



DANGOTE CEMENT PLC

INTERIM FINANCIAL STATEMENTS

31 MARCH 2014

DANGOTE CEMENT PLC
31 March 2014

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Dangote Cement Plc
Condensed consolidated and separate statement of profit or loss and other Comprehensive Income
For the period ended 31 March 2014

	Notes	Period ended 31/03/14	Group Period ended 31/03/13	Year ended 31/12/13	Period ended 31/03/14	Company Period ended 31/03/13	Year ended 31/12/13
		N'000	N'000	N'000	N'000	N'000	N'000
Revenue	3	103,569,340	95,428,008	386,177,220	99,769,053	92,322,605	371,551,567
Cost of sales	5	(37,096,098)	(29,392,908)	(142,517,068)	(33,389,900)	(26,483,188)	(127,937,269)
Gross profit		66,473,242	66,035,101	243,660,152	66,379,153	65,839,417	243,614,298
Administrative expenses	6	(5,930,142)	(4,396,768)	(25,993,138)	(4,837,795)	(3,940,110)	(20,079,595)
Selling and distribution expenses	7	(7,504,267)	(6,402,311)	(23,509,086)	(7,419,359)	(6,323,118)	(23,182,545)
Other income	8	1,512,355	251,324	1,724,477	1,498,596	233,912	727,519
Profit from operating activities		54,551,188	55,487,346	195,882,405	55,620,595	55,810,101	201,079,677
Finance income	9	1,650,289	1,165,501	8,596,499	3,648,770	1,159,090	10,380,078
Finance costs	9	(3,187,072)	(2,968,926)	(13,717,542)	(3,246,878)	(2,887,370)	(11,448,932)
Profit before tax		53,014,405	53,683,921	190,761,362	56,022,487	54,081,821	200,010,823
Income tax credit/(expense)	11.1	(5,394,530)	51,321	10,436,726	(5,543,026)	-	10,251,931
Profit for the period		47,619,875	53,735,242	201,198,088	50,479,461	54,081,821	210,262,754
Other comprehensive income, net of income tax							
Items that may be reclassified subsequently to profit or loss							
Currency translation differences		1,978,521	(846,243)	(4,800,187)	-	-	-
Defined benefit plan actuarial gains (losses)		-	-	280,490	-	-	280,490
Other comprehensive income for the period, net of income tax		1,978,521	(846,243)	(4,519,697)	-	-	280,490
Total comprehensive income for the period		49,598,396	52,888,999	196,678,391	50,479,461	54,081,821	210,543,244
Profit for the period attributable to:							
Owners of the Company		47,784,357	53,794,961	201,912,292	50,479,461	54,081,821	210,262,754
Non-controlling interests		(164,482)	(59,719)	(714,204)	-	-	-
		47,619,875	53,735,242	201,198,088	50,479,461	54,081,821	210,262,754
Total comprehensive income for the period attributable to:							
Owners of the Company		49,690,980	53,417,672	198,883,980	50,479,461	54,081,821	210,543,244
Non-controlling interests		(92,584)	(579,995)	(2,205,589)	-	-	-
		49,598,396	52,837,677	196,678,391	50,479,461	54,081,821	210,543,244
Earnings per share, basic and diluted (Naira)	10	2.80	3.16	11.85	2.96	3.17	12.34

Dangote Cement Plc
Condensed consolidated and separate statement of financial position
At 31 March 2014

	Notes	Group		Company	
		As at 31/03/14 N'000	As at 31/12/13 N'000	As at 31/03/14 N'000	As at 31/12/13 N'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	610,167,065	581,465,116	460,870,850	452,046,889
Intangible assets	13	2,349,860	2,306,170	622,310	672,190
Investments	14	389	389	25,215,706	25,207,676
Deferred tax assets	11.3	14,440,942	19,635,374	12,996,862	18,359,111
Prepayments	15	82,815,431	91,715,470	19,672,031	23,950,013
Receivables from subsidiaries	24	-	-	182,304,976	164,524,881
Total non-current assets		709,773,688	695,122,519	701,682,737	684,760,760
Current assets					
Inventories	16	34,293,516	27,667,288	30,838,033	23,576,746
Trade and other receivables	17	6,664,103	10,266,053	3,978,275	7,898,802
Due from related companies	24	4,520,123	2,632,216	4,100,876	2,246,118
Prepayments	15	34,258,708	37,013,616	31,905,875	34,552,454
Cash and cash equivalents	23	113,578,883	70,501,583	107,805,852	67,442,862
Total current assets		193,315,333	148,080,756	178,628,912	135,716,982
TOTAL ASSETS		903,089,021	843,203,275	880,311,648	820,477,742
EQUITY & LIABILITIES					
Equity					
Share capital	18	8,520,254	8,520,254	8,520,254	8,520,254
Share premium	18	42,430,000	42,430,000	42,430,000	42,430,000
Capital contribution		2,876,642	2,876,642	2,828,497	2,828,497
Currency translation reserve		(2,846,041)	(4,752,664)	-	-
Employee benefit reserve		(465,792)	(465,792)	(465,792)	(465,792)
Retained Earnings		544,240,309	496,455,952	568,729,329	518,249,867
Equity attributable to owners of the Company		594,755,372	545,064,392	622,042,287	571,562,826
Non-controlling interest		4,911,662	5,028,878	-	-
Total equity		599,667,034	550,093,270	622,042,287	571,562,826
NON CURRENT LIABILITIES					
Deferred tax liabilities	11.4	513,047	507,074	-	-
Borrowings	20	127,457,909	124,850,394	94,640,695	95,079,111
Provisions for liabilities and other charges	22	517,392	376,665	245,255	233,856
Retirement benefits obligation		2,186,791	1,962,640	2,186,791	1,962,640
Deferred revenue	21	1,868,501	1,868,501	1,868,501	1,868,501
Total non-current liabilities		132,543,641	129,565,274	98,941,242	99,144,108
Current liabilities					
Bank overdraft	23	1,740,034	855,690	-	-
Trade and other payables	19	100,716,985	82,215,494	90,906,792	73,289,339
Current income tax payable	11.2	565,737	565,897	565,737	565,737
Deferred revenue	21	402,408	541,736	402,408	541,736
Borrowings	20	47,098,378	55,433,696	47,098,378	55,431,396
Due to related parties	24	20,354,804	23,932,218	20,354,804	19,942,600
Total current liabilities		170,878,346	163,544,731	159,328,119	149,770,808
TOTAL EQUITY AND LIABILITIES		903,089,021	843,203,275	880,311,649	820,477,742

Dangote Cement Plc

Condensed consolidated statement of changes in equity For the period ended 31 March 2014

	Share capital N'000	Share premium N'000	Retained Earnings N'000	Employee Benefit reserve N'000	Currency translation reserve N'000	Capital Contribution N'000	Attributable to the owners of the parent N'000	Non - controlling interests N'000	Total N'000
Balance at 1 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
Effect of prior year error correction			165,411				165,411		165,411
Profit for the period			53,794,961				53,794,961	(59,719)	53,735,242
Other comprehensive income for the period, net of income tax				-	(344,443)		(344,443)	(501,800)	(846,243)
Total comprehensive income for the period	-	-	53,794,961	-	(344,443)	-	53,450,518	(561,520)	52,888,998
Bonus shares	-	-	-				-		-
Payment of dividends	-	-	-				-	-	-
Balance at 31 March 2013	8,520,254	42,430,000	399,625,554	(746,282)	(1,788,305)	2,876,642	450,917,863	6,672,947	457,590,810
Balance at 1 January 2014	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 period	-	-	47,784,357	-	-	-	47,784,357	(164,482)	47,619,875
Other comprehensive income for the period, net of income tax	-	-	-	-	1,906,623	-	1,906,623	71,898	1,978,521
Total comprehensive income for the period	-	-	47,784,357	-	1,906,623	-	49,690,979	(92,584)	49,598,396
Effect of additional acquisition in subsidiaries			-				-	(24,631)	(24,631)
Balance at 31 March 2014	8,520,254	42,430,000	544,240,309	(465,792)	(2,846,041)	2,876,642	594,755,371	4,911,663	599,667,034

Dangote Cement Plc

Condensed separate statement of changes in equity For the period ended 31 March 2014

	Share capital N'000	Share premium N'000	Capital contribution N'000	Retained earnings N'000	Employee benefit reserve N'000	Total N'000
Balance at 1 January 2013	8,520,254	42,430,000	2,828,497	359,108,635	(746,282)	412,141,104
Effect of prior year error correction				165,411		165,411
Profit for the period				54,081,821		54,081,821
Other comprehensive income for the period, net of income tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	54,081,821	-	54,081,821
Bonus share	-			-	-	-
Payment of dividends			-	-		-
Balance at 31 March 2013	8,520,254	42,430,000	2,828,497	413,355,867	(746,282)	466,388,336
Balance at 1 January 2014	8,520,254	42,430,000	2,828,497	518,249,867	(465,792)	571,562,826
Profit for the period				50,479,461		50,479,461
Other comprehensive income for the period, net of income tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	50,479,461	-	50,479,461
Payment of dividends	-	-	-	-	-	-
Balance at 31 March 2014	8,520,254	42,430,000	2,828,497	568,729,328	(465,792)	622,042,287

Dangote Cement Plc
Condensed consolidated and separate statement of cash flows
For the period ended 31 March 2014

	Group			Company		
	Period ended 31/03/14 N'000	Period ended 31/03/13 N'000	Year ended 31/12/13 N'000	Period ended 31/03/14 N'000	Period ended 31/12/13 N'000	Year ended 31/12/13 N'000
Cash flows from operating activities						
Profit before tax	53,014,405	53,683,921	190,761,362	56,022,487	54,081,821	200,010,823
Adjustments for:						
Depreciation	8,585,024	7,308,678	33,556,172	8,336,964	7,234,501	32,028,158
Write off of property plant and equipment	-	377,764	40,909	-	289,077	28,492
Amortization of intangible assets	58,443	4,930	149,335	49,880	848	136,997
Finance cost	3,157,346	2,949,954	12,351,894	3,217,152	2,867,892	11,094,895
Interest income	(1,636,825)	(1,165,501)	(5,630,349)	(3,647,545)	(1,159,090)	(10,380,078)
Amortisation of deferred revenue	(139,328)	(141,078)	(602,255)	(139,329)	(140,924)	(602,101)
Provision for restoration	140,727	(100,066)	(110,645)	11,399	(87,592)	(40,926)
Provisions for employee benefits	374,324	245,269	1,128,660	356,899	205,601	1,128,660
Gain on disposal of property, plant and equipment	-	-	(103,264)	-	-	(85,450)
	63,554,115	63,163,871	231,541,819	64,207,907	63,292,134	233,319,470
Changes in working capital:						
Change in inventory	(6,626,228)	991,926	4,810,651	(7,261,287)	1,140,922	7,276,792
Change in trade and other receivables	6,356,857	13,891,363	23,063,013	6,567,109	3,093,622	14,290,812
Change in due from related parties	(1,887,907)	393,722	1,489,249	(1,854,757)	390,932	1,875,346
Change in due to related parties	(3,328,088)	(7,004,688)	5,877,608	661,530	(5,678,975)	3,213,703
Change in trade and other payables	18,368,548	10,440,695	17,520,888	17,218,447	18,435,830	18,546,111
Gratuity and Pension paid	(120,143)	(136,516)	(629,206)	(120,143)	(136,516)	(629,206)
Income tax paid	(180,777)	(549,179)	(1,935,748)	(180,777)	(560,600)	(1,939,301)
<i>Net cash generated from operating activities</i>	76,136,377	81,191,195	281,738,274	79,238,029	79,977,350	275,953,727
Investing activities						
Interest received	1,636,825	1,147,333	5,630,349	2,216,319	1,140,922	5,450,373
Additions to intangible assets	(83,141)	(9,621)	(442,212)	-	-	(222,590)
Acquisition of property, plant and equipment and investment	(37,849,282)	(38,295,147)	(139,966,242)	(17,410,251)	(23,079,601)	(99,116,814)
Proceeds from disposal of property, plant and equipment	-	-	11,248	-	-	11,248
Acquisition of investment	-	-	(389)	(8,030)	-	(389)
Changes in non-current prepayment	9,167,234	(2,083,045)	(40,799,285)	4,277,981	-	(2,887,804)
Increase in long term receivables from subsidiaries	-	-	-	(16,348,868)	(6,231,776)	(71,853,488)
<i>Net cash provided by investing activities</i>	(27,128,363)	(39,240,480)	(175,566,531)	(27,272,849)	(28,170,455)	(168,619,464)
Financing activities						
Interest paid	(3,104,705)	(3,465,660)	(12,019,482)	(2,881,029)	(3,446,604)	(11,762,862)
Dividend paid	-	-	(51,121,522)	-	-	(51,121,522)
Loans obtained	11,789,468	12,063,923	21,403,960	9,096,500	8,765,018	15,919,867
Loans repaid	(17,817,661)	(8,656,350)	(34,625,397)	(17,817,661)	(8,656,350)	(34,625,397)
<i>Net cash provided by financing activities</i>	(9,132,898)	(58,087)	(76,362,441)	(11,602,190)	(3,337,936)	(81,589,914)
(Decrease)/increase in cash and cash equivalent	39,875,116	41,892,628	29,809,302	40,362,990	47,234,061	25,744,349
Effects of exchange rate changes on the none monetary assets held in foreign currencies	2,317,840	4,893,165	(3,325,762)	-	-	-
Cash and cash equivalents at beginning of year	69,645,893	43,162,353	43,162,353	67,442,862	41,698,513	41,698,513
Cash and cash equivalents at end of year	111,838,849	89,948,146	69,645,893	107,805,852	88,932,574	67,442,862

Dangote Cement Plc

Notes to the condensed consolidated and separate financial statements For the period ended 31 March 2014

1 General Information

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.

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 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 14.

The consolidated financial statements of the Company for the period ended 31 March 2014 comprise the Company and its subsidiaries.

The separate financial statements of the Company for the period ended 31 March 2014 comprise the Company only.

These consolidated and separate financial statements for the period ended 31 March 2014 have been approved for issue by the Directors on 2 May 2014.

2 Significant accounting policies

Dangote Cement Group Plc applies the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2013 annual financial statements. None of the new standards, interpretations and amendments, effective for the first time from 1 January 2014, have had a material effect on the financial statements.

2.1 Basis of preparation

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2013 annual report.

Dangote Cement Plc

Notes to the condensed consolidated and separate financial statements For the period ended 31 March 2014

3 REVENUE

An analysis of revenue is as follows:

	Group		Company	
	Period ended 31/03/14	Period ended 31/03/13	Period ended 31/03/14	Period ended 31/03/13
	N'000	N'000	N'000	N'000
Revenue from the sale of cement	103,475,132	95,291,098	99,769,053	92,322,605
Revenue from the sale of ash	94,208	136,910	-	-
	<u>103,569,340</u>	<u>95,428,008</u>	<u>99,769,053</u>	<u>92,322,605</u>

All sales as detailed above are to external customers

4 Segment Information

4.1 Segment revenues and results

The following is an analysis of the Group's revenue and results 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 sales 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.

Revenue/Operating profit/(loss)	Group			
	Segment revenue		Segment operating profit/loss	
	Period ended 31/03/14	Period ended 31/03/13	Period ended 31/03/14	Period ended 31/03/13
	N'000	N'000	N'000	N'000
Nigeria	99,769,053	92,322,605	55,620,595	55,810,101
West and Central Africa	2,977,047	2,968,493	(621,713)	(133,939)
East and South Africa	823,241	136,910	(447,694)	(188,816)
Consolidated Revenue/profit or (loss)	<u>103,569,340</u>	<u>95,428,008</u>	<u>54,551,188</u>	<u>55,487,345</u>

Total segment operating profit agrees to the profit from operating activities. A reconciliation of profit from operating activities to profit before tax is presented on the face of the profit and loss account.

4.2 Segment revenues and results

Other income & Profit/ (loss) after tax	Group			
	Other income		Profit/(loss) after tax	
	Period ended 31/03/14	Period ended 31/03/13	Period ended 31/03/14	Period ended 31/03/13
	N'000	N'000	N'000	N'000
Nigeria	1,498,596	233,912	50,479,461	54,081,821
West and Centra Africa	9,666	16,075	(589,486)	(214,430)
East and South Africa	4,093	1,338	(421,776)	(132,150)
Consolidated Revenue/profit or (loss)	<u>1,512,355</u>	<u>251,324</u>	<u>49,468,199</u>	<u>53,735,241</u>
Elimination/Adjustment	-	-	(1,848,325)	-
	<u>1,512,355</u>	<u>251,324</u>	<u>47,619,875</u>	<u>53,735,241</u>

4.3 Segment assets and liabilities

Segment total assets

	Period ended 31/03/14	Year ended 31/12/13
	N'000	N'000
Nigeria	880,311,645	820,477,742
West and Centra Africa	74,806,441	70,436,204
East and South Africa	159,382,028	144,045,882
Total Segments assets	<u>1,114,500,113</u>	<u>1,034,959,828</u>
Elimination/Adjustment	(211,411,092)	(191,756,553)
Consolidated total assets	<u>903,089,021</u>	<u>843,203,275</u>

Segment total liabilities

	Period ended 31/03/14	Year ended 31/12/13
	N'000	N'000
Nigeria	258,269,361	248,914,916
West and Centra Africa	85,167,776	80,293,881
East and South Africa	143,537,763	128,006,835
Total segment liabilities	<u>486,974,900</u>	<u>457,215,632</u>
Elimination/Adjustment	(183,552,913)	(164,105,627)
Consolidated total liabilities	<u>303,421,987</u>	<u>293,110,005</u>

Dangote Cement Plc

Notes to the condensed consolidated and separate financial statements For the period ended 31 March 2014

5 Cost of sales

	Group		Company	
	Period ended 31/03/14 N'000	Period ended 31/03/13 N'000	Period ended 31/03/14 N'000	Period ended 31/03/13 N'000
Utilities & Materials consumed	26,828,918	20,353,941	23,486,558	17,661,356
Salaries and related staff costs	1,713,855	1,361,384	1,664,130	1,361,384
Depreciation	5,300,412	5,177,738	5,148,480	5,121,663
Royalty (refer (a) below)	94,753	93,700	94,753	93,700
Other manufacturing overheads	3,158,161	2,406,145	2,995,978	2,245,085
	37,096,098	29,392,908	33,389,900	26,483,188

- (a) Royalty payable is charged based on volume of extraction made during the year. This is in accordance with the agreement with the Federal Ministry of Mines and Steel Development.

6 Administrative expense

	Group		Company	
	Period ended 31/03/14 N'000	Period ended 31/03/13 N'000	Period ended 31/03/14 N'000	Period ended 31/03/13 N'000
Salaries and related staff costs	2,745,627	1,794,880	2,088,232	1,560,662
Corporate social responsibility	332,994	377,998	327,405	377,998
Management fee	336,510	145,000	336,510	145,000
Depreciation	465,043	436,992	328,016	419,150
Audit fees	65,743	73,447	56,629	44,083
Others	1,984,225	1,568,451	1,701,003	1,393,218
	5,930,142	4,396,768	4,837,795	3,940,110

7 Selling and distribution

	Group		Company	
	Period ended 31/03/14 N'000	Period ended 31/03/13 N'000	Period ended 31/03/14 N'000	Period ended 31/03/13 N'000
Depreciation	2,910,345	1,859,358	2,910,345	1,859,099
Advertisement and promotion	662,181	1,176,162	614,331	1,097,229
Haulage expenses	3,931,741	3,366,791	3,894,683	3,366,790
	7,504,267	6,402,311	7,419,359	6,323,118

8 Other income

	Group		Company	
	Period ended 31/03/14 N'000	Period ended 31/03/13 N'000	Period ended 31/03/14 N'000	Period ended 31/03/13 N'000
Insurance claims	16,416	66,988	16,416	66,988
Government grant	139,329	140,924	139,329	140,924
Sundry income	1,356,610	43,411	1,342,851	25,999
	1,512,355	251,324	1,498,596	233,912

Dangote Cement Plc

Notes to the condensed consolidated and separate financial statements For the period ended 31 March 2014

9 Finance income and costs

	Group		Company	
	Period ended 31/03/14 N'000	Period ended 31/03/13 N'000	Period ended 31/03/14 N'000	Period ended 31/03/13 N'000
<i>Finance income</i>				
Interest income	1,636,825	1,165,501	3,647,545	1,159,090
Foreign exchange gains	13,464	-	1,225	-
	<u>1,650,289</u>	<u>1,165,501</u>	<u>3,648,770</u>	<u>1,159,090</u>
<i>Finance costs</i>				
Interest expenses	3,947,272	3,244,305	4,007,078	3,162,749
Less: amounts included in the cost of qualifying assets	(789,926)	(328,767)	(789,926)	(328,767)
Foreign exchange loss	3,157,346	2,915,538	3,217,152	2,833,982
	29,726	53,388	29,726	53,388
	<u>3,187,072</u>	<u>2,968,926</u>	<u>3,246,878</u>	<u>2,887,370</u>

The weighted average capitalisation rate on funds borrowed generally is 10% and 12% per annum for the Group and Company respectively.

10 Earnings per share

	Group		Company	
	Period ended 31/03/14 N'000	Period ended 31/03/13 N'000	Period ended 31/03/14 N'000	Period ended 31/03/13 N'000
Profit for the year attributable to owners of the Company	47,784,357	53,794,961	50,479,461	54,081,821
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 and diluted earnings per share	<u>2.80</u>	<u>3.16</u>	<u>2.96</u>	<u>3.17</u>

11 Income tax

11.1 Income tax recognised in profit or loss

	Group		Company	
	Period ended 31/03/14 N'000	Period ended 31/03/13 N'000	Period ended 31/03/14 N'000	Period ended 31/03/13 N'000
Current tax expense	-	-	-	-
Deferred tax credit/(expense)	(5,213,752)	51,321	(5,362,249)	-
Prior year tax	(180,778)	-	(180,778)	-
Education tax	-	-	-	-
	<u>(5,394,530)</u>	<u>51,321</u>	<u>(5,543,026)</u>	<u>-</u>

11.2 Per Balance sheet

The movement in the tax payable account was as follows:-

	Group		Company	
	Period ended 31/03/14 N'000	Period ended 31/12/13 N'000	Period ended 31/03/14 N'000	Period ended 31/12/13 N'000
Balance, beginning of the year	565,737	2,504,925	565,737	2,504,925
charge for the period	-	(3,280)	-	114
Payments during the period	-	(1,935,748)	-	(1,939,302)
Balance, end of the period	<u>565,737</u>	<u>565,897</u>	<u>565,737</u>	<u>565,737</u>

11.3 The movement in the deferred tax asset account was as follows

	Group		Company	
	Period ended 31/03/14 N'000	Period ended 31/12/13 N'000	Period ended 31/03/14 N'000	Period ended 31/12/13 N'000
Balance, beginning of the year	19,635,374	9,471,533	18,359,111	8,107,066
charge for the year	(5,213,752)	10,438,105	(5,362,249)	10,252,045
Arising during the period/Effect of currency exchange difference	19,320	(274,264)	-	-
Balance, end of the period	<u>14,440,942</u>	<u>19,635,374</u>	<u>12,996,862</u>	<u>18,359,111</u>

11.4 The movement in the deferred tax liability account was as follows

	Group		Company	
	Period ended 31/03/14 N'000	Period ended 31/12/13 N'000	Period ended 31/03/14 N'000	Period ended 31/12/13 N'000
Balance, beginning of the year	507,074	530,227	-	-
charge for the year	-	(23,153)	-	-
Arising during the period/Effect of currency exchange difference	5,973	-	-	-
Balance, end of the period	<u>513,047</u>	<u>507,074</u>	<u>-</u>	<u>-</u>

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12 Property, plant and equipment

12.1 Group

	Leasehold improvements and buildings N'000	Plant and equipment N'000	Aircrafts and motor vehicles N'000	Factory furniture and equipment N'000	Capital work- in-progress N'000	TOTAL N'000
Cost or deemed cost						
As at 1 January 2013	34,570,070	314,038,199	34,253,753	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
Disposals/write off	(145)	(13,755)	(1,674,129)	(1,048)	(1,413)	(1,690,490)
Reclassifications	(25,161,934)	(2,089,621)	12,475,426	(19,989)	14,796,118	-
Other reclassification	-	-	(5,388)	-	(6,480,854)	(6,486,242)
Effect of foreign currency exchange differences	26,005,913	(473,991)	119,592	(20,933)	(32,096,495)	(6,465,914)
Balance at 31 December 2013	35,857,296	320,068,185	51,052,667	1,776,641	248,019,095	656,773,884
Additions	24,526	1,982,258	59,345	24,722	35,758,431	37,849,281
Disposals/write off	-	-	-	-	-	-
Reclassification	-	(339,852)	4,119,167	1,250	(3,780,565)	(0)
Other reclassification	(30,689)	-	-	(20,756)	(465,075)	(516,521)
Effect of foreign currency exchange differences	14,548	(131,793)	(4,086)	(2,653)	8,187	(115,796)
Balance at 31 March 2014	35,865,681	321,578,798	55,227,093	1,779,203	279,540,072	693,990,848
Accumulated depreciation						
Balance at 1 January 2013	2,127,030	31,092,905	9,112,310	376,708	-	42,708,953
Disposals/write off	-	(6,390)	(534,729)	(1,534)	-	(542,653)
Depreciation expense	1,681,394	18,921,007	12,550,360	403,410	-	33,556,171
Effect of foreign currency exchange differences	(5,277)	(124,353)	(270,268)	(13,805)	-	(413,703)
Balance at 31 December 2013	3,803,147	49,883,169	20,857,673	764,779	-	75,308,768
Depreciation expense	454,151	4,897,339	3,132,747	100,787	-	8,585,024
Disposal/write off	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
Effect of foreign currency exchange differences	(3,667)	(78,442)	13,393	(1,294)	-	(70,010)
Balance at 31 March 2014	4,253,631	54,702,066	24,003,813	864,272	-	83,823,782
Carrying amounts						
At 1 January 2013	32,443,040	282,945,294	25,141,443	1,015,296	136,546,504	478,091,577
At 31 December 2013	32,054,149	270,185,016	30,194,994	1,011,862	248,019,095	581,465,116
At 31 March 2014	31,612,051	266,876,731	31,223,279	914,932	279,540,072	610,167,065

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12 Property, plant and equipment

12.2 Company

	Leasehold improvements and buildings N'000	Plant and equipment N'000	Aircrafts and motor vehicles N'000	Factory furniture and equipment N'000	Capital work- in-progress N'000	TOTAL N'000
Cost or deemed cost						
As at 1 January 2013	31,222,024	309,525,230	31,156,790	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
Eliminated on Write-off	-	-	-	-	-	-
Write off/disposal	-	-	(1,674,020)	-	(15,000)	(1,689,020)
Reclassifications	1,264,580	345,454	12,440,150	62,720	(14,112,904)	-
Other reclassification	-	-	-	-	(744,781)	(744,781)
Balance at 31 December 2013	32,687,583	315,496,604	47,161,571	1,238,456	128,737,199	525,321,413
Additions	-	917,868	43,123	12,326	16,436,934	17,410,251
Eliminated on Write-off	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Reclassification	-	349,407	4,035,400	1,250	(4,386,057)	(0)
Other reclassification	-	-	-	-	(249,326)	(249,326)
Balance at 31 March 2014	32,687,583	316,763,879	51,240,094	1,252,032	140,538,750	542,482,338
Accumulated depreciation						
Balance at 1 January 2013	2,102,916	30,497,754	8,928,607	251,818	-	41,781,095
Disposal/write off	-	-	(534,729)	-	-	(534,729)
Depreciation expense	1,666,503	18,587,258	11,461,046	313,351	-	32,028,158
Balance at 31 December 2013	3,769,419	49,085,012	19,854,924	565,169	-	73,274,524
Depreciation expense	447,720	4,788,646	3,020,163	80,434	-	8,336,964
Disposal/write off	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Balance at 31 March 2014	4,217,139	53,873,658	22,875,087	645,603	-	81,611,488
Carrying amounts						
At 1 January 2013	29,119,108	279,027,476	22,228,183	665,727	46,823,737	377,864,231
At 31 December 2013	28,918,164	266,411,592	27,306,647	673,287	128,737,199	452,046,889
At 31 March 2014	28,470,444	262,890,221	28,365,007	606,429	140,538,750	460,870,850

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For the period ended 31 March 2014

13 Intangible assets

13.1 Group

	Computer software N'000	Exploration assets N'000	Total N'000
Cost			
Balance at 1 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 exchange differences	(35,759)	(287,027)	(322,786)
Balance at 31 December 2013	1,298,396	1,495,090	2,793,486
Additions	46,767	36,374	83,141
Effect of foreign currency exchange difference	3,168	17,556	20,724
Balance at 31 March 2014	1,348,331	1,549,020	2,897,350
Accumulated amortisation			
Balance at 1 January 2013	363,444	-	363,444
Amortisation expense	149,335	-	149,335
Adjustment	(813)	-	(813)
Effect of foreign currency exchange differences	(24,650)	-	(24,650)
Balance at 31 December 2013	487,316	-	487,316
Amortisation expense	58,443	-	58,443
Effect of foreign currency exchange difference	1,732	-	1,732
Balance at 31 March 2014	547,490	-	547,490
Carrying amounts			
At 1 January 2013	78,672	1,648,062	1,726,734
At 31 December 2013	811,080	1,495,090	2,306,170
At 31 March 2014	800,840	1,549,020	2,349,860

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13 Intangible assets

13.2 Company

	Computer software N'000	Other intangibles N'000	Total N'000
Cost			
Balance at 1 January 2013	225,604	-	225,604
Additions	222,590	-	222,590
Other reclassification	585,749	-	585,749
Balance at 31 December 2013	1,033,943	-	1,033,943
Additions	-	-	-
Balance at 31 March 2014	1,033,943	-	1,033,943
Accumulated amortisation			
Balance at 1 January 2013	224,756	-	224,756
Amortisation expense	136,997	-	136,997
Balance at 31 December 2013	361,753	-	361,753
Amortisation expense	49,880	-	49,880
Balance at 31 March 2014	411,633	-	411,633
Carrying amounts			
At 1 January 2013	848	-	848
At 31 December 2013	672,190	-	672,190
At 31 March 2014	622,310	-	622,310

Dangote Cement Plc

Notes to the condensed consolidated and separate financial statements For the period ended 31 March 2014

14 Investments

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Place of incorporation and operation	Proportion of ownership or voting power held by the Group	
		31/03/14	31/12/13
Sephaku Cement (Pty) Limited	South Africa	64.00%	64.00%
Dangote Industries (Ethiopia) Plc	Ethiopia	86.96%	86.96%
Dangote Industries (Zambia) Limited	Zambia	75.00%	75.00%
Dangote Cement Senegal S.A	Senegal	90.00%	90.00%
Dangote Cement Cameroun SA	Cameroun	80.00%	80.00%
Dangote Industries Limited, Tanzania	Tanzania	70.00%	70.00%
Dangote Cement Congo S.A	Congo	100.00%	100.00%
Dangote Cement (Sierra Leone) Limited	Sierra Leone	99.60%	99.60%
Dangote Cement, Cote D'Ivoire SA	Cote D'Ivoire	80.00%	80.00%
Dangote Industries Gabon S.A	Gabon	80.00%	80.00%
Dangote Cement Ghana Limited	Ghana	100.00%	100.00%
Dangote Cement - Liberia Ltd.	Liberia	100.00%	100.00%
Dangote Cement Marketing Senegal SA	Senegal	100.00%	100.00%

All the subsidiaries of the Company except Dangote Cement Ghana Ltd. and Dangote Cement Marketing Senegal SA are executing Capital projects on cement manufacturing/grinding facility or cement terminal. Both Dangote Cement Ghana and Sephaku Cement (Pty) Ltd. are incurring small losses.

Investments	Group		Company	
	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000
Sephaku Cement (Pty) Limited	-	-	24,283,254	24,283,254
Dangote Industries (Ethiopia) Plc	-	-	732,657	732,657
Dangote Industries (Zambia) Limited	-	-	115	115
Dangote Cement Senegal S.A	-	-	29,448	29,448
Dangote Cement Cameroun SA	-	-	8,807	8,807
Dangote Industries Limited, Tanzania	-	-	69,636	69,636
Dangote Cement Congo S.A	-	-	3,481	785
Dangote Cement (Sierra Leone) SA	-	-	72,190	72,190
Dangote Cement, Cote D'Ivoire SA	-	-	5,749	3,082
Dangote Industries Gabon S.A	-	-	5,748	3,081
Dangote Cement Marketing Senegal SA	-	-	4,232	4,232
Dangote Cement - Madagascar	389	389	389	389
	389	389	25,215,706	25,207,676

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15 Prepayments

	Group		Company	
	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000
Non-current				
Advance to contractors	82,815,431	91,715,470	19,672,031	23,950,013
Total non-current prepayments	82,815,431	91,715,470	19,672,031	23,950,013
Current				
Advance to contractors	26,746,507	23,301,601	24,575,903	20,941,803
Deposit for import	6,405,984	12,616,503	6,405,984	12,602,408
Rent and insurance	1,106,216	1,095,512	923,988	1,008,243
Total current prepayments	34,258,708	37,013,616	31,905,875	34,552,454

Advances to contractors represent various advances for the purchase of LPFO and AGO together with advances for the construction of plants and other materials which were not received at the year end.

16 Inventories

	Group		Company	
	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000
Finished goods	2,888,679	3,022,790	2,641,550	2,539,486
Work-in-progress	1,758,165	1,705,281	917,940	1,613,305
Raw materials	3,423,715	3,002,453	1,950,508	1,614,985
Packaging materials	909,775	1,221,501	662,127	1,120,276
Consumables	3,966,576	3,968,817	3,908,294	3,906,947
Fuel	5,374,052	3,717,367	5,310,247	3,680,771
Spare parts	10,964,736	9,434,740	10,463,773	8,988,935
Goods-in-transit	5,007,818	1,594,339	4,983,594	112,041
	34,293,516	27,667,288	30,838,033	23,576,746

17 Trade and other receivables

	Group		Company	
	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000
Trade receivables	5,196,817	9,386,389	4,629,688	9,093,143
Impairment allowance on trade receivables	(2,717,084)	(2,716,140)	(2,632,625)	(2,632,625)
	2,479,732	6,670,249	1,997,063	6,460,518
Deposits for supplies	452,543	1,022,573	-	-
Staff loans and advances	749,180	640,723	687,361	602,606
Other receivables	2,982,648	1,932,508	1,293,851	835,678
	6,664,103	10,266,053	3,978,275	7,898,802

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18 Share capital

	Group	
	Period ended 31/03/14	Year ended 31/12/13
	N'000	N'000
<i>Issued and fully paid</i>		
Share capital (17,040,507,405 (2011 15,491,370,368 ordinary shares of N 0.5 each)	8,520,254	8,520,254
Share premium	42,430,000	42,430,000
	50,950,254	50,950,254

19 Trade and other payables

	Group		Company	
	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000
Trade payables	24,977,851	22,211,084	23,852,696	19,847,840
Advances from customers	25,065,513	13,378,789	24,598,606	13,056,462
Payable to contractors	13,618,040	12,974,879	11,491,931	11,065,492
Value added tax	7,665,082	11,073,872	7,665,082	11,073,872
Withholding tax payable	4,291,509	564,750	257,824	556,404
Staff pension	165,817	135,787	143,904	131,390
Interest payable	4,631,435	5,797,524	4,631,435	5,797,524
Other accruals and payables	20,301,739	16,078,809	18,265,314	11,760,355
	100,716,985	82,215,494	90,906,792	73,289,339

20 Borrowings

	Group		Company	
	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000
Unsecured borrowings at amortised cost				
Subordinated loans	29,996,793	29,996,737	29,996,793	29,996,737
Loans from Parent company	45,000,000	45,000,000	45,000,000	45,000,000
Bulk Commodities loans	514,214	514,214	514,214	514,214
	75,511,007	75,510,951	75,511,007	75,510,951
Secured borrowings at amortised cost				
Power intervention loan	18,024,396	18,481,074	18,024,396	18,481,074
Bank loans	81,020,884	86,292,065	48,203,670	56,518,482
	99,045,280	104,773,139	66,228,066	74,999,556
Total borrowing at 31 March 2014	174,556,287	180,284,090	141,739,073	150,510,507
Long-term portion of loans and borrowings	127,457,909	124,850,394	94,640,695	95,079,111
under current liabilities	47,098,378	55,433,696	47,098,378	55,431,396

- (a) A consortium of banks granted the Company facilities to fund expansion projects in various plants. The loans were granted at fixed and floating interest rates of 10% per annum and MPR + 3% respectively. The facilities are for an initial period of 3 years with the option of an extension for a further two years. The facilities are secured with a fixed and floating charge over the Company's assets. Principal and interest are repayable quarterly.

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 R132.5 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 lend to Sephaku Cement Ltd of about N4.4bn. This 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 on all assets debenture over fixed and floating assets of Dangote Cement Plc.

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20 Borrowings (Contd.)

- (b) In 2011, Dangote Industries Limited (DIL) transferred its interests in certain African operations to the Company at a cost of N45.147 billion which was the total cost incurred by the Parent Company as at that date. DIL granted a N45 billion long term loan with a tenor up to 31 December 2019, including an initial moratorium up to period ending 31 March 2017. The interest is charged at 10% per annum on outstanding principal.
- (c) A subordinated loan of N55.4 billion was obtained by the Company from Dangote Industries Limited in 2010. N30 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 31 March 2017. The interest on the long term portion was waived for 2011. Given the favourable terms at which the Company secured the loan, an amount of N2.8 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.
- (d) Bulk Commodities International loan granted at an interest rate of 6% per annum represents short term funding requirements. The loan is repayable on demand.
- (e) In 2011 and 2012, the Bank of Industry through Guaranty Trust Bank Plc and Access Bank Plc granted the Company the sum of N 24.5billion 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 N 20.7 billion. The difference of N 3.66 billion between the gross proceeds and the fair value of the loan is the benefit derived from the interest-free 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.
- (f) The Company availed certain short term facilities from banks for purchase of cement and power plant equipment, trucks, aircraft etc. which would be repaid within 12 months.

21 Deferred revenue

	Group		Company	
	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000
Deferred revenue arising from government grant (refer to (a) below)	2,270,909	2,410,237	2,270,909	2,410,237
	2,270,909	2,410,237	2,270,909	2,410,237
Current	402,408	541,736	402,408	541,736
Non-current	1,868,501	1,868,501	1,868,501	1,868,501
	2,270,909	2,410,237	2,270,909	2,410,237

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

22 Provisions for liabilities and other charges

	Group		Company	
	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000
Balance at beginning of the year	376,665	487,310	233,856	274,782
Effect of foreign exchange differences	1,030	(93,586)	-	-
Provisions made during the year	132,681	(50,031)	11,399	(73,898)
Unwind of discount	7,016	32,972	-	32,972
Balance at the end of the period	517,392	376,665	245,255	233,856

The above provision represents 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 for the mines which is estimated to be between the year 2025 to 2035.

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23 Cash and cash equivalent

	Group		Company	
	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000
Cash and bank balances	30,144,282	19,007,633	24,371,251	15,948,908
Short term deposits	83,434,601	51,493,950	83,434,601	51,493,954
	113,578,883	70,501,583	107,805,852	67,442,862
Bank overdrafts used for cash management purposes	(1,740,034)	(855,690)	-	-
Cash and cash equivalents	111,838,849	69,645,893	107,805,852	67,442,862

24 Related party transactions

The following balances were outstanding at the end of the reporting period:

	Group			
	Amount owed by related parties		Amount owed to related parties	
	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000
Parent company	-	-	9,285,625	7,476,324
Entities controlled by the parent company	4,047,218	2,158,775	11,069,179	14,445,936
Affiliates and associates of parent company	472,905	473,441	-	2,009,958
	4,520,123	2,632,216	20,354,804	23,932,218

	Company			
	Amount owed by related parties		Amount owed to related parties	
	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000
Non Current				
Entities controlled by the company	182,304,976	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 reclassified under non-current assets.

	Group		Company	
	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000	Period ended 31/03/14 N'000	Year ended 31/12/13 N'000
Current				
Parent company	-	-	9,285,625	7,815,606
Entities controlled by the parent company	3,627,970	1,772,677	11,069,179	10,470,145
Affiliates and associates of the parent company	472,905	473,441	-	1,656,849
	4,100,876	2,246,118	20,354,804	19,942,600