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BUILDING BETTER CITIES

Lafarge has been contributing to the development of Nigeria for over fifty years. We put values at the forefront of the way we do business: health and safety, environmental protection, people development, corporate governance and social responsibility.

A world leader in building materials, our innovative solutions provide cities with more housing, making them more compact, more durable, more beautiful and better connected.

www.lafarge.com.ng

**LAFARGE**
Building better cities™

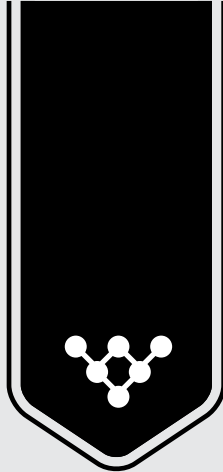


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COMPANY PROFILE

LAFARGE AFRICA PLC



Overview of a Lafarge plant - Operational excellence is a key driving factor.

Lafarge Africa Plc (formerly Lafarge Cement WAPCO Nigeria Plc) is a leading Company in building materials in Sub-Saharan Africa which has grown into a diversified building solutions group with a broad product portfolio and various iconic brands both in Nigeria and South Africa.

In accordance with Lafarge Africa Plc's (the Group) strategic vision to create a leading Sub-Saharan Africa building materials company, on September 12, 2014 Lafarge Africa concluded all regulatory processes for the acquisition of Lafarge S.A's interests in Lafarge affiliate companies. The affiliate companies and interests held by Lafarge SA and acquired by Lafarge Africa Plc are set forth below:

- AshakaCem Plc 58.61% of the equity shareholding held by Lafarge Nigeria (UK) Limited;
- Atlas Cement Company Limited 100% of the equity shareholding, held by Lafarge Nigeria (UK) Limited;
- Lafarge South Africa Holdings (Pty) Limited 100% of the equity shareholding held by Financière Lafarge S.A. Limited;
- Egyptian Cement Holding B.V., 50% of the equity shareholding representing an indirect holding of 35.00% of the equity shareholding of United Cement Company of Nigeria Limited held

by Lafarge Cement International B.V.

The conclusion of the transaction resulted in the creation of an enlarged Nigerian Stock Exchange listed entity named Lafarge Africa Plc, with a presence in Africa's two largest economies, installed cement capacity of circa 12mtpa, aggregates capacity of more than 5mtpa, Ready-Mix Concrete capacity of about 3.5 million cubic meter and a market leading position in Pulverized Fly Ash ("PFA").

The Group intends to deploy additional cement, aggregates and concrete capacities to provide an integrated and comprehensive value adding offer to its customers and support its ambition to become

a leading Sub-Saharan African building materials company. Capacity expansion projects have already commenced with the doubling of capacity in Unicem and AshakaCem (a total of 5.5mtpa of new capacity) and further projects under study.

The vision of Lafarge Africa Plc is to be the most trusted and preferred partner among African construction professionals and home builders by delivering cement, concrete and other building solutions in terms of quality, environmentally sustainable and available at affordable cost.

Lafarge Africa Plc has grown in a sustainable way through building on strong values. We put these values at the forefront of the way we do business: health and

safety, environmental protection, corporate governance (ethics) and social responsibility (in the areas of education, health, youth empowerment, and shelter). We develop a highly competent workforce to operate our plants and businesses, through intensive training and exchange programmes.

Lafarge Africa Plc continuously strives to create more value for customers and end-users by providing them with the highest quality products and solutions. Our well-known brands are – Ashaka Cement, Elephant Cement, Fastcast, Hydromedia, Readymix concrete, amongst others, which stands for quality, consistency and long term strength.



AshakaCem staff in discussion at the plant in Gombe State.



Nigeria's Senate building, Abuja.

THE LAFARGE AFRICA GROUP COMPANIES

AshakaCem Plc (AshakaCem)

AshakaCem is the fourth largest cement manufacturer in Nigeria. AshakaCem has a cement plant in Ashaka Works, Gombe State, in the North-Eastern region of Nigeria with an installed capacity of 1 million metric tonnes. AshakaCem has announced plans to add an additional 3million metric tonnes of capacity over the next 3 years, including a debottlenecking project. AshakaCem has depots in eleven locations across Nigeria and three liaison offices in Abuja, Kano and Lagos. AshakaCem is committed to a strategy of profitable growth and value creation for its customers and other stakeholders by being a preferred supplier of cement in Nigeria, particularly in Northern Nigeria.

AshakaCem was incorporated in Nigeria on August 7, 1974 as a private limited liability company, which was converted to a public

company on September 7, 1974 and commenced operations in September 1979 and has been listed on the Nigerian Stock Exchange since 1990.

On September 12, 2014, Lafarge Africa PLC acquired 1,312,444,260 ordinary shares in AshakaCem Plc representing a 58.61% equity stake in AshakaCem. The acquisition was concluded following receipt of the required regulatory approvals from the Securities and Exchange Commission and the Nigerian Stock Exchange. In accordance with Section 131(1)(a) of the Investments & Securities Act, Lafarge Africa was required to make a Tender Offer to all the other shareholders of AshakaCem. Following the conclusion of the Tender Offer Lafarge Africa owns 82.46% interest in AshakaCem.

Atlas Cement Company Limited (Atlas)

Atlas is located in a harbor in Onne Free Trade Zone, Rivers State. Atlas

commissioned its floating production unit with capacity to pack 500,000 metric tons of imported cement p.a, in 2001. In line with the Federal Government's policy of backward integration, the Company is gradually changing its business focus to include championing of cementitious strategy, providing cement solutions to the Oil and Gas sector of the economy, distribution of Lafarge products in the South-South (SS) and South-East (SE) Nigerian markets and being a hub for the Ready Mix Concrete operations in the SS and SE markets. It has an important portfolio of customers developed over the years, brings on board international trading experience and potential to be an export hub.

Atlas was incorporated on September 24, 1999 and is a wholly owned subsidiary of Lafarge Africa Plc.

Lafarge South Africa Holdings (Pty) Limited (LSAH)

LSAH is a holding company through which Lafarge S.A. holds interests in several South African entities.

LSAH is a leading building materials platform with significant scale and a balanced portfolio of assets across cement, aggregates, ready-mix concrete (RMC) and pulverised fly ash (collectively referred to as sub-segments). LSAH's subsidiaries are strategically located, with exposure to key economic centres including the provinces of Limpopo, Mpumalanga, North West, Free State and KwaZulu-Natal.

Through its subsidiaries, LSAH has market leading positions in all the sub-segments. LSAH controls the third largest cement manufacturer in South Africa, with the largest cement production plant in a single location in South Africa and current total installed capacity of 3.6mtpa. LSAH also controls one of the three largest national aggregates producers in South Africa, operating a total of 21 aggregates quarries across 6 provinces. In the RMC segment LSAH controls one of two national operators, with 53 RMC plants and 6 RMC mobile plants, which have combined capacity in excess of 3million m3. Ash Resources comprises an estimated "run of station" production capacity of c.4.1mtpa, by far the largest in South Africa.

Lafarge Africa currently 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. In line with the objectives of the Broad-Based Black Economic

Empowerment Act, 2003 (Act No. 53 of 2003) the remaining shares in Lafarge Industries South Africa and Lafarge Mining South Africa are (or will be) held by the employees of these companies and Sinako Holdings (one of LSAH's Black Economic Empowerment Partners) and in the case of Ash Resources by its employees and Peotona Group Holdings (one of LSAH's Black Economic Empowerment Partners).

Lafarge Readymix Nigeria Limited

Lafarge Readymix Nigeria Limited is a fully owned subsidiary of Lafarge Africa Plc. The readymix business was set up in 2010 in response to the opportunities presented by local construction industry and commenced operations in the last quarter of 2011. Since it commenced operations, the readymix business has made significant inroads in the construction market of Lagos, Abuja and Port Harcourt area with plans to expand its operations to other parts of Nigeria.

United Cement Company of Nigeria Limited through Egyptian Cement Holdings B.V.

Unicem is the third largest cement manufacturer in Nigeria. Unicem's manufacturing plant is located in Calabar, Cross River State. It is the only plant in close proximity to the attractive South-South and South-East regions of Nigeria, giving Unicem a strong position in these regions. The plant has current installed capacity of 2.5mt, with plans underway to add an additional 2.5mt of capacity over the next 2 years.

Unicem was incorporated in Nigeria on September 18, 2002 as a private limited liability company. Nigerian Cement Holdings B.V. ("NCH B.V.") owned 85.00% of the equity shareholding of Unicem and Flour Mills of Nigeria Plc owned the remaining 15.00%. NCH B.V. is wholly owned by Egyptian Cement Holding B.V. (ECH B.V.), which is co-owned by the multinational groups of Lafarge S.A. of France and Holcim Limited of Switzerland.

As at 31st December 2014, Lafarge Africa through Nigerian Cement Holdings (NCH) now own 42.5% of the issued share capital of Unicem.

WAPCO Operations

The operational arm of Lafarge Africa Plc with its three plants – one located in Sagamu and two at Ewekoro, WAPCO Operations has a current production capacity of 4.5 million metric tonnes. Originally Lafarge Cement Wapco Nigeria Plc it has evolved as part of the Lafarge Africa Group to become Wapco Operations.

Wapco Operations, produces Elephant Cement, the five decade-old formidable brand of impeccable standard and quality; which backs solution provision with power, maturity, resilience, durability and reliability. Little wonder it has consistently won the NIS Certificate for product quality by the Nigerian Standard Organization for over two decades now. WAPCO Operation's objective of increasing the availability of cement to Nigerians as well as assisting in achieving the Federal Government's drive for affordable housing for all is its major drive. WAPCO Operations has made immense investments in supporting Nigeria's socio-economic development.

Having fulfilled the national desire to establish a cement manufacturing company, WAPCO Operations, since its establishment in 1959 as Lafarge Cement Wapco Nigeria Plc, has grown sustainably and has made tremendous contribution to the availability of cement in the South Western part of Nigeria and the country as a whole.



Forklift operators talking together at Randfontein cement plant, South Africa.

THE LAFARGE ADVANTAGE



Lafarge Research Centre, Lyon, France.

Created in 1833, Lafarge Group, headquartered in France, is a world leader in building materials, with top-ranking positions in three of its activities: No 1 worldwide in Cement, No 2 worldwide in Aggregates & Concrete, and No 3 worldwide in Gypsum.

Located in 61 countries with 63,000 employees, Lafarge is a world leader in building materials, with top-ranking positions in its Cement, Aggregates & Concrete businesses.

Lafarge ranked amongst the top 10 of 500 companies evaluated by the “Carbon Disclosure Project” in recognition of its strategy and actions against global warming. With the world’s leading building materials research facility, Lafarge places innovation at the heart of its priorities, working for sustainable construction and architectural creativity.

The core values include health and safety as first priority, commitment to respect, care and excellence as well as commitment to be ranked among the World’s most effective industrial groups in terms of environmental protection, social responsibility and corporate governance

To make advances in building materials, Lafarge places the customer at the heart of its concerns. It offers the construction industry and the general public innovative solutions bringing greater safety, comfort and quality to their everyday surroundings.

Lafarge’s long-term presence in the business, its high degree of vertical integration and advance in product research and innovation gives the Company a competitive advantage in terms of product quality and consistency, product differentiation as well as allowing

stronger operational efficiencies. The business model focuses on achieving excellence in local management while capitalizing on best practices developed throughout the world.

PRESENCE IN AFRICA

With the acquisition of West Africa Portland Cement Plc (WAPCO), AshakaCem Plc (Ashaka), Atlas Cement, Port-Harcourt and substantial stake in Unicem, Calabar, Lafarge holds leadership position in the Nigeria cement industry with investment in companies that have a total production capacity of about 8.5 million metric tonnes per annum.

Lafarge has significant presence in Africa with over 25 years of experience: 13 cement plants and 5 grinding stations spread over 10 countries: Benin, Nigeria, Cameroun, Uganda, Kenya, Tanzania, Malawi, Zambia, Zimbabwe and South Africa which are strategically located with

facilities for exports to other African countries.

INNOVATION

Research & Development (R &D) is the cornerstone of innovation at Lafarge. The Company combines best-in-class technical expertise, the latest equipment and the most noteworthy international research partners to offer an R&D capacity that is unmatched in its sector. The goal is simple: to develop innovative construction solutions generating value for clients and contributing to Building Better Cities.

Lafarge has an annual R&D budget exceeding 170 million Euros, the largest building materials laboratory in the world and more than 1,300 employees in R&D and Technical programme. Innovation is undoubtedly one of the driving forces in Lafarge’s strategy. Lafarge also has formal partnerships with

some of the world’s best research teams and universities in Europe, the United States and Asia (MIT, Berkely, CNRS, etc).

COMMITMENT TO SUSTAINABLE DEVELOPMENT

For many years, Lafarge has been committed to a deliberate strategy of sustainable development that combines industrial know-how with performance, value creation, respect for employees and local cultures, environmental protection and the conservation of natural resources and energy.

The Company is committed to progress and attentive to the ever-changing needs of local communities, contributing to the improvement of the quality of lives by setting up development programs in the key areas of healthcare, shelter, education and youth empowerment in a sustainable manner.

Lafarge has set for itself firm targets to make its business more sustainable and contribute positively to local social and economic development. Our Sustainability Ambitions 2020 plan articulates additional programmes (both international and local) organized around 34 ambitions based on three pillars that will establish us as a leading sustainability company: Building Communities, Building the Circular Economy and Building Sustainably.

The following principles are the hallmark of the Lafarge Group’s business operations: Health and Safety, People Development, Corporate Governance, Customer Care/Market Orientation, Corporate Social Responsibility, Performance, Value Creation, Respect for Employees and Local Culture, Environmental Protection, Conservation of Natural Resources and Energy.



An employee testing cement samples in AshakaCem.

BUILDING CONSISTENCY IN THE AFRICAN MARKET

Lafarge Africa Plc stands to enjoy high value creation from Lafarge as the Group introduces a turning point to display customer orientation, technical excellence and innovation from its branding platform. A benefit of being part of Lafarge is that our shareholders can expect good returns on investments from a better managed organization and feel proud to be part of a global brand leader. Customers can also look forward to development and technical trainings, as well as wider access to information through the Lafarge Group's intranet and personal interactions. Our communities also benefit from best practices on environment, community relations and social responsibility.



An engineering team working in the kiln in WAPCO Operations' Ewekoro Line II plant.



Aerial view of Sagamu Plant, WAPCO Operations.

LAFARGE

is the name

ELEPHANT

is the

CEMENT

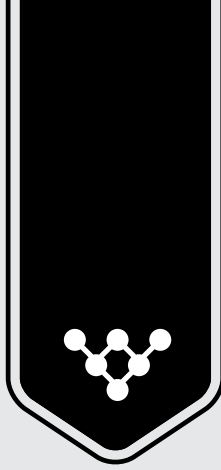


Lafarge has maintained its stature for over 180 years as the largest global player in quality building materials, creating value and touching lives all over the world. The Lafarge name comes with **reliability, safety and trust**, around the world.

And bringing our international expertise and superior technology to bear on the **Elephant Cement** and **Ready mix** products, we will continue to support enduring legacies all over Nigeria.

www.lafarge.com.ng

LAFARGE
Building better cities™



GROUP PROFILE

KEY FIGURES

(at December 31, 2014)

61

countries

63,000

employees

12,843

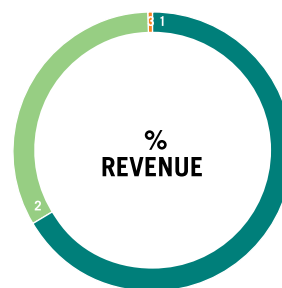
revenues
in million euros

1,612

production sites

KEY FIGURES BY ACTIVITIES

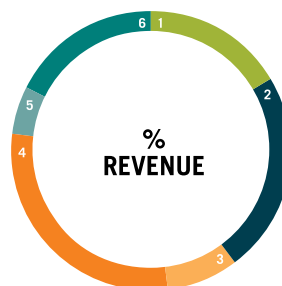
(at December 31, 2014)



1. Cement	66.5%
2. Aggregates and concrete	33.1%
3. Other	0.4%

KEY FIGURES BY GEOGRAPHIC AREA

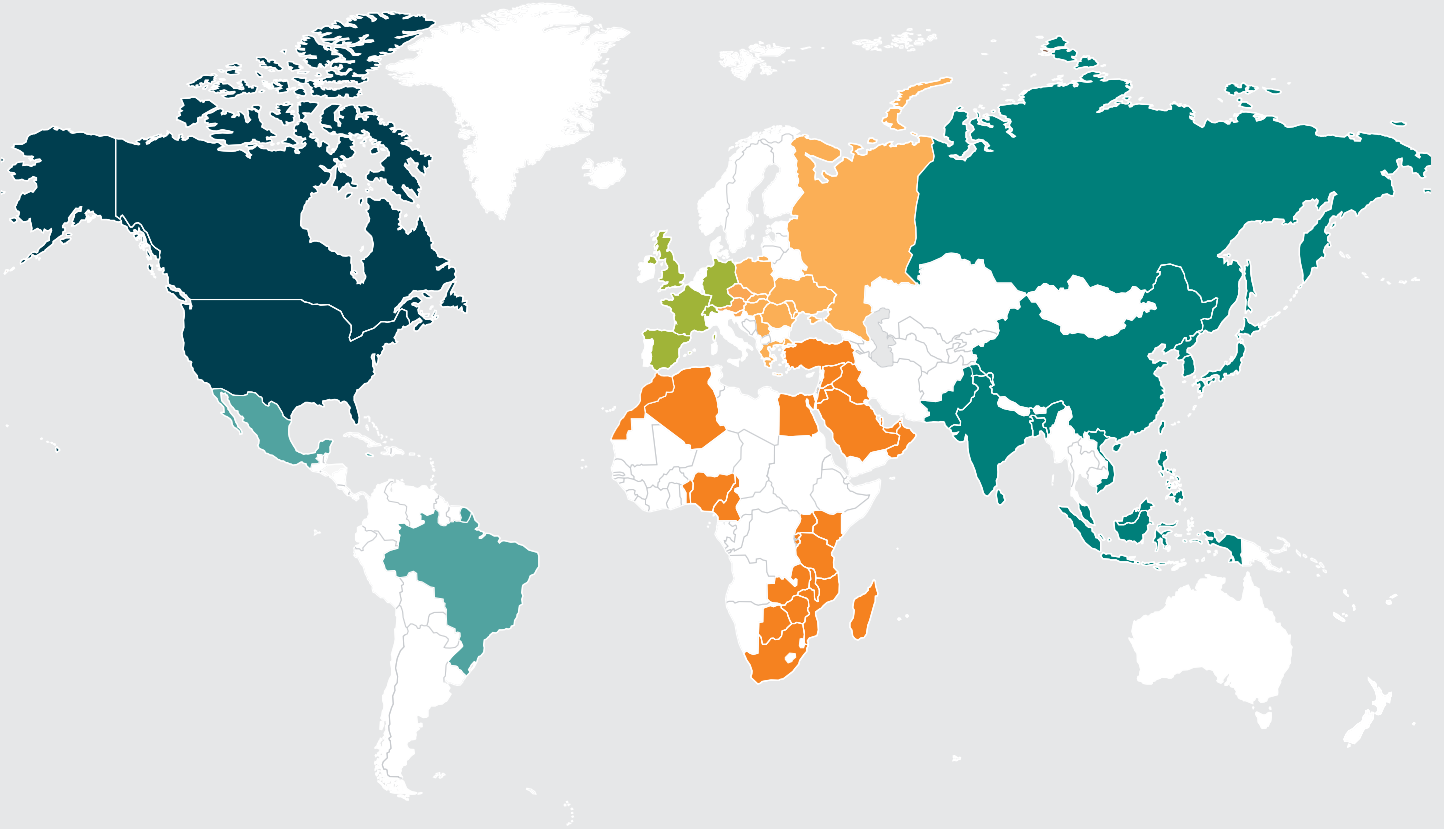
(at December 31, 2014)





1. Western Europe	16.4%
2. North America	23.5%
3. Central and Eastern Europe	8.3%
4. Middle East and Africa	28.9%
5. Latin America	5.5%
6. Asia	17.4%

LAFARGE WORLDWIDE (December 31, 2014)

Western Europe North America Central and Eastern Europe Middle East and Africa Latin America Asia

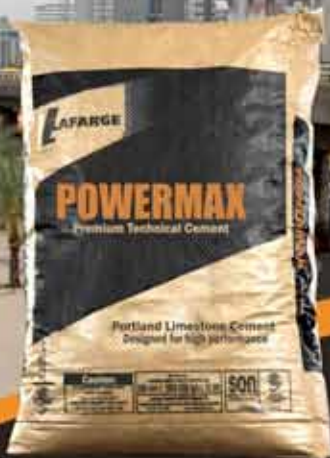


World map of Lafarge's presence as of December 31, 2014 (plants and sales offices).

 CEMENT WORLD LEADER	55 countries	 N°2 AGGREGATES & N°4 CONCRETE	37 countries
	37,000 employees		26,000 employees
	8,545 revenues <i>in million euros</i>		4,253 revenues <i>in million euros</i>
	149 production sites		1,463 production sites

LAFARGE POWERMAX

Designed For High Performance



PREMIUM
Technical Cement

The 'POWERMAX' edge

- Excellent strength at all ages
- Improved workability for better placing
- Lower heat of hydration
- Better off-shutter finishes
- Consistent quality
- Available in Bulk and Jumbo Bags

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CORPORATE GOVERNANCE

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 56th Annual General Meeting of LAFARGE AFRICA PLC will be held at Eko Marquee Hall, Eko Hotels & Suites, Victoria Island, Lagos on Friday, 22nd May 2015 at 11 a.m. to transact the following business:

AGENDA

1. To lay the Audited Financial Statements for the year ended 31st December 2014, the reports of the Directors, Auditors and Audit Committee thereon.
2. To declare a dividend.
3. To approve the appointment of the following Directors:
 - a. Mr. Anders Kristiansson (Executive Director)
 - b. Mrs. Adepeju Adebajo (Executive Director)
 - c. Dr. Shamsuddeen Usman, CON (Non-Executive Director)
 - d. Mrs. Elenda Osima-Dokubo (Non-Executive Director)
 - e. Mrs. Adenike Ogunlesi (Non- Executive Director)
 - f. Alhaji Umaru Kwairanga (Non-Executive Director)
4. To re-elect the following Directors:
 - a. Mr. Joe Hudson
 - b. Mr. Adebode Adefioye
 - c. Ms. Sylvie Rochier
 - d. Mrs. Oludewa Edodo-Thorpe
5. To authorise the Directors to fix the remuneration of the External Auditors
6. To elect members of the Audit Committee.

SPECIAL BUSINESS

7. To approve the remuneration of the Directors

NOTES:

1. PROXY

A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.

A proxy form is attached in this Annual Report. For the instrument of proxy to be valid for the purpose

of the meeting it must be completed, duly stamped by the Commissioner of Stamp Duties in accordance with the Stamp Duties Act (Cap S8 Laws of the Federation of Nigeria 2004) and deposited at the Office of the Registrar of the Company, Cardinal Stone Registrars Limited (formerly City Securities Limited) located at 358 Herbert Macaulay Road, Yaba, Lagos, not later than 48 hours before the time for holding the meeting.

2. DIVIDEND WARRANT

If the dividend recommended by the Directors is approved by members at the Annual General Meeting, the dividend warrants will be posted on the 25th day of May 2015, to members whose names appear in the Register of members at the close of business on the 24th of April 2015.

3. CLOSURE OF REGISTER

The Register of Members and Transfer Books of the Company will be closed on the 27th of April to 1st of May 2015 (both dates inclusive) for the purpose of payment of dividend.

4. AUDIT COMMITTEE

In accordance with section 359(5) of the Companies and Allied Matters Act, (Cap C20, Laws of the Federation of Nigeria, 2004), any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

5. UNCLAIMED DIVIDEND

Shareholders are hereby informed that a number of share certificates and dividend warrants have been returned to the Registrars as "unclaimed". A list of all unclaimed dividend will be circulated with the Annual Report and Accounts. Any member affected by this notice is advised to write to or call the Office of the Company's Registrar, Cardinal Stone Registrars Limited (formerly City Securities Limited), Lagos, during normal working hours.

6. E-DIVIDEND

Notice is hereby given to all shareholders to open bank accounts for the purpose of dividend payment. Detachable application forms for e-dividend and e-bonus are attached to the Annual Report to enable shareholders furnish the particulars of their bank accounts/CSC details to the Registrar as soon as possible.

- 7. The profile of Directors for election/re-election or approval can be accessed via the Company’s website: www.lafarge.com.ng

BY ORDER OF THE BOARD

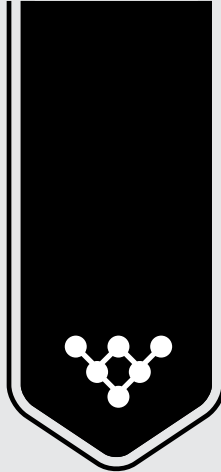


UZOMA UJA (MS.)
 FRC/2012/NBA/00000001645
 Company Secretary
 Dated this 11th March 2015

REGISTERED OFFICE
 27B Gerrard Road,
 Ikoyi, Lagos, Nigeria



High angle view of Lichtenburg cement plant, South Africa.



DIRECTORS' AND STATUTORY INFORMATION

DIRECTORS

Chief Olusegun Osunkeye CON, OFR	-	Chairman
Jean-Christophe Barbant Esq.	-	Vice Chairman
Guillaume Roux Esq.	-	Group Managing Director/CEO
Anders Kristiansson Esq.	-	Chief Financial Officer (appointed wef 27.10.2014)
Mrs. Adepeju Adebajo	-	MD, WAPCO Operations (appointed wef 27.10.2014)
Joseph Hudson Esq.	-	Director
Alfred Amobi Esq.	-	Director (resigned wef 11.03.2015)
Chief (Dr.) Joseph Sanusi, CON	-	Director (retired wef 31.12.14)
Mobolaji Balogun Esq.	-	Director
Mrs. Oludewa Edodo-Thorpe	-	Director
Dr. Adebayo Jimoh	-	Director
Jean-Carlos Angulo Esq.	-	Director
Ms. Sylvie Rochier	-	Director
Adebode Adefioye Esq.	-	Director
Thierry Metro Esq.	-	Director
Dr. Shamsuddeen Usman, CON	-	Director (appointed wef 11.03.2015)
Mrs. Elenda Osima-Dokubo	-	Director (appointed wef 11.03.2015)
Mrs. Adenike Ogunlesi	-	Director (appointed wef 11.03.2015)
Alhaji Umaru Kwairanga	-	Director (appointed wef 11.03.2015)

COMPANY SECRETARY

Uzoma Uja (Ms.)

EXTERNAL AUDITORS

Akintola Williams Deloitte

REGISTERED OFFICE

Head Office: 27B, Gerrard Road, Ikoyi, Lagos State, Nigeria

Abuja Liaison Office: Clan Place, Plot 1386A Tigris Crescent, Maitama, FCT Abuja, Nigeria

BANKERS

CitiBank Nigeria Limited
Diamond Bank Plc
First Bank of Nigeria Limited
Guaranty Trust Bank Plc
Standard Chartered Bank Plc
Stanbic IBTC Bank Plc
United Bank for Africa Plc
Wema Bank Plc

REGISTRAR

Cardinal Stone (Registrars) Limited
(formerly City Securities (Registrars) Limited)
358, Herbert Macaulay Road,
Yaba, Lagos

CHAIRMAN'S STATEMENT



CHIEF OLUSEGUN OSUNKEYE, CON, OFR
 Chairman of the Board
 Lafarge Africa Plc

Distinguished Shareholders, Fellow Directors, Gentlemen of the Press, Ladies and Gentlemen.

It is my pleasure to welcome you all to the 56th Annual General Meeting of our Company, Lafarge Africa Plc, and to lay before our shareholders, the Annual Report and Accounts of the Company for the financial year ended 31st December 2014.

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I feel greatly honoured to inform you about the successful creation of Lafarge Africa Plc, formerly known as Lafarge Cement WAPCO Nigeria Plc.

Lafarge Africa Plc was formed by Lafarge Cement WAPCO Nigeria Plc (Wapco) acquiring the indirect shares of Lafarge S.A (the ultimate holding company) in Lafarge South Africa Holdings (Pty) Limited (LSAH), United Cement Company of Nigeria Limited (Unicem), AshakaCem Plc and Atlas Cement Company Limited.

The creation of Lafarge Africa Plc has transformed the Company into a Group which is well equipped to continue the acceleration of the growth and to withstand challenges in the market place. Our cement production capacity has grown from 4.5 million tons to about 12 million tons. In addition, 3.5 million cubic meters of Ready-Mix Concrete, and over 5 million tons of Aggregates have been added to the portfolio. The turn-over has doubled from 100 billion Naira, to over 200 billion Naira, and the EBITDA has grown from 36 to 55 billion Naira, on a comparable scope. 99 billion Naira of cash was generated from the operations in 2014.

All of this is building on the foundation which was laid over the last few years, and the transformation into Lafarge Africa Plc is a natural progression to take our Company to the next level.

CHAIRMAN'S STATEMENT

Fellow shareholders, thank you for your continued support and co-operation and thank you to the Board for the support and commitment that it rendered during the last financial year and intense transformation process. It is a rare privilege for me and I am very pleased to have taken part in the exciting process.

As you know from the press announcements, I shall retire from the Board of Directors at the closing of the Annual General Meeting, when I shall be succeeded in the capacity of Chairman of the Board by Mr. Mobolaji Balogun, at present a Director.

This will therefore be the last Annual General Meeting over which I shall preside, and at which I shall present the Annual Report and Financial Statements, for the year ended 31 December, 2014. I shall particularly welcome the opportunity to say "au revoir" to as many shareholders as are able to attend the Meeting on 22 May 2015.

I deem it fit to highlight some of the key events in our operating environment that underscored our performance in 2014.

BUSINESS ENVIRONMENT

Nigerian Operation

The year 2014 started with a strong growth rate and outlook. The growth slowed down as of the middle of the year and the insurgency challenges in the North East intensified. The Ebola risk in August was handled very well by our government and the risk averted with Nigeria being declared Ebola free in October, even if the scare caused a temporary slowdown of investments.

The oil price drop in quarter 4, from the \$100 price level at the beginning of 2014 to \$52 by the end of 2014, had a further significant impact on the Nigerian trade and financial balances and triggered the Naira devaluation. By the end of November, the Central Bank of Nigeria (CBN) devalued the naira by 8 per cent to N168 to a US dollar from N155. In late November, Nigeria's foreign reserves were also reported to have fallen to a five-year low of \$37.1 billion, and the decline continued thereafter. The CBN also raised interest rates by 100 basis points to 13 per cent in a view to curtail losses to its foreign

reserves incurred from defending the currency against a backdrop of weaker oil prices.

The economic landscape will remain challenging for the first part of 2015, but we foresee investments returning by the mid-year, and continued growth thereafter.

South African Operations

Overall economic performance was challenging. Growth in retail sales eased to 2.6% year on year in November. The power challenge confronting South Africa since 2008 continued as the power utility company, Eskom, had challenges supplying energy at sufficient levels.

The fallout from the five month platinum mining strike depressed domestic economic activities in Q1 and Q2 of 2014. In particular private sector fixed investments, which is the driver of the residential housing market, and export volumes of mineral and manufactured goods were adversely impacted. Poor levels of selling prices of commodities like iron ore, coal, platinum, etc put a lot of pressure on the balance of payments that resulted in a depreciation in the value of the South African Rand.

The medium to long term outlook remains positive for LSAH, and we expect the GDP growth to improve in 2015. The recent strengthening of the Rand versus the Naira will increase the value of the South African profits to the Group, and is a testament to the advantages of having added Lafarge South Africa to the Group.

RESULTS FOR THE YEAR

Overall turn-over in Naira was flat in 2014 versus 2013 with a similar scope. Excluding the exchange rate impact from the Rand, the turn-over grew by 4% with Wapco, Ready-Mix and Aggregates all growing while LSAH and AshakaCem declined marginally, following the competitive land-scape and impact from the insurgency during the last quarter respectively. Overall the Nigerian operations turn-over grew by 10 percent, and we gained market share.

EBITDA grew by 16% in Nigeria when compared to a 2013 of similar scope. All Nigerian entities showed strong growth with AshakaCem doubling its EBITDA following coal substitution increasing from 35% to 70% and overall

increased operational efficiency. Ready Mix Nigeria EBITDA increased by 91% and Wapco grew by a solid 8%. LSAH EBITDA decreased following the challenges in the market place and intensified competitive landscape.

Profit After Tax was flat when taking the Rand exchange rate impact into account and compared to a 2013 of similar scope and adjusting for one-offs. Profit After Tax increased by 9% when excluding the exchange impact. The current Nigerian operations (Wapco, Ready-Mix and Ashakacem) posted a 26% profit increase, whereas Unicem, which was consolidated on an equity basis as of September 12, and LSAH, showed a profit decrease. In the case of Unicem, this was primarily coming from revaluing foreign currency denominated borrowings, with Unicem being in an investment phase.

Overall, we had a very solid performance in Nigeria with a 4% volume growth in cement, 10% overall Revenue growth, 16% EBITDA growth and 26% After Tax Profit growth from current operations.

LSAH and Unicem had a more challenging year, but the performance is improving in these operations. We saw a very solid 14% volume growth in Aggregates in South Africa, and we have also opened our first Aggregates quarry in Nigeria, in line with our strategy to provide building materials solutions.

We also improved our safety record during the year, and continued to strengthen the overall leadership team.

PROPOSED DIVIDEND

The Board of directors hereby recommends for your approval, a dividend of 360 kobo (2013: 330 kobo) per share representing a 9% increase versus the dividend paid in 2013. The dividend also represents 46% of Profit After Tax in 2014. This level could be adjustable in future years, depending on investment requirements.

BOARD CHANGES / THE BOARD

Since the last Annual General Meeting, Chief (Dr.) J. O. Sansui, CON, retired while Mr. Fred Amobi resigned from the Board. On behalf of the Board of Directors, I thank Chief Sanusi for the long years of service to the Board and Mr. Amobi for his contributions as the Finance Director. I wish them success in their future endeavors.

To fill the vacancies created by the retirement and resignation of both Chief Sanusi and Mr. Amobi, and also the vacancies created by the enlargement of the Board at the last AGM to reflect the new entity, Lafarge Africa Plc, the Board Nominations and Remuneration Committee considered the required skills, competencies and experience of each nominee and their suitability on the Board.

Following the recommendation of the Board Nominations and Remuneration Committee, the Board approved the appointment of the following persons as Directors:

- | | | |
|----|----------------------------|--------------------------|
| a. | Mr. Anders Kristiansson | (Executive Director) |
| b. | Mrs. Adepeju Adebajo | (Executive Director) |
| c. | Dr. Shamsuddeen Usman, CON | (Non-Executive Director) |
| d. | Mrs. Elenda Osima-Dokubo | (Non-Executive Director) |
| e. | Mrs. Adenike Ogunlesi | (Non-Executive Director) |
| f. | Alhaji Umaru Kwairanga | (Non-Executive Director) |

Details of their profiles are shown in this Annual Report.

Their appointments as Directors will be presented for ratification by the Shareholders at the 2015 Annual General Meeting of the Company.

FUTURE OUTLOOK

Following the acquisition of 58.61% (1,312,444,260 units) of the issued ordinary share capital of AshakaCem Plc by Lafarge Africa Plc, the Board of Directors in compliance with regulatory requirements as outlined in Section 131 of the Investments & Securities Act (No. 27, 2007) and Rule 445 of the Securities & Exchange Commission (SEC) Rules & Regulations, launched a Mandatory Tender Offer (MTO) for the minority shareholdings in AshakaCem Plc. Subsequent to the approval by SEC, the MTO was opened on 10th December, 2014 and closed on 30th January, 2015. The conclusion of the MTO increased the shareholding of Lafarge Africa in the issued share capital of AshakaCem Plc by 23.85% to 82.46%.

Nigerian Cement Holdings B.V. (NCH), a joint venture between Lafarge Africa Plc and Holcim, entered into an agreement defining a roadmap to purchase Flour Mills Nigeria's 30% investments in United Cement Company of Nigeria Ltd (UNICEM). The agreement, signed on November 5th, 2014, followed approvals of the respective Boards of Directors. Under the defined terms, a first



CHAIRMAN'S STATEMENT

tranche of 15% would be acquired in the first quarter of 2015, while the second tranche (15%) is scheduled to be concluded by February 2016 at the latest. NCH, which is owned 50% respectively by Lafarge Africa and Holcim, currently has 85% share interest in Unicem since the conclusion of the first tranche acquisition of 15% in January 2015. Upon completion of the acquisition of the second tranche of 15% NCH would have a 100% stake in Unicem.

CONCLUSION/APPRECIATION

As I said at the beginning of this statement, I shall leave the Board at the closing of our Annual General Meeting, and be succeeded as Chairman, as already announced, by Mr. Mobolaji Balogun, a seasoned and committed Director with breadth of experience across Finance, Strategy and Management. He is very familiar with Lafarge's business in Nigeria and Africa and I am sure he is the right person to chair the Board going forward.

It has been my privilege and honour to have served on the Board of Directors for 14 years, and as the Chairman for the past 5 years from October 2009. I thank our Business Partners, Key Distributors, Suppliers, Customers and Service Providers without whose support and co-operation the success over the years could not have been achieved. Let me express my sincere appreciation to the management team led by the Group Managing Director/Chief Executive Officer, Mr. Guillaume Roux. My special thanks go to our dedicated employees, our invaluable assets, for their loyalty and commitment. The continuous investments and technical assistance from our majority shareholder, Lafarge S.A. France, have been critical to the success of our Company. I thank them.

My warm appreciation to my colleagues on the Board, kudos to you all, and it has been a great pleasure to lead a high-performing and effective Board.

Finally, I appreciate and sincerely thank you, my fellow shareholders, for your support and co-operation over the years, which has enabled us to attain these laudable heights.

To God be the Glory, great things He has done for us and for our Company.



CHIEF OLUSEGUN OSUNKEYE, CON, OFR

Chairman, Board of Directors
Lafarge Africa Plc

“For block wey dey dry fast, come strong kakaraka!”



- **Dry fast**
- **Set quick**
- **Strong kakaraka**

Elephant Supaset cement na for correct block makers wey want make strong block wey go dry sharp sharp, so that as business dey flow, money dey come, and customers too dey happy. Lafarge Elephant Supaset cement no

LAFARGE
Building better cities™

BOARD OF DIRECTORS' PROFILE



**CHIEF OLUSEGUN
OLADIPO OSUNKEYE,
CON, OFR
CHAIRMAN**

Chief Olusegun Oladipo Osunkeye, CON, OFR was appointed on the 24th October 2000 and was elected Chairman with effect from 1st October 2009. He is a Fellow of the Institute of Chartered Accountants of Nigeria, the Institute of Directors and the Nigerian Institute of Management.

Chief Osunkeye is the President (and a Fellow) of the Society for Corporate Governance Nigeria and the immediate Past Chairman of the International Chamber of Commerce, Nigeria Chapter.

He served as Chairman of the Board for 14 years at Nestle Nigeria Plc and GlaxoSmithKline Consumer Nigeria Plc. He is a past President of the Nigerian Employers' Consultative Association (NECA). He is a high ranking Chief in Abeokuta as the Babalaje of Egbaland. He was conferred with a Doctor of Science Degree (honoris causa) by the University of Agriculture, Abeokuta in 1998.

In 2003, he was conferred with the National Honors Award of Officer of the Order of the Niger (OON) and in 2011 he was conferred with the National Honors Award of Order of Federal Republic of Nigeria (OFR) in recognition of his significant contribution, through the private sector, to the industrial, commercial and agricultural development of the country. In 2004, in recognition of his outstanding virtues and in appreciation of his services to our country, Nigeria, he was further conferred with the National Honours Award as Commander of the Order of the Niger (CON) in 2014.



**GUILLAUME ROUX
GROUP MANAGING DIRECTOR/
CEO**

Mr. Guillaume Roux (French) is a graduate of Institute d' Etudes Politiques, Paris. He joined the Lafarge Group in 1980 as an Internal Auditor, Lafarge Cement France.

He was appointed as the Chief Financial Officer of the Biochemical Business Unit, United States in 1989, a post he held between 1989-1992, following which he returned to Lafarge Head Quarters in France to head a mission for the Finance Department. In 1996, he was appointed Vice President, Marketing, North America.

In 1999, he was appointed the Chief Executive Officer, Lafarge operations, Turkey. He was later appointed the Executive Vice-President, Cement Division South East Asia in 2001. He held the position of the Group Executive Vice President, Co-President Cement Division responsible for Central Europe, Western Europe, Africa, Maghreb and Middle East since January 2006. He is now the Executive Vice President in Lafarge and the Group Managing Director/CEO for Lafarge Africa Plc.

He was appointed to the Board of Lafarge Africa Plc on 18th December 2007.



**JEAN-CHRISTOPHE
BARBANT**
VICE CHAIRMAN

Mr. Jean-Christophe Barbant (French) was appointed to the Board on the 27th of May 2009 and was elected Vice Chairman on the 27th September 2012. He is a graduate of Ecole Nationale Supérieure des Mines de Paris/France and School for Sciences and Engineering. He joined Lafarge Gypsum in 1995 as a Director for strategic development projects.

He was appointed Senior Vice President North and Central Europe between 1996 and 2000 following which he proceeded to the Lafarge Group, France as Director for Corporate E-business between 2000 and 2003. He was the CEO of Lafarge Roofing/Monier and member of the Lafarge Group Executive Committee till February 2007. He is now the Senior Vice President, Performance Management with the Lafarge Group.



**ANDERS
KRISTIANSSON**
CHIEF FINANCIAL OFFICER

Anders Kristiansson (Swedish) started his career with Procter & Gamble (P&G) in Scandinavia and thereafter worked for P&G in South Africa. He has been a Global Divisional Controller for Eaton Automotive working in Europe and North America, thereafter he went back to Africa to oversee Celtel's (today Aritel) finance departments across its African operations as Director of Financial Operations.

He moved to Nigeria in 2008 as Group CFO for PZ Cussons Nigeria, managing Finance and IT for PZ's five Nigerian companies. Prior to joining Lafarge, he was the CFO for NBC/Coca-Cola HBC's operations in Nigeria.

He holds a Master of Science Degree in Business Administration and Economics from the Gothenburg University, Sweden. He was appointed to the Board of Lafarge Africa Plc on the 27th October 2014.

BOARD OF DIRECTORS' PROFILE



**ADEPEJU ADEBAJO
(MRS.)**
MD, WAPCO OPERATIONS

Mrs. Adepeju Adebajo is MD WAPCO Operations, Lafarge Africa Plc. She was appointed to the Board of Lafarge Africa Plc on 27th October 2014. Prior to this, she served as the Chief Executive Officer and Managing Director at Mouka Limited. Previously, Peju was MD/CEO UTC Nigeria Plc.

She previously headed strategic planning, brand management and product development at United Bank for Africa and has had management consulting experience at Boston Consulting Group in the UK and financial analysis experience at Citibank in the UK.

Peju holds a Bachelor of Engineering (Chemical Engineering) from the Imperial College of Science & Technology, London; a Master of Engineering (Chemical Engineering) from the University of London; and a Master of Business Administration, Harvard University, Boston.



MOBOLAJI BALOGUN
DIRECTOR

Mr. Mobolaji Oludamilola Balogun is an Economics (Honours) graduate of the London School of Economics, University of London. He is the Chief Executive Officer of Chapel Hill Denham, a leading independent investment banking firm in Nigeria. He worked for First City Group for eleven years in investment banking. He was Executive Director and Chief Operating Officer at CSL (part of First City Group). Mr. Balogun was also an Executive Director at FCMB Capital Markets, where he led advisory teams in major corporate and complex financial transactions.

Mr. Balogun left FCMB to become a co-founder and Director of Econet Wireless Nigeria (now Airtel Nigeria). He was pioneer Chief Business Development and Strategy Officer and in October 2001, he was appointed Chief Marketing Officer. He left the business and mobile telecommunications and returned to investment banking in 2005. He was appointed to the Johannesburg Stock Exchange, Africa Advisory Committee in September 2009. Mr. Balogun joined the Board of Lafarge Africa Plc on the 1st of March 2005.



OLUDEWA EDODO-THORPE (MRS.)
DIRECTOR

Mrs. Oludewa Edodo-Thorpe is an alumnus of the University of Nigeria, Nsukka, from where she graduated with a Second Class (Upper Division) in Law. She holds a Masters of Law degree from the University of Lagos, Akoka Lagos. After her call to the Nigerian Bar and the National Youth Services Corps, she joined the Nigerian Industrial Development Bank Ltd (NIDB). A former Company Secretary of NIDB Trustees Ltd, she is the National Secretary of the National Co-ordinating Committee of the Shareholders Associations. She is an active member of the Nigerian- Japan Association the Nigerian Bar Association, the International Bar Association and Soroptimist International of Nigeria.

She is a Director of Coastline Microfinance Bank Ltd and a Fellow of the Institute of Directors (IOD) Nigeria.

She is currently involved in the practice of Law with specialization in Secured Credit Transactions, Corporate and Commercial Law and International Business Transactions. She joined the Board of Lafarge Africa Plc on the 3rd of September 2008.



DR. ADEBAYO JIMOH
DIRECTOR

Dr. Adebayo Jimoh is an Industrial Psychologist by training. A graduate of the University of Ilorin and also holds a Master of Science degree from University of Ibadan. He has an MBA degree from Enugu State University of Science(ESUT)Business School. A Fellow of the Nigeria Institute of Management, Fellow of the National Institute of Marketing of Nigeria and a member of the Institute of Directors.

Dr Jimoh served as a General Manager for John Holt Ventures from 1994-1996 and thereafter moved to Yamaha Almarine Company as General Manager in 1997 before his appointment as Executive Director in charge of Group operations of John Holt PLC in 2003. In May 2005, he was appointed Group Managing Director/CEO of Odua Investment Company Limited and retired in October 2014.

He joined the Board of Lafarge Africa Plc on the 16th March 2011.

BOARD OF DIRECTORS' PROFILE



JOSEPH HUDSON
DIRECTOR

Mr. Joseph Hudson (British) was appointed to the Board of Lafarge Africa Plc on the 16th March 2011.

He was in charge of Human resources and Organization in Uganda and later went to the USA in 2004 to set up a North and South American satellite of the Lafarge University – a global development initiative for executives. He then became the Vice President of Human Resources and organization for the North American Gypsum business before eventually returning to Africa in 2009 as Regional Vice President for Sub-Saharan Africa.

Mr. Hudson holds an honors degree from Exeter University, and is a Chartered Fellow of the Institute of Personnel and Development (FCIPD), UK. He has represented England Universities at Rugby and has over 15 years' experience working in Africa. He was the MD/CEO of Lafarge Cement Wapco Plc till 1st October 2014 when he returned to the Lafarge Group as Senior Vice President Organisation Development & Learning, Lafarge University.



SYLVIE ROCHIER
(MS.)
DIRECTOR

Ms. Sylvie Rochier (French) started her career with Lafarge since 1989 where she held various senior management positions such as Controller and Finance Director for Lafarge Matériaux de Spécialités.

She joined the Group Central Finance Services in 2000 and since then occupied several key roles including Group Vice President, Investment Projects. Ms. Sylvie Rochier is presently the Group Senior Vice-President, Finance. She joined the Board of Lafarge Africa Plc on the 26th July 2012.



JEAN-CARLOS ANGULO
DIRECTOR

Mr. Jean-Carlos Angulo (French) started his career with Lafarge since 1975. He has a unique expertise in engineering, managing cement activities and vertical integration. He is a graduate of the Ecole des Mines de Nancy (France) and the European Institute for Business Administration.

He began his career as a Project Engineer in the aerospace industry at the Société Européenne de Propulsion SEP (1971 à 1974) in Bordeaux. He joined Lafarge in 1975, where he was successively Project Manager and Projects Director in Group engineering subsidiaries (plant construction). He later became the General Manager of Lafarge Consulteria e Estudos in Brazil. In 1984, he joined Lafarge Aluminates as Head of Development. He was General Manager of Lafarge's Brazil operations and head of the Southern region of Latin America from 1990 to 1996. He was appointed the General Manager of Lafarge Ciments in France in 1996.

Jean-Carlos Angulo was President of the Cement business operations in Western Europe and Morocco between 2000 to August 2007. He was an Executive Vice President with responsibilities for Lafarge Group operations in several countries. He joined the Board of Lafarge Africa Plc on the 20th March 2012.



ADEBODE ADEFIOYE
DIRECTOR

Mr. Adebode Adefioye is a graduate of the University of Lagos and holds a Master of Science degree from the University of Lagos. He is a member of the Institute of Directors and also a member of the Institute of Public Analysts of Nigeria.

Mr. Adebode Adefioye is the Chief Executive Officer of IBK Services Limited. He currently holds Directorship positions on the Board of Wema Bank Plc and Ceerem Investment Nigeria Limited. He joined the Board of Lafarge Africa Plc on the 20th December 2012.

BOARD OF DIRECTORS' PROFILE



THIERRY METRO
DIRECTOR

Thierry Metro (French) is a graduate of Ecole Central Paris in Engineering. Since joining Lafarge, Mr. Metro has held several positions, such as Plant Manager, Vice-President, Manufacturing for Lafarge Eastern Canada. In 1999, he was the Industrial Director for Lafarge Canada till 2002 when he became General Manager, International Technical Centre, America.

In 2009, he assumed the position of General Manager, Lafarge Brazil. Between 2012 to 2013, he became Group SVP Fuel Sourcing responsible for all solid fuel sourcing of the Group. In 2014, he became Group SVP Energy & Strategic Sourcing, which is responsible for all Energy and Strategic Sourcing of the Group.

He joined Board of Lafarge Africa Plc on the 24th of April 2014.



**DR. SHAMSUDEEN
USMAN, CON, OFR**
DIRECTOR

Dr. Shamsuddeen Usman, CON, OFR, is a Nigerian economist and banker. He is currently the CEO of SUSMAN & Associates, an economic, financial and management consulting firm headquartered in Nigeria. Shamsuddeen was the Minister of National Planning (January 2009 to September 2013) and Finance Minister (June 2007 to January 2009). As Minister of National Planning, he was responsible for the development of critical pieces of Nigeria's long-term development strategy, including the Nigerian Vision 2020 and the National Integrated Infrastructure Master Plan.

After secondary school education at the prestigious Government College Keffi and King's College, Lagos, he obtained a BSc. in Economics from Ahmadu Bello University, Zaria, Nigeria. He later obtained MSc. and PhD from the London School of Economics and Political Science in 1977 and 1980, respectively. Dr. Usman has had a varied working experience, including serving as MD/CEO, NAL Merchant Bank and Deputy Governor, Central Bank of Nigeria. He was appointed a Director of the Company on March 11, 2015.



**ADENIKE OGUNLESI
(MRS.)
DIRECTOR**

Mrs. Adenike Ogunlesi is the founder of Ruff ‘n’ Tumble, a children’s clothing line in Nigeria. From a tiny shop, Adenike turned Ruff ‘n’ Tumble into an instantly recognizable brand. She has built a reputation for being one of the best manufacturers of children’s clothing in Nigeria. She is a winner of numerous awards including the City people Awards - Female Achiever in the Children’s fashion sector 2001, The Glam Awards 2014 - special honour as a female game changer in the Children’s fashion industry, The Nigerian Entrepreneur Awards 2014 - Award for Creativity and Excellence. She is also a mentor at the Mara foundation and a finalist at the CNBC (All Africa Business Leaders Awards) in the category of the Business Woman of the year 2014. She was appointed to the Board of Lafarge Africa Plc on March 11, 2015.



**ELEND A OSIMA-
DOKUBO (MRS.)
DIRECTOR**

Mrs. Elenda Osima-Dokubo – CEO, Chandrea Lifestyle Limited. Mrs. Osima-Dokubo is the former Executive Secretary, Cross River State Carnival Commission and Former, Acting MD, Cross River State Tourism Bureau. Previously, Head Private Banking, Chartered Bank now Stanbic IBTC. She was the prime driver of Calabar Carnival, which is regarded as Cross River State’s most enduring brand. She holds a Bsc. Hons. In Microbiology/Zoology, from the University of Maiduguri and an Associate Degree in Design Technology from F.I.T New York. She was appointed to the Board of Lafarge Africa Plc on March 11, 2015.

BOARD OF DIRECTORS' PROFILE



**ALHAJI UMARU
KWAIRANGA**
DIRECTOR

Alhaji Umaru Kwairanga is an Investment Banker and a Chartered Stockbroker with over twenty Twenty-four (24) years' experience at the highest levels of the Capital Market. He also has top level experience in Banking, Pension's Management, Manufacturing and Trading. He is currently a member of Presidential Advisory Council, Nigeria Industrial Revolution Plan (NIRP). He is the Chairman of AXA Mansard Pensions Ltd & Waila Microfinance Bank Ltd. A Council member of the Nigerian Stock Exchange (NSE) and a Director on the Boards of Central Securities Clearing System Plc (CSCS), Jaiz Bank Plc, FBN Mortgages Ltd among Others.

His educational qualifications include an MSc. Corporate Governance and Finance from Liverpool J. M. University, United Kingdom in 2007, an MBA from the Edo State University in 1995 and a Bs.c (Hons) in Business Administration from the University of Maiduguri in 1991. He was the Chairman of AshakaCem Plc from February 2012 to March 2015. He joined the Board on March 11, 2015.



UZOMA UJA (MS.)
COMPANY SECRETARY

Ms. Uzoma Uja is the Company Secretary of Lafarge Africa Plc. Prior to this, she was the Company Secretary/Legal Adviser of Lafarge Cement Wapco Nigeria Plc. She joined Lafarge Cement WAPCO in November 2010 as the Assistant Company Secretary/Legal Manager. Prior to joining Lafarge Cement WAPCO Nigeria Plc, she was the Team Leader in the Company Secretariat/Legal Department of First Inland Bank Plc [now FCMB] where she held several positions.

She is a graduate of Law from the University of Nigeria, Nsukka and was admitted to the Nigerian Bar in 2000. She obtained her Master's Degree in International Business Law from the University of Leeds (UK). Ms Uzoma Uja is an Associate of the Chartered Institute of Arbitrators (UK).

FINANCIAL HIGHLIGHTS



	2014 N' 000	2013 N' 000	Change %
Revenue	205,844,801	206,072,691	0%
Current operating income	45,723,184	45,543,369	0%
Profit before tax	41,198,427	64,261,549	-36%
Taxation	(6,537,761)	(3,308,304)	98%
Profit after tax	34,385,275	60,319,703	-43%
Minority Interest	1,890,144	1,168,982	62%
Retained profit	153,383,404	134,877,196	14%
Share capital	2,202,088	1,500,800	47%
Shareholders' fund	191,642,524	171,025,075	12%
Proposed dividend	15,855,034	9,905,280	60%
Per Share data (kobo)			
Earnings - Basic (k)	738	1,343	-45%
Earnings - Diluted (k)	738	1,343	-45%
Dividend (k)	360	330	9%
Dividend cover (times)	2	4	-50%
Net assets (k)	4,351	5,698	-24%
Number of shares	4,404,176	4,404,176	0%
Number of employees	3,587	3,608	-1%

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REPORT OF THE DIRECTORS

The Board of Directors of Lafarge Africa Plc has the pleasure of presenting to members, the Annual Report and the Consolidated Financial Statements for the year ended 31st December, 2014.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

By the provisions of Sections 334 and 335 of the Companies and Allied Matters Act (CAMA) Cap C20, Laws of the Federation of Nigeria 2004, the Company's Directors are responsible for the preparation of financial statements which give a true and fair view of the affairs of the Company as at the end of the financial period and its results for that period and which comply with the Companies and Allied Matters Act, 2004. The responsibilities include ensuring that:

- adequate internal control procedures are instituted to safeguard assets, prevent and detect frauds and other irregularities;
- proper accounting records are maintained;
- applicable accounting standards are followed and;
- suitable accounting policies are used and consistently applied.

LEGAL FORM

The Company was incorporated in Nigeria under the Companies Act now Companies and Allied Matters Act Cap C20 Laws of the Federation of Nigeria 2004 on the 24th of February 1959. The Company became listed on the Nigerian Stock Exchange in 1979. On September 12, 2014 all regulatory processes for the acquisition by the Company of Lafarge SA's interests in AshakaCem Plc, Atlas Cement Limited, Lafarge South Africa Holdings Limited and United Cement Company Limited was concluded.

PRINCIPAL ACTIVITIES

The principal activities of the Company are manufacturing and marketing of cement products and providing building solutions.

SUMMARY FINANCIAL RESULTS FOR THE YEAR

Overall Group revenue grew by 4% when excluding exchange rate impacts. Revenues were flat versus last year when including the translation effect from the South African Rand. Wapco Operations (the Company) showed strong growth, with a 9% increase. Ready Mix in Nigeria continues to ramp up and more than tripled its turn-over.

Current Nigerian Operations (Wapco, Ready-Mix and Ashaka) PAT grew by 26% when excluding one off gains and the Unicem scope change as mentioned under footnotes 1-3 shown under the P&L. South Africa and Unicem showed decreases vs 2013 mainly following the competitive environment in 2014 in South Africa and the revaluation of foreign currency denominated payables, mainly relating to the expansion project, in Q4 in Unicem.

For the year ended	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Continuing operations Revenue	205,844,801	206,072,691	105,848,657	97,174,505
Current operating income	45,723,184	45,543,369	34,360,922	31,024,896
Other operating income/(expenses) (1)	(1,545,512)	21,466,670	(973,736)	(381,082)
Operating income (2)	44,177,672	67,010,039	33,387,187	30,643,814
Income before tax (1) (2)	41,198,427	64,261,549	32,352,996	27,443,083
Net income from continuing operations (1) (2) (3)	34,660,666	60,953,245	28,360,146	28,022,200
NET INCOME	34,385,275	60,319,703	28,360,146	28,022,200

- (1) 2013: non-recurring gain on disposal of investment of N21.7B arising from the disposal of the Pan African Cement Proprietary Limited investment.
- (2) 2014: includes the equity accounted result of Unicem in Q4. The 2014 impact was -N2.4B mainly due to revaluation of foreign currency payables.
- (3) 2013: non-recurring gains of N4.1B and N0.5B prior year Pioneer Tax gains received for Wapco and Ashaka respectively in 2013.

DIVIDEND

The Board of Directors is proposing a gross dividend of 360 kobo on every Ordinary Share in issue amounting to N15,855,033,557.00. The total dividend proposed if approved by Shareholders is payable from the pioneer profits and not subject to deduction of withholding tax.

CORPORATE GOVERNANCE REPORT

In today's corporate world, companies are judged not only by their financial performance but the manner in which businesses are managed sustainably without losing its capacity to create value for all stakeholders.

It has been Lafarge Africa's conviction for many years that the success and development of an international and reputable organisation depends largely on adopting a long-term strategy, one that shows respect for the environment and communities, compliance with local laws and regulations, upholding ethical standards and values, promoting innovations and sustainability initiatives, among others.

To achieve the corporate objective, the Board of Directors are committed to the highest level of governance and have entrenched international best practices as an integral component of its overall business strategy.

We hereby present a report of compliance with the mandatory requirements of the Securities and Exchange Commission's Code of Corporate Governance for the year under review:

1. Compliance with Laws and Regulations

The Board remains committed to the pursuit and implementation of the highest level of compliance with its Memorandum and Articles of Association, the Companies and Allied Matters Act (Cap C20 Laws of the Federation of Nigeria, 2004), Rules of the Nigerian Stock Exchange, the SEC Code of Corporate Governance, International Best Practices and other regulations.

2. The Board Composition and Its Committees

The Board has overall responsibility for ensuring that the Company is appropriately managed and achieves its strategic objectives.

In accordance with the SEC Code that the Board should be of a sufficient size relative to the scale and complexity of the Company's operations and the Company's Articles of Association, the Company's Board shall consist of not more than seventeen Directors. In 2014, the Board comprised of Fifteen (15) Directors: Eleven (11) Non-Executives and Four (4) Executives.

The composition of the Board is a mix of Executives and Non-Executive Directors, headed by a Chairman, all bringing high level of competencies and experience, with enviable records of achievement in their respective fields.

The position of the Group Managing Director and the Chairman are held by separate persons.

3. Role of the Board

The Board meets regularly to consider the matters reserved for it, set broad policies for the Company's business and operations and ensures that a professional relationship is maintained with the Company's auditors in order to promote transparency in financial and non-financial reporting. The role of the Board is highlighted as follows:

- To review and align goals, major plans of action, annual budget and business plans with the overall strategy of the Company;
- To set performance objectives; monitor implementation and corporate performance and oversee major capital expenditure in line with approved budget;
- To ensure the integrity of the Company's accounting and financial reporting systems and that appropriate systems are in place for monitoring risk, financial control and compliance with the laws.
- Through the establishment of the Board Committees, to make recommendations and take decisions on issues of expenditure that may arise outside the normal meeting schedule of the full Board.
- Ratify duly approved recommendations and decisions of the Board Committees.
- The Board has supervisory responsibility for overall budgetary planning, major treasury planning, scientific and commercial strategies. The Board is responsible for satisfying itself that planning procedures and the Company's overall objectives are appropriate.
- Periodic and regular review of actual business performance relative to established objectives.
- Review and approve internal controls and risk management policies and processes.
- Performance appraisal and compensation of Board members, succession planning and appointment, training, remuneration and replacement of Board members and senior executives.

REPORT OF THE DIRECTORS

4. Board Changes

Since the last Annual General Meeting, Chief (Dr.) J.O Sanusi, CON duly retired from the the Board after many years of meritorious service. Mr. Fred Amobi resigned from the Board to pursue other interests within the Lafarge Group. To fill the vacancies created by the resignation and retirement of both Chief Sanusi and Mr. Amobi, the Board Nomination and Remuneration Committee considered candidates based on the required skills, competencies and experience of each nominee for their suitability on the Board.

The Committee thereafter made recommendations for appointment to the Board in line with its terms of reference also recommended for appointment, directors to fill the vacancies created as a result of the resignation, as well as the increase in Board size which was approved at the last Annual General meeting to reflect the new entity, Lafarge Africa Plc. The Board Nomination and Remuneration Committee in line with its terms of reference also recommended for appointment directors to fill the vacancy created by the enlargement of the Board at the last AGM to reflect the new entity, Lafarge Africa Plc.

Subject to the recommendation of the Board Nomination and Remuneration Committee, the Board appointed the following Directors:

- a. Mr. Anders Kristiansson (Executive Director)
- b. Mrs. Adepeju Adebajo (Executive Director)
- c. Dr. Shamsuddeen Usman, CON (Non- Executive Director)
- d. Mrs. Elenda Osima-Dokubo (Non- Executive Director)
- e. Mrs. Adenike Ogunlesi (Non- Executive Director)
- f. Alhaji Umaru Kwairanga (Non- Executive Director)

The detailed profiles of the newly appointed Directors are contained in this annual report.

Their appointments as Directors will be presented for ratification by the shareholders at the 2015 Annual General Meeting of the Company.

5. Retirement by Rotation

In accordance with Articles 97 to 99 of the Articles of Association of the Company, the Directors to retire by rotation are, Mr. Joe Hudson, Mr. Adebode Adefioye, Ms. Sylvie Rochier and Mrs. Oludewa Edodo-Thorpe being eligible, offer themselves for re-election.

Their performances in the Director's evaluation conducted for the year 2014 were satisfactory.

6. Interest of Directors

Directors' interest in the Issued Share Capital of the Company as recorded in the Register of Members and/or as notified by them for the purpose of Section 275 of the Companies and Allied Matters Act (Cap C20 Laws of the Federation of Nigeria, 2004) and in compliance with the listing requirements of the Nigerian Stock Exchange are as follows:

Name	No. of Shares	No. of Shares	No. of shares	No. of shares
	Direct 31.12.14	Indirect 31.12.14	Direct 31.12.13	Indirect 31.12.13
Chief Olusegun Osunkeye CON, OFR	101,184	-	101,184	-
Mr. Jean-Christophe Barbant	25,093	-	-	-
Mr. Guillaume Roux	-	-	-	-
Mr. Anders Kristiansson (Appointed 27.10.2014)	-	-	-	-
Mrs. Peju Adebajo (Appointed 27.10.2014)	-	-	-	-
Mr. Joseph Hudson	38,424	-	49,574	-
Mr. Alfred Amobi (Resigned 11.03.2015)	5,750	-	5,750	-
Chief (Dr.) Joseph Sanusi CON (Resigned 31.12.14)	8,964	-	8,964	-
Mr. Mobolaji Balogun	2,103,302	-	2,103,302	-
Mrs. Oludewa Edodo-Thorpe	46,037	-	46,037	-
Mr. Adebayo Jimoh	53,000	-	-	-
Mr. Jean-Carlos Angulo	-	-	-	-
Ms. Sylvie Rochier	-	-	-	-
Mr. Adebode Adefioye	-	-	-	-
Mr. Thierry Metro	-	-	-	-
Dr. Shamsuddeen Usman, CON	44,289	-	-	-
Mrs. Elenda Osima-Dokubo	-	-	-	-
Mrs. Adenike Ogunlesi	-	-	-	-
Alhaji Umaru Kwairanga	289,227	-	-	4,000
Grand Total	2,715,270		2,314,811	4,000

Except as disclosed, none of the Directors has notified the Company of any disclosable interests in the Company's share capital.

7. Directors' Interest in Contracts

Some of the Directors have notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act (Cap C20 Laws of the Federation of Nigeria, 2004) to the effect that they were members or held shareholding of some specified companies which could be regarded as interested in any contracts with which the Company was involved as at 31st December 2014.

8. Record of Directors' Attendance

In accordance with Section 258(2) of the Companies and Allied Matters Act (Cap. C20 Laws of the Federation of Nigeria 2004), the record of Director's attendance and meetings held during year 2014 are available for inspection at the venue of the Annual General Meeting.

The meetings of the Board were presided over by the Chairman and the Board met ten (10) times during the year. Written notices of Board meetings, along with the agenda and other Management Reports were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded by the Company Secretary, circulated and approved at subsequent Board Meetings.

9. Board Meetings

The Board held 10 meetings during the 2014 financial year. The following table shows membership and the attendance of Directors at the Board meetings in the 2014 financial year:

Directors	27/2	18/3	1/4	24/4	19/6	9/7	31/7	15/9	27/10	18/12	Total
Chief Olusegun Osunkeye	√	√	√	√	√	√	√	√	√	√	10
Mr. Guillaume Roux	√	√	√	√	√	√	√	√	√	√	10
Mr. Jean-Christophe Barbant	√	√	√	√	√	√	√	√	√	√	10
Mr. Anders Kristiansson	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	√	2
Mrs. Adepeju Adebajo	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	√	2
Mr. Joseph Hudson	√	√	√	√	√	√	√	√	√	*	9
Mr. Alfred Amobi	√	√	√	√	√	√	√	√	√	*	9
Chief (Dr.) Joseph Sanusi	√	√	√	√	√	√	√	√	√	√	10
Mr. Mobolaji Balogun	√	√	√	√	√	√	√	√	√	√	10
Mrs. Oludewa Thorpe	√	√	√	√	√	√	*	√	√	√	9
Mr. Adebayo Jimoh	√	√	√	√	√	√	√	√	√	√	10
Mr. Jean-Carlos Angulo	*	*	*	√	√	√	√	√	√	√	7
Mrs. Sylvie Rochier	√	√	√	√	√	√	√	√	√	√	10
Mr. Adebode Adefioye	√	√	√	√	√	√	√	√	√	√	10
Mr. Thierry Metro	N/A	N/A	N/A	N/A	√	√	√	√	√	√	6

10. Committees of the Board

(i) Finance and Strategic Planning Committee

The Committee's Terms of Reference includes:

- To review and make recommendations to the Board of Directors with respect to the Company's annual and long-term financial strategies and objectives.
- Develop and conduct review of the Finance, Sales and Marketing strategic plan and business objectives of the Company and make recommendations to the main Board.
- Ensure that the Company's strategic plan towards finance, sales and marketing and any other operations of the Company are transformed into concrete actions aimed at achieving the Company's objectives.
- Review and make recommendations to the Board as to certain strategic decisions regarding operational priorities, including expanding into new, or exiting from existing business markets.
- Review and make recommendations to the Board, with respect to the Company's annual and long term financial strategies and objectives, as well as any related performance goals.

REPORT OF THE DIRECTORS

- f. Review financial matters of the Company, including matters relating to the Company's capitalization, its credit ratings, cash flow, borrowing activities, and investment and surplus funds, while working in close co-operation with the Company's management team.
- g. Review and make recommendations to the Board with respect to the Company's debt and securities, capital transactions and project expenditures, dividend policy and practices.
- h. Periodically review actual capital expenditures and performance against previously approved budgeted amounts.
- i. Such other duties as may from time to time be assigned to the Committee by the Board.

The table below shows the attendance of the members of the Committee at the meetings held during the year:

Directors	17/3	23/4	8/7	31/10	24/10	10/12	Total
Chief (Dr.) Joseph Sanusi	√	√	√	√	√	√	6
Mr. Mobolaji Balogun	√	√	√	√	√	√	6
Mr. Alfred Amobi	√	√	√	√	√	√	6
Mr. Joseph Hudson	√	√	√	√	√	√	6
Mr. Jean-Christophe Barbant	*	√	√	√	√	√	5
Mrs. Sylvie Rochier	√	√	√	√	√	√	6

(ii) Nominations and Remuneration Committee

The objective of this Committee is to improve the selection process of the Board and to align with best practices of Corporate Governance. The Committee meets as the need arises to review the composition of the Board, recommend skill mix and the diversity required for appointment of new members to the Board and consider remuneration of Directors and senior executives of the Company.

The Committee met two times in the year. The table below shows the attendance of the members of the Committee at the meeting:

Directors	24/4	27/10	Total
Mr. Jean-Carlos Angulo	√	√	2
Mr. Jean-Christophe Barbant	√	√	2
Mr. Adebode Adefioye	√	√	2
Chief (Dr.) Joseph Sanusi	√	√	2

(iii) Risk Management & Ethics Committee

The Risk Management and Ethics Committee is saddled with the following responsibility:

- a. Ensuring that the Company's policy on ethics adequately impacts positively on its Business partners and stakeholders e.g. Customers, Shareholders, Community, Government, Suppliers and the public;
- b. Prescribe new standards and mechanisms related to ethics and make recommendations to the Board.
- c. To consider the nature, extent and categories of the risks facing the Company, and the likelihood of such risks materializing, the Company's ability to reduce the incidence and the impact on its business, if the risks do materialize.
- d. Advise the Board on the cost of operating particular controls relative to the benefits thereby obtained in managing the related risks;
- e. Review the risk register and to notify the Board of changes in the status and control evaluation of risks;
- f. keep under review and monitor the effectiveness of the Company's system of internal control, non-financial activities of management, including operational and compliance controls and risk management, environment, health and safety and report to the Board on an annual basis and;
- g. The Committee also monitors compliance of the Company regarding, Health, Safety, Environment and Ethics.

The Committee met once in the year. The table below shows the attendance of the members of the Committee at the meetings:

Directors	30/7	Total
Mr. Jean-Christophe Barbant	√	1
Mrs. Oludewa-Edodo Thorpe	*	0
Mr. Guillaume Roux	√	1
Mr. Joseph Hudson	√	1
Mr. Adebayo Jimoh	√	1
Ms. Sylvie Rochier	√	1

(iv) Property Optimisation Committee

This Committee is charged with the responsibility of considering optimisation of the Company's properties.

The Committee met three times during the year to consider the optimization of the Company's properties. The table below shows the attendance of the members of the Committee at the meetings:

Directors	19/8	23/10	7/11	Total
Mr. Adebode Adefioye	√	√	√	3
Mr. Joseph Hudson	√	*	√	2
Mr. Mobolaji Balogun	√	√	√	3
Mr. Adebayo Jimoh	√	√	√	3

2

Statutory Audit Committee

The Audit Committee was established by virtue of the statutory requirement of Section 359 of the Companies and Allied Matters Act cap C20, Laws of the Federation of Nigeria 2004. Details of the Committees' function is in accordance with section 359 (6) of the Companies and Allied Matters Act cap C20, Laws of the Federation of Nigeria 2004.

Members and Directors of the Committee were elected and nominated pursuant to Section 359 (4) of the said Act and will serve on the Committee up to the conclusion of the 56th Annual General Meeting.

The meetings of the Committee were held four times during the year. The table below shows the attendance of the members of the Committee at the meetings:

Members	17/3	2/6	18/9	17/12	Total
Mr. Olawale Oyedele	√	√	√	√	4
Mr. Adebayo Adeleke	√	√	√	√	4
Chief Peter Asu	√	√	√	*	3
Chief (Dr.) Joseph Sanusi	√	√	√	√	4
Mr. Mobolaji Balogun	√	√	√	√	4
Mr. Fred Amobi	√	√	*	*	2

2. BOARD EVALUATION

In line with the Securities and Exchange Commission's Code of Corporate Governance 2011, the Board assessed its operations for the year under review. A formal assessment of the Board's operations during the year 2014 took place using a detailed and thorough questionnaire approved by the Board. The review was to verify that important issues were properly prepared and debated within the Board and to assess the effective participation and involvement of each Director on the Board.

REPORT OF THE DIRECTORS

The assessment also included a debate on the Board's organization and practices and an assessment of the Board Committees. A summary of the 2014 performance evaluation results revealed the Chairman as highly rated by other Directors of the Company. The organization and practices of the Board was also found to be globally satisfactory.

3. STAKEHOLDERS' ENGAGEMENT

As creation of long-term value is one of the pillars of Lafarge Africa's Corporate Governance principles, the Company constructively engaged stakeholders with the aim of building long-term relationships through the Investors' and Shareholders' Forums. These forums not only gave opportunity to convey factual information, project the image of the Company but also created an avenue for shareholders' views among others to be heard and clearly understood.

In addition, an Investor Relations Desk runs within the Company to boost market confidence and to better align investors' expectations with corporate goals among others.

4. MANAGEMENT TEAM

The Management Team is headed by the Group Managing Director/CEO, who is responsible for the day-to-day management of the business. The Management Team is made up of the Company Executives and Managing Directors of each operation (Wapco Operations, AshakaCem, Unicem, Atlas and South Africa). They meet at least once a month to deliberate on critical issues affecting the day to day running of the Company.

5. INSIDER TRADING

The Board formulated an Insider Trading Policy which prohibits Directors, employees and any other person in possession of insider information from dealing with the Company's shares at least 30 days before its publication and two (2) business days after its publication (Non-Authorised Trading Periods).

The Company's Directors and employees are therefore notified and prohibited from dealing in the Company's shares during the Non-Authorised Trading Periods, in accordance with the Investment and Securities Act, 2007, the Post Listing Rules of the Nigerian Stock Exchange and the Company's policy on Insider Trading, published on the Company's website.

6. ETHICS AND CODE OF BUSINESS CONDUCT

The Company has adopted the Lafarge Code on Ethics and Business Conduct. All employees and third parties dealing with the Company are required to imbibe the rules of business conduct and comply with them. The Lafarge Code of Business Conduct workshop/training was organized for employees of the Company at different periods during the year.

Employees are encouraged to carry out their duties with integrity and meet the highest standards of professional conduct in their dealings with customers, clients or government bodies.

In view of the above, refresher sessions on the Lafarge Code of Business Conduct were organised at all Business Units for employees, suppliers and contractors of the Company to reiterate the necessity of imbibing good governance culture over.

7. WHISTLE BLOWING

The Company is committed to conducting its affairs ethically and responsibly. Unethical behaviours cost the Company money, time, human resources and can negatively affect the Company's reputation before its stakeholders. All ethical abuses and fraud are reported through the Company's internal whistle blowing process.

8. ACQUISITION OF SHARES

The Company did not purchase any of its own shares during the year. No one other than those listed below held more than 5% of the issued share capital of the Company as at 31st December 2014.

NAME	HOLDINGS	PERCENT
LAFARGE S. A.		
ASSOCIATED INTERNATIONAL CEMENT LIMITED	1,095,025,626	24.86
FINANCIERE LAFARGE SAS	724,758,803	16.46
LAFARGE NIGERIA LIMITED	705,982,502	16.03
LAFARGE NIGERIA (UK) LIMITED	388,594,185	8.82
LAFARGE CEMENT INTERNATIONAL BV	289,222,996	6.57
	3,203,514,112	72.74%
SUMMARY		
LAFARGE S.A.	3,203,584,112	72.74%
STANBIC NOMINEES	320,280,980	7.27%
OTHERS	880,310,896	19.99%
	4,404,175,988	100.00%

LAFARGE AFRICA PLC SHAREHOLDING BY SEGMENT

SUMMARY		
Lafarge S.A.	3,203,584,112	72.74%
International Institutional	367,457,223	8.34%
Domestic Institutional	593,878,850	13.48%
Retail Investors	239,255,803	5.43%
	4,404,175,988	100%

No one other than those listed above held more than 5% of the issued share capital of the Company as at 31st December 2014.

9. REGISTER RANGE ANALYSIS

Range	No. of Holders	Percent	Unit	Percent
1 - 500	18195	30.8353	5075417	0.1152
501 - 5000	31988	54.2105	54455648	1.2365
5001 - 50000	7767	13.1628	107802727	2.4477
50001 - 500000	881	1.4930	116151762	2.6373
500001 - 5000000	134	0.2271	216468612	4.9151
5000001 - 50000000	32	0.0542	516015909	11.7165
50000001 - 500000000	8	0.0136	1971881447	44.7730
500000001 - 4404175988	2	0.0034	1416324466	32.1587
Grand Total	59007	100.0000	4404175988	100.0000

REPORT OF THE DIRECTORS

10. UNCLAIMED DIVIDEND AND SHARE CERTIFICATES

The Company has posted to all shareholders a list of unclaimed dividend and share certificates. Shareholders are enjoined to review the list to claim their dividend(s) or share certificate(s). For further assistance in this regard, Shareholders should contact the Company Secretary or the Registrars, Cardinal Stone Registrars Limited.

In addition, the list of unclaimed dividend and share certificates as at 31st December 2014 has also been posted on the Company's website for easy access. The address of the website is www.lafarge.com.ng. The Company Registrars have advised that the total amount outstanding as at 31st December 2014 is N528,037,423.68

11. EMPLOYMENT OF DISABLED PERSONS

It is the Company's policy not to discriminate against disabled persons.

12. DONATIONS AND CHARITABLE GIFTS

In 2014, the Company undertook Corporate Social Responsibility (CSR) initiatives and made donations amounting to N259,820,450 for Nigeria. Details are provided as follows:

Community Development Project, Donations & Charitable Gifts	NGN
Community Development Projects in Ewekoro	125,000,000
Community Development Projects in Sagamu	100,000,000
Lagos Economic Summit (Ehinbgeti 2014)	1,000,000
Nigerian Union of Journalists Games (Lagos Chapter)	400,000
Peculiar Saints Orphanage	240,000
Lafarge Literacy Competition across 18 states in Nigeria	10,657,350
Donation of Sick Bay to Government Technical College, Agidingbi, Lagos	2,149,000
Donation to Ebola Centre	1,000,000
Ake Arts and Books Festival	500,000
Donation of Hilux vans to Ogun State Ministry of Environment, Commerce and Industry	11,000,000
Donation of waste bins to Ogun State Environmental Protection Agency	4,050,000
Support to Caleb University on State of the World Report	2,000,000
Others	3,063,800
	259,820,450

In accordance with Section 38 (2) Companies and Allied Matters Act Cap C20 Laws of the Federation of Nigeria, 2004), the Company did not make any donation or gift to any political party, political association or for any political purpose in the course of the year under review.

13. RISK MANAGEMENT

The Board has the responsibility of safeguarding the maintenance of a sound system of internal control and risk management and regularly receives reports from the Risk Management and Ethics Committee on the effectiveness of the Company's risk management processes to support its strategy and objectives.

14. SUSTAINABILITY REPORT

The Company believes that as a responsible Company it must meet the challenges of society, play an active role in the development of the communities within which it operates; and that the implementation of proactive measures in favor of sustainability creates value not only for its shareholders, but also for its teams, its customers and all its stakeholders.

The Company's sustainability and responsibility strategy therefore focused on three main pillars in line with the Lafarge Group's 2020 Sustainability Ambitions of Building Communities, Building Sustainably and Building the Circular Economy. The Company ran several programs in line with the objectives with focus on volunteerism, affordable housing, increase in sustainable products and services, use of non-fossil fuels amongst others.

15. AUDIT COMMITTEE

In accordance with Section 359 (3) of the Companies and Allied Matters Act (Cap C20 Laws of the Federation of Nigeria, 2004), an Audit Committee of the Company was constituted at the 55th Annual General Meeting held in Lagos on the 9th July 2014 comprising three Directors and three shareholders namely Chief (Dr.) Joseph Sanusi, Mr. Mobolaji Balogun, Mr. Alfred Amobi and Mr. Olawale Oyedele, Chief Peter Asu and Mr. Adeleke Adebayo.

16. AUDITORS

In accordance with Section 357(2) of the Companies and Allied Matters Act, Akintola Williams Deloitte, Chartered Accountants, have indicated their willingness to continue in office as External Auditors of the Company. A resolution will be proposed to authorise the Directors to fix their remuneration.

BY ORDER OF THE BOARD



UZOMA UJA (MS.)

FRC/2012/NBA/00000001645

Company Secretary

Dated this 11th day of March 2015

LAFARGE AFRICA PLC MANAGEMENT TEAM



Guillaume Roux
Group Executive
Vice President & Group
Managing Director/CEO



Ken MacLean
Country CEO,
Lafarge South Africa
Holding Ltd.



Adepeju Adebajo (Mrs.)
Managing Director,
WAPCO Operations



Leonard Palka
Managing Director,
AshakaCem Plc



Loren Zanin
Managing Director,
Readymix/Aggregates
& Country
Key Accounts Director



Anders Kristiansson
Country Chief Financial
Officer



Fidelia Osime (Mrs.)
Country Organisation &
HR Director



Edith Onwuchekwa (Mrs.)
Country General Counsel/
Head, Public Affairs



**Viola Graham-Douglas
(Mrs.)**
Country Communications
Director



Rabiu Umar
Energy and Power Director



Jim Ruxton
Country Sourcing Director



Michael Abhulimen
Country Marketing Director



Albert Sigei
VP, Strategy and Business
Development

ASHAKACEM PLC MANAGEMENT TEAM



Leonard Palka
Managing Director



Alhaji Abdulhameed Balarabe
GM Projects



Bruno Bayet
Chief Financial Officer



Graeme Bride
GM Manufacturing



Alhaji Bello Aminu Abdullahi
Company Secretary/
Legal Adviser

LAFARGE READYMIX NIGERIA LIMITED MANAGEMENT TEAM

2



Loren Zanin
Managing Director



Fred Amobi
Director, Readymix



Ray Chambers
GM, Lafarge Aggregates



Mayokun Adeleye
Finance Manager



Babafeyisola Meseko (Mrs.)
HR Manager



Edgar Youssef
Business Development
Manager



Adewunmi Alode (Mrs.)
Company Secretary

LAFARGE SOUTH AFRICA HOLDING LIMITED MANAGEMENT TEAM



Left- Right: Standing

- Eugene Schalkwyk - General Manager, Industrial Ecology
- Vernon Brown - Country Health & Safety Manager
- Veli Gwamanda - Country Organisation & HR Director
- Jacques Schutte - GM Aggregates/Strategy & Business Development Manager
- Alta Theron - Country Marketing Manager
- Connie Bester - Country Chief Finance Officer
- Keodutse Mothoa - Country General Counsel / Company Secretary
- Desmond Maharaj - GM, Cement

Left- Right: Sitting

- Jean-Paul Croze - Managing Director, Gypsum
- Praveen Bechoo - General Manager Aggregates
- Ken MacLean - Country CEO
- Anton Combrink - General Manager Readymix Concrete
- Tshepiso Dumasi - Managing Director, Ash Resources

WAPCO OPERATIONS MANAGEMENT TEAM



Adepeju Adebajo (Mrs.)
MD, WAPCO Operations



Lolu Akinyemi
Finance Director,
Wapco Operations



Sam Ndongyenma
GM, Sales and Customer
Services



Enitan Oyenuga (Mrs.)
GM, Human Resources



Michael Awanayah
GM, Business Transformation



Jean-Pierre Curutchet
GM, Industrial Performance



Jerzy Sobala
Plant Manager (Sagamu)



Sefunmi Adewunmi
GM, Atlas Cement



Thierry Terriere
Plant Manager (Ewekoro)



Femi Oladokun
Acting GM, Supply Chain



3

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

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HEALTH AND SAFETY



Joe Hudson, past WAPCO MD, with Tukur Lawal, Country H&S Manager with an award from the Ogun State Government during the 2014 Health & Safety Month in Ewekoro, Ogun State.

At Lafarge Africa Plc Health and safety is our number one priority. In line with the Lafarge Group's 2020 sustainability ambition we strive to attain world-class performance: zero fatalities and virtually no lost time incidents for our employees and contractors.

Nigerian Operations

The Nigerian operations recorded yet another commendable improvement from its 2013 report. The improved trend recorded in the year 2013 continued in 2014. Both the leading and lagging indicators showed tremendous improvement. Less number of injuries were recorded while concrete actions were implemented making Health & Safety management a corner stone of our success. Up until the end of the third quarter 2014, Zero road-related fatality was recorded for the year.



Guillaume Roux, GMD/CEO, Lafarge Africa Plc, at the Opening Ceremony of the 2014 Health & Safety Month in Ikoyi, Lagos.

HEALTH AND SAFETY



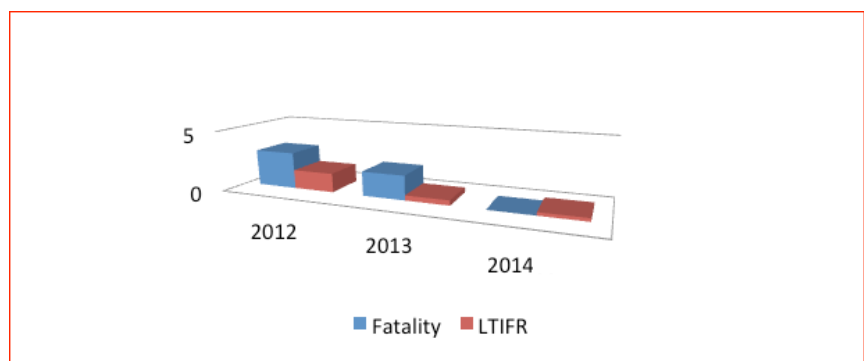
AshakaCem medical team provides free medical check up to host community members during the 2014 H&S Month.

Management also resolved to stimulate healthy competition at the Plants in Health and Safety initiatives such as housekeeping contests, inspections and engagements etc.

Borne from the urgent need to reduce road traffic accidents and change the driving culture peculiar to the environment, the Lafarge Drivers Academy (LDA) was launched on the 12th of May 2014 at the Nigerian Operations. The Lafarge Drivers Academy is operated in collaboration with AA rescue to provide quality information and improve the participants' driving skills. Over 600 drivers have been trained at the Academy.

Other activities in the year include:

- The annual Health & Safety month in June themed "My Action, My Impact: Our Progress". To improve employees' commitment and uncompromising contribution towards achieving zero incidents at work and in our personal lives.
- Safety engagement of Bulk truck operators across WAPCO Operations to further re-enforce the zero fatality ambition in 2014 and beyond.



- 100% driver training was achieved for the 300 trucking strategy,
- Contractors' and Transporters' Safety managers training on Basic HSE Skills, to equip them with the right skills and knowledge. Reconstruction and beautification of the roundabout opposite the Ewekoro II Plant gate.

South African Operations

The South African operations experienced an improvement in the Lost Time Injury Frequency Rate (LTIFR) from 1.02 in 2013 to 0.53 per 7.551 million man hours from for both employees and contractors, indicating that we are making progress towards achieving

our ambition to reach zero fatalities and eliminate lost-time incidents and occupational health illnesses.

Regrettably, the Company recorded a third party fatality during the year under review, highlighting the need to focus on ensuring non-re-occurrence, and ensure our drivers are empowered to "Say no to unsafe acts".

Our focus for 2015 as a Group will be on Safety, Leadership and Empowerment and Creating a Safety Culture that will lead to world-class standards in safety performance for our industry.

ENVIRONMENT

Environmental Protection and mitigating the challenges of urbanization through the “Building Better Cities” initiative are integral parts of Lafarge’s Sustainability Ambitions. It underpins Lafarge’s relationship with its stakeholders and informs the choices of responsible growth and the preservation of nature.

NIGERIA

To make a positive contribution to local communities and nature, Lafarge, with the support of the host communities in the North collaborated in the tree planting campaign recently undertaken. So far, over a thousand improved variety mango samplings were distributed and planted.

By selectively planting native species of plants and trees, we are impacting on the community’s socio-economic development and creating business and jobs. At the same time, creating shelter for endangered species - birds and insects - due to lack of food and shelter, a positive contribution to biodiversity.

Today, some of the saplings of the locust beans tree are raised within the nursery located at the Ashakacem plant. These will be freely distributed to local farmers in line with our sustainable development principles.

Biomass Project

The introduction of alternative fuel – biomass, as a fuel for pyro-processing in Lafarge Africa is part of the global Lafarge Group sustainability initiative. This project is the first wide-scale use of third-party biomass in Nigeria and opens the possibility of developing the sector. It would support agriculture while creating a carbon-neutral, sustainable energy source.

WAPCO Operations has commenced the use of alternative fuels, mainly biomass residues such as wood waste and palm kernel shell (PKS) at its Sagamu Plant with probable addition of sawdust. In the nearest future, renewable biomass tree plantation being developed in our dedicated quarry land will be a source of supply.

In line with the above objective, the following actions have been implemented:

- About 156 hectares of uneconomic rubber trees in our partners’ (RENL) plantation have been harvested and being processed (approximately 27,000mt).
- 150 hectares of plantation for Eucalyptus camaldulensis, Casuarinas equisetifolia &



Lafarge Volunteers from Atlas Cement planting trees in Port Harcourt during the World Habitat Day 2014.

- Enterolobium cyclocarpum developed at Ewekoro and Shagamu quarry land.
- At Sagamu Plant, a monthly average of 1000 tons of Palm Kernel Shell (PKS) is burnt as fuel in the production process.

There has been a successful registration of the Company’s Clean Development Mechanism (CDM) application by the United Nations Framework Convention for Climate Change (UNFCCC). The CDM allows emission-reduction projects in developing countries to earn certified emission reduction (CER) credits, each equivalent to one ton of CO2 under the Kyoto Protocol. The mechanism stimulates sustainable development and emission reductions.

SOUTH AFRICA

Recycling and Recovery of Waste

In Lafarge South Africa, the recycling and recovery of waste are relatively new. This represents a great opportunity for our teams. The country is catching up quickly, from a 6.5% substitution rate in 2013 to 12.6% in 2014, representing savings of about ZAR 25m.

To a large extent Lafarge South Africa is educating its potential customers (industries, municipalities, etc.) to encourage them to see waste recovery as a service with value for them and therefore to pay for it. A contract was agreed with one of the major oil companies, to

recover hydrocarbon sludge. The South African market also presents promising prospects for recovery of tyres, domestic and industrial waste and by-products from steelworks.

Blending Platform

On 7 April 2014, Lafarge South Africa and InterWaste, its waste management joint venture partner, commissioned the blending platform for the pre-treatment of hydrocarbon sludge for supply to Lafarge and other customers. The facility will ensure the quality and consistency of the waste, which, in turn, will make it easier for the plant to handle. This facility is the first of its kind on the African continent and, indeed, in the Lafarge Group. This is a major step forward for Lafarge South Africa’s Alternative Fuels strategy. Not only will it make a significant contribution to its AF substitution rate and savings but it will also have important environmental benefits. Generators of this waste will now be able have this waste treated at the blending platform for disposal through cement kilns instead of sending the waste to landfill sites.

Achievements in 2014:

- 12.6% of alternative fuel used, and 38kt of alternative raw materials compared to a budget of 11kt
- 0.3% increase in total sales volumes of recycled and secondary aggregates
- 5 times increase in our sales of recycled concrete

HUMAN RESOURCES AND PEOPLE DEVELOPMENT



Fidelia Osime, Country Organisation & HR Director, Lafarge Africa Plc with representatives from Lafarge Spain, Brazil and France at the 2014 Gender Equality European/International Standard (GEEIS) Awards in Paris, France.

PEOPLE AND PERFORMANCE

NIGERIA OUR PEOPLE

Lafarge Africa Plc, in keeping with the Lafarge Group Standards and global best practice, is an equal opportunity employer. For the human resources team, the objective remains to attract, develop and retain a highly competent workforce, to operate our plants and businesses through intensive training, proper placements and exchange programmes.

The focus this year was on consolidating our talent base and developing our over 1,700 employees for more challenging roles and assignments. This year has seen the development programmes running across the country for both technical and managerial skills, increased activities in employee health and safety, significant milestones in Diversity and Inclusion and increased co-ordination of key issues across the business units being driven at country level.

EMPLOYEE HEALTH AND SAFETY

Employee health and safety remains our first priority in Lafarge. We say it is a way of life and not just a value. In the last year, as in other years, this priority continues to be the bedrock of many projects which are essential to our normal corporate life and calendar.

Between our mandatory and thorough pre-employment checks and our annual medicals for all employees, Lafarge provides medical care for all employees and their families through onsite clinics and our robust HMO (Health Maintenance Organisation) program; sustaining employee wellbeing throughout the year.

In the course of the year, periodic health talks at various locations covering topics ranging from Benefits of Drinking Water to Stress Management; celebration of Malaria Day and our Health & Safety month activities have kept employee health and well-being at the forefront of our operations.

Another major highlight of the year was the emergency preparedness programme. Over 20% of employees have been trained in first aid and response techniques to better prepare for and manage emergencies in and out of the workplace.

The Ebola Viral Disease outbreak was an opportunity to increase our preparedness for medical emergencies. The creation of an Ebola response team; daily updates and information on the disease; daily temperature readings and increased alerts levels on personal and collective hygiene in and around the workplace served to create a safe environment at the height of the crisis.

We continue to focus on Work at Height, Work in Confined Spaces, Ergonomics, Moving Equipment, amongst other topics to ensure we have a safe work environment in our plants and offices.

TALENT DEVELOPMENT

The Company continues to move ahead in its commitment to being a preferred employer in our sector; developing the capabilities of its people; and creating an enabling environment and culture for our people to thrive.

Key areas of focus for us in the year 2014 has been:

1. Increasing the technical capabilities of our staff at the plants with programmes such as the Plant School (Concrete) and re-launch of the Cement Professionals Development Programme (CPDP). We also run the Apprenticeship Scheme in all our cement plants as a means of developing resources for much needed skills whilst empowering members of our host communities. Institutions (NECA, ITF, Federal Polytechnic, Bauchi) have partnered with the Company in this regard.

HUMAN RESOURCES AND PEOPLE DEVELOPMENT

2. Building competent managers and supervisors through the customised Lagos Business School Leadership Development Programme. Launched in 2013, the programme was also exploited as an opportunity to build synergy and increase networking among managers from across the Business Units.

3. Integration and Culture: Two sessions of Join the Group (JTG) programme (a 3-day residential formal on-boarding induction programme) were held in 2014.

The technical and management programmes mentioned above served as leverage for building synergy and networking across the country.

4. Talent Development and Optimisation: Various staff from our concrete and cement businesses were sent out on Short Term Assignments (STAs) in plants outside the country. We also actively commenced intra-

country mobility – moving talent across locations in the country where their skills are needed and development opportunities identified.

EMPLOYEE RELATIONS

Employee engagement and involvement remained a priority for the Company in 2014 and this was demonstrated through a range of activities/interventions during the course of the year.

We have put in place the Country Operations Meeting where about 70 top managers across the country meet in one location to discuss key business issues. It serves as a platform for sharing our objectives, passing a common message and bringing key people in all our businesses together to rub minds and build a network.

The year 2014 saw the start of cross country dialogue with the in-house unions and associations on areas of potential synergy. Work also commenced to exploit some of the

opportunities identified with a view to promoting commonality and a sense of belonging. The development and roll-out of a single employee handbook was one of the initiatives to promote streamlined people policies and processes across the Company.

The setting up of a Country HR management team at the start of the year also reinforced the sense of common purpose and has served as a forum for developing a common HR strategy and sharing information and best practice across our Business Units.

In addition, the Company introduced quarterly live webinars with the Group Managing Director as a platform for staff engagement and involvement in critical business developments. Employees from different Business Units are involved in these webinars and have the opportunity to ask questions.

DIVERSITY & INCLUSION

In 2014, Lafarge Africa made significant investments in its Diversity and Inclusion programmes across all its Business Units, with a view to raising the bar around diversity and inclusion. Achieving a diverse and inclusive workforce has been the underlying theme for the Company's apprenticeship schemes and has also been key in the development and introduction of its work life balance policies.

Some of this work gained international recognition in 2014. Lafarge Africa was presented with a Gender Equality European/International Standard (GEEIS) Award in recognition of its work on Diversity & Inclusion. The award was a significant achievement as Lafarge Africa is the first company in Africa to be so recognized having been audited on a number of criteria.



Mrs. Edith Onwuchekwa, Country General Counsel with other Lafarge employees in Abuja celebrating Nigeria's Independence Day.

SOUTH AFRICA**EMPLOYEE WELLNESS**

Lafarge South Africa has institutionalised a world class HIV/AIDS programme over the past 12 years. In 2011, we recognized the need to review the HIV/AIDS programme in line with the global Workplace Wellness movement supported by the International Labour Organisation, World Health Organisation and local industry developments. Lessons learnt from our past activities provided an ideal platform to extend the existing HIV/AIDS programme to a more integrated and comprehensive approach to wellness.

Our core HIV/AIDS activities have been retained (HIV & AIDS education and support, HIV Testing and Treatment, media campaigns, monitoring and evaluation, and the Employee Assistance Programme) as they are proven vehicles at the epicentre of workplace wellness programmes in South Africa.

Our trained Wellness Educators at the Plants/Sites involve all employees and contractors at site level in the wellness activities – for example HCT testing, information sharing sessions during meetings and other wellness initiatives held.

Local community members have been invited to sites to celebrate and commemorate Wellness Day on the 1st December over the past few years to share how they live with for example breast cancer, HIV, diabetes and the importance of early detection and treatment of medical conditions. Many Wellness Educators are also active in their communities and regularly provide their community members with wellness information and referral to local clinics and doctors.

CAPABILITY AND TALENT DEVELOPMENT

Developing our people is a vital investment and an important step in ensuring continued growth for us. In order to continually identify, develop,



Staff from various Business Units during a knowledge sharing session in Lagos.

nurture and retain our employees as an ongoing talent development strategy, technical competencies and leadership development was a major focus this year.

As part of our leadership development strategy, we partnered with a South African higher institution of learning, WITS University Business School, for a mentoring program targeting high performing individuals who are ready for promotions and require accelerated development. We also provided a supervisory skills development program for all our front line supervisors, including team leaders, foreman and section heads. Training for all first line managers on key leadership competencies such as coaching, motivating others and essentials of leadership, which is a DDI Leadership development programme. Our management development program was conducted in partnership with different universities within South Africa.

Our technical training centre in Lichtenburg enrolls and trains learner artisans on an annual basis, as part of the talent pipeline strategy and social labour plan commitments. We continually invest in recruiting students and graduates from our local technical colleges and universities,

who are seeking experiential training opportunities from local universities.

Lafarge wants to be an active partner with its employees in their career development by giving them feedback on assessments done, information on jobs, access to learning opportunities, and to challenging job experiences.

EMPLOYEE RELATIONS

The employee relations in Lafarge South Africa is characterised by a healthy association between employees. This was created through regular interaction between the union and management. Employee concerns at the shop floor are elevated by their union representatives to a quarterly National Management Union Forum. The decisions reached on these issues were cascaded back to the point of origin.

Information sharing is a critical part of sound employee relations. The Country CEO leads this initiative by addressing staff regularly. To further build relations between employees of the different Product Lines Soccer tournaments were hosted and funded by Lafarge.

BUILDING BETTER CITIES THROUGH SUSTAINABILITY AND SOCIAL RESPONSIBILITY

SUSTAINABLE SOCIAL RESPONSIBILITY

Lafarge Africa Plc implements a strategic approach to sustainable development by integrating it as part of its business strategy. These are evident in the Company's actions which showcases its commitment to the present and future generations of its stakeholders and the society at large.

We are guided by our commitments to our Sustainability Ambitions 2020 where we have mapped out key triple bottom-line programmes to help continue to contribute positively to social, economic and environmental development of our local communities and stakeholders.

Some of these programmes include initiatives on Health & Safety (including Road Transport Safety), Affordable Housing, Dust Control, Stakeholder Engagement, Alternative Fuels, Diversity & Inclusion, Visual Impact Plan, Job Creation & Education, Contractor Safety Management, Application of Code of Business Conduct, Volunteering and our ongoing community development programmes.

NIGERIA BRIDGING THE HOUSING DEFICIT THROUGH AFFORDABLE HOUSING

In October 2013, Lafarge Africa entered into partnership with AFD (French Development Agency), LAPO Microfinance Bank Limited - the largest Microfinance Bank in Nigeria, to launch a N1.3b affordable housing programme tagged 'Ile Ilorun'.



A graduate of WAPCO Operations' empowerment programme receives trade tools and equipment

The programme enables low-income families to finance the construction, extension or renovation of their houses thereby helping them to improve their living conditions in Nigeria. The programme currently has close to 2000 beneficiaries while 30,000 Nigerians will benefit from the programme within the next three years.

Prospects under the scheme are identified through the network of branches of LAPO or the distributors of Lafarge Africa's products in Nigeria, and their loan applications are supported by free technical assistance from Lafarge Africa.

EMPLOYEES AS VOLUNTEERS: SUPPORTING THE CORPORATE VISION

Lafarge Africa Plc has a pool of staff volunteers across its locations in Port Harcourt, Gombe, Sagamu, Ewekoro and Lagos who have been supporting the initiatives of the Company in the area of corporate social responsibility. Employees on their part are excited

because the platform offers them the opportunity to express their values, solidarity, motivation and sense of purpose. The Lafarge Friends of Community (Lafarge FOC) continues to bring value to the Nigerian society by contributing directly to the improvement of urban environments and development of our local communities.

In its Sustainability Ambitions 2020, Lafarge committed to contribute 1 million volunteer hours per year globally to different initiatives. Locally, life has been given to this ambition where employees in the Nigerian operation have made a commitment of 41,225 volunteering hours to the Group ambition between now and 2020. Between November 2013 till date when volunteering was launched across the country operations, employees have used a total of 2,915.5 hours of volunteering (from their official working hours) to carry out different initiatives and projects in the Company's CSR

BUILDING BETTER CITIES THROUGH SUSTAINABILITY AND SOCIAL RESPONSIBILITY

priority areas: education, youth empowerment, shelter and health. Some specific activities include the Lafarge Book on Wheels (BOW) programme, mentoring initiatives with youths through advisory and career talks, sanitation exercises and many more.

Enhancing Literacy through Lafarge Book on Wheels (BOW)

In partnership with the Ovie Brume Foundation, Lafarge Africa Plc launched the Book on Wheels (BOW) Programme, a mobile reading workshop targeted at reaching public primary school children in selected locations. The programme which uses tested approaches, such as mobile reading, child-centered activities and volunteers to engage children in reading sessions aims to improve literacy levels amongst primary school aged children. BOW is run completely by Lafarge volunteers who go into selected schools to develop students' reading interests, enthusiasm as well as improving their vocabulary through studying short story books by local authors. Lafarge volunteers are currently supporting about 200 pupils from the Archbishop Taylor Memorial Nursery/Primary School, Victoria Island, Lagos; Christian Pelamorges Baptist Primary School, Agbesi, Ewekoro and Oba Sonariwo Nursery/Primary School, Sagamu as well community schools in Ashaka, Gombe State and Port Harcourt, Rivers State.

The programme culminates into an annual competition - Lafarge Literacy Competition - where students across the country compete in spelling, reading and comprehension contests. The maiden edition of the programme was held in Lagos in December 2014.



Loren Zanin, MD Readymix & Aggregates; Guillaume Roux, GMD/CEO, Lafarge Africa Plc and James Mugerwa, MD, Shelter Afrique at the MOU signing on Affordable Housing.



Volunteers in Atlas FOC with primary school students after a literacy appreciation session in Port Harcourt.

Community Development/Youth Empowerment

The Artisan Training Centre centre was established in 1976 in Ashaka Community with the main objective of promoting and encouraging skills acquisition with the view of generating a pool of indigenous trained manpower sufficient to meet AshakaCem's manpower needs.

To date, over 1,000 people have benefited from the skills acquisition

scheme from the centre in various trade tests which include Electrical Installation, Mechanical Engineering Craft Practice and Motor Vehicle Mechanics. At the end of their training, some of the trainees gain employment into AshakaCem. In addition to this Ashacem is involved in various youth empowerment community programmes e.g Employability Training Programme, Computer Community Learning Centre and the Grema Mustapha Memorial Scholarship.

BUILDING BETTER CITIES THROUGH SUSTAINABILITY AND SOCIAL RESPONSIBILITY



Leonard Palka, MD, AshakaCem Plc, presents the keys to a building to a beneficiary of the Company's Community Relocation project in Gombe State.

The Lafarge Africa Technical Apprenticeship Scheme

This initiative was launched in 2012 with the primary objective of improving the technical skills of young school leavers from the Community. A dearth of professional artisans and technicians gave rise to a situation where these skills were being sourced outside the country.

Lafarge Africa undertook this scheme in Nigeria in order to bridge this gap by helping youths to acquire skills that could help them set up their own businesses and generate a means of livelihood. The scheme enables young school leavers from our Ewekoro Host Community to acquire the necessary technical skills in various fields by providing high opportunities for hands-on experience to support their

leadership aspirations and success in their chosen endeavours. The youths are trained at the Lafarge Africa's Training School in Ewekoro with monthly stipends given to them. At the end of the apprenticeship training in May 2014, the best nine (9), representing 75% of the total enrollment and who had distinguished themselves throughout the period of training were offered immediate employment by Lafarge Africa. The remaining three or 25% were attached to permanent contractors working with our organization in need of these craftsmen.

A new set of 21 apprentices were admitted in June 16, 2014. The apprentices were recruited from the Host Communities as well as on national spread and merits basis.

This set graduated in November with another batch of apprentices inducted.

The program is now being executed in partnership with ITF-NECA for the sustainability and expansion of the technical apprentices' initiative. This partnership will go a long way to benefit the teeming Nigerian youth population and make Lafarge a preferred destination of choice for the youth to work in.

Community Education Commitment

Between 2014 to date, Lafarge Africa has funded several programmes and projects to support education in its Host Communities in Ewekoro and Sagamu. These include:

- Bursary Awards to 220 undergraduates from the Ewekoro and Sagamu

BUILDING BETTER CITIES THROUGH SUSTAINABILITY AND SOCIAL RESPONSIBILITY

communities in various tertiary institutions across the country

- Provision of 276,600 exercise books and writing materials to indigent pupils in different schools in Ewekoro and Sagamu communities
- Donation of textbooks and science laboratory equipment to 18 secondary schools in Sagamu
- Funding of WAEC/NECO extramural coaching classes in science and mathematics for final year students in public secondary schools
- Upgrading of Community IT Center with equipment including computers, scanner, printer and copier
- Provision of resource to the Special Needs and Training School, Braille Training School and Remo Branch of the Nigeria Association for the Blind
- Donation, renovation and equipping of 21 classrooms, halls and offices across public primary schools in Ewekoro and Sagamu communities with more in progress.

While AshakaCem has made substantial investments into education of its Host Communities, one of its key CSR focus areas. In 2014, the Company dispensed over NGN100m on building and equipping classrooms in various schools in its Host Communities. Some of these include:

- Construction and equipping of block of 2 classrooms at Mus`ab
- Construction and equipping of block of 2 classrooms at Sangaru
- Construction and equipping of block of 2 classrooms at Attahir
- Construction and equipping of block of 2 classrooms at Piu



Lafarge South Africa staff makes a donation to the Baby Rhino Orphanage in Limpopo Province, South Africa.

These are only some of the Company's contributions to education in the area. AshakaCem positively engages the students to ensure that the quality of education is constantly improved and donates learning materials to the students.

Health - Donation to Communities

Lafarge Africa believes in the health of its communities and as such, engages in various initiatives to ensure good health. In light of this, the Company recently refurbished and equipped a modern clinic at the Technical College, Agidingbi in Ikeja. The Company also executed various projects including:

- Provision of ambulance and medical supplies to Ewekoro Health Center
- Public enlightenment of personal health care, safe motherhood, safe environment, road safety and effective domestic and industrial waste management
- Donation of medical items to the Primary Health Center, Ajaka in Sagamu

SOUTH AFRICA

Lafarge South Africa a keen supporter of the Rhino Run

Lafarge South Africa is a major sponsor to the world's first dedicated baby rhino orphanage. Created at the Legend Golf & Safari Resort in Entabeni, Limpopo Province, the orphanage is caring for baby rhinos that have been injured and are parentless as a result of South Africa's devastating poaching epidemic. In line with the Company's pledge of ongoing support for this excellent project, Lafarge South Africa is participating in the current month-long fundraising New Holland Rhino Run and is the sponsor of the event's final gala dinner.

Solution Provided For First Green Taxi Rank

South Africa's leading building materials company, Lafarge South Africa, worked closely with Cape Town architects Stauch Vorster right from the design phase of South Africa's first green taxi rank in Wallacedene, in the northern suburbs of Cape Town. For the construction of the building, Lafarge supplied its innovative, market-leading product, Agilia™ self-consolidating concrete.

DRIVING INNOVATION AND DEVELOPMENT IN THE MARKET



As part of the planned industry led capability enhancement for artisans in the construction industry, we actively took part in the training programmes of the Cement Technology Institute of Nigeria (CTIN) and Industrial Training Fund (ITF) for artisans in 7 vocational trades.

Customer Service

2014 is best described as a year of raising our services standards with the commissioning of our newly furnished ultra-modern Customer Value Centre. This came barely one year after the unit was setup. The Unit now has all the tools and platforms to give our customers the valued experience while responding and managing their transactions.

Marketing Activities

Some of the activities undertaken by Lafarge Africa in Nigeria during the year under review are as follows:

- Retailers Buy and Win (Trade Promo) - We supported sales through the implementation of retailers and blockmakers promotion.
- Retailers Day Out - this programme was organised to promote bonding between KDs and Attachees. The programme enabled Lafarge to cultivate over 400 trade partners (distributors and retailers) in an atmosphere of relaxation and fun.
- Outlets and Truck Branding – We ensured full branding of all available Key Distributors outlets in our market. Elements of the outlet branding includes, painting (green & white), brand communication snapper frames, Lafarge flag, redistribution

NIGERIA

The Key Distributor (KD) Scheme

The Key Distributor (KD) scheme continues to provide better understanding of our business by providing a structured dimension to our distribution management strategy. The business is benefiting from growth and leveraging on the Route To Market Scheme to harness market opportunities. Currently, there are 133 Key Distributors in our operations. These KDs run and manage their own branded warehouses and redistributions trucks to increase our visibility in the market.

Blockmakers and Artisans Group Training

In the course of the year, we decentralized our approach to blockmakers engagements, and this enabled us to engage with over 5,000 blockmakers in 26 locations within our relevant markets. This was done under the Artisans Capability Enhancement Scheme (ACES) of Lafarge, in partnership with the National Association of Blockmakers of Nigeria (NABMON). Programmes such as conferences, seminars, and train the trainers programmes, on site engagements were organised.

MARKETING

trucks, uniform for KD managers and branded T Shirt for KDSRs etc.

Contractors' Segment

- Corporate Customers Engagements

In the year under review, we organised events aimed at strengthening relationships and promote bonding between our corporate team and contractors' customers. The first ever CEOs & Spouse Valentine dinner with Lafarge top executives was organised, for better interactions between the Company and customer. In the same vein, the Democracy day out was organised as a sporting platform to engage middle level managers in contractors segment.

- Engagement with professional bodies via conferences and exhibitions
In the course of the year we attended various events, we engaged professional bodies via seminars, conferences and trade exhibitions as a



Branded Key Distributor outlet.

means of ensuring sustained brand recommendation and endorsement.

We participated in the following activities among others.

- o Nigerian Institute of Structural Engineers Annual General Meeting.
- o World Engineering Conference on Sustainable Infrastructure (WECSI)

- o Totally Concrete West Africa.
- o Association of Consulting Engineers of Nigeria (ACEN)
- o Federation of Construction Companies (FOCI)
- o Lagos International Trade fair etc

• Innovation and Product Development

- We assisted several contractors with setting up concrete quality control process on site and concrete mix designs.
- Launch of Sulphate Resistant Cement (SRC), which is designed to protect reinforced Concrete structures that are built in marine/saline water bodies.
- Partnership with the Federal Ministry of works on the use of RoadCem on Federal Government roads. The partnership will address the durability requirements of the Ministry and lead to a trial project.

3



At the opening of the Customer Value Center, Oregon, Ikeja.

MARKETING

SOUTH AFRICA

Over the last year significant changes were made in our marketing approach which is aligned to Extra Mile approach launched by the Lafarge Group 2012.

These changes include the implementation of a customer discovery process which enables us to understand the end-user application of our customer process and develop an integrated offer to address the needs identified through the process.

Marketing structure

An integrated marketing team at Country level was implemented in April 2014. It was important to have a variation of skill set in the team that can drive the new marketing approach through-out the organisation. The teams currently consist of marketing experts, civil engineers, quantity surveyor, commercial/finance specialists and a chemical engineer.

Priority segments

The priority segments that were identified for 2014 were roads and mining due to growth and market size of these segments in South Africa.

An integrated road offer was developed and launched in Q1 2014 which includes the supply of building materials across all the product line and additional services such as mobile crushing and technical services and project concrete plants.

Our integrated mining offer was also launched in Q1 2014 and addresses the needs of mining houses in development, operational and closure phases. Innovation in this segment included the launching of an acid mine drainage prevention solution as well as a rehabilitation solution.



L-R: Michael Abhulimen, Country Marketing Director, Lafarge Africa Plc; Fred Amobi, Director, Readymix; Peju Adebajo, MD, WAPCO Operations; Sam Ndionyenma, GM Sales & Customer Service and Tina Sobola, Brand Manager, WAPCO Operations at WAPCO Operations' 2014 Partners Awards in Lagos.

Distribution Channel

Our distribution channel refers to selling of bagged cement and premix through the retail channel. This channel represents a significant portion of our sales. We launched a "Think Lafarge" campaign in 2013 that continued through-out 2014 to improve brand awareness especially in rural and township areas in South Africa. Our promotional activities also included branding of taxis, walls and painting of various building material stores in the township/rural areas. Our promotional activities will be expanded in 2015 to improve the acceptance and use of Lafarge brands in the areas.

Industrial

The industrial segment which includes precast; ready mix and asphalt customers are very attractive segments for Lafarge. These segments require high technical expertise and high service levels. Our focused sub-segment for 2014 was the precast segment. Through our customer discovery process we identified several pain points for our customer and are in the process of developing an integrated offer which

will address some of those areas that will be launched in Q1, 2015.

Commercial Organisation:

An alignment between our marketing and commercial activities was required in 2014. An integrated Infrastructure Sales team was implemented in July 2014 with the main objectives of selling our new integrated infrastructure offers to the market. This approach was accepted very well by our customers and several projects were secured since inception.

A Sales Force Effectiveness programme was rolled in 2014 to all sales team. The objective of the programme was to improve the effectiveness of our sales approach. The second phase of the project will be rolled out in 2015 which focusing more on the coaching of sales teams.

Extra Mile Performance:

Our new marketing and commercial approach enabled us to exceed our Extra Mile budget for 2014 and through innovation and further customer discovery we feel confident that we will achieve the Extra Mile objectives for 2015.

OUR PRODUCT BRANDS

Ashaka Portland Limestone Cement

This is a Nigerian Industry Standard Certified product and is produced in Ashaka Plant. This is a trusted brand in the North Eastern part of Nigeria with a 30 year pedigree and is used in many building and civil engineering works.



Powermax

Powermax is premium technical cement that combines excellent strength performance at all ages with versatility and enhanced durability benefits. Its characteristics of superior workability and good early strength, in particular, makes Powermax the effective solution to the productivity demands of large construction projects while also satisfying the needs of homeowner building projects.



Supaset Cement

Supaset Cement is cement specifically formulated in Nigeria to meet the requirements of the block making and precast segment of the construction industry. Its birth was borne out of profound customer research to satisfy the need for specialized cement for these segments of the Nigerian industry. Elephant Supaset combines three key value propositions of Early Setting, Early Strength and the unique Latter Strength which is a distinguished quality our flagship, Elephant Cement, has been known for over the years.



Atlas Classic Cement

Atlas Classic is a signature brand which conforms to NIS and BS/12/1991 standards. The quality is very high providing solutions with power, maturity, resilience, durability and reliability. With quality assured production and materials handling processes in place, the Atlas Cement Brand has consistently delivered on its value proposition since its emergence in the Nigerian market in 2001.

Readymix Concrete

Readymix is a product of Lafarge Africa's commitment to innovation. This solution is specifically designed to meet construction needs. Readymix is concrete mixed to project specifications and delivered to construction sites when needed.

Sulfacrete

Sulfacrete is a Portland limestone cement produced in South Africa with clinker developed to provide high sulphate resistance and a moderate heat of hydration. Designed to reduce damage to concrete, mortar and grout exposed to sulphate attack including manholes and effluent treatment plants, Sulfacrete also minimises the risk of alkali silica reaction and reduces the thermally-induced stresses in large pours by providing moderately low heat cement. Sulfacrete has excellent durability, early and final strength, low alkali cement with guaranteed uniformity and consistent quality.

Elephant Cement

A 53 year-old formidable brand of impeccable standard and quality; it backs solution provision with power, maturity, resilience, durability and reliability. Little wonder it has consistently won the NIS Certificate for product quality by the Nigerian Standard Organization for over two decades now. The Elephant brand has helped to build that edifice, brought that monumental project to life, created that serene atmosphere and positively impacted the lives of Nigerians socio-economically.



RoadCem

RoadCem products are specialised cementitious binders designed to meet the needs of a wide range of road stabilisation projects.



OUR PRODUCT BRAND

DuraPozz

DuraPozz has achieved international recognition as a high quality Fly Ash. It has become the first choice cement extender in South Africa for its ability to enhance the performance of fresh and hardened concrete. In the production of extended cements, DuraPozz is making a major contribution to reducing emissions of 'greenhouse' gases.



PozzFill

PozzFill is used by blenders as an extender for cement in South Africa for certain applications – including compliance with SABS EN 197, and in production of concrete and in the mining industry for backfilling.

SuperPozz

Is produced in South Africa for use in the highest specification of cement, which may be used in pillars for high rise buildings.

Buildcrete and DuraBuild

The general purpose Lafarge South Africa CEM IV cements, Buildcrete 42.5N and DuraBuild 32.5N, have more than 40% clinker replacement using the Company's innovative fly ash extension formulation.



Buildcrete produces user-friendly concrete mixes with excellent all-round performance that enables cost savings for domestic or major construction projects. The innovative high fly ash formulation is a Sulphate Resisting class of cement that contributes to durable, dense concrete. The high performance and early strength gain of Buildcrete enables builders to standardize on its use for a wide range of applications.

DuraBuild is an innovative cement designed to meet today's need for quality, versatility and affordability.

The product offers the reliable quality of the Lafarge brand with superior workability for user-friendly concrete and strength that meets the needs of domestic and most contract site projects. Durabuild is designed for mortar, plaster and light concrete work.

Powercrete Plus

Powercrete Plus CEM II 42,5R is considered the best all-round premium cement for structural applications. Innovative formulation allows the product to be extended further and to produce on site a wide range of specific, cost-effective mix formulations.



FastCast

FastCast brings the benefits of a superior performance cement to brick and block manufacturers, other smaller precasters and DIY customers. Innovative Fastcast meets the high early strength requirements of the precast industry and similar demanding construction environments.

Readymix Concrete Solutions

The Company's Readymix concrete business is a ready-mixed concrete market leader in South Africa and a leader in providing innovative products and solutions for the local construction industry. Over fifty batch plants are strategically sited throughout South Africa together with mobile concrete batch plants that enable Lafarge to provide a rapid response on urgent projects, together with the benefits of an on-site service, where necessary.

Lafarge Readymix produces standard concrete to the highest quality standards and strength requirements, as well as a wide variety of specialty concretes. Some of the products that illustrate the market-leading spread of solutions

available from Lafarge South Africa include:

Artevia™ Decorative Concretes

Offering a wide choice of colours, textures and patterns in durable, minimal maintenance concrete, Artevia™ imparts originality to the inside and outside of homes, and the means to express the Homeowner's personality. Artevia™ Polish is the solution for achieving silky smooth marble-like finishes. Artevia™ Colour with its integral pigments is a durable structural concrete to beautify high traffic areas. The appeal of natural stone textures is provided with Artevia™ Stone, while the exposed aggregates in Artevia™ Exposed make an attractive, non-slip driveway.

Agilia® Range of Self-Compacting Concretes

One of Lafarge's ground-breaking products, Agilia®, is a self-compacting concrete designed to flow under its own weight without the need for vibration. The product's exceptional fluidity enables it to fill all corners and areas in formwork or moulds effortlessly, and produces excellent architectural finishes.

Hydromedia™ Permeable Concrete

Another Lafarge technical breakthrough has demonstrated that practicality can go hand in hand with beauty. Hydromedia™ is an innovative porous concrete that provides rapid drainage of stormwater for a wide variety of uses such as driveways, pathways and swimming pool surrounds. The strength and light weight of Hydromedia™ also makes it an ideal solution for concrete 'green' roof systems.





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FINANCIAL STATEMENTS

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LAFARGE AFRICA PLC

Report on the Financial Statements

We have audited the accompanying consolidated and separate financial statements of Lafarge Africa Plc (“the Company”) and its subsidiaries (together referred to as “the Group”) which comprise the consolidated and separate statements of financial position as at 31 December 2014, the consolidated and separate statements of profit or loss and other comprehensive income, statement of changes in equity, consolidated and separate statements of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

Directors’ Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with the Companies and Allied Matters Act CAP C20 LFN 2004, the Financial Reporting Council of Nigeria Act, 2011, the International Financial Reporting Standards and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of Lafarge Africa Plc and its Subsidiaries as at 31 December 2014 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Other reporting responsibilities

In accordance with the Sixth Schedule of Companies and Allied Matters Act CAP C20 LFN 2004 we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Group has kept proper books of account, so far as appears from our examination of those books.
- iii) The Group’s statements of financial position and its statements of profit or loss and other comprehensive income are in agreement with the books of account and returns.



Augustine Nkwume FCA – FRC /2013/ICAN/0000000839

For: Akintola Williams Deloitte

Chartered Accountants

Lagos, Nigeria

31 March 2015



REPORT OF AUDIT COMMITTEE

In accordance with Section 359 (6) of the Companies and Allied Matters Act, cap C20, Laws of the Federation of Nigeria 2004 (CAMA), we, the members of the Audit Committee have reviewed and considered the Auditor's Report required to be made in accordance with Section 359 (3) of CAMA and report as follows:

- i. We have reviewed the scope and planning of the audit requirements.
- ii. We have reviewed the External Auditors' Management Letter for the year ended together with Management's responses.
- iii. We also ascertained that the accounting and reporting policies of the Company for the year ended 31st December 2014 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the scope and planning of the audit for the year ended 31st December, 2014 were adequate and Management's responses to the Auditors' findings were satisfactory.

Dated 17th day of March 2015



O. O. Oyedele

FRC/2013/CIIN/00000001622

Chairman, Audit Committee



Mr. Olawale Oyedele
Chairman



Chief Peter Asu
Member



Mr. Adebayo Adeleke
Member



Mr. Mobolaji Balogun
Director



Dr. Adebayo Jimoh
Director



Mr. Anders Kristiansson
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS

for the year ended 31 December 2014



The Directors of Lafarge Africa Plc are responsible for the preparation of the consolidated financial statements that give a true and fair view of the financial position of the Group and Company as at 31 December 2014, and the results of its operations, cash flows and changes in equity for the period ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011.

In preparing the consolidated financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company's financial position and financial performance; and
- making an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group and Company;
- maintaining adequate accounting records that are sufficient to show and explain the Group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company, and which enable them to ensure that the financial statements of the Group and Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Group and Company; and
- preventing and detecting fraud and other irregularities.

Going Concern:

The Directors have made an assessment of the Group's and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not remain a going concern in the year ahead.

The consolidated financial statements of the Group and Company for the year ended 31 December 2014 were approved by the board of directors on 11 March 2015.

On behalf of the Directors of the Group

Chief Olusegun Osunkeye (CON, OFR)
Chairman
FRC/2012/ICAN/00000000224

Guillaume Roux
Group Managing Director/CEO
FRC/2015/IODN/00000011033

Anders Kristiansson
Group Finance Director/CFO
FRC/2014/ANAN/00000009819

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2014

	Note	Group		Company	
		31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
CONTINUING OPERATIONS					
Revenue	5	205,844,801	206,072,691	105,848,657	97,174,505
Cost of sales	6	(137,364,073)	(138,754,043)	(61,862,716)	(58,855,766)
GROSS PROFIT		68,480,728	67,318,648	43,985,941	38,318,739
Sales and Marketing expenses		(3,630,024)	(2,993,515)	(1,413,645)	(855,314)
General and Administrative expenses	7	(19,127,520)	(18,781,764)	(8,211,374)	(6,438,529)
Other (losses) / gains	8	39,878	21,910,126	(457,349)	62,374
Other expenses	8	(1,585,390)	(443,456)	(516,387)	(443,456)
Investment income	9	3,052,826	1,872,305	1,770,338	789,786
Finance cost	10	(3,594,892)	(4,620,795)	(2,804,528)	(3,990,517)
Share of net loss from associate	18	(2,437,179)	-	-	-
PROFIT BEFORE TAX		41,198,427	64,261,549	32,352,996	27,443,083
Income tax (expense)/credit	11	(6,537,761)	(3,308,304)	(3,992,850)	579,117
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	13	34,660,666	60,953,245	28,360,146	28,022,200
Net (loss) / income from discontinued operations	14	(275,391)	(633,542)	-	-
PROFIT FOR THE YEAR		34,385,275	60,319,703	28,360,146	28,022,200
Of which, attributable to:					
Owners of the parent Company		32,495,131	59,150,721	28,360,146	28,022,200
Non- controlling interests		1,890,144	1,168,982	-	-
NET INCOME		34,385,275	60,319,703	28,360,146	28,022,200
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit or loss					
Net gain/(loss) arising on business combination	17b	(157,816,689)	-	-	-
Actuarial gain/(loss) on remeasurement of employee long term defined benefit	24	1,103,829	(290,311)	510,997	(75,571)
Tax effect on actuarial gain on remeasurement	11	(330,824)	15,594	(153,299)	22,671
Exchange gain / (loss) on foreign currency translation		(444,560)	(896,476)	-	-
OTHER COMPREHENSIVE INCOME/(LOSS)		(157,488,244)	(1,171,193)	357,698	(52,900)
TOTAL COMPREHENSIVE (LOSS)/INCOME		(123,102,969)	59,148,510	28,717,844	27,969,300
Total comprehensive income attributable to:					
Owners of the parent Company		(125,189,093)	58,065,588	28,717,844	27,969,300
Non- controlling interests		2,086,124	1,082,922	-	-
Earnings per share					
Basic (kobo)	12	738	1,343	826	934
Diluted (kobo)		738	1,343	828	934

The notes on pages 72 to 129, and the additional statements on pages 130 and 131 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2014

Note	Group		Company		
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000	
ASSETS					
Non current assets					
Property, plant and equipment	15	209,145,134	213,276,396	120,154,329	123,128,764
Intangible assets	16	2,191,007	2,360,869	-	-
Investment in subsidiaries	18	-	-	164,045,653	50,000
Investment in Associate	18	31,734,343	-	34,128,314	-
Other long term investment	18	7,606	6,321,989	-	-
Deferred tax asset	23	294,629	96,571	-	-
Long term receivables	14	6,247,999	-	-	-
Total non current assets		249,620,718	222,055,825	318,328,296	123,178,764
Current assets					
Inventories	19	24,262,858	21,566,292	15,224,740	11,645,619
Trade and other receivables	20	17,457,477	12,768,386	7,714,284	4,837,158
Current tax receivable	23	508,745	580,970	-	-
Cash and cash equivalents	21	14,029,030	33,896,064	2,360,238	20,205,376
Current assets		56,258,110	68,811,712	25,299,262	36,688,153
Assets classified as held for sale	14	-	7,258,556	-	-
TOTAL ASSETS		305,878,828	298,126,093	343,627,558	159,866,917
EQUITY & LIABILITIES					
Equity					
Share capital	28	2,202,088	1,500,800	2,202,088	1,500,800
Share premium	28	173,997,568	9,488,747	173,997,568	9,488,747
Retained earnings		153,383,404	134,877,196	100,464,682	81,652,118
Foreign currency translation reserve		(1,341,036)	(896,476)	-	-
Other reserves arising on business combination		(157,816,689)	6,534,440	-	-
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		170,425,335	151,504,707	276,664,338	92,641,665
Non-controlling interest		21,217,189	19,520,368	-	-
TOTAL EQUITY		191,642,524	171,025,075	276,664,338	92,641,665
NON CURRENT LIABILITIES					
Borrowings	25	8,846,393	11,160,339	7,057,436	8,441,880
Retirement benefits obligation	24	8,325,948	8,770,669	3,833,426	3,754,500
Deferred tax	23	34,172,979	30,885,433	18,021,055	14,241,070
Provisions	31	2,898,281	2,561,661	742,123	640,498
Deferred revenue	27	782,704	812,808	782,704	812,808
Total non-current liabilities		55,026,305	54,190,910	30,436,744	27,890,756
Current liabilities					
Trade and other payables	26	51,305,162	45,166,210	30,734,536	24,549,043
Provisions	31	1,333,773	1,559,504	917,471	973,955
Borrowings	25	2,263,675	14,242,231	3,384,444	13,069,412
Deferred revenue	27	30,104	30,104	30,104	30,104
Current tax payable	23	1,553,878	1,093,101	742,539	711,982
Bank Overdraft	21	2,723,407	2,875,239	717,382	-
Total current liabilities		59,209,999	64,966,389	36,526,476	39,334,496
Liabilities associated with assets held for sale	14	-	7,943,719	-	-
TOTAL EQUITY AND LIABILITIES		305,878,828	298,126,093	343,627,558	159,866,917

These financial statements were approved and authorised for issue by the Board of Directors on 11 March 2015 and were signed on its behalf by:



Chief Olusegun Osunkeye (CON, OFR)
Chairman
FRC/2012/ICAN/00000000224



Guillaume Roux
Group Managing Director/CEO
FRC/2015/IODN/00000011033



Anders Kristiansson
Group Finance Director/CFO
FRC/2014/ANAN/00000009819

The notes on pages 72 to 129, and the additional statements on pages 130 and 131 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at 31 December 2014

Group



Note	Share capital N'000	Share premium N'000	Retained earnings N'000	Foreign Currency translation reserve N'000	Other reserves arising on business combination N'000	Non-Controlling Interests N'000	Total equity N'000
	1,500,800	9,488,747	118,733,045	-	-	-	129,722,592
	-	-	-	-	6,534,440	20,493,946	27,028,386
Balance as at 1 January, 2013	1,500,800	9,488,747	118,733,045	-	6,534,440	20,493,946	156,750,978
Acquisition of subsidiaries using pooling of interest method							
Restated Balance as at January 1, 2013 after business combination							
Net income for the year	-	-	59,150,721	-	-	1,168,982	60,319,703
Other comprehensive income for the year, net of tax			(188,657)	(896,476)		(86,060)	(1,171,193)
Total comprehensive income for the year			58,962,064	(896,476)		1,082,922	59,148,510
Dividend paid			(40,457,089)			(389,302)	(40,846,391)
Prior year adjustment on deferred tax			(2,360,824)			(1,667,198)	(4,028,022)
Balance as at 31 December, 2013	1,500,800	9,488,747	134,877,196	(896,476)	6,534,440	19,520,368	171,025,075
Net income for the year			32,495,131			1,890,144	34,385,275
Other comprehensive income for the year, net of tax			577,025	(444,560)	(157,816,689)	195,980	(157,488,244)
Total comprehensive income for the year			33,072,156	(444,560)	(157,816,689)	2,086,124	(123,102,969)
Dividends paid			(14,565,948)			(389,303)	(14,955,251)
Issue of shares	701,288	164,802,678	-			-	165,503,966
Share issue expenses		(293,857)					(293,857)
Reversal of prior year pooling of interest adjustment					(6,534,440)		(6,534,440)
Balance as at 31 December, 2014	2,202,088	173,997,568	153,383,404	(1,341,036)	(157,816,689)	21,217,189	191,642,524



COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2014



Company	Note	Share capital N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
Balance as at 1 January, 2013		1,500,800	9,488,747	57,284,738	68,274,285
Net income for the year		-	-	28,022,200	28,022,200
Other comprehensive income for the year, net of tax				(52,900)	(52,900)
Total comprehensive income for the year		-	-	27,969,300	27,969,300
Dividends paid	28	-	-	(3,601,920)	(3,601,920)
Balance as at 31 December 2013		1,500,800	9,488,747	81,652,118	92,641,665
Net income for the year		-	-	28,360,146	28,360,146
Other comprehensive income for the year, net of tax				357,698	357,698
Total comprehensive income for the year		-	-	28,717,844	28,717,844
Dividends paid	28	-	-	(9,905,280)	(9,905,280)
Issue of shares	28	701,288	164,802,678	-	165,503,966
Share issue expenses	28	-	(293,857)	-	(293,857)
Balance as at 31 December, 2014		2,202,088	173,997,568	100,464,682	276,664,338

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2014

	Note	Group		Company	
		31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Income from continuing operations		34,660,666	60,953,245	28,360,146	28,022,200
Net (loss)/income from discontinued operation		(275,391)	(633,542)	-	-
Profit after tax		34,385,275	60,319,703	28,360,146	28,022,200
Adjustment to reconcile net income to net cash from operating activities:					
Depreciation	15	9,324,788	10,036,899	5,145,482	5,487,165
Amortisation charged	16	220,021	82,151	-	-
Loss/(Gains) on disposals / write offs of property plant and equipment		299,855	(312,197)	(318)	13,082
Retirement benefit obligations - Service costs	24.3	620,953	125,676	381,000	344,196
Finance cost		3,594,892	4,620,795	2,804,528	3,990,517
Finance and investment income		(3,230,900)	(23,521,562)	(1,770,338)	(789,786)
Income taxes		6,537,761	3,308,304	3,992,850	(579,117)
Changes in working capital	22	(2,081,520)	1,810,953	(500,365)	(585,205)
Share of income/loss from associate	18	2,437,179	-	-	-
Cash payments for financial expenses		(348,141)	(219,754)	(339,619)	(219,049)
Income taxes paid	23	(3,009,083)	(7,519,622)	(335,608)	(231,803)
NET CASH GENERATED FROM OPERATING ACTIVITIES		48,751,080	48,731,346	37,737,758	35,452,200
Purchase of property, plant and equipment	15	(6,782,709)	(7,061,833)	(2,172,458)	(2,022,640)
Purchase of intangible assets	16	(242,207)	(20,207)	-	-
Net cash inflow from disposal of investment	8.1	-	25,861,624	-	-
Net cash outflow on acquisition of subsidiaries	17b	(32,620,000)	-	(32,620,000)	-
Net movement in discounting operation and other long term receivables		(439,978)	1,505,841	-	-
Finance and investment income		3,200,796	1,842,201	1,740,234	759,682
Proceed from disposal of assets		64,396	400,298	1,729	27,861
NET CASH PROVIDED (USED IN) BY INVESTING ACTIVITIES		(36,819,702)	22,527,924	(33,050,495)	(1,235,097)
Interest paid		(2,237,782)	(4,151,532)	(1,981,234)	(3,440,930)
Dividend paid to equity holders of the company	28	(14,565,948)	(40,457,089)	(9,905,280)	(3,601,920)
Dividend paid to Non Controlling Interest	28	(389,303)	(389,302)	-	-
Transaction cost on shares issued	28	(293,857)	-	(293,857)	-
Loans received during the year	25	-	-	2,000,000	-
Repayment of external borrowings	25	(14,234,062)	(16,890,772)	(13,069,412)	(15,794,630)
NET CASH PROVIDED (USED IN) BY FINANCING ACTIVITIES		(31,720,952)	(61,888,695)	(23,249,783)	(22,837,480)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(19,789,574)	9,370,575	(18,562,520)	11,379,623
Effect of exchange rate changes on the balance of cash held in foreign currencies		74,372	(186,834)	-	-
Cash and cash equivalents at beginning of year		31,020,825	21,837,084	20,205,376	8,825,753
CASH AND CASH EQUIVALENTS AT PERIOD END	21	11,305,623	31,020,825	1,642,856	20,205,376

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2014



1 The reporting entity

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 and Atlas Cement Company Limited.

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.

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

Lafarge Africa Group comprises the Lafarge Africa Plc and its 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 business of producing ready mix concrete for the construction industry. Its principal office is located at Ikoyi Lagos, Nigeria.
- AshakaCem 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 Nigeria (UK) Limited owns 58.61% and has been listed on the Nigeria Stock Exchange since 1990. Following the acquisition on 12 September 2014, Lafarge Africa Plc owns the entire 58.61% controlling interest of AshakaCem held by Lafarge Nigeria (UK) Limited.
- Atlas was incorporated on 24 September 24 1999 and is a wholly owned subsidiary of Lafarge Nigeria (UK) Limited. Following the acquisition on 12 September 2014 Lafarge Africa Plc owns 100% of the equity shareholding of Atlas held by Lafarge Nigeria (UK) Limited.
- LSAH is a holding company through which Lafarge S.A. holds interest in several South African entities with significant scale and balanced portfolio of assets across cement; aggregates; ready-mix concrete and fly ash.

Following the acquisition on 12 September 2014, 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.

The acquisition does not include LSAH's interest in its Gypsum Business Unit as this activity was recognized as an asset for sale in LSAH's 2013 Statement of Financial Position and accordingly, the Gypsum Business Unit was not included in the valuation of LSAH.

These financial statements are prepared on a going concern basis.

- United Cement Company Nigeria (Unicem) was incorporated in Nigeria on 18 September 2002 as a private limited liability company. The Nigerian Cement Holdings B.V. which is wholly owned by Egyptian Cement Holding B.V. owns 70% of the equity shareholding of Unicem while Flour Mills of Nigeria plc owns 30%. Following the acquisition on 12, September 2014, Lafarge Africa holds a 50% shareholding in Egyptian Cement Holding B.V., which represents a 35% indirect shareholding in Unicem.

These Consolidated financial statements cover the financial period from 1 January 2014 to 31 December 2014 with comparatives for the year 2013 as appropriate.

1.1 Composition of financial statements

The financial statements of Lafarge Africa Plc comprise:

- Group and company statements of profit or loss and other comprehensive Income;
- Group and company statements of financial position;

NOTES TO THE GROUP FINANCIAL STATEMENTS for the year ended 31 December 2014

- Group and company statements of cash flows and
- Notes to the group and company financial statements.
- Consolidated statement of value added
- 5 year financial statement

1.2 Going concern

These financial statements have been prepared on the going concern basis. The Group has no intention or need to reduce substantially its business operations. The Group Management believes that the going concern assumption is appropriate for the Group based on historical experience that short-term obligations will always be met.

2. Application of new and revised international financial reporting standards (IFRS)

In the current year, the Group has applied some new and revised IFRSs issued by the International Accounting Standard Board (IASB) that are mandatorily effective for accounting periods that commence on 1st January 2014. The IFRSs and the changes are tabulated below:

IFRS/Interpretation Reference Standard Name	Nature of New Standard/Amendment/Interpretation	Effective Date
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IFRS 10 Consolidated financial statements	Amendments for investment entities, allowing investments entities to account for investments in subsidiaries at fair value in the consolidated financial statements.	Annual periods beginning on or after 1 January 2014
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IFRS 12 Disclosure of interest in Other Entities	Amendments for disclosure of interests in investment entities.	Annual periods beginning on or after 1 January 2014
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IAS 27 Separate Financial Statements	Amendments for investment entities.	Annual periods beginning on or after 1 January 2014
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IAS 32 Financial Instruments – Presentation	Amendments to application guidance on the offsetting of financial assets and financial liabilities.	Annual periods beginning on or after 1 January 2014
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IAS 36 Impairment of assets	Amendments requiring additional disclosures of recoverable amounts of assets and cash generating units (CGU's) when an impairment loss is recognised or reversed and where the recoverable amount is determined based on the fair value less costs of disposal.	Annual periods beginning on or after 1 January 2014
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IAS 39 Financial Instruments: Recognition and Measurement	Amendments for novation of derivatives which have been designated as hedging instruments	Annual periods beginning on or after 1 January 2014
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IFRIC 21 Levies	A government may impose a levy on an entity. This Interpretation addresses the accounting for a liability to pay a levy if that liability is within the scope of IAS 37. It also addresses the accounting for a liability to pay a levy whose timing and amount is certain. An entity shall apply this Interpretation for annual periods beginning on or after 1 January 2014	
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The application of the amendments to IFRS 10, IFRS 12 and IAS 27 has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements as the company is not an investment entity.

2.1 Application of new and revised international financial reporting standards (IFRS) (Continued)

The application of amendments to IAS 32 IAS 36, IAS 39 and IFRIC 21 has had no material impact on the disclosures in the Group's consolidated financial statements.

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014**2.1.1 Accounting standards and interpretation issued but not yet effective**

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS/Interpretation Reference Standard Name	Nature of New Standard/Amendment/Interpretation	Effective Date
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IFRS 9 Financial instruments	The Amendment is to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.	Annual periods beginning on or after 1 January 2015
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IFRS 15 Revenue from Contracts with customers	Accounting for revenue arising from contracts with customers	Annual periods beginning on or after 1 January 2017
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IFRS 11 Accounting for acquisitions of interests in joint operations	The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 - Business Combinations	Annual periods beginning on or after 1 January 2016
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Amendments to IAS 16 and IAS 38 Classification of acceptable methods of Depreciation and Amortisation		
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Amendments to IAS 16 prohibits entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. Annual periods beginning on or after 1 January 2016

Amendments to IAS 19 Defined Benefit Plan: Employee Contribution This amendment clarifies how an entity should account for contributions made by employees or third parties to defined benefit plans based on whether those contributions are dependent on the number of years of service provided by the employees. Annual periods beginning on or after 1 July 2014

3 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, 2013. The accounting policies adopted, a summary of which is set out below, have been consistently applied to the years presented, unless otherwise disclosed.

3.1 Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

3.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis of accounting except for financial instruments which are measured at fair value as explained in the policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS). The group financial statements are presented in Nigerian Naira (NGN) and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

3.3 Basis of consolidation

The Group financial statements incorporate the financial statements of the parent company, its subsidiaries and associate for the year ended 31 December, 2014.

Control is achieved when the company is exposed to, or has rights to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Profit or loss and each component of other comprehensive income are attributable to the owners of the Company non-controlling interest. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

NOTES TO THE GROUP FINANCIAL STATEMENTS for the year ended 31 December 2014

The profit or loss and each component of other comprehensive income (OCI) of AshakaCem are attributed to Lafarge Africa and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intercompany balances and transactions have been eliminated in consolidation for the subsidiaries.

3.4 Common Control Business Combinations

Business combinations involving entities ultimately controlled by the Lafarge group are accounted for using the pooling of interest method (also known as merger accounting).

A business combination is a “common control combination” if:

- i. The combining entities are ultimately controlled by the same party both before and after the combination and
- ii. Common control is not transitory.
Under a pooling of interest- type method, the acquirer is expected to account for the combination as follows:
 - i. The assets and the liabilities of the acquiree are recorded at book value and not at fair value
 - ii. Intangible assets and contingent liabilities are recognized only to the extent that they were recognized by the acquiree in accordance with applicable IFRS (in particular IAS 38: Intangible Assets).
 - iii. No goodwill is recorded. The difference between the acquirer’s cost of investment and the acquiree’s equity is presented separately within OCI on consolidation.
 - iv. Any non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities.
 - v. Any expenses of the combination are written off immediately in the statement of comprehensive income.
 - vi. Comparative amounts are restated as if the combination had taken place at the beginning of the earliest comparative period presented and
 - vii. Adjustments are made to achieve a uniform accounting policies.

3.4.2 Investment in Associates

An associate is an entity over which the Group has significant influence, which is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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 associates 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 an associate in excess of the Group’s interest in that associate (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

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 associate 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 an associate of the Group, profits and losses are eliminated to the extent of the Group’s interest in the relevant associate.

3.5 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group’s accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

NOTES TO THE GROUP FINANCIAL STATEMENTS for the year ended 31 December 2014

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.5.1 Critical judgments in applying accounting policies

Business combination

The Group applies Pooling of Interest method in accounting for business combination among entities under common control as such transactions are not covered under IFRS 3: Business Combination. The excess of the consideration over the Company's share of the acquiree's assets and liabilities is recognised as a reserve in equity.

3.5.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Post-retirement medical and gratuity benefits

The accounting for post-retirement medical and end of service benefits requires management to make certain assumptions that have a significant impact on the expenses and liabilities that are recorded for these employment benefits. The expected long-term rates as recorded in note 16 are based on historical performances, current and long-term outlooks and the actuarial statistics compiled and updated by the actuarial industry on an ongoing basis.

Provisions for site restoration

Where the group is legally, contractually or constructively required to restore a site, the estimated costs of site restoration are accrued and amortised to cost of goods sold, spread over the estimated useful life of the site. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of future activities.

Useful lives of property, plant and equipment

The Lafarge Group reviews the estimated remaining useful lives of property, plant and equipment during each reporting period, using a risk based approach, so as to prevent material misstatement in any one year, as it is impracticable to assess all assets in any one year. The group relies on technical experts to determine the best estimate of useful lives. Due to the long life of many of these assets and the effect of ongoing maintenance and upgrades, the extension in the useful lives of many assets is not readily, accurately determinable and therefore is subject to a great degree of judgement and estimation.

Share-based payments

The accounting for cash-settled share-based payments requires us to make certain assumptions that have a significant impact on the expenses and liabilities that we record for these future pay-outs. The expected long-term payables as recorded in note 31 are based on historical performances of similar entities, current and long-term earnings projections and statistics compiled and updated by management based on employee movements.

Trade receivables

The group assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

3.6 Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Group and that revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Revenue is reduced for rebates, discounts and other similar allowances.

3.6.1 Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon delivery or self-collection.

NOTES TO THE GROUP FINANCIAL STATEMENTS for the year ended 31 December 2014

3.6.2 Rental Income

Rental income arising from operating leases on properties is accounted for on a straight line basis annually over the lease terms and it is included in revenue in the statement of profit or loss and are usually classified as part of other operating income.

3.7 Finance income and expenses

These comprise:

- Interest charges relating to borrowings
- Interest income earned on cash and bank balances
- Other expenses paid to financial institutions for financing operations
 - Foreign currency exchange gains and losses
 - Gains on disposal of available for sale financial assets
 - Government grant
 - Net interest on employees' defined benefit liability.

3.8 Government grant

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in the profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The unwinding of the discount is recognised each year as a finance cost in the profit or loss.

3.9 Foreign currency translation

1) Foreign currency transactions

Transactions in foreign currencies are recorded in the respective functional currencies of the entities of the Group by applying the exchange rate at the date of the transactions.

At each reporting date, monetary assets and liabilities denominated in foreign currencies recorded at historical cost are translated using the functional currency closing rate, whereas those measured at fair value are translated using the exchange rates at the date at which the fair value was determined. Non-monetary assets and liabilities in a foreign currency that are measured at historical cost are translated using the exchange rates at the date of the transaction. All exchange differences arising from these transactions are recorded in the profit or loss for the period.

2) 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.

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014

The schedule below presents foreign exchange rates for the main currencies used within the Group:

Foreign currency	December 2014			December 2013		
	YTD	Q4	Closing	YTD	Q4	Closing
	Average	Average		Average	Average	
	Naira	Naira	Naira	Naira	Naira	Naira
US Dollar (USD)	165.08	172.58	186.80	161.75	159.26	161.22
South African Rand (ZAR)	15.22	15.39	17.73	16.82	15.68	18.19

3.10 Earnings per share

Basic earnings per share are computed by dividing the net income attributable to owners of the parent company by the weighted average number of common shares outstanding during the period.

3.11 Intangible assets

In accordance with criteria set in IAS 38, intangible assets are recognized only if:

- They are identifiable
- They are controlled by the entity because of past events
- It is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets primarily include software costs and are amortized using the straight-line method over their estimated useful lives of three years. This expense is recorded in administrative expenses based on the function of the underlying assets.

3.12 Property, plant and equipment

All property, plant and equipment are initially recorded at cost. Costs include professional fees, and for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy.

Strategic spares expected to be in use for more than one year with material values as determined by the directors are capitalized and depreciated over 5 years.

Depreciation is calculated on the straight-line basis to write down the cost of each item of property, plant and equipment, or the revalued amount, to its residual value over its expected useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The expected useful lives of the major categories of plant, property & equipment are:

Leasehold land	Over the lease period
Buildings	30 years
Production plant	8 – 30 years
Capitalised spares	5 years
Other tangible assets	3 – 5 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

NOTES TO THE GROUP FINANCIAL STATEMENTS for the year ended 31 December 2014

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the actual proceeds and the carrying amount of the asset and is recognized in the profit or loss in the year in which the disposal or retirement occurs.

3.13 Leasing

In accordance with IAS 17, the Group capitalizes assets financed through finance leases where the lease arrangement transfers to the Group substantially all of the benefits and risks of ownership. Lease arrangements are evaluated based upon the following criteria:

- The lease term in relation to the assets useful lives;
- The total future payments in relation to the fair value of the financed costs;
- Existence of transfer of ownership;
- Existence of a favourable purchase option; and
- Specificity of the leased asset.

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are classified as operating leases. Assets held under operating leases are not recognized in the Group's statement of financial position.

The group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The group as lessee

Assets held under finance leases are recognised as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the group's general policy on borrowing costs.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

3.14 Impairment of assets

Whenever events or new circumstances indicate that the carrying amount of an asset may not be recoverable, an impairment test is performed. The purpose of this test is to compare the carrying value of the asset with its recoverable amount. The recoverable amount is determined by reference to the smallest Cash Generating Unit (CGU) to which the asset belongs.

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014

The recoverable amount is the higher of the fair value less costs to sell and the value in use, which is the present value of the future cash flows expected to be derived from the use of the asset or its disposal. When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in “other operating income and expenses”.

When an impairment loss is recognized for a cash-generating unit, the loss is allocated first to reduce the carrying amount of the goodwill allocated to the CGU if any, and then, to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. After the impairment loss, the new carrying value of the asset is depreciated prospectively over its remaining life.

Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each year-end. The carrying value of the assets, revised due to the increase of the recoverable value of the assets, cannot exceed the carrying amount (net of depreciation) that would have been determined had no impairment been recognized in prior periods. Such reversal is recognized in the statement of profit or loss.

3.15 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of consumables and spare parts is the weighted average cost less provision for the obsolete and slow moving items.

In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overhead based on normal operating capacity. The cost includes direct cost and appropriate overheads and is determined on the first-in first-out method.

Net realisable value of inventories is the estimated selling price of the inventories in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.16 Allowance for inventories written down

Reviews are made periodically by management on damaged, obsolete and slow moving inventories. These reviews require judgment and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

3.17 Cash and cash equivalents

Cash and cash equivalents consists of current account balances, cash, highly liquid investments and cash equivalents which are not subject to significant changes in value and with an original maturity date of generally less than three months from the time of purchase.

3.18 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The Group determines the classification of its financial instruments at initial recognition.

Description of asset/liability	Classification
Investments	Available-for-sale
Loans and advances receivable	Loans and receivables
Trade and other receivables	Loans and receivables
Cash and cash equivalents	Loans and receivables
Loans payable and borrowings	Financial liabilities at amortised cost
Trade and other payables	Financial liabilities at amortised cost

NOTES TO THE GROUP FINANCIAL STATEMENTS for the year ended 31 December 2014

3.18.1 Financial assets

Financial assets are classified into the following specified categories: 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3.18.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

3.18.3 Available-for-sale financial assets (AFS financial assets)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Listed equity shares held by the Group that are traded in an active market are classified as AFS and are stated at fair value at the end of each reporting period. Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of other reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of AFS monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

3.18.4 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment loss.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

3.18.5 Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.



NOTES TO THE GROUP FINANCIAL STATEMENTS for the year ended 31 December 2014

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3.18.6 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

NOTES TO THE GROUP FINANCIAL STATEMENTS for the year ended 31 December 2014

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.19 Financial liabilities and equity instruments

3.19.1 Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

3.19.2 Financial liabilities

Financial liabilities are classified as other financial liabilities.

3.19.3 Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

In particular trade payables are held at amortised cost which equates to nominal value. Long-term payables are discounted where the effect is material.

3.19.4 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.20 Retirement benefits obligation

Defined contributory plan

The Group operates a defined contribution based retirement benefit scheme for its staff, in accordance with the Pension Reform Act of 2004 with employee and employer contributing 8% and 10% of the employees' relevant emoluments respectively for Lafarge Africa Plc, Ashaka Cement Plc and Atlas Cement Nigeria Limited. Lafarge South Africa facilitate and contribute to the provision of retirement benefits for all permanent employees in accordance with the South African Pension Funds Act, 1956.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contribution.

End of Service Defined benefits

Nigerian entities

The Group also operates defined benefit gratuity schemes for its eligible employees. For the Nigerian entities, benefits are related to the employees' length of service and remuneration. The cost of providing gratuity benefits is determined using the Projected Unit Method, with actuarial valuations carried out at the end of each reporting period in accordance with the provisions of IAS 19 – Employee Benefits, with the assistance of independent actuaries. Remeasurement, comprising actual gains and losses is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur.

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014**South African entities**

Lafarge South Africa provides post-retirement medical and retirement gratuity benefits to certain qualifying employees. The expected costs of these benefits are determined using the projected unit credit method, with actuarial valuations being carried out as at the statement of financial position date on an annual basis. Provisions are made over the expected service lives of the employees entitled to those funds. The estimated cost of providing such benefits is charged to the statement of comprehensive income on a systematic basis over the employees' working lives within the group. Actuarial gains and losses are treated in terms of IAS 19 (Revised 2011), and are recognised in the statement of other comprehensive income when they occur.

3.21 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.21.2 Site Restoration Provisions

Due to the Group's policy and general commitment to respect the environment, the group has a constructive obligation to restore all quarry sites. The provision for such site restoration is recorded in Statement of Financial position and charged to cost of sales. This provision is recorded over the operating life of the quarry on the basis of production levels and depletion rates. The estimated future costs for known restoration requirements are determined on a site-by-site basis.

3.22 Cash-settled employee share option scheme

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year. Details regarding the determination of the fair value of cash-settled share-based transactions are set out in note 31.

3.23 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.23.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the period.

3.23.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be used. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to use the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.23.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.24 Consolidation of special purpose vehicles

The group operates broad-based black economic empowerment arrangements through special purposes vehicles (SPV's) comprising companies and trusts. The group retains the residual risk and / or benefits associated with these SPV's, thus they are controlled by Lafarge South Africa Holdings (Pty) Ltd. In terms of IFRS, the appropriate accounting treatment for these entities is to consolidate their activities until the date that effective control ceases. The SPV's have been consolidated in the special purpose group financial statements in terms of IAS 27 (Consolidated Financial Statements) and SIC Interpretation 12 (Consolidation – Special Purposes Entities). As a result, the shares owned by the SPV's have been treated as treasury shares and the corresponding borrowings, where applicable, have been included in group borrowings on consolidation (refer note 25). Furthermore, dividends distributed by the SPV's are reflected as part of finance costs of the group.

3.25 Non-current assets held for sale and discontinued activities

A fixed asset or a group of assets and liabilities is classified as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case the asset must be available for immediate sale and its sale must be highly probable. Such assets or group of assets are presented separately in the consolidated statement of financial position, in the line "Assets held for sale" when they are material. These assets or group of assets are measured at the lower of their carrying value or the fair value less costs to sell. The liabilities directly linked to the assets or group of assets held for sale are presented in the line "Liabilities directly associated with assets held for sale" in the consolidated statement of financial position.

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations for the Group;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations for the Group; or
- is a significant subsidiary acquired exclusively with a view to resale.

Amounts included in the statement of income and the statement of cash flows related to these discontinued operations are presented separately for all prior periods presented in the financial statements. Assets and liabilities related to discontinued operations are shown on separate lines with no restatement for prior years.



NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

4. Operating segment information

The Group is organized by countries.

The information presented hereafter by reportable segment is in line with that reported to the Group Chief Executive Officer (CEO) for the purposes of making decisions about allocating resources to the segment and assessing its performance.

Each operating segment derives its revenues from the following products:

- A wide range of cement
- Aggregates
- Ready-Mix concrete
- Other products

Group management internally follows the performance of the business based upon:

- Revenues by origin of production;
- earning before interests, taxes, depreciation and amortization (EBITDA), defined as the total of operating income before capital gains, impairment losses, restructuring and others, before depreciation and amortization of property, plant and equipment and intangible assets;
- Current operating income (COI) before capital gains, impairment losses, restructuring and others; and
- capital employed, defined as the total of goodwill, intangible assets and property, plant and equipment, investments in associates and working capital.

(Thousand naira)

	Nigeria	South Africa	Total
REVENUE	130,930,956	74,913,845	205,844,801
Current Operating Income (a)	39,109,607	6,613,577	45,723,184
Other operating income / (expense) (b)	(1,423,731)	-	(1,423,731)
Net gains / (losses) on disposals	(478,873)	179,018	(299,855)
Total other gains and losses (b)	(1,902,604)	179,018	(1,723,586)
OPERATING INCOME	37,207,003	6,792,595	43,999,598

(a) Comprises the net of Gross profit, Sales and marketing expenses, General and administrative expenses

(b) Comprises the net of "Other (losses) / gains" and "Other expenses" per Note 8

NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

4. Operating segment information (cont'd)

OTHER INFORMATION	Nigeria	South Africa	Total
Capital expenditure	5,062,775	1,719,934	6,782,709
Capital employed	204,569,635	42,099,194	246,668,829
STATEMENT OF FINANCIAL POSITION			
Segment non-current assets	172,586,952	45,299,423	217,886,375
Of which investments in associates	31,734,343	-	31,734,343
Segment Current Assets	43,218,511	13,039,599	56,258,110
TOTAL ASSETS	247,539,806	58,339,022	305,878,828
Segment non-current liabilities	42,822,214	12,204,091	55,026,305
Segment current liabilities	42,970,171	16,239,828	59,209,999
Equity	161,747,421	29,895,103	191,642,524
TOTAL EQUITY AND LIABILITIES	247,539,806	58,339,022	305,878,828

SEGMENT INFORMATION by Country – December, 2013

(Thousand naira)

	Nigeria	South Africa	Total
STATEMENT OF INCOME			
REVENUE	121,507,349	84,565,342	206,072,691
Current Operating Income	32,165,262	13,378,107	45,543,369
Other operating income / (expense) (b)	(1,099,900)	605,116	(494,784)
Net gains / (losses) on disposals	621,146	(308,949)	312,197
Total other gains and losses (b)	(478,754)	296,167	(182,587)
OPERATING INCOME	31,686,508	13,674,274	45,360,782

(a) Comprises the net of Gross profit, Sales and marketing expenses, General and administrative expenses.

(b) Comprises the net of "Other (losses) / gains" and "Other expenses" per Note 8

NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

4. Operating segment information (cont'd)

(Thousand naira)

	Nigeria	South Africa	Total
OTHER INFORMATION			
Capital expenditure	5,459,003	1,602,830	7,061,833
Capital employed	180,946,073	52,213,631	233,159,704
STATEMENT OF FINANCIAL POSITION			
Segment Non-current assets	174,337,434	47,718,391	222,055,825
<i>Of which investments in associates</i>	-	-	-
Segment current assets	54,412,908	14,398,804	68,811,712
Segment assets classified as held for sales	-	7,258,556	7,258,556
TOTAL ASSETS	228,750,342	69,375,751	298,126,093
Segment Non-Current Liabilities	40,741,242	13,449,668	54,190,910
Segment Current Liabilities	47,804,269	17,162,120	64,966,389
Equity and the liabilities associated with assets held for sale	140,204,831	38,763,963	178,968,794
TOTAL EQUITY AND LIABILITIES	228,750,342	69,375,751	298,126,093

B SEGMENT INFORMATION BY PRODUCT LINE

(Thousand naira)

	External revenue		Gross Revenue	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Cement	162,597,896	165,196,412	162,597,896	165,196,412
Aggregates and concrete	42,770,167	39,567,058	42,770,167	39,567,058
Other products	3,046,587	3,483,475	3,046,587	3,483,475
Related party sales elimination	(2,569,849)	(2,174,254)	-	-
Total	205,844,801	206,072,691	208,414,650	208,246,945

5 Revenue

The following is the analysis of the Group's revenue for the year from continuing operations.

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Revenue from Sale of goods	205,844,801	206,072,691	105,848,657	97,174,505
The following is the analysis of the revenue by product:				
Cement	160,028,047	163,022,158	105,848,657	97,012,189
Concrete & aggregates	42,770,167	39,567,058	-	-
Others	3,046,587	3,483,475	-	162,316
	205,844,801	206,072,691	105,848,657	97,174,505

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014

6 Cost of sales

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Variable cost	75,454,384	80,698,171	43,315,648	42,760,403
Production fixed costs	4,969,906	5,329,587	3,142,517	3,218,379
Maintenance fixed costs	10,002,643	8,786,816	5,657,766	4,532,452
other fixed costs	29,924,902	28,763,847	-	16,382
Depreciation	8,885,588	9,069,926	5,016,510	5,343,609
General, Social cost	8,126,650	6,105,696	4,730,275	2,984,541
	137,364,073	138,754,043	61,862,716	58,855,766

7 General and Administrative expenses

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
General and Administrative expenses	12,250,545	10,388,414	4,697,438	3,472,696
Depreciation	439,200	966,973	128,973	143,556
Technical fee (Note 7.1)	5,882,377	6,052,457	3,145,897	2,822,277
Others	555,398	1,373,920	239,066	-
	19,127,520	18,781,764	8,211,374	6,438,529

Technical fee represents cost incurred by the Lafarge Africa group in respect of the Industrial Franchise Agreement with Lafarge SA, the Ultimate parent company of the Group.

8 Other losses / (gains)

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Rental income (Note 8.1)	(69,083)	(138,436)	(69,083)	(99,608)
Loss/(Gains) on disposals / write offs of property plant and equipment	299,855	(312,197)	(318)	13,082
Scrapped and other miscellaneous (Note 8.2)	(642,038)	104,693	67,771	(110,403)
Income from disposed investment (Note 8.3)	(178,074)	(21,649,257)	-	-
Net exchange loss	549,462	85,071	458,979	134,555
	(39,878)	(21,910,126)	457,349	(62,374)

8.1 Rental income accrues from the leased portion of the corporate head office building not occupied by the Group.

8.2 Other income comprises of the total monies earned from miscellaneous activities not related to cementations products including sale of scrap, product shortage recoveries (hauliers), insurance income, Technical assistance fees received.

NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

8.3 *Income from disposed investment

	Group	
	31/12/2014 N'000	31/12/2013 N'000
Proceeds	179,596	25,861,624
Less: shares at cost	(1,522)	(4,212,367)
Profit	178,074	21,649,257

*2013: Income from disposed business represents gain on disposal of Pan African Cement (Pty) Ltd subsidiary to Financiere Lafarge SA.

*2014: Income from disposed business represents gain on disposal of LG PTY subsidiary to Financiere Lafarge SA. Further information is per note 14 on the disposal of discontinuing operation.

8.4 Other expenses

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
	1,585,390	443,456	516,387	443,456

Other expenses above represents cost of business combination which are expensed through the statement of profit or loss as required under pooling of interest method of accounting for business combination.

9 Investment income

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Treasury bills	339,729	209,053	339,729	209,053
Fixed term deposits	1,498,827	304,482	231,762	304,477
Interest on current account	1,177,848	1,327,759	1,168,743	246,152
Government grant	30,104	30,104	30,104	30,104
Equity share of associate	5,373	-	-	-
Dividends received from Unlisted Investments	945	907	-	-
	3,052,826	1,872,305	1,770,338	789,786

10 Finance costs

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Financial expenses				
Bank charges	206,556	219,754	205,036	219,049
Interest charged on bank overdraft	134,583	-	134,583	-
Interest expense	2,237,782	3,716,139	1,981,234	3,359,437
Loss on disposal of investment	-	20,000	-	20,000
Others financial expenses	7,002	(177,201)	-	-
Net interest cost on defined benefit liability (note 24.4)	1,008,969	842,103	483,675	392,031
	3,594,892	4,620,795	2,804,528	3,990,517

NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

11 Income tax expense relating to continuing operations
11.1 Income tax expense recognised in profit or loss

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Education tax payable	438,291	424,289	366,164	335,606
Company Income Tax payable	3,021,897	4,991,222	-	-
Over provision	48,519	-	-	-
Tax adjustment (see note 11.3)	-	(1,844,238)	-	(1,332,559)
	3,508,707	3,571,273	366,164	(996,953)
Deferred tax expense recognised in the period	3,132,850	2,499,178	3,626,686	3,175,055
Deferred tax over / (under provision)	(103,796)	-	-	-
Tax relief (note 11.4)	-	(2,762,147)	-	(2,757,219)
	3,029,054	(262,969)	3,626,686	417,836
Total income tax expense relating to current period relating to continuing operations	6,537,761	3,308,304	3,992,850	(579,117)
The income tax expense for the period can be reconciled to the accounting profit as follows:				
Profit before tax from continuing operations	41,198,427	64,261,549	32,352,996	27,443,083
Income tax expense calculated at 30% (2013:30%)	12,359,526	18,589,473	9,705,899	8,232,925
Effect of income that is exempt from taxation	(7,465,761)	(11,593,417)	(6,224,525)	(5,056,151)
Effect of withholding taxes and other costs	119,934	102,720	-	-
Effect of expenses that are not deductible in determining taxable profit	189,266	131,340	551	9,635
Effect of education tax payable	405,386	424,289	333,259	335,606
Effect of share of loss from associate	731,154	-	-	-
Others (see below)	(198,255)	(4,346,101)	177,666	(4,101,132)
Income tax expense recognised in profit or loss (relating to continuing operations)	6,537,761	3,308,304	3,992,850	(579,117)
Effective tax rate	16%	5%	12%	-2%

The tax rate used for the 2014 and 2013 reconciliations above are corporate tax rate of 30% payable by companies in Nigeria as stipulated in the Companies Income Tax Act CAP 60 LFN 1990 and 28% for Lafarge South Africa.

F

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014

Included in others are the effect of permanent differences:

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Effect Investment allowance	(101,675)	(21,074)	(45,484)	(11,594)
Effect of Pioneer status on Income tax	-	(1,844,238)	-	(1,332,559)
Effect of Pioneer status on Deferred tax	-	(2,757,220)	-	(2,757,219)
Effect of capital gains tax	42,966	21,786	-	240
Effect of deferred tax not recognised	217,861	223,948	-	-
Effect of over / under provision	167,873	-	223,151	-
Effect of income tax different rate	(128,770)	-	-	-
	(198,255)	(4,346,101)	177,667	(4,101,132)

11.2 Income tax recognised in other comprehensive income

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Deferred tax arising on:				
Remeasurement of defined benefit obligation	(330,824)	15,594	(153,299)	22,671

11.3 Tax Adjustment on Income tax recognised in profit or loss (prior year)

This adjustment relates to the pioneer certificate granted to the group through Ashaka cement on the Maiganga Coal Mine in Gombe state.

Ashaka obtained a pioneer certificate from the Nigerian Investment Promotion Commission (NIPC) in 2013, in respect to the production of coal from its Maiganga coal mine in Gombe state which is maintained for the sole purpose of cement production. The production day for the commencement of the pioneer period has been determined to be 1 January 2013 as indicated in the production day certificate.

Consequently, management have revised the income tax computation for the 2013 tax year to reflect the company's true position for the year and has also taken into consideration its pioneer profits in computing the company's taxes for the 2013 tax year bearing in mind that the production day was determined retrospectively.

This has been done in line with the provision of section 5 of the Industrial Development (Income Tax Relief) Act which provides that ,where a pioneer certificate is granted retrospectively , any act done or thing which has happened for the purposes of the Company's Income Tax Act (CITA) which will not have happened if the pioneer certificate was granted before the period will be treated as not having been done or happened and if the act consists of payment of any tax by the company, the tax shall as soon as three month after the production day of the company be paid back to the company by the Federal Inland Revenue Service. (FIRS)"

11.4 Tax Relief from Pioneer Status

The Federal Government of Nigeria, through the Nigerian Investment Promotion Commission, granted Lafarge Africa PLC (WAPCO operations) a pioneer status for a period of 5 years starting 1 December 2011 for Ewekoro 2. This approval was received in April 2013 after the financial statements for 2012 had been approved for issue. The total tax savings resulting from this relief was N4.1billion as disclosed in note 11.1. The Group's current tax is calculated using tax rates that have been enacted as at the end of the reporting period. The Pioneer status exempts the company from Corporate Income Tax for the period.

NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

12 Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Profit for the year attributable to owners of the company	32,495,131	59,150,721	28,360,146	28,022,200
Weighted average number of ordinary shares ('000)	4,404,176	4,404,176	3,424,294	3,001,600
Basic earnings per share	738	1,343	826	934
The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:				
Earnings used in the calculation of diluted earnings per share	32,495,131	59,150,721	28,360,146	28,022,200
Weighted average number of ordinary shares ('000)	4,404,176	4,404,176	3,424,294	3,001,600
Diluted earnings per share	738	1,343	828	934

The weighted average number of shares was used in the calculation of the Company's earnings per share and weighting as from 12 September 2014. This post-acquisition weighted average number of shares was used in the calculation of the Group's earnings per share from the beginning of 2013 financial year in line with the pooling of interest method.

As disclosed in Note 38.1, the company will issue 150,725,822 to the minority shareholders of Ashaka Cement Plc in line with the Mandatory Tender Offer (MTO). The new shares to be allotted are deemed dilutive and have been weighted as from 10 December 2014 when the MTO was offered. However, shares to be issued are anti-dilutive at Group level after considering the weighted average effect of earnings attributable to the same shareholders on consolidation.

NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

13.1 Profit for the year from continuing operations

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
<i>Profit for the year from continuing activities is attributable to:</i>	34,385,275	60,319,703	28,360,146	28,022,200
This has been arrived at after charging (crediting):				
Depreciation and amortisation expense				
Depreciation of property, plant and equipment	9,324,788	10,036,899	5,145,482	5,487,165
Amortisation of intangible assets	220,021	82,151	-	-
	9,544,809	10,119,050	5,145,482	5,487,165
Directors emoluments (Note 36)	72,889	30,770	72,889	29,484
Auditors remuneration	156,005	142,545	43,000	30,800
Loss/ (Profit) on disposal of fixed assets (Note 8)	299,855	(312,197)	(318)	13,082
Technical fees (note 7)	5,882,377	6,052,457	3,145,897	2,822,277
Interest income on treasury bills, deposits and current account (note 9)	3,016,404	1,841,294	1,740,234	759,682
Exchange loss/ (gain) (note 8)	549,462	85,071	458,979	134,555

NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

14 Long term receivable and asset classified as held for sale

The sale of share agreement between Lafarge South Africa Holdings (Pty) Limited and Financiere Lafarge, relating to the discontinued activities of the Gypsum division, was concluded during the current period. An amount previously presented under "Non-current Assets held for Sale" was subsequently reclassified as a long term loan receivable from the ultimate holding. The loan receivable has no fixed terms of repayment, is unsecured and shall earn interest calculated at the Prime Rate in effect from time to time, less 0.5%, accruing monthly in arrears.

On 24 December, 2013 the ultimate parent of the group; Financiere Lafarge SA, signed an agreement to dispose of all the net assets and investments relating to the Gypsum division in South Africa. The result from this division has been reported as a single amount in the statement of comprehensive income in line with the requirement of IFRS 5.

The analysis of the single amount included in the statement of comprehensive income is presented below:

	Group	
	31/12/2014	31/12/2013
	N'000	N'000
Revenue	4,193,293	8,090,857
Expenses	(4,404,607)	(8,868,295)
Gross profit	(211,314)	(777,438)
Finance cost	(52,311)	6,728
Profit before tax (PBT)	(263,625)	(770,710)
Tax expense	(11,766)	137,168
Net income attributable to owner of the company	(275,391)	(633,542)

The major classes of assets and liabilities of the gypsum division classified as held for sale as at 31 December 2014

	Group	
	31/12/2014	31/12/2013
	N'000	N'000
ASSETS		
Tangible Assets	-	4,180,662
Longterm Investment/receivable	6,247,999	320,017
Inventories	-	1,551,862
Trade and other receivables	-	773,493
Cash and cash Equivalent	-	432,522
	6,247,999	7,258,556
LIABILITIES		
Trade payable and other payables	-	1,161,977
Interco loan	-	6,303,581
Other liabilities	-	41,819
SA revenue service	-	104,920
Deffered tax	-	331,422
	-	7,943,719
Net Assets directly associated with the disposal group	6,247,999	(685,163)

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014

15 Plant, property and equipment
Group

	Leasehold Land and Buildings N'000	Production Plant N'000	Capitalized Spares N'000	Furniture, Equipment, Ancil. Plt, Vehicles & Others N'000	Capital work-in- progress N'000	Total N'000
Cost or deemed cost						
At 1 January 2013	34,683,311	217,342,128	676,393	9,457,491	7,993,543	270,152,866
Capital Expenditure	172,257	1,142,650	-	43,640	5,703,286	7,061,833
Disposals	(131,213)	(3,077,798)	-	(243,621)	-	(3,452,632)
Adjustment (Note 15.2)	-	(677,036)	-	-	-	(677,036)
Reclass from capital work in progress	199,767	616,832	223,415	1,166,456	(2,206,470)	-
Write-offs	-	24,397	-	(13,950)	(681)	9,766
Exchange difference	(52,323)	(770,459)	-	(19,644)	30,399	(812,027)
At 31 December 2013	34,871,799	214,600,714	899,808	10,390,372	11,520,077	272,282,770
Cost or deemed cost						
At 1 January 2014	34,871,799	214,600,714	899,808	10,390,372	11,520,077	272,282,770
Capital Expenditure	117,453	1,282,801	-	105,629	5,276,826	6,782,709
Disposals	(65,933)	(885,773)	-	(331,702)	-	(1,283,408)
Change in scope	(15,916)	(163,819)	-	(3,438)	-	(183,173)
Reclass from capital work in progress	395,503	2,459,478	669,419	455,991	(3,980,391)	-
Write-offs	(21,371)	(746,574)	-	(55,062)	(141,591)	(964,598)
Exchange difference	(126,688)	(1,247,088)	-	(38,913)	(34,810)	(1,447,499)
At 31 December 2014	35,154,847	215,299,739	1,569,227	10,522,877	12,640,111	275,186,801
Depreciation						
At 1 January 2013	4,535,360	41,012,830	242,033	6,879,854	-	52,670,077
Charge for the year	736,305	8,130,069	151,242	1,019,283	-	10,036,899
On disposals	(113,720)	(3,027,733)	-	(244,287)	-	(3,385,740)
Reclass from capital work in progress	-	20,094	-	(20,094)	-	-
Write-offs	-	(7,099)	-	-	-	(7,099)
Exchange difference	(2,345)	(292,003)	-	(13,415)	-	(307,763)
At 31 December 2013	5,155,600	45,836,158	393,275	7,621,341	-	59,006,374
Depreciation						
At 1 January 2014	5,155,600	45,836,158	393,275	7,621,341	-	59,006,374
Charge for the year	787,489	7,406,616	226,452	904,231	-	9,324,788
On disposals	(55,173)	(799,560)	-	(259,049)	-	(1,113,782)
Change in scope	(8,131)	(102,774)	-	(746)	-	(111,651)
Exchange difference	2,181	(264,205)	-	(32,064)	-	(294,088)
At 31 December 2014	5,862,279	51,374,793	619,727	8,184,868	-	66,041,667
Carrying amount						
At 1 January 2014	29,716,199	168,764,556	506,533	2,769,031	11,520,077	213,276,396
At 31 December 2014	29,292,568	163,924,946	949,500	2,338,009	12,640,111	209,145,134
At 1 January 2013	30,147,951	176,329,298	434,360	2,577,637	7,993,543	217,482,789
At 31 December 2013	29,716,199	168,764,556	506,533	2,769,031	11,520,077	213,276,396

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for the year ended 31 December 2014

15 Plant, property and equipment (cont'd)

15.2 Company

	Leasehold Land and Buildings N'000	Production Plant N'000	Capitalized Spares N'000	Furniture, Equipment, Ancil. Plt, Vehicles & Others N'000	Capital work-in- progress N'000	Total N'000
Cost or deemed cost						
At 1 January 2013	4,289,654	134,499,670	676,393	4,659,133	3,408,515	147,533,365
Capital Expenditure	-	-	-	-	2,022,640	2,022,640
Disposals	-	(58)	-	(96,841)	-	(96,899)
Adjustment	-	(677,036)	-	-	-	(677,036)
Reclass from capital work in progress	19,626	1,014,501	223,415	165,633	(1,423,175)	-
At 31 December 2013	4,309,280	134,837,077	899,808	4,727,925	4,007,980	148,782,070
Cost or deemed cost						
At 1 January 2014	4,309,280	134,837,077	899,808	4,727,925	4,007,980	148,782,070
Capital Expenditure	-	-	-	-	2,172,458	2,172,458
Disposals	-	-	-	(14,963)	-	(14,963)
Reclass from capital work in progress	-	5,000	669,419	172,009	(846,428)	-
At 31 December 2014	4,309,280	134,842,077	1,569,227	4,884,971	5,334,010	150,939,565
Depreciation						
At 1 January 2013	711,608	15,599,659	242,033	3,704,798	-	20,258,098
Charge for the year	79,419	4,989,394	151,242	267,110	-	5,487,165
On disposals	-	(49)	-	(91,908)	-	(91,957)
At 31 December 2013	791,027	20,589,004	393,275	3,880,000	-	25,653,306
Depreciation						
At 1 January 2014	791,027	20,589,004	393,275	3,880,000	-	25,653,306
Charge for the year	77,225	4,565,288	226,452	276,517	-	5,145,482
On disposals	-	-	-	(13,552)	-	(13,552)
Reclass from capital work in progress	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	-
At 31 December 2014	868,252	25,154,292	619,727	4,142,965	-	30,785,236
Carrying amount						
At 1 January 2014	3,518,253	114,248,073	506,533	847,925	4,007,980	123,128,764
At 31 December 2014	3,441,028	109,687,785	949,500	742,006	5,334,010	120,154,329
At 1 January 2013	3,578,046	118,900,011	434,360	954,335	3,408,515	127,275,267
At 31 December 2013	3,518,253	114,248,073	506,533	847,925	4,007,980	123,128,764

Capitalised Spares

Capitalised spares are spare parts above the inventory threshold as determined by the management and which qualify as property, plant and equipment in line with note 3.13.

Assets pledged as security

The Company's assets have been pledged as security for bank borrowings to the tune of the outstanding balance of total borrowings outside the Company as at the reporting date (see note 25). The Company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

In addition the assets of the South African group, with a net book value totalling N36.80billion (2013: N39.04billion) have been pledged as security for bank borrowings to the tune of the outstanding balance of other borrowings as at the reporting date (see note 25).

15.2 2013 Adjustment (N677m) : This represents amount recovered from the Federal Government of Nigeria as custom duty refund for plant and machinery imported during the construction of the new plant at Ewekoro between the years 2008 and 2011. The refund is part of the Federal Government's policy to encourage construction of manufacturing plants in Nigeria.



NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

16 Intangible asset
Group

	31/12/2014 N'000	31/12/2013 N'000
Cost		
At 1 January	3,715,378	3,695,171
Addition	242,207	20,207
Change in Scope (Qala) - (note 18)	(181,900)	-
Disposal	(295,466)	-
Exchange difference	(91,177)	-
	3,389,042	3,715,378
Amortization		
At 1 January	1,354,509	1,304,208
Charge for the year	220,021	82,151
Change in Scope (Qala) - (note 18)	(40,436)	-
On disposal	(295,466)	-
Exchange difference	(40,593)	(31,850)
	1,198,035	1,354,509
Net Book Value	2,191,007	2,360,869

The intangible asset represents cost of software in use and acquired during the year with a useful life of 3 years. It is amortized on a straight line basis.

17 Business combination and acquisition of subsidiaries

(a)As noted in Note 1, The Company acquired controlling shares in some related entities during the year. The pooling of interest method has been adopted in accounting for the business combination as such transactions are outside the scope of IFRS 3: Business Combination.

The following information relates to the businesses acquired:

Companies	Country	Primary Activities	% holdings	Method of consolidation
AshakaCem Plc	Nigeria	Cement manufacturing	58.61%	Full consolidation
United Cement of Nigeria	Nigeria	Cement manufacturing	35.00%	Equity method
Lafarge South Africa Holdings	South Africa	Cement, concrete & aggregate	100.00%	Full consolidation
Atlas Cement Company Limited	Nigeria	Marketing of Cement	100.00%	Full consolidation

NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

17 Business combination and acquisition of subsidiaries (cont'd)

The book value of the identifiable assets and liabilities of the subsidiaries as at 12th September, 2014 being the effective date of the business combinations were:

	LSAH N'000	Ashaka N'000	Atlas N'000	N'000
Property, plant and equipment	34,495,033	49,062,505	337,697	83,895,235
Intangible assets	1,855,867	75,086	-	1,930,953
Investment	7,100	-	-	7,100
Deferred tax asset	89,238	-	-	89,238
Cash and cash equivalents	(897,291)	13,449,860	20,811	12,573,380
Trade and other receivables	9,551,419	4,776,106	72,893	14,400,418
Inventories	4,313,178	3,547,206	271,017	8,131,401
Non-current assets held for sale	5,016,967	-	-	5,016,967
Total assets	54,431,511	70,910,763	702,418	126,044,692
Trade and other payables	15,526,167	6,392,867	922,717	22,841,751
Provisions	267,468	2,915,063	91,511	3,274,042
Borrowings	-	-	2,024,661	2,024,661
Tax payable	-	1,797,787	-	1,797,787
Deferred tax liability	6,418,666	9,128,719	-	15,547,385
Total liabilities	22,212,301	20,234,436	3,038,889	45,485,626
Total identifiable net assets	32,219,210	50,676,327	(2,336,471)	80,559,066

Pooling of interest

Share capital	2,641,461
Share premium	4,000,957
Portion of share capital attributable to non-controlling interest (in Ashaka Cement)	(463,455)
Reserve on acquisition recognised in other retained earnings (Note b)	157,816,690
Purchase consideration transferred	163,995,653

Cash flow on acquisition

Net cash acquired with the subsidiaries*	12,573,380
Transaction costs attributable to issuance of shares (included in cash flows from investing activities)	(293,857)
Other transaction costs (included in cash flows from operating activities)	(959,488)
Net cash flow on acquisition	11,320,035

* The cash flows comprising net cash acquired with subsidiaries are effectively included in the operating, financing and investing activities in line with the pooling of interest method.

The total identifiable net assets recognised in the consolidated financial statements as at 31 December 2014 were based on the book value of the assets and liabilities of the subsidiaries as at 12 September 2014 in line with the Pooling of Interest method. In exchange for the acquisition of shares in these subsidiaries, Lafarge WAPCO paid a cash consideration of N32.6 billion (\$200 million) and an equity consideration of 1,113,352,988 shares of Lafarge WAPCO to the shareholders (Lafarge S.A). The transaction resulted in an acquisition reserve of N157.8 billion which represents the excess of the consideration paid and Lafarge's portion of the share equity of the acquired subsidiaries.

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014

17b

	N'000
Total cash consideration*	32,620,000
Total equity consideration	131,375,653
Total purchase consideration	163,995,653
Less:	
Acquirees' share capital	(2,641,461)
Acquirees' share premium	(4,000,957)
Non-controlling interest	463,455
Acquisition reserve, included in Other Comprehensive income	157,816,690

*The cash consideration was fully paid in October and November 2014.

18 Investment

18.1 Investment in subsidiaries

	Place of Incorporation	31/12/2014 N'000	Company Proportion %	31/12/2013 N'000
Lafarge Ready Mix Nigeria Limited	Nigeria	50,000	100	50,000
Lafarge South Africa Holdings (PTY) Limited	South Africa	118,141,539	100	-
Ashaka Cement PLC	Nigeria	43,703,170	58.61	-
Atlas Cement Company Limited.	Nigeria	2,150,944	100	-
		164,045,653		50,000

The major subsidiaries of Lafarge South Africa (PTY) Limited are;
Lafarge Mining (Pty) Limited – with 73% holding
Lafarge Industries (Pty) Limited – with 89% holding
Ash Resources (Pty) Limited – 70.1% holding

All of the company's subsidiaries are engaged in manufacturing and sale of cement and/or cement products.

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014

18.2 Other long term investments

Investment represents various group investments in many businesses across South Africa. These businesses are managed through the South Africa Holdings.

The Group's investment in gypsum has been considered for disposal and has been classified differently.

This represents LSAH investments as follows:

	31/12/2014 N'000	31/12/2013 N'000
Unlisted investments - available-for-sale:		
Business Partners Limited	7,376	7,567
Pietersburg Mixed Concrete (Proprietary) Limited	177	182
Rand Park Golf Club	53	55
Loan receivable - Gypsum division classified as held for sales (Note 14)*	-	6,314,185
	7,606	6,321,989

*The loan receivable was settled during the year as part of disposing the non current asset held for sale. Further information is disclosed in Note 14.

18.2b Disclosure of Entity with Non- Controlling Interest within the group

AshakaCem PLC was incorporated in Nigeria on 7th August 1974 and became a public Company on 7th September 1974.

The Company is into the manufacturing and selling of Cement with its principal office located as Gombe State in north-eastern region of Nigeria.

The group acquired 58.61% of AshakaCem on 12 September, 2014 and thus became the parent company for Ashakacem.



NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

Summary of financial position and performance of Ashaka as at 31st December 2014 is shown below:

Summarized Statement of financial position

	31/12/2014 N'000	31/12/2013 N'000
Non-current assets	49,833,616	48,727,848
Current assets	21,693,256	18,695,688
TOTAL ASSETS	71,526,872	67,423,536
Total equity	51,261,632	47,162,040
Non-current liabilities	12,136,626	12,528,160
Current liabilities	8,128,613	7,733,336
TOTAL EQUITY AND LIABILITIES	71,526,871	67,423,536

Summarized Statement of comprehensive income

	31/12/2014 N'000	31/12/2013 N'000
Revenue	21,133,974	21,694,657
Profit/(loss) from continuing operations	4,566,668	2,824,311
Other Comprehensive income/(loss)	473,495	(207,924)
Total Comprehensive income	5,040,163	2,616,387

Summarized Statement of Cash Flows

	31/12/2014 N'000	31/12/2013 N'000
Net cashflows from operating activities	2,190,472	2,042,923
Net cashflows from investment activities	(1,535,972)	(1,087,665)
Net cashflows from financing activities	(940,570)	(972,115)

18.2c Investment in Associate

	Place of Incorporation	31/12/2014 N'000	Company Proportion %	31/12/2013 N'000
United Cement Company of Nigeria Ltd	Nigeria	34,128,314	At cost 35	-
Investment in Qala - Change in scope**	South Africa	43,208	At cost 50	-
		<u>34,171,522</u>		

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2014

18.2d Investment in UNICEM

Lafarge Africa Plc acquired 35% shareholdings in United Cement Company of Nigeria Limited (Unicem) during the year. The consideration was the issue of 289,222,996 of Lafarge Africa Plc's shares to Lafarge Cement International B.V. The shares were valued at N118 per share, being the quoted price of Lafarge Africa Plc shares at the transaction date of 12 September 2014. The value of the consideration given is therefore N34,128,314.

Unicem was incorporated in Nigeria on 18th September 2002 as a private limited liability company and as such is not quoted on the Nigerian stock exchange (NSE). The company is the third largest cement manufacturer in Nigeria with its principal place of business located at Calabar, Cross River state.

The investment is accounted for using the equity method as indicated in the statement of accounting policies.

United Cement Company of Nigeria Limited is not listed on a stock exchange and therefore the fair value of the group's investment could not be readily determined.

However, management engaged the services of a professional business valuer for this purpose to determine the best valuation that satisfies the deal.

The summary of the financial position and business performance of Unicem is provided below:

Statement of financial position

	31/12/2014 N'000	31/12/2013 N'000
Non-current assets	126,181,896	119,509,545
Current assets	15,956,005	15,779,038
TOTAL ASSETS	142,137,901	135,288,583
Total equity	15,835,150	20,786,455
Non-current liabilities	109,828,199	97,077,643
Current liabilities	16,474,552	17,424,485
TOTAL EQUITY AND LIABILITIES	142,137,901	135,288,583
Statement of profit or loss and other comprehensive income		
Revenue	54,965,662	50,777,460
Profit for the period 1 January 2014 to 30 September 2014	3,865,568	802,942
(Loss) / Profit for the period 1 October 2014 to 31 December 2014	(7,424,848)	267,647
Net (loss) / income for the year	(3,559,280)	1,070,589

The share of loss has been calculated based on the post acquisition income / (loss), on a pro rata basis from 12th September 2014. The loss of N7.2b incurred in the last quarter of 2014 was due to the revaluation of foreign denominated loans. The company's directors believe that the carrying amount of the investment is recoverable in view of the strategic plans to increase production capacity at UNICEM. Further information is provided in note 39 under "Events after reporting period".

NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

18.2e **Investment in Qala - Change in scope

Qala is a small entity engaged in the Aggregates division (BU) in South Africa. The entity is owned 50% by Lafarge South Africa Holdings Limited while the 50% is owned by a community trust in South Africa.

In prior years up to 31 December 2013, Qala has been accounted for using proportionate consolidation where 50% of the assets, liabilities and income were included in the group financial statements.

With effect from 1 January 2014, Qala is now being accounted for using the equity method in line with IFRS 11 – Joint Arrangements.

The effect of this change in policy is to transfer the previous portions of the assets and liabilities of Qala to an Investment in Associate, as indicated by the summary of financial position below.

The change in policy has been recognised prospectively as the net impact to the financial statement elements is deemed non-significant in the context of the overall group financial statements.

Summary of financial information included the following items at 50%

	31/12/2014 N'000	31/12/2013 N'000
Statement of financial position		
Property, plant and equipment	-	71,523
Intangible assets	-	141,464
Investment in Qala	43,208	-
Deferred tax asset	-	3,893
Inventories	-	12,715
Trade receivables	-	11,332
Other receivables	-	4,111
Current tax receivables	-	5,130
Cash and cash equivalents	-	14,425
	43,208	264,593
Retained earnings	43,208	37,908
Provisions - Site restoration	-	9,968
Trade payables	-	7,422
Other payables	-	209,294
	43,208	264,592

18.2f Reconciliation of closing balances

	31/12/2014 N'000	31/12/2013 N'000
Arising on business combination	34,128,314	-
Share of loss (Note 18.2e)	(2,437,179)	-
Change in scope for Qala	43,208	-
Balance at end of year	31,734,343	-

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014

19 Inventories

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Raw materials	6,002,946	7,485,720	3,460,190	3,184,765
Work-in-progress	1,588,386	1,090,000	337,209	439,939
Finished and semi-finished goods	4,455,436	4,064,134	2,267,451	1,838,364
Spare parts	12,398,944	9,307,741	7,646,765	5,321,003
Other supplies	2,439,870	1,798,354	2,171,154	1,519,577
	26,885,582	23,745,949	15,882,769	12,303,648
Allowance for obsolescence	(2,622,724)	(2,179,657)	(658,029)	(658,029)
	24,262,858	21,566,292	15,224,740	11,645,619

The cost of inventories recognised as an expense during the year in respect of continuing operations was N40.22b, (2013:N42.84b) and N14.66b, (2013: N14.70b) for group and company respectively.

20 Trade and other receivables

Trade receivables

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Third party sales	8,582,752	9,881,246	646,253	470,005
Related party sales	-	-	932,301	724,130
Deferred rebates	(1,265,945)	(1,161,449)	35,597	40,328
Allowance for doubtful trade receivables	(73,741)	(70,943)	-	-
	7,243,066	8,648,854	1,614,151	1,234,463
Other receivables				
Prepaid expenses	1,369,140	1,182,634	842,308	696,615
Advance payments to suppliers (Note 21.1)	1,113,388	633,115	491,731	169,219
Related companies (note 23)	1,557,218	612,002	3,754,039	1,993,143
Offshore commitments	665,042	663,542	665,042	663,542
Staff debtors	418,579	194,982	59,104	34,650
LEA employee share scheme	38,532	7,230	-	7,230
Accrued interest receivable	-	40,772	-	34,296
Insurance claim receivable	287,909	-	287,909	-
Unutilised letters of credit	3,723,358	-	-	-
Sundry debtors	698,030	-	-	-
Other current receivables (a)	548,652	1,164,237	-	4,000
Allowance for doubtful other receivables	(205,437)	(378,982)	-	-
	10,214,411	4,119,532	6,100,133	3,602,695
	17,457,477	12,768,386	7,714,284	4,837,158

(a) Other Receivables comprise receivables for services (including Lafarge group fellow subsidiaries), utility deposits and other non-operating receivables.



NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014

20.1 Movement in allowance for doubtful receivables

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Trade Receivables				
Opening balance	70,943	23,688	-	-
Charge during the year	15,585	47,255	-	-
Other	(12,787)	-	-	-
Closing balance	73,741	70,943	-	-
Other Receivables				
Opening balance	378,982	407,813	-	-
Write back during the year	(173,545)	(28,831)	-	-
Closing balance	205,437	378,982	-	-

The company does not have any doubtful debts hence no provision is required.

20 Included in advance payments to suppliers is the balance of N3.4 billion which represents unutilised letters of credit established by Ashaka Cement in favour of Sinoma CBMI who are involved in the expansion project. The aim of the expansion project is to increase the production output to 4 million tonnes from the current 1 million tonnes and the project is expected to be completed by 2017. Also letters of credit relating to purchase of materials and spare parts were included.

The average credit period on sales of goods is 30 days. No interest is charged on trade receivable by the group.

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. All trade receivables recorded as at the reporting date are neither past due nor impaired and all customers in this category have the best credit scoring attributable under the external credit scoring system used by the Group

The group does not have a single customer with a contribution of more than 5% of the total balance of trade receivables.

None of the trade receivables in the company has past the average 30 credit days set by the company and as such no provision for doubtful debts has been recognized.

Ageing of receivables that are past due and not impaired for South Africa and Ashaka Cement

31 - 60 days	451,459	449,277	-	-
60 - 90 days	78,916	78,535	-	-
Over 90 days	121,326	120,740	-	-
	651,701	648,552	-	-

Ageing of receivables that are past due and impaired for Lafarge South Africa and Ashaka Cement

31 - 60 days	14,751	9,428	-	-
60 - 90 days	4,982	3,184	-	-
Over 90 days	54,007	58,331	-	-
	73,740	70,943	-	-

NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

21 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Short term investments	8,877,112	1,794,716	-	1,794,716
Short term loan deposit with related company	-	-	-	-
Cash in hand and at bank	5,151,918	32,101,348	2,360,238	18,410,660
	14,029,030	33,896,064	2,360,238	20,205,376
Overdraft	(2,723,407)	(2,875,239)	(717,382)	-
	11,305,623	31,020,825	1,642,856	20,205,376

Cash and cash equivalents comprise cash and bank balances, short term securities with maturities of three months or less, and short term inter-company loans granted. There is no restriction on the Group's cash.

22 Reconciliation of cash flow changes in working capital

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Decrease / (Increase) in inventories	(2,696,566)	1,411,353	(3,579,121)	1,234,779
Decrease / (Increase) in trade and other receivables	(4,689,091)	(2,436,819)	(2,877,126)	(2,252,956)
(Decrease) / Increase in trade and other payables	6,138,952	1,521,986	6,185,493	(188,278)
Movements in operating working capital items	(1,246,705)	496,520	(270,754)	(1,206,455)
(Increase) / decrease in in PPE (Note 15.2)	-	(677,036)	-	(677,036)
Employee benefit paid on Retirement benefit obligation	(945,704)	(901,680)	(274,752)	(617,295)
(Decrease in deferred revenue)	-	(30,103)	-	(30,103)
Net movement in provisions	110,889	1,933,555	45,141	961,487
Increase in other reserves	-	52,900	-	52,900
(Decrease) / increase in current & deferred tax liabilities	-	936,797	-	931,297
Other movements / adjustments	(834,815)	1,314,433	(229,611)	621,250
Changes in working capital	(2,081,520)	1,810,953	(500,365)	(585,205)

NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

23 Income tax

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Balance as at 1 January	512,131	4,546,247	711,982	1,940,738
Payments during the year	(3,009,082)	(7,519,622)	(335,608)	(231,803)
Current income and education tax for the year	3,475,800	5,415,511	333,258	335,606
Prior year over / under provision on current tax	32,907	-	32,907	-
Effect of pioneer status	-	(1,844,238)	-	(1,332,559)
Charge for the year (Note 11)	3,508,707	3,571,273	366,165	(996,953)
Change in scope (Note 18)	5,130	-	-	-
Exchange rate difference	28,247	(85,767)	-	-
Effect of Pioneer status	1,045,133	512,131	742,539	711,982
Made up of				
Current tax payable	1,553,878	1,093,101	742,539	711,982
Current tax receivable	(508,745)	(580,970)	-	-
	1,045,133	512,131	742,539	711,982

23.1 Deferred taxation

Group	Balance at beginning of year N'000	(Expense)/ Income N'000	31/12/2014 Recorded in Other Comprehensive income N'000	Exchange rate differences N'000	Other scope changes (note 18) N'000	Balance at end of year N'000
Deferred tax liabilities in relation to:						
Property, Plant and Equipment	35,849,908	3,166,747	-	(18,027)	(5,748)	38,992,880
Provisions and other liabilities	(4,661,240)	(126,202)	(25,402)	(222,062)	(3,674)	(5,038,580)
Revaluation reserve	953	-	-	-	-	953
Retirement obligation	(355,849)	-	250,206	123,873	-	18,230
Prepayments	48,786	(1,096)	-	(1,408)	(255)	46,027
Provision for doubtful debtors	(18,426)	(395)	-	229	6,767	(11,825)
Operating lease liability	(75,270)	(10,000)	106,020	(156,887)	6,803	(129,334)
	30,788,862	3,029,054	330,824	(274,282)	3,893	33,878,351

	Balance at beginning of year N'000	(Expense)/ Income N'000	31/12/2013 Recorded in Other Comprehensive income N'000	Exchange rate differences N'000	Directly recognised in Equity N'000	Balance at end of year N'000
Deferred tax liabilities in relation to:						
Property, Plant and Equipment	31,561,673	377,711	-	(117,498)	4,028,022	35,849,908
Provisions and other liabilities	(4,072,175)	(590,821)	-	1,756	-	(4,661,240)
Revaluation reserve	953	-	-	-	-	953
Retirement obligation	(354,408)	-	(15,594)	14,153	-	(355,849)
Prepayments	52,273	(2,725)	-	(762)	-	48,786
Provision for doubtful debtors	14,564	(6,442)	-	(26,548)	-	(18,426)
Operating lease liability	(60,158)	(40,692)	-	25,580	-	(75,270)
	27,142,722	(262,969)	(15,594)	(103,319)	4,028,022	30,788,862

NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

23.1 Deferred taxation

Company	31/12/2014			Balance at end of year N'000
	Balance at beginning of year N'000	(Expense)/ Income N'000	Recorded in Other Comprehensive income N'000	
Deferred tax liabilities in relation to:				
Property, Plant and Equipment	15,970,516	3,647,020	-	19,617,536
Provisions and other liabilities	(1,580,644)	(20,334)	-	(1,600,978)
Revaluation reserve	953	-	-	953
Retirement obligation	(149,754)	-	153,299	3,545
Others	-	-	-	-
	14,241,071	3,626,686	153,299	18,021,056
				31/12/2013
Deferred tax liabilities in relation to:				
Property, Plant and Equipment	15,291,959	678,557	-	15,970,516
Provisions and other liabilities	(1,346,066)	(234,578)	-	(1,580,644)
Revaluation reserve	953	-	-	953
Retirement obligation	(127,083)	-	(22,671)	(149,754)
Others	26,143	(26,143)	-	-
	13,845,906	417,836	(22,671)	14,241,071

Deferred tax Balance

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Deferred Tax assets	294,629	96,571	-	-
Deferred Tax liabilities	(34,172,979)	(30,885,433)	(18,021,055)	(14,241,070)
	(33,878,350)	(30,788,862)	(18,021,055)	(14,241,070)

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014**24 Retirement benefit obligations****24.1 Defined contribution plan – Pension**

The employees of the Nigerian entities (Lafarge Africa Plc, Readymix Nigeria Limited, Ashaka Cement Plc and Atlas Cement Nigeria Limited) are members of a state arranged Pension scheme (Pension reform act, 2004) operated by the government but managed by several private sector service providers. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the defined contribution plan is to make the specified contributions to the third party organizations, which are responsible for the financial and administrative management of the funds. Lafarge South Africa facilitate and contribute to the provision of retirement benefits for all permanent employees in accordance with the South African Pension Funds Act, 1956.

The pension costs of these plans, corresponding to the contribution paid, are expensed as incurred.

24.2 Defined benefit plan - End of service benefits

The Group sponsors an additional defined benefit post-employment plan (gratuity) for qualifying employees as follows:

Nigerian entities
Lafarge Africa Plc

The plans have two components: the “Normal” gratuity for all exiting employees with service of 5 years and above, and an additional “In-house” gratuity for employees above 50 years of age and service of above 10 years. The retirement age is 55 and no other post-retirement benefits are provided to these employees. This is a non-funded benefit scheme as the obligation is paid as and when due.

24.2 Defined benefit plan - End of service benefits

Effective 1 January 2012, the Scheme was amended as follows:

- a. Gratuity benefits up to 31st December, 2011, calculated on final salary and total service at exit date. From the effective date additional gratuities are now acquired and vested annually based on current salary and service.
- b. Benefits at exit are now calculated as the sum of accrued vested benefit as at 31st December 2011 and annual vested rights up to eventual exit date.
- c. Annual interest credits of 3% on accrued vested benefits are paid out to employees in the form of cash. This part of the benefit is considered a short term benefit (expensed when paid) and is not included in the calculation of the outstanding liability.
- d. The scheme is now closed to new entrants with grade levels 9 and above.

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014

Financial assumptions

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The principal assumptions used for the purposes of the actuarial valuation were as follows:

Demographic assumptions

Mortality in Service

The rates of mortality assumed for employees are the rates published in the A49/52 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

Sample age	Number of deaths in year out of 10,000 lives
25	7
30	7
35	9
40	14
45	26

Withdrawal from Service

Age Band	Rate
≤ 30	3.00%
31 - 39	2.00%
40 - 49	1.00%
50 – 60	0.00%

Ashaka Cement Plc

The group operates an unfunded defined benefit plan (gratuity) for its qualifying employees. Under the plan, the employees are entitled to retirement benefits on attainment of a retirement age of 55. No other post-retirement benefits are provided to these employees. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Financial assumptions

	31/12/2014 %	31/12/2013 %
Discount rate	12.5	13
Expected rate(s) of salary increases	11	12
Average rate of inflation	9	9

Demographic assumptions

Mortality in Service

The rates of mortality assumed for employees are the rates published in the A49/52 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

Number of deaths in year out of 10000

Sample age	Sample age
25	7
30	7
35	9
40	14
45	26

Withdrawal from Service

Age Band	Rate
≤ 30	3.0%
31 - 39	2.0%
40 - 44	1.0%
45 - 55	0.0%



NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014

24.2 Defined benefit plan - End of service benefits

Atlas Cement Plc

Financial assumptions	31/12/2014	31/12/2013
	%	%
Discount rate	15	13.5
Expected rate(s) of salary increases	12	12
Average rate of inflation	9	9

Demographic assumptions

Mortality in Service

The rates of mortality assumed for employees are the rates published in the A49/52 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

Number of deaths in year out of 10000

Sample age	Sample age
25	7
30	7
35	9
40	14
45	26

Withdrawal from Service

Age Band	Rate
≤ 30	3.0%
31 - 39	2.5%
40 - 44	2.0%
45 - 55	1.0%
56 - 60	0.0%

Lafarge South Africa Holdings (Pty) Ltd

The entity provides for health care and gratuity benefits of retired employees and their eligible dependants. The benefits apply only to qualifying employees who were in the employment of the company at the end of 1995. The cost of the benefits is actuarially determined and included in the income statements over the employees' working lives.

Key assumptions

The key actuarial assumptions used in arriving at the cost of the health care benefits are as follows:

Financial assumptions	31/12/2014	31/12/2013
Discount rate (p.a)	9.2%	9.20%
Medical Inflation (Year 1 to Year 3)	8.7%	8.50%
Salary inflation (p.a)	7.6%	8.00%
Normal retirement age	63 years	63 years

NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

24.3 Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Service cost	616,188	554,139	381,000	344,195
Net interest expense	1,008,969	842,103	483,675	392,031
Curtailment (gains) / losses	4,765	(38,158)	-	(32,389)
Components of defined benefit costs recognised in profit or loss	1,629,922	1,358,084	864,675	703,837

Amounts recognised in statement of other comprehensive income are as follows:

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Actuarial (gains) losses	(1,103,829)	290,311	(510,997)	75,571
Components of defined benefit costs recognised in Other comprehensive income	(1,103,829)	290,311	(510,997)	75,571
Total	526,093	1,648,395	353,678	779,408

24.4 Defined benefit plan - End of service benefits

The amount included in the statement of financial position arising from the Group's obligations in respect of its defined benefit retirement benefit obligation schemes is as follows:

	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Present value of defined benefit obligations	8,325,950	8,770,670	3,833,426	3,754,500
Fair value of scheme assets	-	-	-	-
Funded status (Deficit)	8,325,950	8,770,670	3,833,426	3,754,500
Liability recognised in the statement of financial position	8,325,950	8,770,670	3,833,426	3,754,500

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014

Movements in the present value of defined benefit obligations were as follows:

	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Opening defined benefit obligation	8,770,670	8,025,669	3,754,500	3,592,387
Service cost	616,188	554,139	381,000	344,195
Interest cost	1,008,969	842,103	483,675	392,031
Remeasurement losses:	-	-	-	-
Actuarial (gains) / losses – Change in assumptions	(758,481)	195,767	(692,773)	-
Actuarial (gains) / losses – experience adjustment	(345,347)	94,544	181,776	75,571
Curtailement (gains) / losses	4,765	(38,158)	-	(32,389)
Benefits paid	(945,704)	(901,680)	(274,752)	(617,295)
Exchange difference	(25,110)	(1,715)	-	-
Closing defined benefit obligation	8,325,950	8,770,669	3,833,426	3,754,500
Reconciliation of Change in Benefit Obligation				
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Net liability beginning of period	8,770,670	8,025,669	3,754,500	3,592,387
Net periodic pension cost (Profit or loss)	1,629,922	1,358,084	864,675	703,837
Benefits paid during the year	(945,704)	(901,680)	(274,752)	(617,295)
Amount recognised in Other comprehensive income	(1,103,829)	290,311	(510,997)	75,571
Exchange difference	(25,111)	(1,715)	-	-
Net liability end of period	8,325,948	8,770,669	3,833,426	3,754,500
25 Borrowings				
	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Non- current liability	8,846,393	11,160,339	7,057,436	8,441,880
Current liability	2,263,675	14,242,231	3,384,444	13,069,412
	11,110,068	25,402,570	10,441,880	21,511,292
Split into:				
Power Fund (i)	8,441,880	9,826,325	8,441,880	9,826,325
Corporate Bond (ii)	-	11,684,968	-	11,684,968
Preference share loans (iii)	2,668,188	3,891,277	-	-
Related party loan (iv)	-	-	2,000,000	-
Total Debt	11,110,068	25,402,570	10,441,880	21,511,293

- i Power Fund: Lafarge Cement WAPCO accessed NGN12.46billion from the CBN/BOI Power and Aviation Intervention Fund. Principal and Interest are paid quarterly. Principal repayment commenced in October 2012. The loan is secured by the assets of the Company as stated in Note 15. The facility has 10 year tenure with a fixed interest rate of 4%. The outstanding balance disclosed is the amortised cost to date.

NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

25 Borrowings (cont'd)

- ii. Bond: This is a 3-year fixed term Corporate Bond at interest rate of 11.5% per annum. The bullet repayment of the bond was made in October 2014.
- iii. Additional information about the preference share loans from Lafarge South Africa is provided below:

Secured loans	Repayable	Interest rate % N'000	Group	
			31/12/2014 N'000	31/12/2013 N'000
Nedbank "A" Preference shares	2016 and redeemable on a 6 monthly basis from dividend income	At 65% of prime	2,234,441	3,224,778
Nedbank "C" Preference shares	2016 and redeemable in December	At 69% of prime	147,106	141,427
ABSA Preference share	2016 and redeemable on a 6 monthly instalment of various amounts	At 80% of prime	286,641	525,073
			2,668,188	3,891,278

Preference share loans are secured by Scripts held by the banks in respect of Investments of the Special Purpose Vehicles (SPVs) in Lafarge South African subsidiaries.

Loan Movements

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Balance at beginning of the year	25,402,570	42,187,724	21,511,292	37,305,922
Interest charges	199,184	226,885	-	-
Loans repaid during the year	(14,234,062)	(16,890,772)	(13,069,412)	(15,794,629)
Loans received during the year	-	-	2,000,000	-
Exchange difference	(257,624)	(121,267)	-	-
Balance at end of the year	11,110,068	25,402,570	10,441,880	21,511,293

- iv. Related party loan
 This is a short term loan received from AshakaCem Plc on 31 December 2014, the loan is unsecured and accrued interest at 13.5% per annum. It was repaid in January 2015.

Maturity profile

The outstanding loan amounts are payable as follows:



NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014

26 Trade and other payables

Trade payables	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Trade payables	23,284,994	19,771,706	10,032,633	6,782,714
Trade creditors- accruals	7,972,041	6,745,507	7,749,404	5,980,922
Related companies (Note 26.1)	3,487,201	1,926,234	2,360,434	1,926,234
	34,744,236	28,443,447	20,142,471	14,689,870
Other payables				
Customers' deposits	10,513,403	9,589,986	8,509,356	8,017,793
Related companies	2,195,166	1,562,088	585,322	311,376
Withholding tax payable	381,643	235,091	123,921	69,420
Value added tax payable	699,625	1,046,050	463,710	323,635
Accrued interest	611,893	915,595	596,716	901,207
Other employee costs	1,520,104	1,930,267	276,697	204,776
Advance rent received	4,155	10,420	4,155	10,420
Professional fees	38,807	26,971	32,188	19,971
Accruals	48,775	-	-	-
Other payables(a)	547,355	1,406,295	-	575
	16,560,926	16,722,763	10,592,065	9,859,173
	51,305,162	45,166,210	30,734,536	24,549,043

(a) Other Payables comprise mining royalties payable, payable to employee share trusts and provision for audit fees.

26.1 Related companies - Lafarge SA

This represents the outstanding liability on the Industrial Franchise Agreement with Lafarge SA of France. 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 Lafarge SA 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 Lafarge SA of the achievement of raw material reserves and production targets by Lafarge Africa Plc;

NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

27 Deferred revenue

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Deferred income	842,912	873,016	842,912	873,016
Grant released to profit or loss (note 12)	(30,104)	(30,104)	(30,104)	(30,104)
	812,808	842,912	812,808	842,912
Current	30,104	30,104	30,104	30,104
Non-current	782,704	812,808	782,704	812,808
	812,808	842,912	812,808	842,912

The deferred revenue is as a result of the benefit received from a below-market-interest rate government loan (CBN/BOI Power and Aviation Intervention Fund loan) granted in July 2011. The revenue is recognized in profit or loss over the useful life of the asset financed with the loan.

28a Share Capital

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Authorised: 10000000000 ordinary shares of 50k each	5,000,000	2,286,933	5,000,000	2,286,933

At the Annual General Meeting held on 9th July 2014 the shareholders considered and approved a motion to increase the authorized share capital of the Group from N2,286,933,336 to N5,000,000,000 by the creation of N5,426,133,328 additional ordinary shares of 50 kobo each ranking parri passu in all respects with the existing ordinary shares of the group. The new shares were duly registered with the Securities and Exchange Commission and the memorandum of Association of the Group was also duly amended.

The movement in authorized share capital as a result of the additional shares is as shown below:

Authorised share capital	No of shares '000	Share Capital '000
Balance as at 1 January 2014	4,573,867	2,286,933
Additional share issued	5,426,133	2,713,067
Balance as at 31 December 2014	10,000,000	5,000,000

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
4404175988 ordinary shares of 50k each	2,202,088	1,500,800	2,202,088	1,500,800

NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

28a Share Capital (cont'd)

At the Annual General Meeting held on 9th July 2014 the shareholders approved the acquisition of Shares in Lafarge South Africa Ashakacem PLC Atlas Cement Company Limited and 35% equity holdings in United Cement Company of Nigeria Limited.

The acquisitions were settled partly in cash and partly with issue of 1,402,575,984 additional Ordinary share capital of 50 kobo each issued at a premium. The movement in share capital as a result of the additional shares issued is shown below:

Issued and fully paid	No of shares N'000	Share capital N'000	Share Premium N'000
Balance as at 1 January 2014	3,001,600	1,500,800	9,488,747
Additional share issued	1,402,576	701,288	164,802,678
Transactional share issue costs	-	-	(293,857)
Balance as at 31 December 2014	4,404,176	2,202,088	173,997,568

28b Dividend paid

The following dividend were approved by the shareholders and subsequently paid during the year:

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Lafarge Africa Plc	9,905,280	3,601,920	9,905,280	3,601,920
AshakaCem	940,570	940,570	-	-
Lafarge South Africa Holdings Limited	4,109,401	36,303,901	-	-
Total	14,955,251	40,846,391	9,905,280	3,601,920

These dividends were paid to the ultimate holding company Financiarie Lafarge prior to the merger of Nigeria and South Africa operations.

28c Proposed dividend

The directors propose that a dividend of 360 kobo (2013: 330 kobo) per ordinary share would be paid to shareholders of Lafarge Africa Plc.

The dividend is subject to approval by shareholders at the Annual General Meeting. Consequently, it has not been included as a liability in this consolidated financial statement.

29 Foreign currency translation reserve

This represents exchange differences arising from the translation of the financial statements of Lafarge South Africa to the Group's reporting currency which is Naira.

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014

30 Non- Controlling Interest

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
At 1 January	19,520,368	20,493,946	-	-
Share of profit for the period/year	1,890,144	1,168,982	-	-
Prior year adjustment to deferred taxation	-	(1,667,198)	-	-
Actuarial gain on Employees long-term benefits	195,980	(86,060)	-	-
Dividend paid	(389,302)	(389,302)	-	-
Balance at end of period	21,217,190	19,520,368	-	-

The Non-controlling interest represent the 41.39% holdings belonging to non- members of the group in Ashaka Cement Plc.

31 Provision

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Current	1,333,773	1,559,504	917,471	973,955
Non-current	2,898,281	2,561,661	742,123	640,498
	4,232,054	4,121,165	1,659,594	1,614,453
This is further analysed into:				
Employee benefits (note 32.1)	1,333,773	1,559,504	917,471	973,955
Site restoration (note 32.2)	2,391,735	2,145,128	742,123	640,498
Employee share option scheme (note 32.3)	506,546	416,533	-	-
	4,232,054	4,121,165	1,659,594	1,614,453

NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

31.1 Employee benefits

Group	Restructuring cost N'000	Employee Profit Share Scheme N'000	Productivity Bonus N'000	Total N'000
At January 1 2013	-	361,060	757,134	1,118,194
Expense for the period	14,209	699,225	441,214	1,154,649
Payment	-	(331,262)	(377,780)	(709,042)
Exchange difference			(4,297)	(4,297)
	14,209	729,023	816,271	1,559,504
At December 31 2013	-	697,704	691,049	1,388,753
Expense for the period	-	697,704	691,049	1,388,753
Payment	(14,209)	(716,718)	(844,513)	(1,575,440)
Exchange difference			(39,044)	(39,044)
	14,209	729,023	816,271	1,559,504
At 31 December 2014	-	710,009	623,763	1,333,773
Company				
	Employee Restructuring cost N'000	Profit Share Scheme N'000	Productivity Bonus N'000	Total N'000
At 1 January 2013	-	361,060	191,425	552,485
Expense for the period	14,209	699,225	412,890	1,126,324
Payment	-	(331,262)	(373,592)	(704,854)
	14,209	729,023	230,723	973,955
At 31 December	-	697,704	309,074	1,006,778
Expense for the period	-	697,704	309,074	1,006,778
Payment	(14,209)	(716,718)	(332,336)	(1,063,263)
	14,209	729,023	230,723	973,955
At 31 December 2014	-	710,009	207,461	917,470

Provision for employee benefit relates to employee profit share scheme and productivity bonus. Employee profit share scheme is based on 2.5% of profit after tax while productivity bonus is based on employee performance during the year.

NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

31.2 Site restoration

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
At 1 January	2,145,128	1,986,098	640,498	535,694
Expense for the period	301,672	237,699	120,492	138,774
Reversals	-	(50,662)	-	(17,739)
Payment	(28,638)	(17,739)	(18,867)	(16,231)
Change in scope (Note 18.2)	(9,968)	-	-	-
Exchange difference	(16,459)	(10,268)	-	-
Balance at end of period	2,391,735	2,145,128	742,123	640,498

The provision for site restoration represents an estimate of the costs involved in restoring production sites at the end of the expected life of the quarries. The current provision is an estimate based on reclamation closure expert valuation and management's re-assessment.

31.3 Employee share option scheme

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
At 1 January	416,533	206,334	-	-
Expense for the period	86,431	196,340	-	-
Exchange difference	3,700	13,859	-	-
Balance at end of period	506,546	416,533	-	-

Lafarge South Africa Holdings

Lafarge formed trusts for the benefit of employees which purchased shares in the group companies in January 2007. These purchases were financed by loans from Lafarge South Africa Holdings (Proprietary) Limited. These loans are repayable as the trusts receive dividends from the operating companies. The trusts then created units whose value is a combination of the companies' valuation less the amount of the outstanding loans. Over time the share valuations should increase and the loan amounts will decrease as dividends are declared, effectively increasing the net value of the units. The units were initially allocated to eligible employees on 1 February 2007 for no consideration, with the first compulsory payout to employees taking place in April 2012. The second tranche of these units, as reflected above was reissued in March 2012, with the next payout due in April 2017.

In 2017, the units will be compulsorily puttable by the employees back to the trusts for a cash consideration. As the trusts currently have no available funds of their own, the obligations of the trusts are borne by the employer companies. In 2017 the process will start for a 3rd time with the difference being that then employees will have an option to put the units to the trust in 2022.

The employee share incentive scheme was valued by a professional valuator in terms of IFRS 2: Share-based Payment, which requires that the cost of this scheme to the group is amortised over the life of the scheme to its vesting date. The grant date was 1 March 2012 and the value above represents the amortisation accrued to the year-end. The key assumptions used were as follows:

- Share volatility - 27% (2013: 26%)
- Dividend growth - 3.7% (2013: 3%)
- Forfeiture rate - 5% to 11% depending on trusts (2013: 5% to 11%)

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014

32 Commitments for expenditure

Commitments at the reporting period end but not recognised in the financial statements are as follows:

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Capital expenditure commitments				
Approved but not yet contracted for	25,067,650	2,915,862	3,516,875	2,267,044
Share purchase commitments				
Purchase of additional shares in UNICEM (Note 33.1 below)	28,800,000	-	28,800,000	-
Purchase of additional interest in Ashaka (Note 36)	1,100,000	-	1,100,000	-
	29,900,000		29,900,000	
Operating expenditure commitments				
Commitments for the supply of gas	47,011,130	58,776,743	47,011,130	58,776,743
Commitments for the supply of power	1,839,910	-	1,839,910	-
Other commitments: Non-cancellable operating lease commitment (Note 34)	1,905,284	2,724,426	-	-
	50,756,324	61,501,169	48,851,040	58,776,743

32.1 Acquisition of Flour Mills Plc interest in UNICEM

On the 7th of November 2014, Lafarge Africa Plc concluded an arrangement to acquire a further 15% of the equity shares of UNICEM previously held by Flour Mills Nigeria Plc (FMN). The acquisition would take place in two tranches, subject to certain conditions being met. The first tranche was payable on, or after, 6th of January 2015, and involved:

1. 50m USD representing 50% of the 15% equity, plus an interest of 8% from January 6th until fully paid up.
2. 3.941.005.269 Naira refinancing of FMN's shareholder loan, payable between January 6th 2015 and March 31st 2015 with an interest accumulative after January 6th 2015.

The second tranche is payable between July 2015 and February 2016, pending certain conditions. The potential estimated payment for the second tranche is:

3. 63.3m USD, pending Lafarge Africa share price development, representing 50% of the 15% equity, plus an interest of 8% from January 6th until fully paid up.
4. 2.348.033.134 Naira refinancing of FMN's shareholder loan with an interest accumulative after January 6th 2015.

NOTES TO THE GROUP FINANCIAL STATEMENTS
 for the year ended 31 December 2014

33 Contingent liabilities

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Lafarge Africa Plc				
Various litigations (a)	683,853	504,200	505,300	504,200
Lafarge South Africa Holdings Limited				
Performance guarantees	392,666	154,324	-	-
Suretyship on sub-contractors vehicles (b)	1,323,846	1,059,768	-	-
Suretyship to Standard Bank on overdraft	177,300	181,900	-	-
Utilities guarantees (c)	258,574	268,412	-	-
Rehabilitation guarantees (d)	535,588	566,582	-	-
	3,371,827	2,735,186	505,300	504,200

(a) The Directors and the solicitors acting on behalf of the company are of the opinion that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Thus the possible obligation has not been provided for in the books.

(b) The group stands surety for the financing of subcontractor trucks for lorry owner drivers at several financing institutions being mainly Standard Bank Limited and Mercedes-Benz Financial Services South Africa (Proprietary) Limited.

(c) The utilities guarantees are for the benefit of various municipalities and are held with numerous financial institutions.

(d) These guarantees are with Rand Merchant Bank Limited held on behalf of the Department of Mineral Resources.

34 Fair value of financial instruments

The directors believe that the book value of the financial assets and liabilities are not materially different from the fair value.

34 Operating lease arrangements

Operating lease payments charged to income by Lafarge South Africa Holdings Limited:

	31/12/2014 N'000	31/12/2013 N'000
Land and buildings	312,832	304,913
Plant and machinery	164,148	164,012
Other tangible assets	22,830	30,982
	499,810	499,907
At the statement of financial position date, the group has outstanding commitments under non-cancellable operating leases, which fall due as follows:		
Within one year	519,560	712,739
In the second to fifth year inclusive	1,073,481	1,676,736
After five years	312,243	334,951
	1,905,284	2,724,426

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2014

Operating land and building lease commitments mainly represent rentals payable by the group for certain of its office properties. The key replacement lease for the group headquarters, commencing towards the end of 2010, is for a ten-year period, with an escalation clause of 10% per annum. The costs of these leases are expensed on a straight-line basis over the period of the leases when fixed escalation clauses are stipulated.

The lease payments in respect of subcontractor vehicles represent charges from sub-contractors for transporter services relating to readymix concrete deliveries. In terms of IFRIC 4 - Determining whether an Arrangement contains a Lease - the arrangements, which are dependent on the use of specific assets (trucks) and which convey a right to the group to use these assets, contain an underlying lease. In certain circumstances the subcontractors have obtained financing guarantees from the group and in these cases there are effective minimum lease payments equal to the monthly loan repayments due by the subcontractors to their financiers. Refer also note 16 which records the group's contingent liabilities in respect of these commitments.

The group also leases certain other tangible assets at various terms from different lessors.

34.1 Group as the lessor

Operating leases relate to the head office building owned and partly occupied by the Group with lease term of one year, and an option to extend for a further one year. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

All rental income was received in advance, hence no lease receivables.

35 Financial Risk Management

35.1 Capital Management

The Group manages its capital to ensure that entities will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remained unchanged since 2012.

The capital structure of the Group consists of net debt (which includes the borrowings disclosed in note 25, offset by cash and cash equivalents) and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the relevant notes in the financial statements.

The Group is not subject to any externally imposed capital requirements.

The management of the Group reviews the capital structure on a frequent basis to ensure that gearing is within acceptable limit.

Gearing ratio

The gearing ratio at the year end is as follows:

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Borrowings (note 25)	11,110,068	25,402,570	10,441,880	21,511,293
Less: Cash and cash equivalents	(11,305,623)	(31,020,825)	(1,642,856)	(20,205,376)
Net debt	(195,555)	(5,618,255)	8,799,024	1,305,917
Equity	191,642,524	151,504,709	276,664,338	92,641,665
Gearing	-0.1%	-3.7%	3.2%	1.4%

- i. Debt is defined as current- and non-current term borrowings (as described in note 25).
- ii. Equity includes all capital and reserves of the Group that are managed as capital.

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014

35.2 Financial risk management objectives

The Corporate Investment and Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit and liquidity risk.

The Group seeks to minimise the effects of these risks by aligning to parent company's policies as approved. The Group does not enter into or trade financial instruments for speculative purposes.

Compliance with policies and established controls is reviewed by the internal auditors on a continuous basis.

The Corporate Investment and Treasury function reports monthly to the executive committee and periodically to the Risk and Ethics committee of the Board of Directors, for monitoring and implementation of mitigating policies.

The Internal Audit Department provides an independent assurance of the risk frame work. They assess compliance with established controls and recommendations for improvement in processes are escalated to relevant management, Audit Committee and Board of Directors.

35.4 Market risk

The Group's activities expose it primarily to financial risks of changes in foreign currency exchange rates and interest rates. Market risks exposures are measured using sensitivity analysis.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

35.5 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market interest rates. The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating borrowings. The sensitivity analyses below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. 200 and 1500 basis points increase or decrease are used when reporting LIBOR and NIBOR risk respectively to key management personnel and these represent management's assessment of the reasonably possible change in interest rates.

35.6 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group is mainly exposed to USD and South African Rands.

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10%, increase and decrease in Naira against US dollar currency. Management believes that a 10% movement in either direction is reasonably possible at the balance sheet date. The sensitivity analyses below include outstanding US dollar denominated assets and liabilities. A positive number indicates an increase in profit where Naira strengthens by 10% against the US dollar. For a 10% weakening of Naira against the US dollar there would be an equal and opposite impact on profit, and the balances below would be negative.

	Group		Company	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Naira strengthens by 10% against US dollar Profit/(loss) (2013: 5%)	555,059	8,054	236,274	7,993
Naira weakens by 10% against the US dollar Profit/(loss) (2013: 5%)	(555,059)	8,054	(236,274)	7,993



NOTES TO THE GROUP FINANCIAL STATEMENTS
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35.7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available, and if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the executive committee periodically.

Collateral held as security and other credit enhancements

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group and Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

35.8 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market interest rates. The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating borrowings. The sensitivity analyses below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. 200 and 1500 basis points increase or decrease are used when reporting LIBOR and NIBOR risk respectively to key management personnel and these represent management's assessment of the reasonably possible change in interest rates.

If interest had been 100 basis points higher/lower and all other variables were held constant, the Group and Company's profit or loss will be affected as follows:

	Group		Company	
	31/12/2014 N'000 Profit/(Loss)	31/12/2013 N'000 Profit/(Loss)	31/12/2014 N'000 Profit/(Loss)	31/12/2013 N'000 Profit/(Loss)
Finance cost on borrowings- annual	87,321	106,214	84,764	102,648

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014

36 Related Parties

Related party transactions

The ultimate parent of the Group is Lafarge SA, incorporated in France. There are other companies which are related to Lafarge Africa Plc through common shareholdings or directorships. Based on the business combination that occurred during the period, some related parties which used to form part of the related party balances are now eliminated on consolidation.

In the normal course of business, Lafarge Africa sells cement to and buys clinker from other subsidiaries of the ultimate shareholder.

The company receives technical assistance from the majority shareholder and is paid for under the Industrial Franchise Agreement (see note 25.1).

The following transactions were carried out by the Company with related companies during the year:

	Sale of goods		Purchase of goods	
	31/12/2014 N'000	31/12/2013 N'000	31/12/2014 N'000	31/12/2013 N'000
Atlas Cement	544,392	2,001,610	-	-
AshakaCem Plc	-	172,644	-	-
Lafarge ReadyMix	2,025,458	746,765	-	-
Lafarge Cement	-	-	-	926,211
	2,569,850	2,921,019	-	926,211

The following balances were outstanding at the end of the period for sale of goods:

	Company	
	31/12/2014 N'000	31/12/2013 N'000
Atlas Cement	386,453	310,402
AshakaCem Plc	41,286	172,644
Lafarge ReadyMix	504,562	289,976
Energy Cement	-	-
	932,301	773,022

The sale of goods to/from related parties were carried out on commercial terms and conditions and hence the Directors are of the opinion that there is no conflict of interests. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.



NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2014

36 Related Parties (continued)

Other receivables from and payables to related parties as at

Other receivables

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
AshakaCem Plc	23,191	-	620,014	152,898
Atlas Cement Company Limited	-	-	-	127,772
United Cement Company of Nigeria	625,376	115,110	623,053	119,545
Lafarge S.A.	431,835	447,137	350,401	494,360
Lafarge Zimbabwe	11,028	-	-	-
Bamburi cement	1,294	-	-	-
Lafarge cement Malawi	8,298	-	-	-
Hima Cement	9,432	-	-	-
Lafarge Gypsum - South Africa	28,262	-	-	-
Lafarge Nigeria	418,503	-	405,271	-
Lafarge ReadyMix Limited	-	-	1,755,300	1,098,568
Lafarge Cement	-	4,400	-	-
Lafarge CTC Cairo	-	45,355	-	-
	1,557,219	612,002	3,754,039	1,993,143
Other payables				
Lafarge SA	1,609,962	1,250,334	6,548	442
Nigeria Kraft Bags Limited	98,849	98,849	98,849	98,849
Lafarge Corp	166,025	160,411	166,025	160,411
Lafarge Cement Pakistan	290	459	290	459
Lafarge Philippines	29,732	-	-	-
Lafarge Intern Serv Singapore	17,691	-	-	-
Lafarge East Africa	3,460	-	-	-
Atlas Cement Company Limited	-	820	153,906	-
Lafarge ZA (South Africa)	16,554	19,677	23,348	19,677
Lafarge Middle East and Africa	249,291	31,538	136,356	31,538
Centre Technique Inter-Unites	3,312	-	-	-
	2,195,166	1,562,088	585,322	311,376

Compensation to directors and key management personnel

The compensation for directors and other key management personnel during the year are as follows:

Fees for services as a director

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Executive	650	650	650	650
Non-Executive	5,800	3,000	5,800	3,000
Fees	6,450	3,650	6,450	3,650
Other allowances and expenses	66,439	27,120	66,439	25,834
	72,889	30,770	72,889	29,484
Other emoluments:				
Salaries and other short-term employment benefits	1,124,673	635,614	1,124,673	171,106
Other long-term benefits	64,894	104,794	64,894	53,052
	1,189,567	740,408	1,189,567	224,158

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. There are no post-employment benefits due to key management.

The increase from prior year is due to the group's restructuring of the management team after the business combinations.

NOTES TO THE GROUP FINANCIAL STATEMENTS for the year ended 31 December 2014

37 Events after the reporting period

37.1 Mandatory tender offer for the minority shareholding in AshakaCem Plc

Following the acquisition of 58.61% (1,312,444,260 units) of the issued ordinary share capital of AshakaCem Plc by Lafarge Africa Plc (LAP), the Board of Directors in compliance with regulatory requirements as outlined in Section 131 of the Investments & Securities Act (No. 27, 2007) and Rule 445 of the Securities & Exchange Commission (SEC) Rules & Regulations, launched a Mandatory Tender Offer (MTO) for the minority shareholdings in AshakaCem Plc. Subsequent to the approval by SEC, the MTO was opened on 10th December, 2014 and closed on 30th January, 2015.

Under the terms of the offer, consideration for the acquisition of the 41.39% minority shareholding in AshakaCem was in two parts and every qualified shareholder who accepted the offer received:

1. 57 ordinary shares of Lafarge Africa Plc for every 202 ordinary shares of AshakaCem Plc tendered. This exchange ratio was based on the same terms agreed between Lafarge Africa Plc and Lafarge Nigeria UK Limited for the acquisition of the 58.61% and represented a 22% premium above the closing share price of AshakaCem on the date that the acquisition was announced on the 9th of September, 2014.
2. The sum of N2.00 (Two Naira) per share inclusive of any applicable tax for every AshakaCem share tendered by the shareholders.

When the offer was closed on 30th January 2015 a total of 534,144,592* units of ordinary shares of AshakaCem Plc were validly tendered representing 23.85% out of the 41.39% minority shareholdings. The Board of Directors in consideration for the AshakaCem shares tendered approved the allotment of 150,725,822** units of the ordinary shares of Lafarge Africa Plc to the AshakaCem shareholders who tendered their shares. The Board of Directors also approved the payment of N1,068,289,184 to shareholders of AshakaCem whose tendered shares were accepted.

Following the allotment by the Board of Directors, the returns of the MTO was filed and approved by SEC.

38 Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 11 March 2015.

NON-IFRS DISCLOSURE

CONSOLIDATED STATEMENT OF VALUE ADDED

as at 31 December 2014



	Group				Company			
	31/12/2014 N'000	%	31/12/2013 N'000	%	31/12/2014 N'000	%	31/12/2013 N'000	%
Revenue	205,844,801		206,072,691		105,848,657		97,174,505	
Other incomes	3,230,900		23,521,562		1,770,338		789,786	
Bought in materials & services	(135,060,579)		(129,429,043)		(60,335,873)		(54,314,652)	
	74,015,122	100	100,165,210	100	47,283,122	100	43,649,639	100
Applied as follows:								
Employees								
Employee benefits	21,254,125	29	22,150,623	22	7,803,410	17	7,359,954	17
Lenders								
Interest on borrowings	2,237,782	3	3,716,139	4	1,981,234	4	3,359,437	8
Government								
Taxation	6,537,761	9	3,308,304	3	3,992,850	8	(579,117)	-1
Asset replacement								
Depreciation	9,324,788	13	10,036,899	10	5,145,482	11	5,487,165	13
Shareholders								
Retained profit	34,660,666	46	60,953,245	61	28,360,146	60	28,022,200	63
	74,015,122	100%	100,165,210	100%	47,283,122	100%	43,649,639	100%

NON IFRS DISCLOSURE CONSOLIDATED FINANCIAL SUMMARY

as at 31 December 2014

	NON-IFRS STATEMENT								
	31/12/2014 N'000	Group 31/12/2013 N'000	31/12/2012 N'000	31/12/2011 N'000	31/12/2014 N'000	31/12/2013 N'000	COMPANY 31/12/2012 N'000	31/12/2011 N'000	31/12/2010 N'000
ASSETS/LIABILITIES									
Property, Plant & Equipment	209,145,134	213,276,396	128,094,873	127,729,024	120,154,329	123,128,764	127,275,266	127,379,132	100,059,039
Intangible assets	2,191,007	2,360,869	5,964	12,958	-	-	-	-	-
Long term investments	7,606	6,321,989	40,000	40,000	164,045,653	50,000	90,000	90,000	60,206
Investment in Associate	31,734,343	-	-	-	34,128,314	-	-	-	-
Deferred Tax Asset	294,629	96,571	-	9,444	-	-	-	9,444	-
Long term receivables	6,247,999	-	-	(7,557,330)	(11,227,214)	(2,646,343)	(7,352,606)	(7,229,147)	66,111
Net current (liabilities)/assets	(2,951,889)	3,160,160	(8,043,093)	-	(11,227,214)	(2,646,343)	(7,352,606)	(7,229,147)	(39,759,844)
	246,668,829	225,215,985	120,097,744	120,234,096	307,101,082	120,532,421	120,012,660	120,249,429	60,425,512
Deferred taxation	(34,172,979)	(30,885,433)	(13,845,905)	(9,911,008)	(18,021,055)	(14,241,070)	(13,845,905)	(9,911,008)	(8,532,311)
Provisions	(2,898,281)	(2,561,661)	(535,694)	(262,292)	(742,123)	(640,498)	(535,694)	(262,292)	-
Borrowings	(8,846,393)	(11,160,339)	(32,921,478)	(48,701,293)	(7,057,436)	(8,441,880)	(32,921,478)	(48,701,293)	-
Deferred revenue	(782,704)	(812,808)	(842,912)	(903,120)	(782,704)	(812,808)	(842,912)	(903,120)	-
Retirement benefits obligation	(8,325,948)	(8,770,669)	(3,592,387)	(4,362,262)	(3,833,426)	(3,754,500)	(3,592,387)	(4,362,262)	(3,586,770)
	(55,026,305)	(54,190,910)	(51,738,376)	(64,139,975)	(30,436,744)	(27,890,756)	(51,738,376)	(64,139,975)	(12,119,081)
	191,642,524	171,025,075	68,359,368	56,094,121	276,664,338	92,641,665	68,274,284	56,109,454	48,306,431
CAPITAL AND RESERVES									
Share capital	2,202,088	1,500,800	1,500,800	1,500,800	2,202,088	1,500,800	1,500,800	1,500,800	1,500,800
Share premium	173,997,568	9,488,747	9,488,747	9,488,747	173,997,568	9,488,747	9,488,747	9,488,747	9,488,747
Retained Earnings	153,383,404	134,877,196	57,369,821	45,104,574	100,464,682	81,652,118	57,284,737	45,119,907	37,316,884
Foreign currency translation reserve	(1,341,036)	(896,476)	-	-	-	-	-	-	-
Other reserves	(157,816,689)	6,534,440	-	-	-	-	-	-	-
Non controlling interest	21,217,189	19,520,368	-	-	-	-	-	-	-
	191,642,524	171,025,075	68,359,368	56,094,121	276,664,338	92,641,665	68,274,284	56,109,454	48,306,431
	205,844,801	206,072,691	87,965,224	62,502,320	105,848,657	97,174,505	87,091,634	62,211,143	43,841,325
REVENUE AND PROFITS									
Revenue	41,198,427	64,261,549	21,264,420	10,349,273	32,352,996	27,443,083	21,164,004	10,364,606	8,464,365
Income before taxation	34,660,666	60,953,245	14,711,676	8,639,387	28,360,146	28,022,200	14,611,260	8,654,720	4,881,363
Income for the year, from continuing operations	15,855,034	9,905,280	3,601,920	2,251,200	15,855,034	9,905,280	3,601,920	2,251,200	750,400
Dividend proposed									
Per share data (Kobo)									
Earnings - Basic	738	1,343	490	288	828	934	487	283	163
Dividend proposed (Kobo)	360	330	120	75	360	330	120	75	25
Dividend cover (times)	2	4	4	4	2	3	4	4	7
Net assets	4,351	3,883	2,277	1,869	8,079	3,086	2,275	1,869	1,609

Earnings per share are based on profit after taxation and the number of issued and fully paid ordinary shares at the end of each year. Net assets per share are based on net assets and number of issued and fully paid ordinary shares at the end of each year. The 330 kobo for 2013 excludes the dividends paid by the subsidiaries before the business combination.



Elephant Cement

building Nigeria through the years.



• Oriental Hotel, Lekki

At Lafarge, we believe that every structure should be built with posterity in mind. That is why Elephant cement is specially formulated to meet up with global standards; delivering quality, safety and helping you build structures that last for generations. Little wonder discerning builders continue to count on the trusted and reliable Elephant Cement whenever it's important to build landmarks.

Corporate Head Office: 27B, Gerrard Road, Ikoyi, Lagos State.
Tel: +234 1 774 5088-9, 4968060-9, 2713990. www.lafarge.com.ng

LAFARGE
Building better cities™



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SHAREHOLDING AND OTHER INFORMATION

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SHARE CAPITAL HISTORY

LAFARGE AFRICA PLC AS AT DECEMBER 31 2014



YEAR	AUTHORISED			FULLY PAID		REMARKS
	NUMBER OF SHARES	VALUE (NAIRA)	NOMINAL VALUE	NUMBER ISSUED	VALUE (NAIRA)	
1959	3,000,000	6,000,000	AT N2.00 EACH	2,000,000	4,000,000	
1960	3,000,000	6,000,000	AT N2.00 EACH	2,000,000	4,000,000	
1961	3,000,000	6,000,000	AT N2.00 EACH	2,000,000	4,000,000	
1962	3,000,000	6,000,000	AT N2.00 EACH	2,000,000	4,000,000	
1963	3,000,000	6,000,000	AT N2.00 EACH	2,000,000	4,000,000	
1964	3,000,000	6,000,000	AT N2.00 EACH	2,000,000	4,000,000	
1965	3,000,000	6,000,000	AT N2.00 EACH	2,000,000	4,000,000	
1966	3,000,000	6,000,000	AT N2.00 EACH	2,000,000	4,000,000	
1967	3,000,000	6,000,000	AT N2.00 EACH	2,000,000	4,000,000	
1968	12,000,000	6,000,000	AT N0.50 EACH	8,000,000	4,000,000	SUBDIVISION
1969	14,000,000	7,000,000	AT N0.50 EACH	14,000,000	7,000,000	
1970	14,000,000	7,000,000	AT N0.50 EACH	14,000,000	7,000,000	
1971	14,000,000	7,000,000	AT N0.50 EACH	14,000,000	7,000,000	
1972	14,000,000	7,000,000	AT N0.50 EACH	14,000,000	7,000,000	
1973	14,000,000	7,000,000	AT N0.50 EACH	14,000,000	7,000,000	
1974	14,000,000	7,000,000	AT N0.50 EACH	14,000,000	7,000,000	
1975	36,000,000	18,000,000	AT N0.50 EACH	36,000,000	18,000,000	PREFERENCE SHARE
1976	36,000,000	18,000,000	AT N0.50 EACH	36,000,000	18,000,000	
1977	72,000,000	36,000,000	AT N0.50 EACH	60,300,000	30,150,000	SPECIAL ALLOTMENT
1978	72,000,000	36,000,000	AT N0.50 EACH	60,300,000	30,150,000	
1979	72,000,000	36,000,000	AT N0.50 EACH	60,300,000	30,150,000	
1980	72,000,000	36,000,000	AT N0.50 EACH	60,300,000	30,150,000	
1981	72,000,000	36,000,000	AT N0.50 EACH	60,300,000	30,150,000	
1982	72,000,000	36,000,000	AT N0.50 EACH	60,300,000	30,150,000	
1983	101,450,000	50,725,000	AT N0.50 EACH	90,450,000	45,225,000	1 : 2
1984	101,450,000	50,725,000	AT N0.50 EACH	90,450,000	45,225,000	
1985	101,450,000	50,725,000	AT N0.50 EACH	90,450,000	45,225,000	
1986	101,450,000	50,725,000	AT N0.50 EACH	90,450,000	45,225,000	
1987	101,450,000	50,725,000	AT N0.50 EACH	90,450,000	45,225,000	
1988	120,600,000	60,300,000	AT N0.50 EACH	120,600,000	60,300,000	1 : 3
1989	120,600,000	60,300,000	AT N0.50 EACH	120,600,000	60,300,000	
1990	120,600,000	60,300,000	AT N0.50 EACH	120,600,000	60,300,000	
1991	120,600,000	60,300,000	AT N0.50 EACH	120,600,000	60,300,000	
1992	241,200,000	120,600,000	AT N0.50 EACH	241,200,000	120,600,000	1 : 1
1993	241,200,000	120,600,000	AT N0.50 EACH	241,200,000	120,600,000	
1994	321,600,000	160,800,000	AT N0.50 EACH	321,600,000	160,800,000	1 : 3
1995	321,600,000	160,800,000	AT N0.50 EACH	321,600,000	160,800,000	
1996	428,800,000	214,400,000	AT N0.50 EACH	428,800,000	214,400,000	1 : 3
1997	428,800,000	214,400,000	AT N0.50 EACH	428,800,000	214,400,000	
1998	600,000,000	300,000,000	AT N0.50 EACH	571,733,334	285,866,667	1 : 3
1999	600,000,000	300,000,000	AT N0.50 EACH	571,733,334	285,866,667	
2000	600,000,000	300,000,000	AT N0.50 EACH	571,733,334	285,866,667	
2001	1,142,806,000	571,403,000	AT N0.50 EACH	1,143,466,668	571,733,334	1 : 1
2002	4,573,866,672	2,286,933,336	AT N0.50 EACH	1,715,200,000	857,700,001	1 : 2
2003	4,573,866,672	2,286,933,336	AT N0.50 EACH	1,715,200,000	857,700,001	
2004	4,573,866,672	2,286,933,336	AT N0.50 EACH	1,715,200,000	857,700,001	
2005	4,573,866,672	2,286,933,336	AT N0.50 EACH	3,001,600,004	1,500,800,002	RIGHTS ISSUE
2006	4,573,866,672	2,286,933,336	AT N0.50 EACH	3,001,600,004	1,500,800,002	
2007	4,573,866,672	2,286,933,336	AT N0.50 EACH	3,001,600,004	1,500,800,002	
2008	4,573,866,672	2,286,933,336	AT N0.50 EACH	3,001,600,004	1,500,800,002	
2009	4,573,866,672	2,286,933,336	AT N0.50 EACH	3,001,600,004	1,500,800,002	
2010	4,573,866,672	2,286,933,336	AT N0.50 EACH	3,001,600,004	1,500,800,002	
2011	4,573,866,672	2,286,933,336	AT N0.50 EACH	3,001,600,004	1,500,800,002	
2012	4,573,866,672	2,286,933,336	AT N0.50 EACH	3,001,600,004	1,500,800,002	
2013	4,573,866,672	2,286,933,336	AT N0.50 EACH	3,001,600,004	1,500,800,002	
2014	4,573,866,672	2,286,933,336	AT N0.50 EACH	4,404,175,988	2,202,087,994	ADDITIONAL SHARES

YEAR	SHARE CAPITAL	MODE OF ACQUISITION
1978	60,300,000	INITIAL SHARE CAPITAL
1983	90,450,000	BONUS 1983 30,150,000 SHARES
1988	120,600,000	BONUS 1988 30,150,000 SHARES
1992	241,200,000	BONUS 1992 120,600,000 SHARES
1994	321,600,000	BONUS 1994 80,400,000 SHARES
1996	428,800,000	BONUS 1996 107,200,000 SHARES
1998	571,734,000	BONUS 1998 142,934,000 SHARES
2001	1,143,468,000	BONUS 2001 571,734,000 SHARES
2002	1,715,200,002	BONUS 2002 571,732,002 SHARES
2005	3,001,600,004	RIGHTS OFFER 1,286,400,002 SHARES
2014 till date	4,404,175,988	ADDITIONAL SHARES 1,402,575,984 SHARES

BONUS HISTORY

YEAR	BONUS ISSUES
1983	30,150,000
1988	30,150,000
1992	120,600,000
1994	80,400,000
1996	107,200,000
1998	142,934,000
2001	571,734,000
2002	571,732,002
TOTAL BONUS	1,654,900,002

SUMMARY

INITIAL SHARE CAPITAL	60,300,000
BONUS ISSUES	1,654,900,002
RIGHTS OFFER	1,286,400,002
ADDITIONAL SHARES	1,402,575,984
PAID UP CAPITAL	4,404,175,988

STRATEGIC SHAREHOLDERS	UNITS	%UNITS
LAFARGE NIGERIA LTD	705,982,502	16.03
ASSOCIATED INT'L CEMENT U.K	1,095,025,626	24.86
FINANCIERE LAFARGE SAS	724,758,803	16.46
LAFARGE NIGERIA (UK) LTD	388,594,185	8.82
LAFARGE CEMENT INT'L BV	289,222,996	6.57
ODU'A INVESTMENT	138,821,349	3.15
DIRECTORS INTEREST	2,715,270	0.06
	3,345,120,731	75.95
FREE FLOAT	1,059,055,257	24.05
PAID UP CAPITAL	4,404,175,988	100.00

PHOTOSPEAK



PHOTOSPEAK



BUILDING BETTER CITIES

Lafarge Partners AFD, LAPO Launches N1.3b Affordable Housing Scheme



ILÉ IRÒRÙN



Signing ceremony at the Ile Irorun Launch

Some beneficiaries at the event

Partnering for Development: AFD Country Director, Hubert Dognin; Lafarge EVP Operations/ Country CEO, Nigeria & Republic of Benin Guillaume Roux and MD, LAPO Micro Finance Bank, Godwin Ehigiamusoe.

Making urbanization a success is one of the challenges of this century and also our ambition. At Lafarge, we support the metamorphosis of cities and contribute solutions which provide cities with more housing, making them more compact, more durable, more beautiful and better connected.

In our ambition to build better cities in Nigeria, Lafarge offers housing solutions with quality materials, and develops innovative, value-adding products that are readily available and reasonably priced because we understand that housing-for-all is dependent on available means. That is why our affordable housing initiative seeks to offer support to the low income earners giving them decent, affordable and durable homes.

MANDATE FOR E-DIVIDEND PAYMENT



APPLICATION FOR E-DIVIDEND PAYMENT

I/We..... being a Shareholder in LAFARGE AFRICA PLC (Company) hereby request that my/our dividend payments in respect of the Company be credited into my/our Bank Account stated below:

Bankers Details

Name of Bank:

Branch:

Account Name:

NUBAN Account Number (Current or Savings):

Telephone Number(s):

Signature:

- Corporate Shareholders should execute and seal in accordance with the provisions of their Articles of Association.
- Kindly attach photocopy of a valid means of identification.

REQUEST FOR CHANGE OF ADDRESS

I/We..... being a Shareholder in LAFARGE AFRICA PLC (Company) hereby request my/our change of address as follows:

OLD ADDRESS

.....
.....
.....

NEW ADDRESS

.....
.....
.....

- Corporate Shareholders should execute and seal in accordance with the provisions of their Articles of Association.

The Registrars
Cardinal Stone (Registrars) Limited
358, Herbert Macaulay Road,
Yaba, Lagos
P. O. Box 9117, Lagos
Nigeria

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Cardinal Stone (Registrars) Limited
358, Herbert Macaulay Road,
Yaba, Lagos
P. O. Box 9117, Lagos
Nigeria

PROXY FORM

The 56th Annual General Meeting of Lafarge Africa Plc will be held at Eko Marquee Hall, Eko Hotels & Suites, Victoria Island, Lagos on Friday, 22nd May 2015 at 11.00am.

I/We* _____

being a member/members of Lafarge Africa Plc hereby appoint*** _____

of _____

Or failing him the Chairman of the Meeting as my/our proxy to act and vote for me/us at the Annual General Meeting of the Company to be held on Friday, 22nd May 2015 and at any Adjournment thereof.

Dated this _____ day of _____ 2015 _____

Shareholder's Signature

Resolutions	For	Against	Abstain
1. To lay the Audited Financial Statement for the year ended 31st December 2014, the Report of Directors, Auditors and Audit Committee thereon.			
2. To declare a dividend.			
3. To approve the appointment of the following Directors:			
a. Mr. Anders Kristiansson (Executive Director)			
b. Mrs. Peju Adebajo (Executive Director)			
c. Dr. Shamsuddeen Usman, CON (Non-Executive Director)			
d. Mrs. Elenda Osima-Dokubo (Non-Executive Director)			
e. Mrs. Adenike Ogunlesi (Non-Executive Director)			
f. Alhaji Umaru Kwairanga (Non-Executive Director)			
4. To re-elect the following Directors:			
a. Mr. Joseph Hudson			
b. Mrs. Oludewa Edodo-Thorpe			
c. Ms. Sylvie Rochier			
d. Mr. Adebode Adefioye			
5. To authorize the Directors to fix the remuneration of the External Auditors.			
6. To elect members of the Audit Committee.			
7. To approve the Remuneration of the Directors			

Please indicate "X" in the appropriate space how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

NOTES:

Please sign this form and post it to reach the address overleaf not later than 48 hours before the time of holding the meeting. If executed by a corporation, this form should be sealed with its common seal.

- Shareholder's name to be inserted in BLOCK LETTERS please. In case of joint shareholders, any one of such may complete this form, but the names of all joint holders must be inserted.
- Following the normal practice, the Chairman of the meeting has been entered on the form to ensure that someone will be at the Meeting to act as your proxy, but you may insert in the blank space the name of any person, whether a member of the Company or not, who will attend the meeting and vote on your behalf instead.

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LAFARGE AFRICA PLC

56TH ANNUAL GENERAL MEETING SHAREHOLDERS ADMISSION CARD

Please admit the shareholder on this form or his/her duly appointed proxy to the Annual General Meeting to be held at the Eko Marquee Hall, Eko Hotel & Suites, Victoria Island, Lagos on Friday, 22nd May 2015 at 11 a.m.

Name of Shareholder _____

Number of Shares Held _____

Signature of Person attending

Note: This form should be completed, signed, duly stamped by the Commissioner of Stamp Duties, torn off and produced by the Shareholder or his/her duly appointed proxy in order to gain entrance to the venue of the meeting.

The Registrars
Cardinal Stone (Registrars) Limited
358, Herbert Macaulay Road,
Yaba, Lagos
P. O. Box 9117, Lagos
Nigeria

NOTES



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