Unaudited Results for the three months ending 31 March 2013

**Strong increase in sales outpaces good market growth,
margins improve with better gas supply**

Lagos, 30 April 2013: Dangote Cement PLC (DANGCEM-NL, "the Group"), Nigeria's largest cement producer, announces unaudited results for the three months ended 31 March 2013.

Financial highlights

- Consolidated Group revenue up 39.5% to ₦95.4bn
- Gross profits up 64.7% to ₦66.0bn, 69.2% margin
- Nigeria revenue up 41.0% to ₦92.3bn
- Consolidated EBIT up 77.8% to ₦55.4bn at 58.1% margin
- Pre-tax profit up 80.6% to ₦53.7bn
- Earnings per share up 79.5% to ₦3.16

Operating highlights

- Robust growth in market demand – up nearly 16% across Nigeria
- Nigerian sales volumes up 38.4% to 3.33 million tonnes
- Obajana volumes up 68%, Ibese up 82%
- Gas supply improved, helping margins
- Strong focus on direct-to-customer deliveries, easier payments

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

"The year has begun well for Dangote Cement and our 38% increase in volumes far outpaced the Nigerian market's strong growth of 16%. Our gas supply has been better this year and that has driven margins upwards from the first quarter of 2012, when our new capacity at Ibese and Obajana was just coming onstream."

"We are increasing our focus on delivering directly to our customers and have made it easier for them to order and pay for our cement. This has allowed us to improve our position in the market and we remain confident of a good year."

About Dangote Cement

Dangote Cement is Nigeria's leading cement producer with three plants in Nigeria and plans to expand in 13 other African countries. The Group is a fully integrated quarry-to-depot producer with production capacity of 19.25mmtpa in Nigeria at the end of 2012, with plans to increase to at least 29mmtpa in 2015. The Group plans to build a further 19mmtpa of production, grinding and import capacity across Africa, which is expected to be operational by the end of 2015.

Dangote Cement's Obajana plant in Kogi state, Nigeria, is the largest in Sub-Saharan Africa with 10.25mmtpa capacity across three lines and a further 3mmtpa capacity currently being built.

The new 6mmtpa Ibese plant in Ogun state, near the key market of Lagos, was inaugurated in February 2012. Building is underway to add 6mmtpa of capacity.

The Gboko plant in Benue state has 3mmtpa capacity with an upgrade to 4mmtpa planned in 2013.

Through its recent investments, Dangote Cement has eliminated Nigeria's dependence on imported cement and is transforming the nation into an exporter serving neighbouring countries.

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

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

Web: www.dangcem.com

Conference call details

A conference call for analysts and investors will be held on Thursday 2 May 2013, starting at 15.00 UK & Lagos time.

The dial-in details are as follows:

Participants: +44 203 139 4830
Pin code: 49294557#

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

Participants: +44 203 426 2807
Pin code: 639029#

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Summary of key performance indicators

Nigerian cement operations only (excludes Sephaku and Ghana)

Three months to 31 March (Nigerian cement operations only)	**2012**	**2013**	**% change**
Cement sales (kt)	2,408	3,333	38.4%
(Nigerian cement operations only)	(₦bn)	(₦bn)	
Revenue	65.5	92.3	41.0%
Revenue per tonne (₦)	27,193	27,699	1.9%
EBITDA	38.1	63.1	65.6%
EBITDA per tonne (₦)	15,825	18,948	19.7%
EBITDA margin	58.2%	68.4%	10.2pp
EBIT	31.8	55.8	75.3%
EBIT per tonne (₦)	13,365	16,728	25.2%
EBIT margin	49.1%	60.4%	11.3pp
	US $million	US $million	
Revenue	$405m	$584m	
EBITDA	$238m	$398m	

$1=₦158

Operating review

GDP growth remains strong, Building and Housing sectors see double-digit growth

Nigeria continued its strong economic growth, recording Real Growth of 6.6% in 2012, according to the National Bureau of Statistics (NBS).

Despite the Crude Petroleum and Natural Gas sector declining by 0.9% during the year, robust growth of 7.9% across the non-oil sectors continued to drive the Nigerian economy. This growth was achieved in spite of the week-long national strike in the first quarter of 2012 and the unprecedented flooding that affected much of the country in the second half of the year.

Growth in the Building and Construction sector remained strong at nearly 12.6% across 2012, ahead of the 12.1% increase achieved in 2011. The sector is the third-fastest growing in Nigeria, behind Telecommunications and Solid Minerals.

The Real Estate sector grew at 10.4% during 2012, slightly lower than the 10.6% growth achieved in 2011, but still an indication of continuing robust demand for cement amongst the larger builders.

In its *Economic Outlook for the Nigerian Economy (2013-2016)* the NBS predicts a slight acceleration in GDP growth to nearly 6.8% in 2013 and an average of 6.9% through to 2016. The Group believes that this growth in GDP, and especially in the Building and Real Estate sectors, is capable of supporting double-digit growth in demand for cement in the coming years, assuming there are no major floods on the scale of those in 2012. Indeed, flood repair work and longer-term infrastructure and flood-defence projects may provide strong underpinning for demand in 2013 and beyond.

Government infrastructure projects are a major demand driver for cement. In its recently published Budget for 2013, the Federal Government has allocated ₦1,620 billion for capital spending, of which

₦497 billion will be allocated to Critical Infrastructure (including Power, Works, Transport, Aviation, gas pipelines and the Federal Capital Territory). This represents an increase in capital spending as a share of total expenditure from 25.6% in 2011 to 32.5% in 2013.

The Federal Government is prioritising infrastructure investments, including the second Niger Bridge and will augment domestic resources with a $1 billion Eurobond and extensive use of Public-Private Partnerships. In the Housing sector the Federal Government has committed itself to improving the availability of mortgage financing through the Nigerian Mortgage Refinance Company.

On inflation, the NBS forecasts a decrease in the inflation rate from around 12% in 2012 to less than 10% between 2013-2016.

Infrastructure and housing driving long-term cement growth

Nigeria's strong economic growth and its commitment to improving infrastructure and housing make it an attractive long-term market for cement. Despite growth of just 7% in 2012, when demand was reduced by flooding, the country has increased consumption by an average of 10.2% since 2004.

This is, of course, strong growth from a low base. In 2012, with a population of 168 million and cement consumption of 18.3 million tonnes, Nigeria's consumption of cement was around 109kg per person, which is low by global standards. By comparison, industry estimates suggest that North African economies such as Egypt and Algeria are consuming around 600kg and 550kg respectively.

We believe that Nigeria's expanding economy is capable of sustaining per-capita consumption many times higher than it is today. We think the same is true in Nigeria's neighbours in West Africa, many of which lack the limestone necessary to make cement. This drives our investment to build factories in Nigeria that will not only help to satisfy Nigeria's growing demand for cement, but also enable us to export clinker and finished cement to neighbouring countries.

At present, most of our neighbours are importing cement from the Far East. We are confident that Nigerian cement will prove more attractive than these imports, particularly within the 15-member Economic Community of West African States (ECOWAS), which offers favourable incentives for trade between member countries.

First quarter sees record cement sales in Nigeria

Nigeria's cement market achieved record volumes in the first quarter of 2013. We estimate that more than 5.4 million tonnes of cement were shipped in the three months to 31 March, up 15.7% on nearly 4.7 million tonnes shipped in the first quarter of 2012. February and March recorded the highest-ever monthly sales of cement in Nigeria, with nearly 2.0 million tonnes being shipped in March.

At nearly 16%, the growth achieved in the first quarter of 2013 was well ahead of the 7% growth achieved in 2012. The first quarter of the year is traditionally the best, given the usually good weather conditions that are normally experienced and the particularly strong rise in demand this year illustrates increased building activity following the disruption caused by the unprecedented floods of 2012.

Nigeria's importation of cement has fallen significantly. We estimate that around 310,000 tonnes of cement were imported in the first three months of 2013, well down on more than 800,000 tonnes imported in the same period last year. As imports fall away, the demand they previously satisfied is being replaced by locally produced cement. This provides us with an opportunity to increase our market share by selling cement in areas of Nigeria that were previously served by imports. We feel that we are in a good position to achieve these gains because our plants are in convenient locations and still have headroom to increase production.

Gas supply better than expected, positive for first-quarter margins

The availability of gas is a major driver of margins at our Obajana and Ibese plants, which together account for 16 million tonnes of the 19 million tonnes that we operate in Nigeria. Gas is substantially cheaper per tonne of cement than alternatives such as low-pour fuel oil (LPFO), being about 7x cheaper at Obajana and around 5x cheaper at Ibese.

Compared with the end of 2012, our gas supply improved in the first quarter of the year, with 99% gas at Ibese and about 84% at Obajana. By comparison, Obajana ran at 67% gas in Q1 2012, while Ibese used 80% gas.

Although this is good for first-quarter margins, we continue to assume a gas ratio of 80% when forecasting performance until we have more assurance that a reliable supply can be maintained without disruption. As an alternative to fuelling kilns with LPFO we will continue to adapt our plants to use coal, which is cheaper that LPFO per tonne of cement.

Cement sales up 38.4% with good gains in market share

Dangote Cement increased cement sales in Nigeria by 38.4% to 3.33 million tonnes in the first quarter of 2013. This represents more than double the market's rate of growth in the same period. We estimate our market share to have been around 62%.

The strong growth we achieved was satisfied by additional output from the Ibese plant, which opened in the first quarter of 2012, and higher output from Obajana, where the new Line 3 came onstream in the first quarter of 2012. Furthermore we achieved this strong rate of growth despite the fact that our Gboko plant was mothballed during January.

At the same time we are increasing our commitment to deliver cement directly to our customers and all of our plants substantially increased direct-to-customer deliveries during the period. Aligned with this initiative, we have also made it easier for customers to order and pay for our cement through a network of banking partners across Nigeria.

Obajana's new capacity making steady progress

Our flagship 10.25 million tonne plant at Obajana, in Kogi state, increased cement sales by 68.0% to about 2.1 million tonnes in the first quarter of 2013. This includes a fuller contribution from Line 3, which began kiln operations in February 2012.

The plant substantially reduced its stockpiles of surplus cement and clinker, which had been built up in the latter part of 2012 following local flooding.

Obajana continues to experience disruption to its gas supply and was obliged to use 16% LPFO in its kilns during the period.

Ibese ramping up steadily

Our 6.0 million tonne Ibese plant in Ogun state sold about 1.0 million tonnes of cement during the first quarter of 2013. This was 81.5% higher than the 557,000 tonnes it produced in the same quarter last year, its first quarter of operation. Like Obajana, Ibese quickly reduced its stockpiles of clinker and cement as demand rose in the quarter.

The gas supply was much more robust at Ibese, with the plant running on 99% gas.

Gboko reopens after mothballing

Following its temporary closure in early December 2012, we reopened our Gboko plant at the end of January. Gboko sold 239,000 tonnes of cement in the first quarter, down 49.3% on the prior year's 471,000 tonnes, reflecting in part its mothballing and re-commissioning times.

Owing to the heavy rain and flooding, as well as the temporary closure, the Group decided to postpone the million-tonne upgrade of the Gboko plant until this year. We expect to complete the upgrade by June, adding a new grinding mill and other improvements to improve capacity.

Ghana and South Africa

GreenView International in Ghana contributed revenue of nearly ₦3.0 billion in the first quarter of 2013, achieving a small gross profit of ₦0.1 billion.

Senegal legal case remains ongoing

Title to the land on which part of the Group's plant in Senegal is located is still in dispute and therefore the plant was still not able to commence operations in Q1, as had been hoped. Furthermore, an interim Administrative Order was served by the local authorities to cease construction work until the land issues are resolved.

The Group remains committed to achieving an acceptable resolution of the land dispute. Once such a resolution has been achieved, the commissioning process can begin in earnest and the plant could be operational and producing cement within weeks.

Sephaku well on track in South Africa

After Senegal, the Group's South African joint venture, Sephaku Cement, is the next plant expected to come onstream. Building work is well advanced and commercial production is expected in Q1 2014.

A joint venture with JSE-listed Sephaku Holdings, Sephaku Cement will have the ability to produce up to three million tonnes of cement across its integrated plant at Aganang and its clinker grinding plant at Delmas. The plants will use fly ash as an extender, with the ash being sourced in large quantities from the power station close to Delmas.

Other African projects progressing steadily

The Group is achieving steady progress with building projects in other African countries.

In Ethiopia, work is well underway at a proposed 2.5mmtpa plant at Mugher, with production expected early in 2015.

In Tanzania, the Group has now begun work on a 3mmtpa plant at Mtwara that is expected to be operational in mid-2015.

In Zambia, work is underway on a 1.5mmtpa plant at Ndola, with cement production expected in late 2014. The Group is considering the merits of building a second 1.5mmtpa plant in Lusaka, Zambia, but no contracts have yet been signed.

Building work is progressing with a 3,000t/day grinding plant in Cameroon, with completion expected in the first half of 2014. In Gabon, the Group has decided to build a grinding plant, rather than a fully-integrated plant, and is in the process of acquiring suitable land.

In Congo, the Group is tendering for an integrated plant of 1.5mmtpa, expected to begin production in the latter half of 2015.

Along the coast of West Africa, the Group plans to build import facilities to receive and bag bulk cement produced in Nigeria. Work has begun on import facilities in Sierra Leone, with operations expected to begin towards the end of 2013.

In Liberia, plans are advancing and orders for equipment have been made for an import facility in Freeport Monrovia. Imports into Liberia are expected to commence in the third quarter of 2014.

In Ivory Coast, the Group is evaluating two possible options, to set up a grinding unit and a packing terminal. The Group believes such facilities in Ivory Coast could also serve markets in Burkina Faso and Mali. Work is expected to begin in the second quarter of 2013, with operations expected in 2015.

In Ghana, work is in progress on the expansion of the existing terminal in Tema, 20km from Accra, with plans at an advanced stage for a second facility, a grinding unit, in Takoradi.

The projects above will be served by exports of cement from the Group's Nigerian plants, shipped through a new export facility planned at Apapa. Work is expected to begin in the next few months and exports will be possible from mid-2014.

Financial review

Our accounts for 2013 include the performance of GreenView International Ltd in Ghana, which was consolidated for the first time into the 2012 Group accounts with effect from 31 December 2011, on the basis of effective control. As such, it did not appear in the unaudited quarterly results presented during 2012. We have restated our 2012 comparatives accordingly.

Financial performance

The Group's strong revenue growth continued to outpace the market's growth in the first quarter of 2013. Consolidated revenue increased by 39.5% to ₦95.4bn (Q1 2012: ₦68.4bn). Revenue from Nigerian cement operations rose by 41.0% to ₦92.3bn (Q1 2012: ₦65.5bn), as a result of a 38.4% increase in volumes.

GreenView International in Ghana contributed revenue of nearly ₦3.0 billion in the first quarter of 2013. Sales of fly ash at Sephaku Cement in South Africa contributed ₦0.1bn in Q1 2013.

Compared with the first quarter of 2012, a significant improvement in our gas supply helped to drive Group gross profits up 64.7% to ₦66.0bn at a gross margin of 69.2% (Q1 2012: ₦40.1bn, 58.6% margin). In Nigeria, Company gross profits rose 64.9% from ₦39.9bn to ₦65.8bn, with gross margins rising from 61.0% to 71.3%. There were no imports into Nigeria this year, compared with about 140,000 tonnes in the first quarter of 2012.

Administrative expenses fell slightly to ₦4.4bn while selling and distribution costs for the Group rose by 31.2% to ₦6.4bn.

At Group level, operating profit rose by 77.8% to ₦55.4bn, at a margin of 58.1% (Q1 2012: ₦31.2bn, 45.6%). In Nigeria, operating profits rose by 75.3% to ₦55.8bn, at an operating margin of 60.4% (Q1 2012: ₦31.8bn, 48.6%). Increased production rates at the larger plants reduce the impact of the fixed cost base.

After net financial costs of ₦1.8bn (Q1 2012: costs of ₦1.5bn), the Group's profit before tax was ₦53.7bn, up 80.6% on the ₦29.7bn achieved last year.

Earnings per share rose by 79.5% to ₦3.16 per share, compared with ₦1.76 per share in the first quarter of 2012.

Balance sheet and cash flow remain strong

Non-current assets rose to ₦577.1bn, mostly as a result of investments in plant and machinery, both within Nigeria and in other African countries.

Total assets rose from ₦673.7bn at the start of 2013 to ₦731.6bn at the end of March.

Cash and cash equivalents have increased from ₦44.4bn at the start of the year to ₦90.3bn at the end of March. Net debt stood at ₦76.4bn compared with ₦119.7bn on 1 January 2013.

The Group generated ₦79.3bn of net cash from operations in the first quarter of 2013 and invested ₦37.2bn in the same period.

Current trading and outlook

Demand for cement continues to be strong in April and as required by the Nigerian Stock Exchange, we have filed a forecast for our performance in the second quarter of 2013. Our forecast is for consolidated revenue of ₦98.5bn, with operating profit of ₦52.6bn and pre-tax profit of ₦50.6bn. This assumes a Gas-LPFO ratio of 80%-20% during the period.