Unaudited results for the nine months ended September 2012

**Third-quarter sales affected by heavy rain and flooding
but margins rising as gas supplies return to normal**

Lagos, 1 November 2012: Dangote Cement PLC (DANGCEM-NL, "the Group"), Nigeria's largest cement producer, announces unaudited results for the nine months ended 30 September 2012.

Financial highlights

- Revenue up 19.8% to ₦208.3bn
- EBITDA up 25.7% to ₦131.1bn at 63.0% margin
- EBIT up 24.0% to ₦115.5bn, at 55.5% margin
- Pre-tax profit up 13.5% to ₦105.8bn
- Earnings per share up 17.4% to ₦6.35

Operating highlights

- Cement sales up 19.7% to nearly 7.7 million tonnes
- 100% of Q3 sales were locally produced cement
- Gas infrastructure almost back to normal; Ibese running on 100% gas in September
- Appointment of Tim Surridge as Chief Financial Officer

D.V.G. Edwin, Chief Executive, said:

"Conditions in the third quarter of 2012 were very challenging because of the serious flooding that affected Kogi and Benue states, where two of our plants are located. In spite of these problems we have increased sales by nearly 20% in the first nine months of 2012, with sales of locally produced cement rising by nearly 51%. Even in the difficult third quarter we increased shipments by nearly 8% during a period in which we estimate the industry increased volumes by less than 4%, so it is clear we are increasing our market share."

"The gas supply is returning to normal and this will drive an increase in profitability in the second half of the year."

"We have strengthened our team with key appointments in the regions and with the appointment of a new Chief Financial Officer, Tim Surridge, who has considerable experience of helping organisations improve governance and disclosure."

About Dangote Cement

Dangote Cement is Nigeria's leading cement producer with three plants in Nigeria and plans to expand in 13 other African countries. The Group is a fully integrated quarry-to-depot producer with an expected production capacity of 19mtpa in Nigeria by the end of 2012, increasing to as much as 35.25mtpa in 2015. The Group plans to build a further 19mtpa of production and import capacity across Africa by 2015.

Dangote Cement's Obajana plant in Kogi state, Nigeria, is the largest in Sub-Saharan Africa with 10.25mtpa capacity across three lines and a further 3mtpa capacity planned by 2015.

The new 6mtpa Ibese plant in Ogun state, near the key market of Lagos, was inaugurated in February 2012. An additional 6mtpa of capacity is planned for completion by 2015.

The Gboko plant in Benue state has 3mtpa capacity with an upgrade to 4mtpa expected by the first quarter of 2013.

The Group has recently signed a memorandum of understanding for the construction of a new plant of between 3mtpa and 6mtpa capacity in Calabar by 2015.

Through its recent investments, Dangote Cement has eliminated Nigeria's dependence on imported cement and will soon transform the nation into a net exporter serving other African countries.

Dangote Cement has announced an investment of more than $2.5bn to build manufacturing plants and import terminals across Africa. Current plans are for eight cement plants in Cameroon, Ethiopia, Gabon, Republic of Congo, Senegal, South Africa, Tanzania and Zambia, as well as import/packing facilities in Cote d'Ivoire, Ghana, Guinea, Liberia and Sierra Leone.

The Group listed on the Nigerian Stock Exchange in October 2010.

Web: www.dangcem.com

Conference call details

A Q3 results conference call for analysts and investors will be held on Wednesday, 7 November starting at 15.00 (UK) / 16.00 (Lagos).

The dial-in details are as follows:

International participants:	+44 203 140 0668
UK participants:	0800 368 1950
Pin code:	863742#

A replay facility will be available for seven days as follows:

International participants:	+44 203 140 0698
UK participants:	0800 368 1890
Pin code:	387839#

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Summary of key performance indicators

Nigerian cement operations only (excludes Sephaku)

Nigerian cement operations Nine months to 30 September	**Jan-Sep 2011**	**Jan-Sep 2012**	**% change**
Cement sales (kt)	6,410	7,672	19.7%
Sales of locally produced cement (kt)	4,998	7,530	50.7%
Sales of imported cement (kt)	1,412	143	-89.9%
Revenue	₦173.8bn	₦207.8bn	19.8%
Revenue per tonne	₦27,120	₦27,090	-0.1%
EBITDA	₦104.3	₦132.8bn	27.3%
EBITDA per tonne	₦16,264	₦17,313	6.5%
EBITDA margin	60.0%	63.9%	3.9pp
Nigerian cement operations Three months to 30 September	**Jul-Sep 2011**	**Jul-Sep 2012**	**% change**
Cement sales (kt)	2,254	2,430	7.7%
Sales of locally produced cement (kt)	1,824	2,430	33.1%
Sales of imported cement (kt)	430	0	-100%
Revenue	₦61.1bn	₦66.1bn	8.1%
Revenue per tonne	₦27,110	₦27,202	0.3%
EBITDA	₦39.2bn	₦44.0bn	12.2%
EBITDA per tonne	₦17,377	₦18,118	4.3%
EBITDA margin	64.1%	66.6%	2.5pp

Operating review

GDP growth remains strong, Construction sector expanding

Nigeria's economy continued to grow strongly in the first six months of 2012, driven largely by the non-oil sector. According to the National Bureau of Statistics, Real GDP rose by 6.28% in the second quarter of 2012, down on the 7.61% achieved in Q2 2011. The non-oil sector continued to drive the economy with 7.5% growth (Q2 2011: 8.85%).

Growth in Building & Construction remains robust. Though slightly down on the 13.25% growth achieved in Q1 2012, second quarter growth of 12.47% was higher than the 12.24% achieved in Q2 2011. Rainfall typically affects Q2 building work. The Building & Construction sector is the economy's second-fastest growing, behind telecommunications at 29.77%. Road and infrastructure projects funded by all levels of government are the major drivers of growth.

In the Real Estate sector, growth improved to 10.87% in Q2 2012, up on the previous year's 10.48% growth and higher than the 9.39% achieved in the first quarter of 2012.

Government infrastructure projects are a major demand driver for cement. In its recently published *2012-2015 Medium Term Expenditure Framework & Fiscal Strategy Paper* the Federal Government committed itself to higher spending on critical infrastructure projects, as well as an increase in PPP funding. Capital spending by the Federal Government is expected to rise from an estimated ₦1,147bn in 2011 to ₦1,644bn in 2015 – an annual increase of about 9.4%.

Market share improving as Nigeria heads towards self-sufficiency

Nigeria's cement market is expanding strongly following the commissioning of more than 13 million tonnes of new capacity across the industry, most of which was built by Dangote Cement . The Group estimates that total industry shipments of cement in Nigeria were around 14.1 million tonnes in the first nine months of 2012, approximately 10% higher than an estimated 12.8 million tonnes sold in the first nine months of 2011. Locally produced cement accounted for an estimated 12.4 million tonnes of total sales (88%) against about 8.8 million tonnes (55%) in 2011.

Nigeria's importation of cement has fallen substantially this year, chiefly because of the investments Dangote Cement has made in opening new capacity. The Group estimates that about 1.7 million tonnes of imported cement were sold across the industry in the first nine months of 2012, compared with about 4.0 million tonnes in the same period last year.

Dangote Cement estimates its market share of dispatches to have been about 56% across the first nine months of 2012, compared with about 50% in the same period last year.

Floods cause major disruption in key regional markets

The serious and tragic floods affecting Nigeria have naturally affected demand for cement across the country. The region close to the confluence of the Niger and Benue rivers has been particularly badly hit and the Group's Obajana (10mt) and Gboko (3mt) plants are respectively in Kogi and Benue states, both of which have been designated in the most seriously affected "Category A" states. Dangote Cement's 6mt Ibese plant is situated in Ogun state, designated "Category C" in terms of its disruption.

The flooding has affected the cement industry in two ways: firstly, building work depends on good weather and is significantly reduced in times of heavy rain; secondly, several key roads including the Lokoja-Abuja highway were seriously flooded and, in places, the road surface was swept away. This highway was the main route for cement shipments from Obajana to areas north of the two rivers. In addition, the Obajana-Kabba road was badly affected and the Dangote Foundation has donated funds for its repair.

The Federal Government has committed substantial funds to infrastructure and housing repairs in the coming months, for which cement will be a vital ingredient.

Gas supply returning to normal, margins improving in third quarter

The gas supply to the Obajana and Ibese plants has improved considerably since June, with an immediate benefit to margins.

Improvements in the third quarter resulted in the Ibese plant running at almost normal levels of gas supply in July and at normal levels in August and September. In fact, during September it ran on 100% gas, against a normal expectation of 95% for the month. At Obajana, where LPFO use was about 33% in the first six months of 2012, there was a progressive monthly improvement through 27% in July to 13% in both August and September, during which time gas maintenance was carried out. Both plants now enjoy a much more robust gas supply because of the improvements to the gas infrastructure.

Across the nine-month period, LPFO utilisation was 30% at Obajana and 28% at Ibese.

Gas fuel is the key margin driver for Dangote Cement and the impact of this improvement has been to improve the Group's EBITDA margins from 61.8% in the first six months of 2012, to 63.0% across the period January to September. For Nigerian operations alone, the Q3 EBITDA margin was 66.6%.

Sales up 19.7% on new capacity, but rain and flooding dampen demand

Dangote Cement shipped about 2.4 million tonnes of cement in the third quarter of 2012, up 7.7% on the 2.3 million tonnes shipped in Q3 2011. This represents a utilisation rate of 51% for the third quarter (based upon the current 19mt capacity), in what is traditionally a rainy period, made worse by heavy flooding.

Sales for the first nine months of 2012 were nearly 7.7 million tonnes, up 19.7% on the previous year. Sales of locally produced cement rose by 50.7% to 7.5 million tonnes (Jan-Sep 2011: 5.0 million tonnes), reflecting the additional capacity commissioned at Obajana and Ibese.

Sales of imported cement remained unchanged at 143,000 tonnes, following the Group's cessation of imports at the end of 2011 and the clearing of imported stocks in the first quarter of 2012. All cement sold in the third quarter was locally produced.

Recruitment of new distributors extends reach

In order to support its additional production capacity and expand its reach in the market, the Group began a recruitment drive for new distributors, with major advertisements carried in national newspapers in June.

The recruitment drive has resulted in nearly 1,000 new distributors being signed up, with an initial commitment to take at least one truck of cement per month from the Group's depot network.

In addition, the Group is expanding its depot network with suitable warehouses being identified and readied to take supplies.

Obajana sales affected by flooding, but gas supply improves significantly

Obajana is Dangote Cement's largest plant, with 10.25 million tonnes of capacity fully operational. The plant is situated in Kogi state near the confluence of the Niger and Benue rivers – an area badly affected by flooding. Naturally, this affected demand for cement and the ability to transport it to depots, particularly north of the rivers.

In the nine months to 30 September Obajana sold 4.1 million tonnes of cement, up 11.2% on the 3.7 million tonnes in the same period in 2011.

Third-quarter shipments of nearly 1.4 million tonnes were slightly higher than the 1.3 million tonnes shipped in Q3 2011 and represented a utilisation rate of about 53% for the third quarter.

With the worst of the flooding now over, demand and distribution are expected to improve, though many roads remain difficult to negotiate.

As previously mentioned, the gas situation at Obajana is much improved and upgrades were undertaken on separate lines without the need to shut down the gas supply to the entire plant. Consequently, LPFO use was higher on lines undergoing gas upgrades during the maintenance period, but now the plant has a much more reliable gas supply than before.

Obajana has always supplied many regions of Nigeria including the key markets of Lagos and the South West. However, with the new lines at Ibese now providing 6 million tonnes of capacity less than 100km from Lagos, the Group will begin to distribute cement from Obajana into other regions where its extensive distribution network will provide a competitive advantage. The Group believes this may have the effect of revealing previously unsatisfied demand in the country, thus creating markets where little or no cement was sold before.

The new capacity at Obajana is eligible for Pioneer Tax Status, with a tax exemption of five years starting 1 January 2013. Following the commissioning of the new Line 3 in June by His Excellency Dr. Goodluck Ebele Jonathan, GCFR, President of the Federal Republic of Nigeria, the President laid the foundation stone for the new 3 million tonne Line 4, construction of which is now underway. Upon completion, Obajana will be among the largest cement factories in the world.

Ibese operating fully on gas

The Group's Ibese plant near Lagos began commercial production in early January and produced 2.1 million tonnes in the first nine months of 2012. Third-quarter output was 0.7 million tonnes, representing a utilisation rate of about 46% in the rain-affected quarter. As with Obajana, demand is expected to return in the drier months of the fourth quarter.

However, the gas supply is now normal at Ibese and in fact the plant ran on 100% gas in September, against a normal expectation of up to 5% LPFO use. As a consequence, margins at Ibese improved during the third quarter.

Ibese will serve the fast-growing markets of Lagos and the South West. In addition, its proximity to the border with Benin and major roads to Togo and Ghana make it an excellent base for a medium-term road export strategy, before the Group completes the conversion of its import terminals in Lagos for export by sea.

Gboko affected by flooding of the Benue

The Group's Gboko plant shipped nearly 0.4 million tonnes of cement in the third quarter of 2012 at a utilisation rate of about 49%. This is 25% less than in the third quarter of 2011 and reflects the serious impact of flooding in Benue state.

Sales for the nine months to 30 September were 1.3 million tonnes, slightly ahead of the 1.27 million tonnes shipped in the same period of 2011.

While Gboko is not powered by gas, it continued to experience knock-on effects of the gas supply problem when supplies of LPFO came under pressure because of the increased demand from Ibese and Obajana. However, the Group has increased its stockpiles of LPFO to minimise disruption.

Owing to the heavy rain and flooding, the Group has decided to postpone the upgrade of the Gboko plant until the first quarter of 2013. This will add up to a million tonnes of new capacity, with the addition of a new grinding mill and other improvements.

Senegal commissioning expected in December

The Group expects to commission the new power station at its Senegal plant in November or December, with commissioning of the line itself beginning soon after. It is expected that commercial production will begin in January 2013.

Project management contracts being prepared for new factories in Nigeria and Africa

As reported in the Group's H1 2012 results statement, Dangote Cement is engaging project management firms to oversee the build-out of its expansion into Africa, as well as the expansion projects at Ibese and Obajana.

The Group is close to finalising contracts with seven firms for project monitoring, construction quality monitoring and for pre-shipment inspection, including stage-wise inspection at the fabrication shops.

The Group believes these engagements will considerably reduce the risk of late delivery of construction projects.

Sephaku Cement raises R1.95bn (₦35.5bn) in debt to fund development

In October, following the end of the period, the Group's South African subsidiary Sephaku Cement raised R1.95bn (₦35.5bn, $225m) in debt to fund the completion of building work and preparation for its entry into the expanding South African market. Sephaku is expected to begin operations in early 2014. The agreement, with Standard Bank and Nedbank, is for 10 years.

The South African government has recently announced infrastructure spending plans of around $95bn over the next three years, with plans for longer-term investment of more than $450bn over the next 15 years.

Appointment of Chief Financial Officer

The Group today announces the appointment of Tim Surridge as Chief Financial Officer and member of the Board. Formerly a partner at KPMG, Mr Surridge brings substantial accounting and advisory experience to Dangote Cement. He has previously advised the Group on a wide range of issues around its preparation for listing on the London Stock Exchange.

A qualified accountant, he joined KPMG in 1991 and gained significant international experience in audit and transaction work. In 2006 he became a Partner in KPMG's Transaction Services business, working on listings, reverse takeovers, management buy-outs and acquisitions.

The Group has made a number of other senior appointments, including that of Mr Luis Verde as Regional CEO for West and Central Africa. He will also assume responsibility for the delivery of projects across Africa. Before joining Dangote Cement, Mr Verde spent 20 years with the Mexican cement firm CEMEX, working in 24 countries.

Mr Stanley Ko has been appointed Head of Strategy and Business Development, having previously held senior positions at Lafarge in Africa.

Financial review

The Group is presenting results for the nine months to 30 September, in accordance with International Financial Reporting Standards. Figures for 2012 reflect the performance of the Group, which includes operations at Sephaku in South Africa. Comparative figures for 2011, also presented in IFRS, exclude Sephaku.

Revenue and profit up despite flooding and gas supply problems

The Group's strong revenue growth continued in the first nine months of 2012, with sales increasing by 19.8% to ₦208.3bn (Jan-Sep 2011: ₦173.8bn) as production increases and stabilises at Ibese and the new Line 3 at Obajana. Revenue from ash sales by Sephaku Cement in South Africa contributed just ₦0.4bn during the period.

Third-quarter sales of nearly ₦66.3bn were affected by the heavy rain and flooding in the Obajana and Benue catchment markets, but were still 7.7% ahead of the same period in 2011 (Jan-Sep 2011: ₦61.1bn).

Gross profit of ₦130.0bn was up 22.1% at a margin of 62.4% (Jan-Sep 2011: ₦106.5bn, 61.3%). The improvement reflects a mixture of positive and negative influences on margin: the cessation of lower-margin imports and their replacement with locally produced cement has helped to reduce the cost of sales, but the potential gains in margin were largely offset by increased use of furnace oil (LPFO) at higher-than expected levels during 2012. However, the improvement in gas supply from July 2012 resulted in a third quarter improvement in gross margin to 66.3%, against the 60.6% achieved in the first six months of 2012. This trend of margin improvement is expected to continue if the proportion of LPFO used at Obajana is reduced in the final quarter of the year.

With the new plant at Ibese entering production in 2012, as well as the new Line 3 at Obajana, operating expenses (Selling, distribution and administration) rose by 21.4% to ₦21.3bn (Jan-Sep 2011: ₦17.6bn).

Increased operating costs were offset in part by a 61.2% increase in Other Income, notably Gains from Haulage, which increased from ₦4.0bn in Jan-Sep 2011 to nearly ₦6.6bn this year. Gains from Haulage represent revenue derived from delivery of cement to corporate customers and select distributors, as well as the transport element included in sales through the Group's own depots.

Operating profits rose by 24.0% to ₦115.5bn at a margin of 55.5% (Jan-Sep 2011: ₦93.2bn, 53.6%). This represents a slight improvement on the operating margin of 54.7% achieved in the first six months of 2012, now that the gas supply is returning to normal.

After net financial costs of nearly ₦9.7bn (Jan-Sep 2011: ₦0.1bn), the Group achieved a pre-tax profit of ₦105.8bn, up 13.5% on the previous year (Jan-Sep 2011: ₦93.2bn). The increased financial cost represented interest on a loan that had been capitalised during 2011 and which has now been charged to the Profit & Loss account following the commissioning of new capacity at Ibese and Obajana.

The Group received a small tax credit of ₦0.6bn during the period and income tax was nil because of the Pioneer status of the Obajana and Gboko plants, as well as capital allowances available for the Ibese plant, which enters its five-year pioneer tax period in 2013. As a result, profit after tax from continuing operations was ₦106.5bn (Jan-Sep 2011: ₦92.2bn).

In line with International Financial Reporting Standards (IFRS) the Group has detailed income and expenses associated with discontinued import operations at Lagos and Port Harcourt, which resulted in a ₦1.8bn gain. Following this gain from discontinued operations, the profit for the period was ₦108.3bn (Jan-Sep 2011: ₦92.2bn).

After accounting for a cash-flow hedging effect and a difference in foreign currency translation, total comprehensive income for the period was ₦108.2bn (Jan-Sep 2011: ₦92.2bn).

Earnings per share of ₦6.35 were 17.4% up on the same period last year, after including the impact of a 1-for-10 bonus issue during the period (Jan-Sep 2011: ₦5.41)

Balance sheet and cash flow remain strong

Non-current assets rose to ₦520.1bn, mostly as a result of investments in plant and machinery, both within Nigeria and in other African countries.

Current assets have risen from ₦76.1bn at the start of 2012 to ₦129.3bn at the end of September. Prepayments to contractors rose from ₦27.3bn to ₦44.5bn, reflecting the build-out of capital projects in Nigeria and Africa.

Cash and cash equivalents have increased from ₦22.2bn at the start of the year to ₦35.5bn in September.

The Group generated ₦103.3bn of net cash from operations in the nine-month period to 30 September, and has invested ₦77.7bn in the same period. The Group has debt of ₦169.7bn and cash and equivalents of ₦35.5bn.

Current trading and outlook

Demand for cement remains strong in Nigeria and the substantial reduction of imports is providing support for pricing as new capacity continues to ramp up.

As required by the Nigerian Stock Exchange, the Group has filed a forecast for the three months to 31 December 2012. Revenues are expected to be approximately ₦72bn with operating profit of approximately ₦41bn pre-tax profits of nearly ₦38bn and earnings per share of ₦2.2.

This would result on full-year revenues of ₦280bn, operating profits of ₦157bn, pre-tax profits of ₦143bn and earnings per share of ₦8.6.

The forecast assumes an approximate volume of 2.6 million tonnes at pricing levels similar to those achieved in the first nine months of the year, and that LPFO use declines at Obajana.

Despite the serious flooding affecting much of Nigeria, The Group believes that the outlook for final quarter of the year remains positive, with plants expected to be running at higher utilisation rates and gas supplies back to normal levels.