
	<u>8,520,254</u>	<u>7,745,685</u>	<u>7,745,685</u>

21 Share premium

Authorised: 500,000,000 ordinary shares of N1 each issued at N84.86 premium

	42,430,000	42,430,000	42,430,000
	<u>42,430,000</u>	<u>42,430,000</u>	<u>42,430,000</u>

Dangote Cement Plc
Notes to the Financial Statements
Period ended 30 June 2012

24a. Loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

i Non-current liabilities	Group 30th June 2012 N'000	Company 30th June 2011 N'000	Group 31st December 2011 N'000
Bank loans	38,238,138	44,446,667	27,331,773
Power intervention	19,544,073		10,375,228
	<u>57,782,211</u>	<u>44,446,667</u>	<u>37,707,001</u>
ii Current liabilities			
Bank loans	16,981,145	22,220,000	29,038,086
Power intervention	1,055,556	-	-
	<u>18,036,701</u>	<u>22,220,000</u>	<u>29,038,086</u>

24b. Intercompany loans

Intercompany loans comprise:

i Non-current liabilities	N'000	N'000	N'000
Dangote Industries Limited (Long term loan)	44,923,107	42,571,505	45,334,801
Subordinated loan	36,559,577	10,709,300	42,878,297
	<u>81,482,684</u>	<u>53,280,805</u>	<u>88,213,098</u>
ii Current liabilities			
Dangote Industries Limited (Short term loan)	3,261,712	-	3,261,712
Bulk Commodity Limited (Short term loan)	514,544	505,037	517,086
Subordinated loan	-	-	-
Sephaku holdings Limited	-	-	11,478
	<u>3,776,256</u>	<u>505,037</u>	<u>3,790,276</u>

24.1 A consortium of banks comprising Zenith Bank Plc, Access Bank Plc, Fidelity Bank Plc and First Bank granted the company facilities to refinance existing loans and fund cement projects at fixed and floating interest rates of 10% and MPR plus 3 basis points respectively. The tenor of the loans is for initial 3 years plus 2 years rollover option.

- 24.7** All bank loans are secured by a charge over Dangote Cement Plc factory including all project facilities, cement and power plants.

	Group 30th June 2012 N'000	Company 30th June 2011 N'000	Group 31st December 2011 N'000
25 Long term provision			
Dismantling provision	147,209	-	-
DTI grant for cement and ash plant	128,652	-	-
Provision for site restoration	2,671,277	1,929,489	2,229,560
	<u>2,947,138</u>	<u>1,929,489</u>	<u>2,229,560</u>

	N'000	N'000	N'000
26 Employee benefits			
The movement in employee is as follows:			
Balance, beginning of year	1,293,459	494,684	565,682
Provision for the year	235,773	584,664	929,464
Payments during the year	-	-	(201,687)
	<u>1,529,232</u>	<u>1,079,348</u>	<u>1,293,459</u>

26 Contingent liabilities

No provision has been made in these consolidated financial statements for contingent liabilities in respect of litigation against the company and its subsidiaries.

27 Other contingencies

A long term gas purchase agreement was entered into by the company with Nigerian Gas Company Limited for the supply of natural gas to the cement plant in Obajana. The agreement is for twenty (20) years with effect from October 2006. This commits the company to taking up a specified minimum quantity of gas over the duration of the purchase agreement.

28 Post balance sheet events

The company's plant at Ibese, Ogun State with production capacity of 6 million metric tonnes and the third line at Obajana, Kogi state were commissioned by the President of the Federal Republic of Nigeria in February and June 2012 respectively. The Directors are of the opinion that there were no other post balance sheet events which could have had material effect on the state of affairs of the company as at 30 June 2012 and on the profit for the period ended on that date which have not been adequately provided for or recognised.

29 Comparative figures

Certain comparative figures have been restated where necessary for a more meaningful comparison.