At a glance

• Largest cement producer in Africa, 45.8Mta capacity as of March 2017
  – Operations in 10 countries across Africa

• Delivering strong financial and operating performance
  – 23.6Mt cement sold through operations in eight countries in 2016, up 25% on 2015
  – FY 2016 revenues of ₦615.1bn, up 25% on 2015
  – FY 2016 EBITDA of ₦257.2bn at 41.8% margin
  – Net debt of ₦240.8B, 0.94x EBITDA

• Creating a diversified pan-African business profile

• Largest company on Nigerian Stock Exchange
  – Market capitalisation $9bn; ca. 30% of total NSE capitalisation
  – A bellwether on the cement sector and on Africa’s growth
Strong financial growth

2010 - 2016

Revenues (₦B) - 20.3% CAGR
EBITDA (₦B) - 13.9% CAGR
Strong volume growth

20.4% CAGR

Million tonnes


Nigeria Cameroon Ethiopia Ghana Senegal South Africa Tanzania Zambia
Our presence
Why Sub-Saharan Africa? Why cement?

Cement demand driven by increasing population, urbanisation and prosperity.

Sub-Saharan Africa significantly lags global average per-capita cement consumption.

Africa is the last major growth market for cement with relatively little surplus capacity at present.

Huge opportunity for African producers to expand, replace imports, especially in West Africa, much of which lacks limestone.

Key markets are Nigeria, Ethiopia, South Africa; cement ‘majors’ with high net debt/EBITDA are less able to take on additional debt to finance entry to these markets.

High capital cost of entry, construction time and access to resources are key barriers to entry.

Many incumbents are sub-scale, use older technologies, so are vulnerable to well-funded industry disruptors.

Cement is an essential building material with no viable substitutes, Africa needs billions of tonnes in the coming decades.
Overview of African cement market

Positive long-term mega-trends

- Increasing political stability enabling rapid economic growth
- Steady population growth, younger profile increases need for building
- Emerging middle-class, increasing consumerisation and access to financial services e.g. banking, mortgages, credit
- Increasing demand for more and higher grades of cement as urbanisation continues across the continent, demanding more infrastructure, housing and commercial building

Supportive growth factors

- Unlocking of natural resources (oil, commodities)
- Increased manufacturing capabilities (for both domestic consumption and exports)
- Increasing inward investment as aid is replaced by commercial funding
- Accelerating technological adoption, enabling ‘leap-frogging’
- In early build-out phase of development, cement is used in ‘economic multipliers’ e.g. infrastructure, with positive feedback for cement demand

Attractive long-term economic potential

- Historical SSA GDP growth of 4.0% between 2011 – 2016
- Expected SSA GDP growth to recover to 2.9% in 2017 after downturn (IMF)

Rapid Increase in Urbanisation Presents Strong Opportunity

- Over 1.4B Africans are forecast to live in urban areas by 2050, which is > 4x North America’s current population

Materially Lower Cement Consumption in Africa

Source: Industry Sources, BMI, World Bank, IMF

1. Global average includes China.
Strategic raw material access

- Limestone is the key and irreplaceable ingredient of all types of modern cement
- Commercially viable deposits of limestone are relatively scarce across many parts of Africa
  - Ideally need high-quality limestone to be near demand centres, fuel and distribution network
- Nigeria has a relative abundance of quality limestone especially in key southern regions near to demand centres, export facilities
  - Nigeria also has good-quality coal that we will mine to achieve self-sufficiency in fuel
- Absence of limestone in much of West and East Africa, especially coastal states, forces those countries to import bulk cement or its intermediate product, clinker, usually from Far East and Nigeria
- Limestone reserves close to existing facilities each with a life of mine in excess of 30 years
- Dangote Cement plans an ‘export to import’ strategy to serve West Africa and Cameroon from Nigerian factories, exporting by road and in time by sea
### Strategic initiatives and goals

**Vision**

To be Africa’s leading producer of cement, respected for the quality of its products and services and for the way it conducts its business.

**Goal**

To deliver superior and sustainable risk-adjusted ROI, IRR on our investments.

- **Key elements of business model**
  - Target high-growth, populous markets with cement deficits and older/less efficient producers
  - Be the leader in quality, costs and service wherever we operate
  - Expand quickly and profitably when rivals are hampered by debt or smaller scale

<table>
<thead>
<tr>
<th>Strategic Pillars / Long-Term Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidate expansion across Africa</strong></td>
</tr>
<tr>
<td>Grow and diversify across the last and potentially most attractive major growth market for cement</td>
</tr>
<tr>
<td><strong>Achieve leadership in key markets</strong></td>
</tr>
<tr>
<td>Strive to obtain a #1 or #2 position in each market, with at least 30% share</td>
</tr>
<tr>
<td><strong>Tap high-value export markets</strong></td>
</tr>
<tr>
<td>Serve landlocked markets with high sales prices and margins, generate FX to offset imported raw materials</td>
</tr>
<tr>
<td><strong>Capture local markets with superior quality and service</strong></td>
</tr>
<tr>
<td>Serve markets with delivered product instead of factory gate sales; use financial strength to improve service, reduce costs</td>
</tr>
<tr>
<td><strong>Adhere to global standards of governance</strong></td>
</tr>
<tr>
<td>Achieving international standing through good governance enables us to access global financial markets</td>
</tr>
<tr>
<td><strong>Improve sustainability</strong></td>
</tr>
<tr>
<td>Be most energy and CO₂ efficient company in our industry, with low environmental footprint when compared to peers</td>
</tr>
</tbody>
</table>
How we create value

Size and buying power enables favourable procurement of plants at lower cost; brownfield increases returns

Careful market selection looks for countries with good resources, cement deficit, ageing peers and investment incentives

Larger scale of plants built with high degree of standardisation and prefabrication to reduce capex, improve returns

New quarries enable optimal mining of highest quality raw materials, improving product quality

Good emissions control helps environment, improves competitiveness in face of increasing industry regulation

Strong focus on quality ensures best-quality materials, manufacturing processes and end products, reduces waste

Fuel strategy improves margins by bulk procurement, switch to lower-cost kiln/power fuels e.g. coal

Larger kiln sizes enables higher-efficiency production of clinker in most expensive step of production

Use of modern vertical rolling mills enables finer cement grinding, improves quality with positive impact on setting time for block makers

Highly automated packing and loading reduces manual loading, enables higher throughput through packing lines

Ability to buy/operate trucks in bulk enables superior distribution capabilities, extends market reach

Strong competitive advantages delivering improved returns for shareholders
Board and Committees

Board of Directors

Aliko Dangote (1)
Onne van der Weijde
Olakunle Alake
Sani Dangote
Abdu Dantata
Ernest Ebi
Devakumar Edwin
Emmanuel Ikazoboh *
Fidelis Madavo
Joseph Makoju
Olusegun Olusanya *
Dorothy Ufot *
Douraid Zaghouani

Finance & General Purpose Committee
Olusegun Olusanya (1)
Olakunle Alake
Sani Dangote
Ernest Ebi
Devakumar Edwin
Emmanuel Ikazoboh
Fidelis Madavo

Audit, Compliance & Risk Committee
Ernest Ebi (1)
Olakunle Alake
Sani Dangote
Devakumar Edwin
Emmanuel Ikazoboh
Fidelis Madavo
Olusegun Olusanya
Dorothy Ufot

Remuneration & Governance Committee
Emmanuel Ikazoboh
Sani Dangote
Abdu Dantata
Ernest Ebi
Devakumar Edwin
Joseph Makoju
Olusegun Olusanya
Dorothy Ufot

Nomination Committee
Aliko Dangote (1)
Ernest Ebi
Emmanuel Ikazoboh
Olusegun Olusanya
Dorothy Ufot

Technical Committee
Fidelis Madavo (1)
Olakunle Alake
Abdu Dantata
Ernest Ebi
Devakumar Edwin
Joseph Makoju
Douraid Zaghouani

Statutory Audit Committee (2)
Robert Ade-Odiachi (1)
Nicholas Nyamali
Sheriff Yusuf
Olakunle Alake
Olusegun Olusanya
Emmanuel Ikazoboh

Note: * denotes Independent Non-Executive Directors.
1. Chairman of Committee.
2. The Statutory Audit Committee is not a Committee of the Board.
Strong corporate governance

**International standards of governance**
- Achieved Premium Listing status on the Nigerian Stock Exchange, August 2015
  - Followed rigorous audit of governance policies
- June 2016 appointment of first female director, Mrs Dorothy Ufot, SAN
  - Adds strong legal knowledge
- Four Independent Non-Executive Directors
- Group-wide risk management initiative
- Improved Annual Report providing stakeholders with more information and greater transparency
- Implementation of key policies to meet international standards of governance

**Improving corporate disclosure**

<table>
<thead>
<tr>
<th>Annual Report Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010: 56</td>
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<tr>
<td>2011: 58</td>
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<tr>
<td>2012: 106</td>
</tr>
<tr>
<td>2013: 106</td>
</tr>
<tr>
<td>2014: 166</td>
</tr>
<tr>
<td>2015: 214</td>
</tr>
<tr>
<td>2016: 232</td>
</tr>
</tbody>
</table>

**EHSS commitments**
- EHSS Head Massimo Bettanin appointed Q2 2016
  - Formerly adviser to DCP during its work with ERM consultancy
- Major Environment, Health & Safety and Social initiative
  - Standard approaches to be rolled out across all territories
  - Occupational Health & Safety Management System
  - Improves on plant-by-plant approach adopted so far
  - Teams being recruited to Dangote Cement EHSS programme in 2016
- Working to adopt IFC Performance Standards
- Plan to adopt global sustainability reporting standards in FY2018
  - Likely to be based upon GRI G4 Sustainability reporting Guidelines
Our achievements so far

Before we began manufacturing, Nigeria was one of the world’s biggest importers of cement.

In 2012 we opened 11Mta new capacity that enabled it to become self-sufficient.

In 2016 we transformed Nigeria into a NET EXPORTER OF CEMENT.
Highlights of 2016

Financial results

• Revenue up 25.1% to ₦615.1B
• Strong increase in Q4 EBITDA after price increase
• EPS up 4.5% to ₦11.34
• Dividend up 6.25% to ₦8.5 per share, 74.9% payout ratio
• Net debt of ₦240.8B, or 0.94x EBITDA

Operational highlights

• Dangote Cement’s export sales transform Nigeria into net exporter of cement
• Overall Group volumes up 25.0% to 23.6Mt
• Record sales volumes in Nigerian market, up 13.8% to 15.1Mt
• Pan Africa sales volumes up 54.0% to 8.6Mt
• Good start in Tanzania with rapid gains in market share
• Gaining/consolidating share across Africa
• Coal conversions completed in Nigeria, LPFO no longer used

Regional revenues (₦B)

<table>
<thead>
<tr>
<th>Year to 31st December</th>
<th>2016</th>
<th>2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nigeria</td>
<td>426.1</td>
<td>389.2</td>
<td>9.5%</td>
</tr>
<tr>
<td>Pan Africa</td>
<td>195.0</td>
<td>103.5</td>
<td>88.5%</td>
</tr>
<tr>
<td>Inter-company sales</td>
<td>(6.1)</td>
<td>(1.0)</td>
<td>526%</td>
</tr>
<tr>
<td>Total</td>
<td>615.1</td>
<td>491.7</td>
<td>25.1%</td>
</tr>
</tbody>
</table>

Regional sales volumes ('000 tonnes)

- 2015: ₦13,290
- 2016: ₦15,128

Before inter-company eliminations
## Financial overview

### Income Statement

<table>
<thead>
<tr>
<th>Year ended 31st December</th>
<th>2016</th>
<th>2015</th>
<th>% change</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>615.1</td>
<td>491.7</td>
<td>25.1%</td>
<td>Driven by strong volume growth</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(323.8)</td>
<td>(201.8)</td>
<td>60.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>291.3</td>
<td>289.9</td>
<td>0.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>47.4%</td>
<td>59.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>257.2</td>
<td>262.4</td>
<td>(2.0%)</td>
<td>Lower average pricing, unfavourable fuel mix, Pan-Africa dilution</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>41.8%</td>
<td>53.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>182.5</td>
<td>207.8</td>
<td>(12.2%)</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT margin</strong></td>
<td>29.7%</td>
<td>42.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net finance income</td>
<td>(1.6)</td>
<td>(19.5)</td>
<td>(92.0%)</td>
<td>Includes net FX gain of ₦41B</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>180.9</td>
<td>188.3</td>
<td>(3.9%)</td>
<td></td>
</tr>
<tr>
<td>Income tax (expense)/credit</td>
<td>5.7</td>
<td>(7.0)</td>
<td></td>
<td>2% effective tax rate in Nigeria</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>186.6</td>
<td>181.3</td>
<td>2.9%</td>
<td></td>
</tr>
<tr>
<td>Earnings per share</td>
<td>11.34</td>
<td>10.86</td>
<td>4.5%</td>
<td></td>
</tr>
<tr>
<td>Dividend per share</td>
<td>8.5</td>
<td>8.0</td>
<td>6.25%</td>
<td></td>
</tr>
</tbody>
</table>
## Movement in net debt

<table>
<thead>
<tr>
<th>Description</th>
<th>Cash NB</th>
<th>Debt NB</th>
<th>Net debt NB</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 1st January 2016</strong></td>
<td>40.8</td>
<td>(245.0)</td>
<td>(204.2)</td>
</tr>
<tr>
<td>Cash generated from operations before changes in working capital</td>
<td>243.9</td>
<td></td>
<td>243.9</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>35.9</td>
<td></td>
<td>35.9</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(1.1)</td>
<td></td>
<td>(1.1)</td>
</tr>
<tr>
<td>Additions to fixed assets*</td>
<td>(136.2)</td>
<td></td>
<td>(136.2)</td>
</tr>
<tr>
<td>Other investing activities</td>
<td>(0.7)</td>
<td></td>
<td>(0.7)</td>
</tr>
<tr>
<td>Change in non-current prepayments</td>
<td>17.3</td>
<td></td>
<td>17.3</td>
</tr>
<tr>
<td>Net interest payments**</td>
<td>(36.4)</td>
<td></td>
<td>(36.4)</td>
</tr>
<tr>
<td>Net loans obtained (repaid)</td>
<td>84.2</td>
<td>(84.2)</td>
<td>-</td>
</tr>
<tr>
<td>Other cash and non-cash movements</td>
<td>4.4</td>
<td>(27.3)</td>
<td>(22.9)</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>(136.3)</td>
<td></td>
<td>(136.3)</td>
</tr>
<tr>
<td><strong>As at 31st December 2016</strong></td>
<td>115.7</td>
<td>(356.5)</td>
<td>240.8</td>
</tr>
</tbody>
</table>

*Completion of Tanzania, Congo, Sierra Leone, coal conversions and trucks

**Average rate on loans is 13%
## Financial overview (cont’d)

### Balance sheet

<table>
<thead>
<tr>
<th></th>
<th>As at 31/12/16 NB</th>
<th>As at 31/12/15 NB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>1,155.7</td>
<td>917.2</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>64.9</td>
<td>25.1</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>4.1</td>
<td>2.6</td>
</tr>
<tr>
<td>Current assets</td>
<td>187.5</td>
<td>125.2</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>115.7</td>
<td>40.8</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>1,527.9</strong></td>
<td><strong>1,110.9</strong></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>65.8</td>
<td>57.2</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>308.3</td>
<td>164.1</td>
</tr>
<tr>
<td>Debt</td>
<td>356.5</td>
<td>245.0</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>730.6</strong></td>
<td><strong>466.2</strong></td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td><strong>797.3</strong></td>
<td><strong>644.7</strong></td>
</tr>
<tr>
<td>Net debt as % of net assets</td>
<td><strong>30.2%</strong></td>
<td><strong>31.2%</strong></td>
</tr>
</tbody>
</table>
## Analysis of debt

<table>
<thead>
<tr>
<th></th>
<th>Short-term*</th>
<th>Long-term</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Naira</td>
<td>146.6</td>
<td>78.3</td>
<td>224.8</td>
<td>63.1%</td>
</tr>
<tr>
<td>US$</td>
<td>57.4</td>
<td>-</td>
<td>57.4</td>
<td>16.1%</td>
</tr>
<tr>
<td>Rand</td>
<td>-</td>
<td>50.2</td>
<td>50.2</td>
<td>14.1%</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>24.0</td>
<td>24.0</td>
<td>6.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>204.0</strong></td>
<td><strong>152.4</strong></td>
<td><strong>356.4</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Including overdraft

- Most short-term debt is to parent; plan to refinance with Naira bond
- Low US$ debt exposure, mainly in relation to LCs (₦47.6B)
- DCP Nigeria lends to country operations in US$, which results in gain on translation as Naira devalues
Nigerian market remains robust

9.6% CAGR

Manufactured
Imported

Million tonnes

Strong Nigeria performance

- Record FY sales up 13.8% to 15.1Mt including exports
  - 14.8Mt sold within Nigeria, despite recession
- Sharp increase in Q4 EBITDA/tonne after price increase
  - Most of uplift was from pricing, but cheaper fuel mix helped
- Nigeria transformed into net exporter of cement
  - Exports of 366kt higher than imports of c350kt
- Coal now available for all Nigerian kilns
  - Own-mined coal expected soon
  - Advantage of self-sufficiency and reduced need for FX
- Strong marketing activity, 15,000 retailers now active
  - National promotions reward consumers and retailers
  - Strong brand recognition
- 65% of volumes delivered to customers by own trucks
  - 241,000km covered

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volumes* (kt)</td>
<td>15,128</td>
<td>13,290</td>
<td>13.8%</td>
</tr>
<tr>
<td>Revenue* (₦B)</td>
<td>426.1</td>
<td>389.2</td>
<td>9.5%</td>
</tr>
<tr>
<td>EBITDA* (₦B)</td>
<td>242.0</td>
<td>247.5</td>
<td>(2.2%)</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>56.8%</td>
<td>63.6%</td>
<td></td>
</tr>
</tbody>
</table>

* Excl. corporate costs and inter-company eliminations (see note 4 to accts)

Quarterly sales (‘000 tonnes)
Nigeria sales by market

- South West: 15%
- South South: 17%
- South East: 13%
- Lagos & Ogun: 22%
- North Central: 13%
- North East: 7%
- North West: 9%
- Corporate: 2%
- Exports: 2%
• Price remains well below highest level in US$ terms
Focus on Q4 performance

- Demand easing BEFORE price increase in late Q3
- EBITDA rose in Q4 after price increase of ₦600/bag, or ₦12,000/tonne and improvement in fuel mix

- Indication of strong improvement in profitability for 2017 even if volumes are same or lower than 2016
  - Better fuel mix
  - Additional price adjustment of +₦150/bag at start of Q1 and ₦250 in February, inc VAT
Nigeria cash cost analysis

Approximately 55%-60% of cash costs are US$ based
Importance of optimal fuel mix

• Kiln fuel is the major cost of cement production
  • LPFO use hurts margins
• Preference has previously been to run on gas, but:
  • Disruption and maintenance have lead to shortages since 2014
  • Back-up LPFO often not available locally, forcing production shutdowns prior to use of coal (especially 2014)
• Gas priced in US$ but paid in Naira, so affected by FX
• Switch to coal brings multiple benefits

Relative cost of alternative fuels vs gas per tonne of clinker

<table>
<thead>
<tr>
<th></th>
<th>Obajana</th>
<th>Ibese</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own-mined coal</td>
<td>0.7x</td>
<td>0.7x</td>
</tr>
<tr>
<td>Locally bought coal</td>
<td>0.8x</td>
<td>0.8x</td>
</tr>
<tr>
<td>Imported coal</td>
<td>1.2x</td>
<td>0.9x</td>
</tr>
<tr>
<td>Gas</td>
<td>1.0x</td>
<td>1.0x</td>
</tr>
<tr>
<td>LPFO</td>
<td>2.5x</td>
<td>1.8x</td>
</tr>
</tbody>
</table>

Obajana & Ibese fuel mix

<table>
<thead>
<tr>
<th></th>
<th>Gas</th>
<th>Coal</th>
<th>LPFO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>63%</td>
<td>32%</td>
<td>5%</td>
</tr>
<tr>
<td>Feb</td>
<td>55%</td>
<td>23%</td>
<td>22%</td>
</tr>
<tr>
<td>Mar</td>
<td>38%</td>
<td>29%</td>
<td>23%</td>
</tr>
<tr>
<td>Apr</td>
<td>43%</td>
<td>30%</td>
<td>15%</td>
</tr>
<tr>
<td>May</td>
<td>28%</td>
<td>48%</td>
<td>5%</td>
</tr>
<tr>
<td>Jun</td>
<td>43%</td>
<td>48%</td>
<td>31%</td>
</tr>
<tr>
<td>Jul</td>
<td>40%</td>
<td>45%</td>
<td>24%</td>
</tr>
<tr>
<td>Aug</td>
<td>45%</td>
<td>31%</td>
<td>19%</td>
</tr>
<tr>
<td>Sep</td>
<td>72%</td>
<td>31%</td>
<td>35%</td>
</tr>
<tr>
<td>Oct</td>
<td>81%</td>
<td>39%</td>
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<td>Nov</td>
<td>61%</td>
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<td>Dec</td>
<td>39%</td>
<td>49%</td>
<td>43%</td>
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<tr>
<td>Average</td>
<td>58%</td>
<td>41%</td>
<td>11%</td>
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Legend: Gas, Coal, LPFO
Coal programme delivered

- All Nigerian kilns now able to run on coal
- LPFO use eliminated since Q4 2016 with positive impact on margins
- Dangote Industries supplying coal from mines in Kogi from March
- Switch to own-mined coal has several benefits
  - Cheaper and more reliable than gas, thus improving margins
  - Eliminates need for expensive LPFO as back-up
  - Reduces FX need for imported fuel
- Could potentially run all lines 100% on local coal at lower cost than gas
- DCP committed to disclosing CO2 emissions in line with good practice and potential NSE requirements
## Pioneer Tax schedule

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**Tax holiday**
Pan-Africa gaining momentum

- Strong performance despite economic downturn across much of Africa
- Sales volumes up 54.0% to 8.6Mt (excl. eliminations)
- Revenues up 88.5% to ₦195.0B
- EBITDA up 5.5% to ₦26.5B
  - Start-up and diesel costs in Tanzania weighed on margins
- Gaining/consolidating market shares across Africa
- Local disruptions in Ethiopia, Tanzania
  - But proves benefits of diversified production/revenue base
- Sierra Leone and Congo expected to begin sales in Q1 2017

### Rest of Africa performance

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>Change</th>
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<tbody>
<tr>
<td>Volumes sold (kt)</td>
<td>8,639</td>
<td>5,609</td>
<td>54.0%</td>
</tr>
<tr>
<td>Revenue (₦B)</td>
<td>195.0</td>
<td>103.5</td>
<td>88.5%</td>
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<tr>
<td>EBITDA* (₦B)</td>
<td>26.5</td>
<td>25.1</td>
<td>5.5%</td>
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<tr>
<td>EBITDA margin</td>
<td>13.6%</td>
<td>24.2%</td>
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* Excluding corporate costs and eliminations (see note 46 to accounts)

### Cement sales ('000 tonnes)

- **2015**: 4,100
- **2016**: 5,600

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*Volume: 1,000,000 tonnes, 2015 and 2016.*
Country updates

Cameroon
- Nearly 1.1Mt sold in 2016
- Market share 43%
- Ban on imported cement is opportunity for our clinker grinding plant to increase sales
- GDP increased by 5.6%, with slightly higher growth forecast for 2017
- Inflation falling and currency appreciating against US$
  Average cement pricing of $103 in 2016

Ethiopia
- Nearly 2.0Mt cement sold in 2016
- Market share now 24%
- Cement prices fluctuated, averaging $90 and ending the year at $96, following the civil unrest and its impact on distribution to markets
- 400 trucks for distribution of cement into key markets

Ghana
- 1.1Mt cement sold, up 73.9%; 23% share in December
- Pricing averaged at $115 during the year
- Importing from Nigeria provides non-duty alternative to imports from outside ECOWAS
- Planning a 1.5Mta clinker grinding facility to import clinker to manufacture cement within Ghana

Senegal
- Volumes up 9% to just over 1Mt
- 25% market share achieved
- Cement pricing relatively stable, averaging $76 across the year
- Government has approved $370m for investment in roads and power
Country updates

South Africa

- Dangote Cement South Africa increased sales by 3.8% during the year
- Continued focus on an optimisation programme to improve logistics, sales and plant efficiency
- Economy remained muted with GDP growth of 0.4%, following Brexit
- But the government is increasing its commitment to infrastructure investment

Tanzania

- Sold 0.6Mt cement in 2016
- Lack of agreement on gas pricing meant use of expensive diesel gensets, but agreement now in place for gas supply, which will significantly reduce energy costs when we deploy temporary gas turbines for power
- Will begin construction of a coal/gas power station to provide electricity

Zambia

- Dangote Cement increased sales to nearly 0.8Mt
- 40% market share
- Downturn in copper mining, lower export revenues, high inflation, high unemployment, power shortages and rising national debt
- GDP achieved 2.9% growth in 2016 and is expected to recover to about 4% over the next few years
- Increasing middle-class demand for household goods, consumer electronics and higher-quality foods
- Cement prices averaged about $79/tonne during the year and ended 2016 at the same price
Update on trading and outlook for 2017

- Volume growth expected from:
  - Increased exports from Nigeria to Ghana
  - Tanzania ramp-up from 0.6Mt sold in 2016
  - New capacity making first contributions
    - Sierra Leone (0.7Mta) selling cement since February
    - Congo (1.5Mta) first sales expected April
- Sharp increase in Nigerian EBITDA/tonne will drive substantial margin gains in 2017, even if volumes are flat
  - Additional ₦150/bag price increase in January 2017 and ₦250/bag in February
- Own-mined coal soon arriving at plants, further improving margins
- Pan-Africa margins boosted by gas in Tanzania, H2
  - Will enable replacement of expensive diesel gensets by gas turbines in June/July
  - Construction of dual coal/gas power plant
  - Gas also an option for kilns

Projected capex, 2017

- Tanzania power plant $100m
- Pan-Africa $140m
- Nigeria $60m

Projected capex, 2017 $m
Sustainability

- Dangote Cement is committed to introducing sustainability reporting in its 2018 Annual Report
- Reporting will be guided by:
  - Nigerian Stock Exchange requirements on sustainability reporting
  - Cement Sustainability Initiative
  - Global Reporting Initiative G4 Sustainability Reporting Guidelines
- Initial focus likely to be upon:
  - Carbon disclosure
  - Emissions monitoring
  - Responsible use of fuel and raw materials
  - Employee health and safety
  - Biodiversity impacts
  - Water impacts
- Timetable
  - 2016: Benchmark industry standard reporting, identify relevant reporting standards, develop pilot monitoring studies
  - 2017: Review pilot studies, develop policies and finalise KPIs, staff training
  - 2018: Roll out monitoring and reporting system across entire business, data assurance, regular management reviews
  - 2019: Produce first Sustainability Report
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