

LAFARGE AFRICA PLC
Unaudited consolidated financial results for Quarter 2 and year to date ended 30 June 2017

LAFARGE AFRICA PLC

**UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR QUARTER 2 AND YEAR-TO-DATE ENDED 30 JUNE 2017**


CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME


	Note	GROUP				COMPANY			
		Q2-3 months 30/06/2017 N'000	Q2-3 months 30/06/2016 N'000	YTD 30/06/2017 N'000	YTD 30/06/2016 N'000	Q2-3 months 30/06/2017 N'000	Q2-3 months 30/06/2016 N'000	YTD 30/06/2017 N'000	YTD 30/06/2016 N'000
Continuing operations									
Revenue	6	73,529,434 (49,974,244)	54,943,903 (47,584,647)	154,839,943 (110,390,462)	107,364,799 (92,225,127)	24,068,981 (11,766,364)	20,010,430 (16,772,693)	52,090,479 (29,401,688)	43,585,773 (35,938,704)
Gross income	7	23,555,190 (783,872)	7,359,256 (762,789)	44,449,482 (2,177,797)	15,139,672 (1,982,675)	12,302,617 (47,260)	3,237,736 (387,401)	22,688,791 (777,830)	7,647,068 (1,004,400)
Selling and marketing expenses	8	(9,437,990)	(4,990,812)	(16,397,754)	(10,234,035)	(3,769,669)	(988,009)	(5,157,609)	(3,695,168)
Administrative Expenses	9	13,333,328	1,605,654	25,873,931	2,922,962	8,485,688	1,862,326	16,753,352	2,947,500
Current operating income		1,391,086	(27,046,520)	2,244,274	(28,544,253)	(3,044,875)	4,878,038	(1,441,352)	4,810,644
Net other operating income / (expenses)		14,724,414	(25,440,865)	28,118,205	(25,621,291)	5,440,913	6,740,364	15,312,000	7,758,144
Finance income	10	(597,938)	469,375	603,561	993,514	6,838,008	908,144	11,230,642	1,389,154
Finance cost	11	(5,412,122)	(2,993,562)	(10,561,360)	(5,552,937)	(5,749,379)	(722,834)	(9,654,854)	(1,100,890)
Net finance costs		(6,010,060)	(2,524,187)	(9,957,799)	(4,559,423)	1,088,629	185,309	1,575,788	288,263
Share of net income (loss) of associates		-	(3,485)	-	(3,485)	-	-	-	-
Income before tax	12	8,714,354	(27,966,537)	18,160,406	(30,184,199)	6,529,442	6,925,674	16,887,788	8,046,408
Tax credit / (charge)		5,856,951	(404,708)	1,571,985	(62,044)	(706,509)	(1,104,751)	(4,176,316)	(1,003,088)
NET INCOME		14,571,305	(28,373,245)	19,732,391	(30,246,243)	5,822,933	5,820,923	12,711,472	7,043,320
of which attributable to: Owners of the parent Company		14,570,326	(28,384,953)	19,406,926	(30,285,279)	5,822,933	5,820,923	12,711,472	7,043,320
Non- controlling interests (Minority Interest)		978	11,707	325,465	39,036	-	-	-	-
NET INCOME		14,571,305	(28,373,245)	19,732,391	(30,246,243)	5,822,933	5,820,923	12,711,472	7,043,320
Other comprehensive income/(losses) that will not reverse to P&L									
Actuarial gains /(losses) on retirement benefit obligation remeasurement		177,402	-	177,402	-	-	-	-	-
Exchange gain/(loss) on foreign currency translation		5,585,878	(5,045,304)	14,892,720	(402,618)	-	-	-	-
Total comprehensive income for the period of which attributable to:		20,334,585	(33,418,549)	34,802,513	(30,648,861)	5,822,933	5,820,923	12,711,472	7,043,320
Owners of the parent Company		20,333,607	(33,430,256)	34,477,048	(30,687,898)	5,822,933	5,820,923	12,711,472	7,043,320
Non- controlling interests (Minority Interest)		978	11,707	325,465	39,036	-	-	-	-
Total comprehensive (loss) / income for the period		20,334,585	(33,418,549)	34,802,513	(30,648,861)	5,822,933	5,820,923	12,711,472	7,043,320
EARNINGS PER SHARE (kobo)									
Attributable to the owners of the parent company									
Basic earnings per share		276	(623)	368	(665)	110	165	241	199

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	GROUP		COMPANY	
		30/06/2017 N'000	31/12/2016 N'000	30/06/2017 N'000	31/12/2016 N'000
ASSETS					
Property, plant and equipment		404,381,527	390,488,541	113,060,137	114,617,300
Intangible assets		2,619,172	1,563,499	-	-
Investment in subsidiaries	13	-	-	243,891,263	243,891,263
Investment in joint venture		123,735	89,551	73,133	73,133
Available for sale financial assets	14	10,036	5,928	-	-
Other assets	15	9,396,711	4,182,933	-	-
Other financial assets	16	3,889,939	-	196,546,018	91,732,574
Deferred tax asset		45,251,780	7,641,003	-	-
Restricted cash	19	-	175,890	-	-
NON-CURRENT ASSETS		465,672,901	404,147,345	553,570,551	450,314,270
Inventories	17	57,172,938	44,530,832	30,630,472	22,564,828
Trade & other receivables	18	42,451,536	25,801,379	43,430,990	21,451,612
Other assets	15	4,050,831	2,510,371	1,186,975	1,078,113
Other financial assets	16	13,031,550	6,235,902	15,335,887	34,535,538
Cash and cash equivalents	19	25,110,787	19,265,076	16,126,558	7,653,851
CURRENT ASSETS		141,817,643	98,343,560	106,710,882	87,283,942
TOTAL ASSETS		607,490,544	502,490,905	660,281,433	537,598,212
EQUITY					
Share capital		2,740,367	2,740,367	2,740,367	2,740,367
Share premium		217,528,456	217,528,456	217,528,456	217,528,456
Retained earnings		116,672,443	102,842,886	126,782,021	119,825,320
Foreign currency translation reserve		6,232,234	(8,660,486)	-	-
Other reserves arising on business combination		(266,221,438)	(256,899,951)	-	-
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		76,952,062	57,551,272	347,050,844	340,094,143
<i>Non controlling interest</i>		<i>112,965,391</i>	<i>191,401,276</i>		
TOTAL EQUITY		189,917,453	248,952,548	347,050,844	340,094,143
NON CURRENT LIABILITIES					
Borrowings		52,858,773	68,046,853	62,662,042	64,014,218
Deferred tax liabilities		36,582,651	-	21,795,149	18,031,333
Provisions		3,135,155	2,448,365	662,350	563,468
Deferred revenue		1,513,837	1,554,673	707,444	722,496
Employee benefits obligation		4,972,026	3,780,162	1,566,532	1,580,307
Other long-term liabilities	21	-	1,720,963	-	-
NON-CURRENT LIABILITIES		99,062,442	77,551,016	87,393,517	84,911,822
CURRENT LIABILITIES					
Trade & other payables	22	106,222,087	100,808,366	42,841,557	40,094,240
Borrowings		153,593,261	36,487,846	137,765,047	42,366,463
Provisions		430,778	1,176,910	129,905	841,526
Deferred revenue		183,703	234,718	30,104	30,104
Current tax payable		1,026,203	824,627	736,914	363,625
Dividends	20	18,856,536	13,459,412	18,856,536	13,459,412
Bank Overdraft	19	38,198,081	22,995,462	25,477,009	15,436,877
CURRENT LIABILITIES		318,510,650	175,987,341	225,837,072	112,592,247
TOTAL EQUITY AND LIABILITIES		607,490,544	502,490,905	660,281,433	537,598,212

This financial statement was approved and authorized for issue by the board of directors on 19 July 2017 and was signed on its behalf by:


Mobolaji Balogun
Chairman
FRC/2013/CISN/00000004945


Michel Purcheros
Group Managing Director
FRC/2017/IODN/00000015919


Bruno Bayet
Group Chief Financial Officer
FRC/2014/MULTI/00000009554

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Share capital N'000	Share premium N'000	Retained earnings N'000	Foreign currency translation reserve		Other reserves arising on business combination N'000	Total N'000	Non - controlling interests N'000	Total equity N'000
				N'000	N'000				
Balance at 1 January, 2016	2,277,451	186,419,988	100,992,758	(10,156,641)	(162,185,111)	117,348,445	58,803,285	176,151,730	
Profit for the period 1 January - 30 June 2016									
Exchange differences on translating foreign operations			(30,285,279)	(402,618)		(30,285,279)	39,036	(30,246,243)	
Total comprehensive income for the period ended 30 June 2016	-	-	(30,285,279)	(402,618)	-	(30,687,898)	39,036	(30,648,861)	
Balance at 30 June 2016	2,277,451	186,419,988	70,707,479	(10,559,259)	(162,185,111)	86,660,547	58,842,321	145,502,869	
Profit for the period 1 July - 31 December 2016			46,881,274			46,881,274	263,750	47,145,024	
Remeasurement gain of defined benefit obligation, net of tax			158,366			158,366		158,366	
Exchange differences on translating foreign operations				1,898,773		1,898,773		1,898,773	
Dividends			(14,904,233)			(14,904,233)	(58,920)	(14,963,153)	
Issue of shares	214,513	31,661,202				31,875,715		31,875,715	
Share issue costs		(304,331)				(304,331)		(304,331)	
Bonus shares issued									
2.51% of Ashaka equity taken over	248,403	(248,403)							
50% of ECH equity taken over					330,630	330,630	(1,330,490)	(999,860)	
Balance at 31 December 2016	2,740,367	217,528,456	102,842,886	(8,660,486)	(256,899,951)	57,551,272	191,401,276	248,952,548	
Profit for the period 1 January - 30 June 2017			19,406,926			19,406,926	325,465	19,732,391	
Exchange differences on translating foreign operations				14,892,720		14,892,720		14,892,720	
Remeasurement gain of defined benefit obligation, net of tax			177,402			177,402		177,402	
Dividend			(5,754,771)			(5,754,771)	(47,062)	(5,801,833)	
Ech and NCH equity taken over					(9,321,487)	(9,321,487)		(9,321,487)	
Quasi equity repayment							(78,714,288)	(78,714,288)	
Balance at 30 June 2017	2,740,367	217,528,456	116,672,443	6,232,234	(266,221,438)	76,952,062	112,965,391	189,917,453	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – Cont'd

Company	Share capital N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
Balance at 1 January, 2016	2,277,451	186,419,988	113,904,430	302,601,869
Profit for the period 1 January - 30 June 2016			7,043,320	7,043,320
Total comprehensive income for the period ended 30 June 2016	-	-	7,043,320	7,043,320
Balance at 30 June 2016	2,277,451	186,419,988	120,947,750	309,645,189
Profit for the period 1 July - 31 December 2016			13,735,028	13,735,028
Other comprehensive income for the year, net of tax			46,775	46,775
Dividends			(14,904,233)	(14,904,233)
Issue of shares	214,513	31,661,202		31,875,715
Share issue costs		(304,331)		(304,331)
Bonus shares issued	248,403	(248,403)		-
Balance at 31 December 2016	2,740,367	217,528,456	119,825,320	340,094,143
Profit for the period 1 January - 30 June 2017			12,711,472	12,711,472
Total comprehensive income for the period ended 30 June 2017	-	-	12,711,472	12,711,472
Dividend			(5,754,771)	(5,754,771)
Balance at 30 June 2017	2,740,367	217,528,456	126,782,021	347,050,844

CONSOLIDATED STATEMENT OF CASH FLOWS

Period ended	Group			Company		
	30/06/2017 N'000	30/06/2016 N'000	31/12/2016 N'000	30/06/2017 N'000	30/06/2016 N'000	31/12/2016 N'000
Profit/(loss) before Tax	18,160,406	(30,184,199)	(22,818,718)	16,887,788	8,046,408	19,888,762
Adjustment to reconcile net income to net cash from operating activities:						
Depreciation & Amortisation charged	10,732,608	7,645,865	15,996,754	2,733,939	2,682,357	5,170,285
Loss/(Gains) on disposals	(703,183)	(940)	1,102	(698,330)	(940)	(1,045)
Assets written down	-	(182,428)	1,025,192	-	-	1,025,192
Write-off of consumables and other assets	(15,464)	-	-	-	-	-
Finance cost	9,325,657	5,552,937	15,504,072	8,437,375	1,100,890	6,742,176
Net unrealised exchange loss/(gain)	(6,076,690)	32,966,896	5,997,725	79,580	-	659,952
Finance & investment income	(603,561)	(993,514)	(3,663,774)	(11,230,642)	(1,389,154)	(7,608,863)
Movement in other current liabilities	(59,342)	-	1,767,514	-	-	(4,160,349)
Changes in working capital	(32,949,717)	1,961,061	3,488,633	(2,765,258)	(3,633,139)	(47,725,842)
Share of Income / loss from associate	-	(3,485)	-	-	-	-
Net cash used in operating activities before impacts of financial expenses and tax	(2,281,137)	16,762,193	17,298,500	12,816,661	6,806,422	(26,009,732)
Cash payments for financial expenses	-	(599,820)	-	-	(296,988)	-
Employee Benefits paid	-	-	(5,762,477)	-	-	(4,654,067)
Income taxes paid	(1,039,996)	(203,033)	(872,808)	(44,534)	(203,033)	(243,225)
NET CASH GENERATED FROM OPERATING ACTIVITIES	(3,321,133)	15,959,340	10,663,215	12,772,127	6,306,401	(30,907,024)
Purchase/expenditure of PPE & Intangible Assets	(5,769,257)	(22,117,732)	(41,528,540)	(1,359,805)	(1,623,065)	(2,562,936)
Net movement in long term receivables / investment	(709,244)	4,014,971	-	-	(4,150,000)	-
Investment income	50,290	576,927	3,676,300	288,856	64,497	7,608,863
Proceed from disposal of assets	3,157,587	8,454	373,325	3,065,320	2,355	2,460
NET CASH PROVIDED (USED IN) BY INVESTING ACTIVITIES	(3,270,624)	(17,517,379)	(37,478,915)	1,994,371	(5,706,213)	5,048,387
Interest paid	(5,105,265)	(3,194,871)	(15,063,590)	(4,359,035)	(926,077)	(5,871,822)
Dividend paid to Equity shareholders of the company	(1,577,413)	(4,612,079)	(1,444,821)	(1,577,413)	(4,060,828)	(1,444,821)
Dividend paid to Non Controlling Interest	(47,062)	(58,987)	(58,920)	-	-	-
Net cash outflow on acquisition of subsidiaries	-	-	(112,323)	-	-	(416,654)
Cash paid for investment in JV	-	-	-	-	-	(73,133)
Unclaimed dividend received	-	638,008	-	-	638,008	-
Transaction cost on shares issued	-	-	(304,331)	-	-	(304,331)
Loans during the year	156,118,436	62,947,671	13,186,692	94,046,408	(3,500,000)	95,163,293
Net movements in other financial assets	(68,687,462)	-	9,975,000	(104,813,444)	-	(73,592,603)
Repayment of external borrowings	(80,731,726)	(63,956,122)	-	-	(692,222)	-
NET CASH PROVIDED (USED IN) BY FINANCING ACTIVITIES	(30,492)	(8,236,380)	6,177,707	(16,703,484)	(8,541,119)	13,459,929
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(6,622,249)	(9,794,419)	(20,637,993)	(1,936,986)	(7,940,931)	(12,398,708)
Effect of exchange rate changes on the balance of cash held in foreign currencies	(2,734,660)	(933,145)	3,748,637	369,561	-	573,789
Cash and cash equivalents at beginning of year	(3,730,386)	13,158,971	13,158,970	(7,783,026)	4,041,893	4,041,893
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(13,087,295)	2,431,407	(3,730,386)	(9,350,451)	(3,899,038)	(7,783,026)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

1. Significant accounting policies

The accounting policies and methods followed in the preparation of these financial statements are the same as those used for the year ended 31st December, 2016. The accounting policies adopted, a summary of which is set out below, have been consistently applied to the years presented, unless otherwise disclosed.

2. Business description

Lafarge Africa PLC was incorporated in Nigeria on 26 February, 1959 and commenced business on 10 January 1961. The Company formerly Known as Lafarge Cement WAPCO Nigeria PLC changed its name after a special resolution was passed and voted in favour of by the shareholders at the Annual General Meeting held on Wednesday 9 July 2014. The change of name became effective with the acquisition of shares in Lafarge South Africa Holdings (Proprietary) Limited (LSAH), United Cement Company of Nigeria Limited (Unicem), Ashaka Cem PLC (AshakaCem) and Atlas Cement Company Limited (Atlas).

The Company's corporate head office is situated at 27B Gerrard Road, Ikoyi, Lagos.

Lafarge Africa PLC is in the business of manufacturing and selling of Cement and other cementitious products such as Ready-Mix concrete, Aggregates and Fly-Ash.

On July 15, 2015, Lafarge S.A. France and Holcim Limited, Switzerland joined to create a new company, Lafarge Holcim, Switzerland. The implication of the merger is that Lafarge Africa PLC is now a member of the world's number one building materials company. LafargeHolcim is thus the ultimate controlling parent.

The term 'Group' as used in this report will refer to the Company, its subsidiaries and investment in associates.

Following the acquisition of the remaining 50% equity stake in Egyptian Cement Holding B.V on 27 June, 2016, Lafarge Africa Group comprises the Lafarge Africa PLC, its subsidiaries and indirect subsidiaries listed below:

- *Lafarge Ready Mix Nigeria Limited* which was incorporated in Nigeria as a fully owned subsidiary of Lafarge Africa PLC on 21 December, 2010, and it is in the

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business of producing ready mix concrete for the construction industry. Its principal office is located at 38 Kudirat Abiola Way, Oregun, Lagos, Nigeria.

- *Ashaka Cement PLC* was incorporated in Nigeria on 7 August 1974 as a private limited company and was converted to a public company on 7 September 1974. Lafarge Africa PLC owns 84.97% interest in AshakaCem PLC.
- *Atlas Cement Company Limited* was incorporated on 24 September 24 1999 and became a subsidiary of Lafarge Africa PLC on 12 September 2014. Lafarge Africa PLC owns 100% of the equity shareholding of Atlas.
- *Lafarge South Africa Holdings (PTY) Limited (LSAH)* is a holding company through which Lafarge S.A. holds interests in several South African entities with significant scale and a balanced portfolio of assets across cement; aggregates; ready-mix concrete and fly ash. Lafarge Africa PLC owns 100% of LSAH, which represents an indirect average holding of 72.40% in the underlying principal operating companies in South Africa, including Lafarge Industries South Africa; Lafarge Mining South Africa and Ash Resources.
- *Egyptian Cement Holding BV (ECH)* is a private limited liability company, having its statutory and business seats in Amsterdam, the Netherlands. It was incorporated under the laws of the Netherlands on 29 December 2005. Holcibel and Lafarge Cement International jointly controlled ECH up to September 2014 with the remaining 30% held by Flour Mills of Nigeria PLC.

Lafarge Cement International sold its holdings in ECH to Lafarge Africa in September 2014, as part of the above mentioned consolidation. Lafarge Africa issued 289.2 million Lafarge Africa shares for the 35% stake in ECH.

Lafarge and Holcim reached an agreement in November 2014 to buy Flour Mills of Nigeria's (FMN) 30% shareholding in ECH in two tranches. The price was affected by the threat of losing the interest to competition. The first 15% was transferred in January 2015 and the second 15% tranche was concluded in September 2015.

- *Nigerian Cement Holding B.V. (NCH)* is a private limited liability company, having its statutory and business seats in Amsterdam, the Netherlands. It was

incorporated under the laws of the Netherlands on 28 December 2005. It is a Dutch holding company owned solely by ECH. NCH in turn owns 100% of Unicem.

- United Cement Company Nigeria Limited (Unicem) was incorporated in Nigeria on 18 September 2002 as a private limited liability company and is owned by Lafarge Africa PLC through shareholding in ECH, a company which owns 100% equity investment in NCH. Lafarge Africa PLC increased her indirect shareholding in Unicem from 50% to 100% in June 2016.

The assessment was made that it would be beneficial to consolidate Unicem and its Holding companies under Lafarge Africa, and eventually collapse the complex and tax inefficient ECH/NCH Dutch Holding structure (any future dividend would flow from Nigeria (Unicem) to the Netherlands (NCH, ECH) and then back to Nigeria (Lafarge Africa) to then be paid to the European Holding companies above Lafarge Africa. There is an approval from the 2014 AGM, which allows Lafarge Africa to buy further shares of Unicem or ECH by issuing new Lafarge Africa's share at terms similar to those of the original transaction (i.e. using the same share exchange ratio).

3. Investment in Joint Venture

A joint venture (JV) is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, investments in JVs are carried in the Group statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of a JV in excess of the Group's interest in that JV (which includes any long-term interests that, in substance, form part of the Group's net investment in the

JV) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the JV.

Any excess of the consideration over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the JV recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with a JV of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant JV.

The Group has a 35% interest in Continental blue Investment Ghana Limited, a JV which is involved in the business of manufacturing and processing of non-precious minerals and building material in Ghana. The interest in the JV is accounted for using the equity method.

4. Foreign operations

- The assets and liabilities, including goodwill and any fair value adjustments arising on the acquisition of a foreign operation whose functional currency is not Naira, are translated by using the closing rate.
- Income and expenses of a foreign operation, whose functional currency is not the currency of a hyperinflationary economy, are translated by using the average currency rate for the period unless exchange rates fluctuate significantly.
- The exchange differences arising on the translation are recorded in other comprehensive income under "Foreign operation translation adjustment". On the partial or total disposal of a foreign entity with a loss of control, the related share in the cumulative translation differences recorded in equity is recognized in the statement of income.

Exchange rates Schedule	NGN<->ZAR
FY December 2015 closing rate	12.88
FY December 2016 closing rate	13.82
Q2 June 2016 closing rate	19.05
YTD June 2016 average rate	13.20
Q2 June 2017 closing rate	23.39
YTD June 2017 average rate	23.11

5. ECH / NCH Not Considered As Foreign Operations

IAS 21 paragraph 8 defines a 'foreign operation' as 'an entity that is a subsidiary...the activities of which are based or conducted in a country or currency other than those of the reporting entity'. This definition would seem to suggest that a foreign operation must have its own 'activities'.

ECH and NCH are intermediate finance subsidiaries whose only function is to hold intercompany loans. Financing activities such as holding bonds payable or investing surplus cash positions are not considered as operating activities.' As ECH and NCH only hold intercompany loans, they therefore do not have any operating activities. Consequently, they are not considered as a foreign operation under IAS 21.

6. Revenue

	GROUP		COMPANY	
	30/06/2017 NGN'000	30/06/2016 NGN'000	30/06/2017 NGN'000	30/06/2016 NGN'000
Cement	124,313,987	85,453,735	52,090,479	43,585,773
Aggregate and Concrete	28,019,259	20,180,599	-	-
Others	2,506,697	1,730,465	-	-
Revenue from Sale of goods	154,839,943	107,364,799	52,090,479	43,585,773

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7. Cost of sales

	GROUP		COMPANY	
	30/06/2017 NGN'000	30/06/2016 NGN'000	30/06/2017 NGN'000	30/06/2016 NGN'000
Variable costs (Note 7.1)	70,398,004	60,983,703	18,553,812	23,934,240
Production fixed costs	15,474,470	12,552,922	2,378,575	3,960,542
Maintenance fixed costs	9,017,288	7,657,674	2,595,261	2,879,046
Distribution fixed cost	2,980,262	2,868,995	641,710	471,608
Depreciation	10,638,024	7,829,144	2,689,405	2,612,995
Amortisation of intangible assets	69,958	53,804	-	-
General and social costs	1,812,456	278,885	2,542,925	2,080,273
	110,390,462	92,225,127	29,401,688	35,938,704
7.1 Variable costs				
Distribution variable cost	26,393,787	22,377,001	7,181,075	12,295,445
Fuel	11,967,454	10,474,689	4,531,370	4,706,970
Power	10,746,962	8,676,461	5,305,831	4,218,690
Raw materials and Consumables	21,289,801	19,455,552	1,535,536	2,713,135
	70,398,004	60,983,703	18,553,812	23,934,240

8. Selling and marketing expenses

	GROUP		COMPANY	
	30/06/2017 NGN'000	30/06/2016 NGN'000	30/06/2017 NGN'000	30/06/2016 NGN'000
Advertising expenses	361,028	356,847	220,026	155,042
Campaign and innovation expenses	125,653	147,495	125,653	64,083
Other selling and marketing expenses	1,691,116	1,478,333	432,151	785,275
	2,177,797	1,982,675	777,830	1,004,400

8.1 Other selling expenses represents cost of distribution and other miscellaneous costs incurred for selling and marketing cement and other products.

9. Administrative expenses

	GROUP		COMPANY	
	30/06/2017 NGN'000	30/06/2016 NGN'000	30/06/2017 NGN'000	30/06/2016 NGN'000
Administrative expenses (Note 9.1)	11,122,987	8,368,342	3,272,610	2,676,374
Depreciation	94,584	109,393	44,534	64,243
Technical fee (Note 9.2)	4,798,750	1,584,107	1,568,297	847,366
COT and other bank charges	381,433	172,193	272,168	107,185
	16,397,754	10,234,035	5,157,609	3,695,168

9.1 Included in Other general and admin expenses are salaries and related costs respectively

9.2 Technical fee represents the Industrial Franchise Agreement with Lafarge S.A., the Ultimate parent company of the Group.

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10. Finance & investment income

	GROUP		COMPANY	
	30/06/2017 NGN'000	30/06/2016 NGN'000	30/06/2017 NGN'000	30/06/2016 NGN'000
Dividends received from subsidiaries	22,534	-	288,856	-
Dividend received from unlisted investments	27,757	-	-	-
Interest income on current accounts	196,650	166,804	41,966	64,497
Interest income from Short term fixed deposits	75,372	81,559	20,251	15,052
Interest on loan receivable	281,248	745,151	10,879,569	1,309,605
	603,561	993,514	11,230,642	1,389,154

The company dividend of N'288,856 represents dividend received from Ashakacem Plc
Group Dividends are dividends received by Lafarge South African Limited from unlisted companies

11. Finance costs

	GROUP		COMPANY	
	30/06/2017 NGN'000	30/06/2016 NGN'000	30/06/2017 NGN'000	30/06/2016 NGN'000
Interest on bank overdraft	1,379,754	527,758	482,134	208,131
Interest on borrowings	8,940,646	5,025,180	9,104,040	892,760
Net interest cost on site restoration	40,884	-	15,690	-
Net interest cost on employee benefit liability	200,077	-	52,991	-
	10,561,360	5,552,937	9,654,854	1,100,890

12. Income tax expense

	GROUP		COMPANY	
	30/06/2017 NGN'000	30/06/2016 NGN'000	30/06/2017 NGN'000	30/06/2016 NGN'000
Company Income Tax	1,498,438	96,475	412,499	-
Education tax	64,824	7,370	-	-
Capital gains tax	116,326	-	116,326	-
	1,679,588	103,845	528,825	-
Deferred tax expense/credit recognised in the period	(3,251,573)	(41,801)	3,647,491	1,003,088
Total deferred tax expense	(3,251,573)	(41,801)	3,647,491	1,003,088
Total income tax expense relating to current period relating to continuing operations	(1,571,985)	(62,044)	4,176,316	1,003,088

13. Investment in subsidiaries

	Place of Incorporation	Proportion	Company
			30/06/2017 Cost N'000
30 June, 2017		%	
Lafarge Ready Mix Nigeria Limited	Nigeria	100.00	50,000
Atlas Cement Company Limited.	Nigeria	100.00	2,150,944
Egyptian Cement Holdings	Nigeria	100.00	65,116,492
Lafarge South Africa Holdings (PTY) L	South Africa	100.00	118,141,539
Ashaka Cement PLC	Nigeria	84.97	58,432,288
			243,891,263
	Place of Incorporation	Proportion	31/12/2016 Cost N'000
31 December, 2016		%	
Lafarge Ready Mix Nigeria Limited	Nigeria	100.00	50,000
Atlas Cement Company Limited.	Nigeria	100.00	2,150,944
Egyptian Cement Holdings	Nigeria	100.00	65,116,492
Lafarge South Africa Holdings (PTY) L	South Africa	100.00	118,141,539
Ashaka Cement PLC	Nigeria	84.97	58,432,288
			243,891,263

14. Available for sale financial assets

Unquoted entities	GROUP		COMPANY	
	30/06/2017 NGN'000	31/12/2016 NGN'000	30/06/2017 NGN'000	31/12/2016 NGN'000
Business Partners Limited	9,732	5,749	-	-
Pietersburg Mixed Concrete (Proprietary) Limited	234	138	-	-
Rand Park Golf Club	70	41	-	-
	10,036	5,928	-	-

These are the Group's investments in a number of businesses across South Africa. They are managed through the South Africa Holdings. All Group's investment in unquoted equities are classified as Available for sale instruments and are carried at cost because their fair values cannot be measured reliably.

15. Other assets

	GROUP		COMPANY	
	30/06/2017 NGN'000	31/12/2016 NGN'000	30/06/2017 NGN'000	31/12/2016 NGN'000
Non current	9,396,711	4,182,933	-	-
Current	4,050,831	2,510,371	1,186,975	1,078,113
	13,447,542	6,693,304	1,186,975	1,078,113

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16. Other financial assets

	GROUP		COMPANY	
	30/06/2017 NGN'000	31/12/2016 NGN'000	30/06/2017 NGN'000	31/12/2016 NGN'000
Other financial assets - Non current	3,889,939	-	196,546,018	91,732,574
Other financial assets - Currents	13,031,550	6,235,902	15,335,887	34,535,538
	16,921,489	6,235,902	211,881,905	126,268,112
16.1 Other financial assets - Non current				
Loan receivable from related parties/ Shareholder's loan	3,889,939	-	112,577,716	14,765,549
Long term investments / receivables/ Bond issued		-	83,968,302	76,967,025
	3,889,939	-	196,546,018	91,732,574
16.2 Other financial assets - Current				
Fair value change on Non- Deliverable Futures	3,613,524	3,580,378	3,613,524	3,580,378
Loan receivable from related parties	253,874	-	3,500,000	30,422,266
Staff loans		17,102		12,739
Short term investments / receivables	9,164,152	2,638,422	8,222,363	520,155
	13,031,550	6,235,902	15,335,887	34,535,538

17. Inventories

	GROUP		COMPANY	
	30/06/2017 NGN'000	31/12/2016 NGN'000	30/06/2017 NGN'000	31/12/2016 NGN'000
Raw materials	9,358,769	6,896,112	3,698,129	3,981,719
Work-in-progress	1,636,769	1,749,043	125,855	166,238
Finished goods	16,531,020	13,092,735	7,662,927	4,915,443
Spare parts	25,375,610	18,152,316	17,322,515	11,066,682
Other supplies	4,270,770	4,640,626	1,821,046	2,434,746
	57,172,938	44,530,832	30,630,472	22,564,828

18. Trade and other receivables

	GROUP		COMPANY	
	30/06/2017 NGN'000	31/12/2016 NGN'000	30/06/2017 NGN'000	31/12/2016 NGN'000
Third party sales	22,160,845	7,672,334	2,330,707	1,024,896
Related party sales	-	-	-	895,092
Allowance for doubtful trade receivables	(46,051)	(95,548)	-	(71,860)
	22,114,794	7,576,786	2,330,707	1,848,128
18.2 Other receivables				
Advance payments to suppliers	10,111,188	9,947,715	1,645,788	2,756,486
Related companies	851,457	874,251	21,835,558	16,192,680
Unutilised letters of credit	8,051,925	5,607,672	-	-
Other current receivables	1,314,158	1,337,465	17,683,709	654,318
LT Receivables	-	7,449	-	-
Sundry debtors	79,874	473,845	7,088	-
Allowance for other doubtful receivables	(71,860)	(23,804)	(71,860)	-
	20,336,742	18,224,593	41,100,283	19,603,484
	42,451,536	25,801,379	43,430,990	21,451,612

18.3 Movement in allowance for doubtful receivables

Trade receivables	GROUP		COMPANY	
	30/06/2017 NGN'000	31/12/2016 NGN'000	30/06/2017 NGN'000	31/12/2016 NGN'000
At 1 January	-	161,616	-	-
Charge during the year	-	92,509	-	71,860
Write back during the year	-	(158,577)	-	-
At 31 December	46,051	95,548	-	71,860
Other Receivables				
At 1 January	-	208,912	-	-
Write back during the year	-	(185,108)	-	-
At 31 December	71,860	23,804	71,860	-

19. Cash and bank balances

	GROUP		COMPANY	
	30/06/2017 NGN'000	31/12/2016 NGN'000	30/06/2017 NGN'000	31/12/2016 NGN'000
Restricted cash (Note 19.1)	-	175,890	-	
Cash at banks and on hand (Note 19.2)	25,110,787	19,265,076	16,126,558	7,653,851

19.1 Restricted cash represents deposit with the bank held against any default in interest payment on due dates.

19.2 Cash at banks earns interest at floating rates based on daily bank deposit rates.

	GROUP		COMPANY	
	30/06/2017 NGN'000	31/12/2016 NGN'000	30/06/2017 NGN'000	31/12/2016 NGN'000
<i>For the purpose of the statement of cash</i>				
Cash at banks and on hand	25,110,787	19,265,076	16,126,558	7,653,851
Bank Overdrafts	(38,198,081)	(22,995,462)	(25,477,009)	(15,436,877)
Cash and cash equivalents	(13,087,294)	(3,730,386)	(9,350,451)	(7,783,026)

20. Dividend

	GROUP		COMPANY	
	30/06/2017 NGN'000	31/12/2016 NGN'000	30/06/2017 NGN'000	31/12/2016 NGN'000
Dividend	20,481,011	14,904,233	20,433,949	14,904,233
Paid to Holders of the company	(1,577,413)	(1,385,901)	(1,577,413)	(1,444,821)
Paid to Non Controlling Interest	(47,062)	(58,920)	-	-
Dividend payable	18,856,536	13,459,412	18,856,536	13,459,412

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21. Other long term liabilities

	GROUP		COMPANY	
	30/06/2017 NGN'000	31/12/2016 NGN'000	30/06/2017 NGN'000	31/12/2016 NGN'000
LG PTY*	-	1,720,963	-	-
Gypsum LI Division*	-	-	-	-
	-	1,720,963	-	-

This amount is due to Lafarge Gypsum - which is now directly owned by Financiere Lafarge (FLAF) in Paris - resulted from Lafarge Treasury collecting the proceeds from the ultimate disposal of the Gypsum Net Assets to Etex in November. These 'surplus' funds will be used to enable LG Pty to refund the Loan granted to it by FLAF.

22. Trade and other payables

Trade payables	GROUP		COMPANY	
	30/06/2017 NGN'000	31/12/2016 NGN'000	30/06/2017 NGN'000	31/12/2016 NGN'000
Trade payables	33,194,486	50,471,369	-	14,225,759
Trade payables- accruals	5,857,664	-	9,137,135	5,871,729
LafargeHolcim Technical fee (IFF)	3,802,876	9,885,443	-	-
	42,855,026	60,356,812	9,137,135	20,097,488
Other payables	63,367,061	40,451,554	33,704,422	19,996,752
Trade & Other Payables	106,222,087	100,808,366	42,841,557	40,094,240

22.1 LafargeHolcim Technical fee

This represents the outstanding liability on the Industrial Franchise Agreement with LafargeHolcim of Switzerland. The terms of the agreements include:

The right for Lafarge Africa Plc to use technical research and development information relating to production and distribution of cement products;

The provision by LafargeHolcim of technical and operational support through the secondment of suitably qualified expatriate personnel, as requested by Lafarge Africa Plc and approved by the Federal Government of Nigeria; The guarantee by LafargeHolcim of the achievement of raw material reserves and production targets by Lafarge Africa Plc.