Unaudited results for the six months ended 30th June 2016

Cement sales volumes up 59.5% driven by new factories and record 38.8% volume growth in Nigeria; Group revenues up 20.6%; readying more coal mills to ensure security of fuel supply and reduce operating costs

Lagos, 28th July 2016: Dangote Cement PLC (DANGCEM-NL), Africa's largest cement producer, announces unaudited results for the six months ended 30th June 2016.

Financial highlights

- Revenue up 20.6% to ₦292.2B
- EBITDA down 10.2% to ₦132.5B at 45.4% margin, on lower selling price, higher fuel costs and impact of Pan-African plants in ramp-up phase
- Net debt of ₦293.3B, net gearing of 43.1%
- Net FX gain after tax of ₦29.9B from translation of assets and liabilities denominated in foreign currencies

Operating highlights

- Group cement volumes up 59.5% to nearly 13.0Mt
- Strong market shares achieved in all new territories
- Good start to operations in Tanzania
- Record sales volumes in Nigerian market, up 38.8% to nearly 8.8Mt
- West & Central Africa sales volumes up 185% to nearly 2.6Mt*
- South & East Africa sales volumes up 79.6% to more than 1.6Mt*
- Readying more coal mills in Nigeria to alleviate gas disruption, reduce fuel costs

*Note that since 1st January 2016, Ethiopia has been regrouped into the West & Central Africa operating region

Onne van der Weijde, Chief Executive Officer, said:

"We have achieved a commendable result, given the very challenging situation in our main market and general economic weakening across Africa."

"Following the price cut we introduced last September, sales of cement in Nigeria continued their strong momentum and reached record levels of nearly 8.8 million tonnes, most of which was driven by smaller-scale building. We are optimistic that infrastructure investment will soon feed through to increased demand for cement from much larger construction projects. Our investment in coal is enabling us to reduce our dependence on both oil and gas as fuel sources, thus protecting our production from disruption and improving margins. The devaluation of the Naira will obviously have an impact on costs and our priority will be to protect margins."

"Across Africa we have made excellent starts and are achieving significant market shares in all of the countries in which we operate. We are taking a more measured approach to the roll-out of new capacity across Africa and remain committed to our ambitious plans to be a global force in cement production."

About Dangote Cement

Dangote Cement is Africa's leading cement producer with nearly 44Mta capacity across three plants in Nigeria and recently opened factories in Cameroon, Ethiopia, Senegal, South Africa, Tanzania and Zambia.

We are a fully integrated quarry-to-customer producer with production capacity of 29.25Mta in Nigeria. Our Obajana plant in Kogi state, Nigeria, is the largest in Africa with 13.25Mta of capacity across four lines. The Ibese plant in Ogun State has four cement lines with a combined installed capacity of 12Mta. The Gboko plant in Benue state has 4Mta. We plan to build new factories in Ogun State (3-6Mta) and Edo State (6.0Mta). Through our recent investments, Dangote Cement has eliminated Nigeria's dependence on imported cement and is transforming the nation into an exporter serving neighbouring countries.

In addition, we are investing several billion dollars to build manufacturing plants and import/grinding terminals across Africa. We have operations in Senegal (1.5Mta), South Africa (3.3Mta), Cameroon (1.5Mta), Ghana (1Mta import facility), Ethiopia (2.5Mta), Zambia (1.5Mta) and Tanzania (3.0Mta). We will open a new 1.5Mta integrated factory in Republic of Congo and an import facility in Sierra Leone later in 2016. We are planning new capacity in Nigeria, Kenya, Nepal, Zambia, Ethiopia, Cameroon, Zimbabwe, Ghana, Cote D'Ivoire and Liberia.

Website: www.dangotecement.com

Twitter: @DangoteCement

Conference call details – REGISTRATION REQUIRED

A conference call for analysts and investors will be held on Thursday 28th July at 16.00 Lagos/UK time.

PLEASE REGISTER IN ADVANCE USING THE LINK BELOW TO OBTAIN DIAL-IN DETAILS

DANGOTE CEMENT H1 2016 RESULTS CALL

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Dangote Cement Investor Meeting, 1st September 2016, Eko Hotel, Victoria Island, Lagos

The management of Dangote Cement invite you an Investor Day on the morning of 1st September 2016, at the Eko Hotel, Victoria Island, Lagos. At the event we will discuss our strategy to extend the business across Africa and be available to answer questions you might have.

On the following day, Friday 2nd September, we are offering a chance to visit out 12Mta cement plant at Ibese, Ogun State.

Please contact Ifeoma Ejem (Ifeoma.ejem@dangote.com) to register your attendance, stating if you would also like to attend the site visit.

Operating review

Summary

Six months ended 30th June **Cement volumes sold**	**2016** **'000 tonnes**	**2015** **'000 tonnes**	**change**
Nigeria	8,766	6,314	38.8%
West & Central Africa	2,562	898	185%
South & East Africa	1,656	922	79.6%
Inter-company	(14)	0	
Total cement sold	**12,970**	**8,134**	**59.5%**
Regional revenues	**₦B**	**₦B**	
Nigeria	216.6	207.8	4.2%
West & Central Africa*	49.9	17.1	192%
South & East Africa*	26.1	17.3	50.9%
Inter-company sales	(0.4)	0	
Total revenues	**292.2**	**242.2**	**20.6%**
EBITDA (margin)	**₦B**	**₦B**	
Nigeria	124.1 (57.3%)	144.3 (69.4%)	(14.0%)
West & Central Africa*	11.8 (23.7%)	3.6 (21.0%)	230%
South & East Africa*	1.1 (4.2%)	3.3 (19.3%)	(67.4%)
Central costs and eliminations	(4.5) (NA)	(3.7) (NA)	18.9%
Total EBITDA	132.5 (45.4%)	147.5 (60.9%)	(10.2%)
	₦	₦	
Fuel cost/tonne in Nigeria	4,616	3,488	32.3%
	₦B	₦B	
Group pre-tax profit	124.9	128.7	(3.0%)
	₦	₦	
Earnings per share	6.23	7.22	(13.7%)

*Since 1st January 2016, Ethiopia has been grouped with West & Central Africa

Group performance

The first half of 2016 saw Dangote Cement increase volumes by 59.5% to almost 13.0 million tonnes of cement sold across factories in eight countries. The increase was driven by a combination of continuing record sales in Nigeria, following last September's price decrease, as well as production ramp up from factories in Ethiopia and Zambia, maiden operations in Tanzania and significantly improved sales in Ghana.

Group revenues increased by 20.6% to ₦292.2B, with ₦216.6B coming from Nigeria, up 4.2% on H1 2015, when cement had sold at the previous higher price.

As we forecast at the time of last September's price cut, Group EBITDA margins were reduced by the impact of the lower price in our main market of Nigeria. As a result of this, as well as significantly higher fuel costs in Nigeria and a higher proportion of plants ramping up in countries with lower achievable margins, EBITDA fell by 10.2% to ₦132.5B at 45.4% margin (H1 2015: ₦147.5B at 60.9% margin).

Earnings per share fell by 13.7%, from ₦7.22 to ₦6.23. At the end of the period the Naira was devalued from ₦197/US$ to about ₦280/US$ at the end of June 2016. At 26th July it stood at ₦310/US$.

Nigeria

Strong sales momentum continues in Q2 despite price increases

Sales of cement in Nigeria achieved successive record levels in January, February and March, with a total of 4.5Mt of cement being sold in the first quarter of 2016, up 45.4% on the previous year.

We attribute this strong performance in part to the price cut we implemented in September 2015 when we reduced the price of cement by ₦300 per bag to make it more affordable in these challenging economic conditions. We believe that building activity has accelerated recently as a consequence of currency restrictions, with money held in Nigeria being allocated to house building and upgrading. The Federal Government is beginning to release funds for infrastructure development, and towards the end of this year, we expect to see an increase in large, bulk sales to major projects.

The strong first-quarter momentum continued in the second quarter of 2016, in which a record 4.2Mt of cement was sold – up 31.8% on the second quarter of 2015. Sales of cement normally begin to ease in the second quarter as building activity slows with the onset of rain.

Across the six-month period we realised an average price of about ₦24,700, which equates to $125 at an average exchange rate of ₦197/US$.

Of the nearly 8.8Mt of cement sold in Nigeria, 4.4Mt was shipped from our Obajana plant, 3.8Mt from Ibese and nearly 0.5Mt from Gboko.

We continued our extensive marketing activities into the second quarter, building on efforts to activate retail outlets across the country. We estimate that our cement is now sold at 14,000 outlets in Nigeria and that we achieved a market share of nearly 66% during the first six months of the year.

Our marketing activities were supported by improved logistics that benefited from our Redistribution Fleet Empowerment Scheme, in which we allocated a total of 140 15-30Mt trucks between 100 key distributors to improve local distribution of our bagged cement across the country.

As detailed in the table below, our fuel supply deteriorated significantly in the second quarter as a result of disruptions to gas supplies from the Niger Delta (prior-year figures in brackets). This resulted in significantly higher use of Low-Pour Fuel Oil (LPFO), which is almost 3x more expensive than gas per tonne of cement. In the second quarter we began to source more coal from within Nigeria, blending it with South African coal to ensure the optimal mix of quality and cost. We launched coal facilities on Obajana Lines 1&2 in early July and expect to complete the addition of other coal facilities at both Ibese and Obajana by the end of September, after which we will be able to run some kilns entirely on coal if necessary.

	Obajana			Ibese		
	Q1 2016	**Q2 2016**	**H1 2016**	**Q1 2016**	**Q2 2016**	**H1 2016**
Gas	67% (92%)	33% (85%)	50% (88%)	34% (85%)	18% (82%)	26% (83%)
Coal	10% (1%)	13% (13%)	12% (7%)	52% (15%)	53% (18%)	52% (17%)
LPFO	23% (7%)	54% (3%)	38% (5%)	14% (0%)	29% (0%)	22% (0%)

As a result of lower pricing and higher fuel costs in Nigeria, the regional EBITDA fell by 14.0% to ₦124.1B at a margin of 57.3% (H1 2015: ₦144.3B at a margin of 69.4%). The impact of the unfavourable fuel mix was ₦12B.

West & Central Africa

Our West & Central Africa region comprises our non-Nigerian operations across the Economic Community of West Africa States (ECOWAS), as well as Cameroon, the Republic of Congo and as of 1st January 2016, Ethiopia.

The region turned in a strong performance in the first half of 2016 with sales of nearly 2.6Mt of cement, up 185% on H1 2015. Revenues of ₦49.9B were up 192% on last year. EBITDA of ₦11.8B was 230% higher than in H1 2015, although this year included ramp up production from Ethiopia.

Cameroon

Cameroon's GDP is growing at nearly 5% but has slowed because of falling oil prices. Despite this, the government is pressing on with infrastructure investment, albeit at a more modest level than originally planned.

Despite other cement vendors using discounting and credit sales to stem market share losses, we have increased our share of the market to about 47% and are now the leading supplier of cement in Cameroon, just a year after opening our 1.5Mta grinding plant. Pricing has remained relatively stable, ending the period at about $110/tonne.

Congo

Recruitment for our 1.5Mta plant at Mfila has largely been completed and we expect to begin operations in October. Congo's main export is oil and low prices have reduced government revenues, with a stifling effect on infrastructure investment. Furthermore, many of the country's recent projects have now been completed, including the major highway from Pointe Noire to Brazzaville. The government has banned the importation of bulk cement in order to encourage local production. We regard Mfila as a good place from which to export to the neighbouring Democratic Republic of Congo.

Ethiopia

Ethiopia's largely agriculture-dependent country is still suffering the effects of drought and subsequent flash flooding. However, the government is strongly committed to infrastructure investment and, with $500m in financing from the World Bank, is improving its electricity network and its urban transport systems. These and other infrastructure projects have been major drivers of our sales and we have achieved a 28% market share since opening the 2.5Mta plant at Mugher in May 2015. In addition, we have begun exporting cement to neighbouring Kenya. Pricing was about $74/tonne in June 2016.

Ghana

Ghana's economy is growing at 4.5% but inflation is more than 18% at present. Government spending remains tight, given lower revenues from oil. The country faces increasing fuel prices and regular electricity blackouts and is likely to be subdued in the run-up to November's elections.

We have improved our supply of cement to Ghana, improved local logistics and increased direct deliveries to customers. These initiatives have helped us to increase market share to about 15%. We have procured about 1,000 trucks for Ghana to assure an increasing amount of its imported cement comes from our Ibese factory in Nigeria, rather than relying on imports. These trucks will further enhance our direct delivery capabilities.

Pricing has tended to follow exchange rate movements and was about $133/tonne in June.

Senegal

Although the Senegalese economy is slowing because of a lack of some key export products, the government has approved more than $370m in additional infrastructure spending and this, with some external financing, has allowed for some improvement work for roads and power generation.

Although we conducted maintenance during the period we still achieved what we estimate to be 29% market share against discounting and credit strategies employed by others in the market. Pricing in June 2016 was $79/tonne.

Our export sales have increased as more cement is shipped to Mali, although we are also looking at Gambia and Liberia as potential importers of our cement.

Sierra Leone

Our import and bagging plant should be ready for business by October, now that the country has begun to recover from the effects of the Ebola outbreak and its economy has begun to pick up again. We believe demand will be good in Sierra Leone, particularly if mining projects resume and exports recover.

South & East Africa

Our South & East Africa region encompasses our operations in South Africa, Zambia and Tanzania as well as new projects planned for Kenya and Zimbabwe. Ethiopia is now grouped into our West & Central operating region.

Cement volumes in South & East Africa rose by 79.6% to more than 1.6Mt with revenues of ₦26.1B for the six-month period (H1 2015: 922Mt, ₦17.3B). Our new plant in Tanzania began commercial sales late in the first quarter and made a steady start to sales in the second quarter.

Regional revenues continue to be impacted on translation by significant devaluations of the Zambian Kwacha and South African Rand against the dollar, driven by a lacklustre South African economy, a general slowdown in mining activities and lower government spending in these two key markets.

The South & East Africa region posted EBITDA of ₦1.1B at a margin of 4.2% (H1 2015: ₦3.3B, 19.3%).

South Africa

South Africa's economy remains weak, with Q1 2016 GDP shrinking by 1.2% and a contraction in private investment. On top of slower demand from China, the country is also concerned about the impact of the UK's withdrawal from the European Union, given the close financial and trade links between the UK and South Africa.

Since 2012, residential construction growth has outstripped growth in non-residential and infrastructure building but this trend is expected to reverse as the Government increases infrastructure investment this year.

In South Africa we posted 3.2% growth in the first quarter of 2016 but sales picked up and we ended the first half with volumes 18.2% ahead of 2015 and revenues up about 13%. Pricing pressure was significant across the first six months of the year. The delivered price per tonne in June was $71/tonne.

Zambia

Like South Africa, Zambia has been hit by significant currency devaluation and an economic downturn caused by the slowdown in mining. Copper prices remain low, thus increasing unemployment and reducing export earnings from this key commodity, while inflation is more than 20%.

In the Zambian cement market, large infrastructure projects have stalled, with little new activity in the sector. Private investment appears to be on hold pending the country's elections in August 2016. Despite inflation, cement pricing is under pressure and stood at about $72 in June 2016.

Our 1.5Mta plant in Ndola has performed well since its launch in June 2015 and we estimate that we had 40%-45% market share in the first half of 2016.

Although we can export to neighbouring countries, they too are experiencing challenges in their economies. Malawi has recently introduced a ban on imported cement and although we have begun to export small quantities to Burundi, the country faces a shortage of dollars with which to trade.

Tanzania

Tanzania's new government has outlined ambitious plans for the economy and despite some shorter-term fiscal limitations and a subdued business environment following VAT increases, the medium-term picture looks promising. Infrastructure investment is a key driver for cement sales.

Our 3.0Mta plant in Tanzania began commercial sales in the first quarter of 2016 and made a slow but steady start selling 32.5-grade cement while our 42.5-grade was awaiting certification. Despite high costs of transport and a shortage of diesel, we have managed to dispatch cement into the country's major market at Dar es Salaam and believe we have already taken share from competitors whose factories are closer to the city. We estimate that in June we achieved 23% share across Tanzania and were the leading supplier of cement in the key market of Dar es Salaam. Realised prices were approximately $80/tonne at the end of June 2016.

At present our plant is reliant on diesel generators for power, and the high running costs of these will dampen margins until our power plant is completed.

Corporate developments

Dorothy Ufot, SAN, appointed to the Board

On 14th June 2016, we announced that Mrs Dorothy Udeme Ufot, SAN, had become the first woman to join the Board of Dangote cement.

Mrs. Ufot is one of Nigeria's most experienced legal practitioners. She has more than 26 years' experience in commercial litigation at trial and appellate levels, having been admitted to the Nigerian Bar in 1989 and then admitted to the Inner Bar as a Senior Advocate of Nigeria (SAN) in April 2009. She also qualified as a Chartered Arbitrator at the Chartered Institute of Arbitrators, London, in 2003.

Mrs Ufot is an internationally recognised expert in commercial dispute arbitration, particularly in the area of international arbitration, and was appointed member of the International Chamber of Commerce's International Court of Arbitration, Paris, in 2006. She later became one of eight Global Vice-Presidents of the ICC Commission on Arbitration, in 2014. Mrs Ufot was appointed to the Council of the ICC Institute of World Business Law by the Global Chairman of ICC, Mr Harold (Terry) McGraw, in Paris on 22nd April 2016. The ICC Institute of World Business Law draws together the finest legal minds to strengthen the links between international businesses and the legal profession.

Mrs Ufot has been a member of the council of the Legal Practice Division (LPD) of the International Bar Association (IBA), from 2006 to 2010, and is currently serving her second term as a member of the Nominations Committee of the IBA. She has also served as Vice-Chair of the Arbitration Committee of the IBA and has authored numerous publications on the subject of international arbitration.

Notable posts she has held include being a member of the Governing Council of the Nigerian Stock Exchange and Chair of its Rules and Adjudication Committee. Mrs Ufot has served as a Non-Executive Director of several well-known companies including: Chevron Oil, Nigeria, PLC; MRS Oil, Nigeria, PLC, and SO&U Ltd, a leading advertising and media relations company. Mrs Ufot is the Managing Partner of Dorothy Ufot & Co, a firm of legal practitioners and Arbitrators, which she founded in 1994.

New Head of Environment, Health & Safety and Social programmes (EHSS)

In May 2016, we appointed Massimo Bettanin as our new Head of EHSS. Formerly a partner at the ERM environmental consulting firm, he has previously advised Dangote Industries, our parent company, on the implementation of EHSS policies across all Dangote companies. At Dangote Cement, he will be responsible for developing and implementing EHSS strategies across our operations in preparation for the introduction of Sustainability Reporting requirements by the Nigerian Stock Exchange, which we believe will happen at the end of 2016.

Outlook

We are confident of delivering good growth this year despite the challenging economic conditions facing Nigeria and the rest of Africa. We have achieved strong sales growth in Nigeria and are readying more coal-burning facilities that will improve our fuel security, reduce our dependence on LPFO and even gas and help to restore our margins. As we have previously made clear, our focus will be to protect margins through cost controls and adjustment of prices.

We have new capacity coming onstream in Congo and Sierra Leone and expect Tanzania to increase its market share in the coming months. Foreign exchange constraints in Nigeria have made us reconsider the pace of our expansion and we now believe that a five-year building programme will enable a more optimal balance of funding and investment.

Financial review

Summary

Six months ended 30th June	**2016** **₦M**	**2015** **₦M**
Group revenue	292,191	242,215
EBITDA*	132,514	147,507
EBITDA margin	45.4%	60.9%
Operating profit	98,042	122,405
Net profit	103,420	121,808
Earnings per ordinary share (Naira)	6.23	7.22
	As at **30/06/2016** **₦m**	**As at** **31/12/2015** **₦m**
Total assets	1,371,254	1,110,943
Net debt	293,342	204,177

*Earnings before interest, taxes, depreciation and amortisation

Revenues by region

Six months ended 30th June	**2016** **₦m**	**2015** **₦m**
Nigeria	216,617	207,817
West & Central Africa	49,870	17,079
South & East Africa	26,136	17,319
Inter-company sales	(432)	-
Total revenues	**292,191**	242,215

Volume of cement sales and production

Six months ended 30th June	**2016** '000 tonnes	**2015** '000 tonnes
Nigeria	8,766	6,314
West & Central Africa	2,562	898
South & East Africa	1,656	922
Inter-company sales	(14)	-
Total cement sold	**12,970**	**8,134**
Attributable production	12,441	7,882

The Group's cement sales volume increased by 59.5% on the first half of 2015. This resulted from ramping up production in Senegal, Cameroon, Zambia and Ethiopia, all of which were in their early stages of production in the first half of 2015. This was further complimented by increased volumes in Nigeria following various price incentive programs that started in the last quarter of 2015. Group revenues increased by 20.6% to ₦292.2B (2015: ₦242.2B), mainly due to higher revenues in Non-Nigerian operations.

Nigerian cement volumes increased by 38.8% during the first half of 2015, but this was offset by a reduction in average prices. Consequently, revenues from Nigeria increased by 4.2% from ₦207.8B during the first half of 2015 to ₦216.6B in the first half of 2016.

West & Central Africa, contributed ₦49.9B from the sale of 2.6M tonnes of cement in Senegal, Ghana, Ethiopia and Cameroon.

In South & East Africa, where Dangote Cement South Africa Cement was the main contributor to revenues, we added maiden H1 contributions from Tanzania and ramped up production in Zambia. The region contributed ₦26.1B revenues from the sale of 1.7m tonnes of cement.

Manufacturing and operating costs

Six months ended 30th June	2016 ₦m	2015 ₦m
Materials consumed	38,972	22,300
Fuel & power consumed	51,174	27,655
Royalties paid	713	305
Salaries and related staff costs	8,830	7,196
Depreciation & amortisation	22,204	17,320
Plant maintenance costs	12,091	7,582
Other production expenses	8,120	4,365
(Increase)/decrease in finished goods and work in progress	(2,917)	(2,222)
Total manufacturing costs	**139,187**	**84,501**

All manufacturing cost line items increased in line with increased production and sales volumes as a result of our subsidiaries in Senegal, Cameroon, Zambia and Ethiopia ramping up production throughout H1 2016 coupled with maiden operations in Tanzania.

In addition, the limited availability of gas in Nigeria has resulted in increased use of LPFO thereby increasing energy costs as compared to H1 2015. Increased production volumes in Nigeria also contributed to the overall increase in manufacturing costs during 2016.

Administration and selling expenses

Six months ended 30th June	2016 ₦m	2015 ₦m
Administration and selling costs	56,310	37,003

Total operating expenses rose by 44.9% to ₦53.6b, mostly as a result of ramping up operations in our subsidiaries in Senegal, Cameroon, Ethiopia, Tanzania and Zambia, as well as an increase in volumes sold in Nigeria, thus driving distribution costs up.

Profitability

Six months ended 30th June	2016 ₦m	2015 ₦m
EBITDA	132,514	147,507
Depreciation and amortisation	(34,472)	(25,102)
Operating profit	**98,042**	**122,405**
EBTIDA as contributed by business segments is outlined below:	**2016 ₦m**	**2015 ₦m**
Nigeria	124,050	144,272
West & Central Africa	11,825	3,586
South & East Africa	1,090	3,341
Central administrations costs and intercompany	(4,451)	(3,692)
Total EBITDA	**132,514**	**147,507**

The Group posted an operating profit of ₦98.0B, 19.9% lower than the ₦122.4B generated last year. With new plants ramping up throughout Africa, the overall Group operating margin eased to 33.6% in for the half year 2016, from 50.5% in 2015.

EBITDA went down by 10.2% to ₦132.5B, mainly due to reduced EBITDA in our core Nigeria operations. The 4.2% increase in Nigerian revenues was outweighed by the increase in cash costs due to the unfavourable fuel mix and increased distribution costs due to higher volumes sold.

EBITDA in the Nigerian operations decreased by 14.0% to ₦124.1B (excluding central costs and eliminations) with the EBITDA margin falling from 69.4% in H1 2015 to 57.3% in H1 2016. This was partially offset by a ₦8.2B (230%) increase in EBITDA from West and Central Africa.

Interest and similar income and expense

Six months ended 30th June	**2016 ₦m**	**2015 ₦m**
Interest income	834	1,038
Exchange gain	144,097	29,664
Finance income	**144,931**	**30,702**
Interest expense	17,123	15,930
Exchange loss	101,371	9,049
Less interest capitalised	(411)	(598)
Total finance costs	**118,083**	**24,381**

The Group's interest income decreased due to a reduction in investible surplus funds. Late in the second quarter of 2016, the Nigerian Naira fell by about 42% in value against the US$, from about ₦197 to about ₦280. This resulted in high exchange gains from assets denominated in foreign currency and losses from liabilities denominated in foreign currencies including gains from inter-Group assets and liabilities that do not eliminate in full on consolidation.

Taxation

Six months ended 30th June	**2016 ₦m**	**2015 ₦m**
Tax charge	21,470	6,918

The increase in non-pioneer profits and the application of the Commencement Rule on production lines out of tax holidays in Nigeria resulted in increased tax charges and effective rates. The effective tax rate was 10% for the Nigerian operations and 17.2% for the Group.

The Group's profit for the first half was ₦103.4B (H1 2015: ₦121.8B). As a result, earnings per share decreased by 13.7% to ₦6.23 (H1 2015: ₦7.22).

Financial position

As at	**30th June 2016 ₦m**	**31st Dec 2015 ₦m**
Property, plant and equipment	1,065,212	917,212
Other non-current assets	26,126	25,141
Intangible assets	6,266	2,610
Total non-current assets	**1,097,604**	**944,963**
Current assets	224,592	125,188
Cash and bank balances	49,058	40,792
Total assets	**1,371,254**	**1,110,943**
Non-current liabilities	84,754	57,196

Current liabilities	263,864	164,058
Debt	342,400	244,969
Total liabilities	**691,018**	**466,223**

The balance sheet remains strong with non-current assets increasing from ₦945.0B at the end of 2015 to ₦1,097.6B at 30th June 2016. This was mainly as a result of exchange gains on assets held outside Nigeria following the devaluation of the naira and capital expenditure, both within Nigeria and in other African countries. Total additions to property, plant and equipment amounted to ₦54.6B, of which ₦16.7B was spent in Nigeria, ₦30.8B in West & Central Africa and ₦7.1B in South & East Africa. The gross capital expenditure was partially offset by a depreciation charge of ₦34.2B.

Current assets increased by ₦99.4B, driven mainly by the increase in prepayments and other current assets which are mainly made up of deposit for imports. This is in line with the increased production from the new production lines throughout Africa and a build-up of inventory for projects nearing completion and about to commence production. In addition, inventories also increased in line with new operations ramping up production.

Deferred tax on the exchange gains arising from the devaluation of the Naira resulted in the increase in other non-current Liabilities.

Trade and other payable have increased significantly in line with increased volumes in Nigeria and new plants ramping up production

Movement in net debt

	Cash ₦m	**Debt ₦m**	**Net debt ₦m**
As at 1st January 2016	40,792	(244,969)	(204,177)
Cash generated from operations before working capital changes	113,855	-	113,855
Change in working capital	7,554	-	7,554
Income tax paid	(672)	-	(672)
Additions to fixed assets	(54,597)	-	(54,597)
Other investing activities	(3,109)	-	(3,109)
Change in non-current prepayments and payables	7,139	-	7,139
Net interest payments	(19,832)	-	(19,832)
Net loans obtained (repaid)	79,412	(79,412)	-
Dividend paid	(136,324)	-	(136,324)
Other cash and non-cash movements (net)	14,840	(18,019)	(3,179)
As at 30th June 2016	**49,058**	**342,400**	**293,342**

The Group generated cash of ₦113.9B before changes in working capital. After ₦7.6B change in working capital, the net cash flow from operations was ₦121.4B.

Financing outflows were ₦79.1B (2015: ₦48.0B), reflecting loans received of ₦146.2B, loans repaid of ₦68.4B, interest paid of ₦20.7B and dividend paid of ₦136.3B.

Cash and cash equivalents (including bank overdrafts used for cash management purposes) increased form ₦37.8B at the end of 2015 to ₦44.5B at 30th June 2016.

We invested ₦54.6B in projects and normal capital expenditure (H1 2015: ₦109.0B). The capital expenditure was mainly to improve our energy efficiency in Nigeria as well as expenditure on the production plants under construction in the various African countries. The capital expenditure for each region is as follows:

Capital Expenditure by Region

	Nigeria ₦m	South & East Africa ₦m	West & Central Africa ₦m	Total ₦m
Nigeria	16,740	-	-	16,740
Senegal	-	-	1,853	1,853
Cameroon	-	-	1,034	1,034
Congo	-	-	16,692	16,692
Ghana	-	-	574	574
Cote d'Ivoire	-	-	320	320
Sierra Leone	-	-	4,101	4,101
South Africa	-	674	-	674
Ethiopia	-	-	6,165	6,165
Tanzania	-	2,516	-	2,516
Zambia	-	3,901	-	3,901
Other	-	10	17	27
Total	**16,740**	**7,101**	**30,756**	**54,597**

Dividend payment

On 19th April 2016, the Annual General meeting of the Company approved a dividend of ₦8.0 per share (2015: ₦6.00). This resulted in a total dividend payment of ₦136.3B during the second quarter. The dividend represents a payout ratio of 73.7% on the 2015 annual profit.