

NIGERIA

2015 ANNUAL REPORT  
LAFARGE AFRICA PLC

Offering Solutions for  
**Sustainable**  
Construction



A member of  
**LafargeHolcim**

**LAFARGE**  
Building better cities™



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01



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# PROFILE PRESENTATION



# Shared Values

Health & Safety is an overarching value, embedded in everything we do.

**C**

**Customer**

**R**

**Results**

**I**

**Integrity**

**S**

**Sustainability**

**P**

**People, Openness and Inclusion**





## CORPORATE PROFILE

Lafarge-Holcim Executives with President Muhammadu Buhari and Governor Ibikunle Amosun of Ogun State.

# Lafarge Africa Plc

## – A LEADER IN SUB-SAHARAN AFRICA

**L**afarge Africa Plc, a leading Sub-Saharan Africa building solutions Company and member of the LafargeHolcim group, enjoys doing business in Africa and will continually invest in the continent's economy whilst building on its values to make the best building and construction solutions available in all parts of Africa - not just the best products but its building expertise as well.

Combining its operations in Nigeria - 4.5MMT in WAPCO (with three plants in Ogun State), 1MMT in Ashaka Cement Plc (Gombe State), 2.5MMT in United Cement Company of Nigeria Limited (Cross Rivers State) and a terminal in Atlas Cement Company Limited (Rivers State) - with operations in South Africa 3.6MMT, Lafarge Africa Plc has a current installed cement capacity of 12MMT, which is expected to grow to 18MMT by 2017. This is in addition to strong market leading positions in aggregates, ready mix concrete and fly ash.

Lafarge Africa Plc 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.

We put certain values at the forefront of the way we do business viz: 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.

The Company is committed to progress and attentive to the ever-changing needs of local communities. This is demonstrated by contributing to the improvement of their quality of lives in a sustainable manner through setting up local development programmes in key areas that have direct impacts on socio-economic well-being of the people and their environment.

More importantly, Lafarge Africa Plc endeavors to create more value for our customers, providing them with innovative and high quality products and solutions. Our well-known brands - Ashaka Portland



The GMD-CEO, Michel Pucheros, with employees at the Ewekoro Plant.

Limestone Cement, Elephant Cement, Fastcast, Hydromedia, Powermax Cement, Supaset Cement, UniCem Cement, Readymix Concrete and Aggregates - all stand for quality, consistency and long term strength, which help deliver solutions that contribute to more housing for people, more compact buildings, better connected communities, more beautiful structures and more durable construction.

For our concrete operations, we leverage on the Company's 50 years of experience in innovative concrete solutions and this puts us in the position to provide quality solutions that are designed to meet the specific needs of today's builders. Today, Lafarge Readymix operations has a production capacity of .5 cubic million metric tonnes in Nigeria.

#### **LAFARGE AFRICA PLC'S OPERATIONS**

##### **CEMENT**

The Cement business of Lafarge Africa Plc's operations has six plants in Nigeria and South Africa. The Company has a wide range of cement solutions designed to meet all building and construction needs from small projects like individual home buildings to major construction projects.

##### **AshakaCem**

AshakaCem Plc is a cement manufacturing company focused on providing creative, qualitative solutions to meet the needs of stakeholders. The Company has been participating in the economic growth and development of the North-East in particular and Nigeria for over three decades and operates in the manufacturing, sales and marketing sectors. The Company is proud of its commercial expertise, efficiency and technical skills and has achieved good results by conducting its business with unwavering commitment to customers, employees, shareholders and communities.

AshakaCem Plc was incorporated in August 1974 and commenced production in 1979 as a cement manufacturing and marketing company under the name Ashaka Cement Company Limited. The Company was initiated by the Nigerian Industrial Development Bank Limited and the Government of the then North-Eastern States (now Adamawa, Bauchi, Borno, Gombe, Taraba and Yobe States). Today, AshakaCemPlc is a subsidiary of Lafarge Africa Plc.

## Corporate Profile

AshakaCem has announced plans to add an additional 3MMT capacity over the next three years and has recently performed a groundbreaking ceremony for its new line. 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.

### Atlas Cement

Atlas Cement Company Limited was incorporated in 1999 and is a 100% owned subsidiary of Lafarge Africa Plc. The Company's terminal was commissioned for operation in 2001 in Rivers State within the Federal Ocean Terminal, Onne and the plant was operated on a floating vessel which had a nominal capacity to produce 500,000 metric tons of cement per annum.

In line with Government policy of backward integration, the company is gradually changing her business concept, moving away from being a conventional supplier of Ordinary Portland Cement to include championing of cementitious strategy, providing cement solutions to the Oil and Gas sector of the economy, distribution of Lafarge Africa products as well as being a hub for the Ready Mix Concrete operations in the South-South and South-East 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.

### 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 subsegments). 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.

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).

### United Cement Company of Nigeria Ltd (Unicem)

The United Cement Company of Nigeria Ltd (UniCem) is a joint venture between Lafarge Africa Plc and LafargeHolcim and is one of Nigeria's largest cement manufacturers and suppliers of high quality cement. It is located in Cross River State, Nigeria with core markets in the South-South and South-East regions of the country.

Established in 2002 after acquiring the assets of moribund Calabar Cement Company (CalCemCo), a Greenfield cement manufacturing plant was constructed at Mfamosing, 40km North-East of Calabar, Cross River State.

UniCem is headquartered in Calabar with all its cement manufacturing operations consolidated at the Mfamosing plant. The Mfamosing plant, a modern production facility with an annual production capacity of 2.5 million tons was inaugurated in 2009.

In 2012, UniCem expanded its product portfolio and currently offers to customers the option of two cement products catering for general purpose and specialized applications.

To meet the increasing demand for its products, an additional manufacturing line with a production capacity of 2.5 million metric tons is currently being constructed. The project, upon its completion in 2016, will double the company's production capacity to 5 million metric tons per annum thereby consolidating its position as the leading cement company in Nigeria's South-South and South-East regions.

### WAPCO Operations

WAPCO Operations is the operational business of Lafarge

Africa Plc, driving excellence in Nigeria's building industry, with innovation at the heart of its priorities and working for sustainable construction and architectural creativity.

WAPCO Operations has three plants - one in Sagamu and two in Ewekoro both in Ogun State, South-West Nigeria with a current production capacity of 4.5 million metric tonnes. The product portfolio includes five products: Elephant Cement, a general purpose cement - a multi-use product suitable for majority of the applications; Supaset Cement, a fast-setting and rapid strength gaining cement specifically designed for the needs of the block-makers; Powermax, a high strength cement for the sophisticated contractor segment; Etex, a high performance cement designed to the customer's specification for tile manufacturing; and SRC, a Sulphate Resistant Cement for coastal construction.

The Company'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 our major drive. WAPCO Operations has made immense investments in supporting Nigeria's socio-economic development, since its establishment in 1960.

### **AGGREGATES & CONCRETE**

In Nigeria, Lafarge Africa Plc enjoys the first mover advantage in the concrete sector of the industry with 8 production sites and plans to have an additional 5 plants operational by the end of 2016. The Company also has ambitious plans for its aggregates business towards delivering top end solutions to Nigerians. In South Africa, Lafarge Africa Plc's aggregates and concrete business is the industry leader.

#### **Readymix Nigeria**

Lafarge Readymix Nigeria Limited, a market leader in quality concrete solutions began operations in September 2011.

Leveraging on the LafargeHolcim Group's experience in the readymix business, Lafarge Africa Plc, through its Readymix arm, is producing quality and innovative concrete and aggregates solutions from our various locations in Nigeria. Readymix operations are currently in Lagos, Abuja and Port-Harcourt and will spread to other states of Nigeria in the near future.

With an aggregates quarry located in South-West Nigeria, Readymix Nigeria is set to provide the best aggregates-based solutions to meet industry and market needs in Nigeria.

Lafarge Readymix Nigeria has a clear strategy as a project enabler, driving quality and innovation forward and promoting a sustainable environment for generations to come. We will achieve this by working closely with our valued customers and partners.

#### **Readymix South Africa**

Through LSAH, Lafarge Africa Plc owns one of the three largest national aggregates producers in South Africa, operating a total of 21 aggregates quarries across 6 provinces. In the Readymix segment LSAH owns one of two national operators, with 53 Readymix plants and 6 Readymix mobile plants, which have combined capacity in excess of 3million m<sup>3</sup>. Ash Resources comprises an estimated "run of station" production capacity of c.4.1 mtpa, by far the largest in South Africa.

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**In 2012, UniCem expanded its product portfolio and currently offers to customers the option of two cement products catering for general purpose and specialized applications.**

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# LafargeHolcim Profile

## LAFARGEHOLCIM – A NEW LEADER FOR A NEW WORLD

LafargeHolcim was formed in 2015 as a result of the successful merger between two global cement giants Lafarge (headquartered in France) and Holcim (headquartered in Switzerland). The merger, which was announced to be the second largest merger that took place in 2014, was valued at \$44b and has witnessed the emergence of the world's largest building materials and construction solutions provider.

With a cement production capacity of 374MMT and the world's biggest materials testing laboratory, LafargeHolcim is clearly the industry leader in terms of innovation, sales and manufacturing capacity. The company is jointly chaired by Wolfgang Reitzle, formerly Board Chairman of Holcim and Bruno Lafont, former Chairman/CEO of Lafarge.

LafargeHolcim is located in 90 countries spread across all 5 continents with 100,000 employees. The company has over 2,500 production sites and is set to transform the global construction industry.





LafargeHolcim in **90**  
countries

Located in **5**  
continents

**100,000**  
employees

**2,500**  
Sites

### The Six Pillars of LafargeHolcim's Strategy

Our mission as the most advanced company in the building materials industry is to provide what really matters to our customers and end-users. To meet these needs, we have established six strategic goals:

#### Create an attractive environment for our people.

People are at the heart of LafargeHolcim's business success. Therefore, we intend to create an attractive work environment for our people through:

- a zero harm culture,
- a diverse, inclusive and respectful workplace.

We are committed to offering individuals and teams unique opportunities to grow, contribute and engage to their fullest potential, and recognizing and rewarding remarkable contributions.

#### Engage our resources for best returns and cash generation.

For LafargeHolcim, this means pro-active management of our portfolio, disciplined capital allocation and selective pursuit of attractive growth opportunities, so as to generate superior sustainable financial returns on our capital employed and cash generation.

- In the short term, we estimate that we will deliver EUR 1.4 billion of synergies.
- In the medium term, the new Group will fully benefit from the size of its industrial network, which will facilitate optimizations and avoid the need for large acquisitions or heavy investments. Similarly, its capacity for implementing an innovation strategy on a very large scale will be a key advantage for generating a strong growth dynamic at low cost.



#### Serve the building needs of individuals and retail customers.

Finding the most effective ways to bring our products to those who sell and use them through best-in-class go-to-market models and world-class branding and customer experience:

- With respect to distributors and retailers, we develop marketing and customer loyalty support programs, provide advanced logistics to reach more isolated rural and urban communities, and enable a shortening of the distribution chain and partnerships with retail chains.
- With respect to homebuilders, individuals, and other end-users, we introduce innovative products and value-added services such as bundling or affordable housing financing solutions for individuals. We strive to associate our brand with values such as respect for people, sustainability, quality, reliability, ease of purchase, and ease of use.



### Be the preferred partner for building and infrastructure.

An in-depth understanding of end users and eco-systems in which projects will be implemented is crucial. We also believe in early involvement, innovative value-adding solutions and excellent project delivery to make a difference.

- In the commercial construction segment, we intend to work with our customers and decision-makers (architects and designers) to reduce their operational costs, create differentiation in mature markets, and help them develop reputations in emerging markets.
- In the infrastructure segment, we seek early involvement and provide materials that meet specific infrastructure challenges related to technology, acceptability, longevity, and project execution, from bidding to delivery and after sales.



### Achieve operational excellence through continuous improvement.

To create value, we deliver cost leadership, we implement the most advanced operating models across all product lines and we make an optimal use of our capital and resources, while leading our operations in a safe way. We intend to capitalize on our professional teams, assets, technologies,

innovation in industrial operations, and strong operating models to replicate best practices across the business in all geographic markets.



### Create shared value with society.

We will create shared value with society through distinctive and sustainable solutions and the best possible sustainability footprint. Examples of our sustainability objectives include:

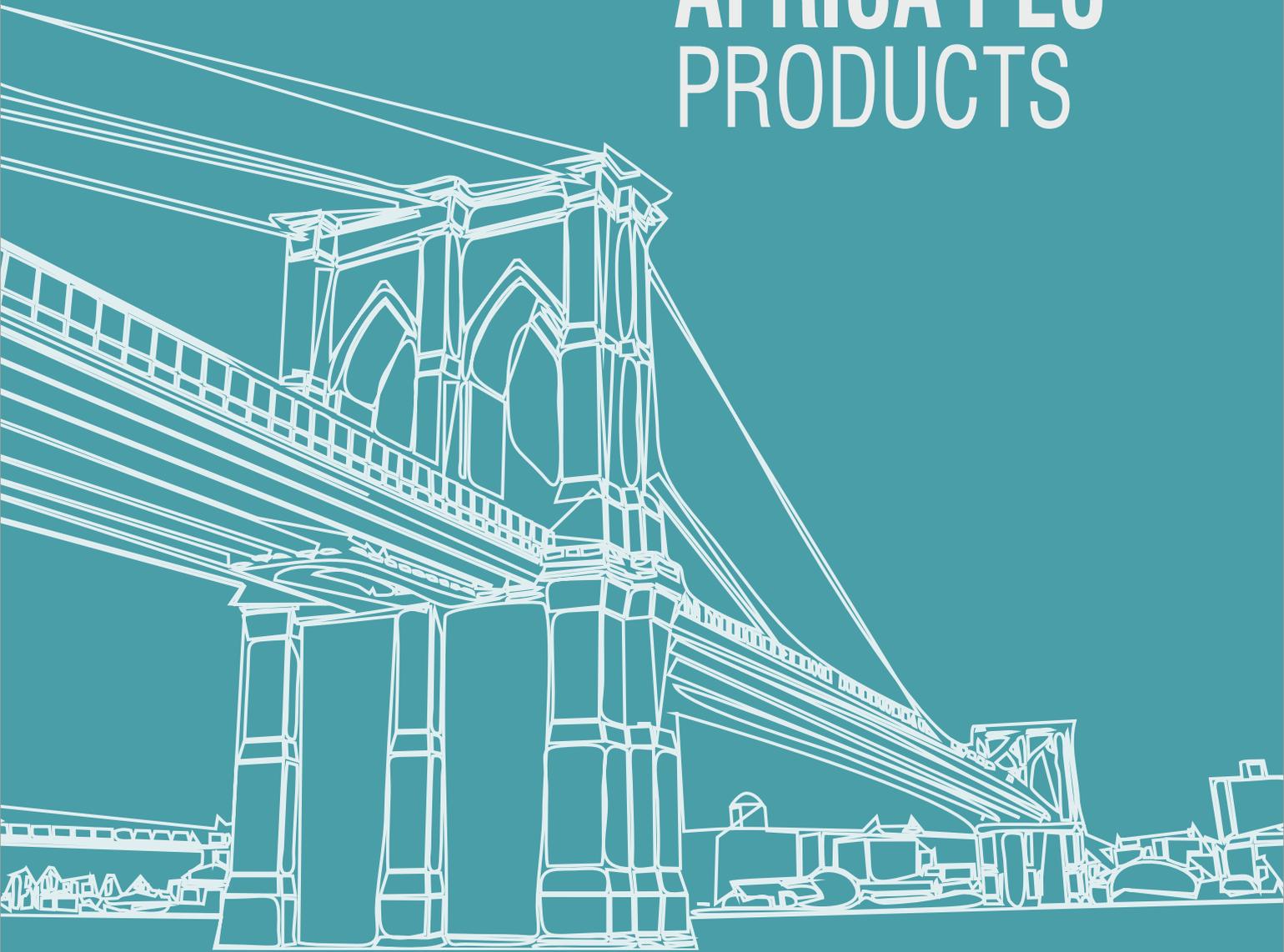
- Developing innovative solutions, such as low CO<sub>2</sub> cement and recyclable aggregates.
- Creating products that optimize energy consumption of buildings throughout their lifecycle.
- Demonstrating leadership in environmentally sustainable and socially responsible solutions.
- Engaging proactively with regulatory agencies and stakeholders at all levels, applying and promoting strict environmental and social standards for the industry.
- Incorporating solutions that focus on biomass use, waste and water management, robust rehabilitation, and biodiversity management at extraction sites.
- Acting with integrity in all dealings and promoting a culture of inclusiveness in the workplace.

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# LAFARGE AFRICA PLC PRODUCTS





# Elephant

Portland Limestone Cement



A member of the world's leader in cement production, Lafarge Africa Plc has designed a diversified product range intended for construction

**L**afarge Africa cement brands are designed to respond to the requirements of all of the Group's diverse customer needs.

Its broad range of products is suitable for industrial players, individual home builders and building professionals

This 53 year-old formidable brand of impeccable standard and quality backs every project with power, maturity, resilience, durability and reliability.

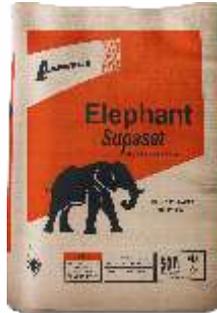
Elephant Cement has consistently won the NIS Certificate for product quality by the Standard Organization of Nigeria for over two decades now. The Elephant brand has made visible landmarks in the areas of development projects which include the National Assembly Complex,



Abuja, the Federal Secretariat, Abuja; Shell Trustee Residential Estate, Abuja; the Stallion Estate, Abuja; Third Mainland Bridge, Lagos, Nigeria Police Force Headquarters, Lagos; MKO Abiola Gardens, Lagos; NITEL Building Lagos; Niger House, Lagos Airport Hotel, Lagos; Cocoa House, Ibadan and Premier Hotel, Ibadan amongst others. Elephant cement is Nigerian's preferred cement of all time.



Elephant Cement is a formidable brand of over 50 years with an impeccable pedigree that backs solution provision with power, maturity, resilience, durability and reliability.



Supaset Cement is specifically formulated as a fast setting solution to meet the requirement of the Block Making and Precast segment of the Construction industry.

Elephant Supaset Cement is known for retaining the profound quality of Elephant cement and as well strength and quick setting that blockmakers desire.



Powermax is the preferred premium technical cement suitable for large construction projects. Powermax combines excellent strength performance at all ages with versatility and enhanced durability benefits.

Powermax is available in both bulk and jumbo bags.



Ashaka Cement is from limestone with greyish powder, and it is widely used in Northern Nigeria. This Industry Standard Certified product based on Portland cement specification has served the building sector of Northern Nigeria for over three decades now, using state of the art technology in a sustainable manner.



Atlas Classic Cement



Since 2001, Atlas Classic Cement has consistently delivered on its value proposition, providing solution with power, maturity, resilience, durability and reliability. Atlas Classic Cement, the signature brand of Lafarge Africa Plc. Is produced and bagged in Onne for customers in Eastern Nigeria. The brand conforms in all aspect to NIS and BS/12/1991 standards.



Portland Limestone Cement



UniCem manufactures Portland Cement for general applications, civil and structural works. Characterized by high quality, fast setting properties, and excellent strength performance, UniCem solutions are in conformity with the Nigerian Industrial Standard and are the first choice in Nigeria's South-East.



Maiyaki General Merchant Ltd gets a reward for excellent business performance in 2015.



Batoframoj Enterprises gets a reward for excellent business performance in 2015.

## Readymix



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.

## Aggregates Solutions

With a quarry in South-West Nigeria, Lafarge Africa Plc provides top quality aggregates solutions.

We are strategically located to service all sectors of the local construction industry with three broad categories of our quality materials, including road materials, concrete materials and specialized materials. Specialty products and services include quality testing and bagged premixed products such as builders blend concrete mix and specially graded stone sizes made on demand.

Other products also available are Sulphur Resistant Cement (SRC) which is cement designed for use in marshy and water-prone areas and RoadCem, a specialised cementitious binder designed to meet the needs range of road stabilization applications.



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# CORPORATE GOVERNANCE



# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT the 57th Annual General Meeting of LAFARGE AFRICA PLC will be held at Zinna-Jasmine Hall, Eko Hotels & Suites, Plot 1415 Adetokunbo Ademola Street, Victoria Island, Lagos, Nigeria on Monday, 27th June 2016 at 11am to transact the following business:**

## AGENDA

### Ordinary Business

1. To receive the Audited Financial Statements for the year ended 31st December 2015 together with the reports of the Directors, External Auditors and Audit Committee thereon.
2. To declare a dividend.
3. To elect/re-elect retiring Directors.
4. To authorize the Directors to fix the remuneration of the External Auditors
5. To elect members of the Audit Committee.

### Special Business

To consider and if thought fit, pass the following resolutions as an ordinary resolution:

6. "That, following the recommendation of the Directors, the sum of ₦248,403,876 out of the total of ₦186,419,988,000 credited to the Share Premium account be and is hereby capitalized as 496,807,752 ordinary shares by way of bonus shares in the ratio of one new share for every ten shares (one for ten) held by members whose names appear in the Register of Members at the close of business on 15th June 2016, registered in such member's names on that date, subject to the approval of the appropriate regulatory authorities; the shares so allotted being treated for all purposes as capital and not as income, ranking *pari passu* with the existing shares".
7. "That, the Directors be and are hereby authorised to deal with or settle, as they deem fit, any fractional shares which would result from the allotments described in paragraph (6) above"

## 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 needs 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 27th day of June 2016, to members whose names appear in the Register of members at the close of business on the 15th day of June 2016.

### 3. CLOSURE OF REGISTER

The Register of Members and Transfer Books of the Company will be closed on June 16th 2016 to June 22nd 2016 (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. The Securities & Exchange Commission's Code of Corporate Governance for Public Companies has indicated that members of the Audit Committee should have basic financial literacy and should be able to read Financial Statements. We therefore request that nominations be accompanied by a copy of the nominee's curriculum vitae.

### 5. UNCLAIMED DIVIDEND

Shareholders are hereby informed that a number of share certificates and dividend warrants have been returned to the Registrars as "unclaimed". The list of all unclaimed dividend will be circulated with the Annual Report and Financial Statements. 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. The list of unclaimed dividend can be accessed via the Company's website: [www.lafarge.com.ng](http://www.lafarge.com.ng)

**6. E-DIVIDEND**

Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of dividend. Detachable application forms for e-dividend is attached to the Annual Report to enable all shareholders furnish particulars of their accounts to the Registrars as soon as possible. We request our Shareholders to use the e-dividend payment portal that will serve as an on-line verification and communication medium for e-dividend mandate processing through the new E-Dividend Mandate Management System jointly introduced by the Central Bank of Nigeria, Securities and Exchange Commission, Nigeria Inter-Bank Settlement Systems PLC and the Institute of Capital Market Registrars. The letter from Cardinal Stone Registrars Limited explaining the new initiative is attached to the Annual Report and Accounts.

**7. RIGHT TO ASK QUESTIONS**

In line with Rule 19.12, The Rule Book of The Exchange, 2015, Part II, Issuers' Rules, Shareholders of the Company have the right to ask questions not only at the Annual General Meeting but also in writing prior to the meeting. Written questions must be submitted to the Company Secretary, at least, 48 hours days before the Annual General Meeting at No. 27B Gerrard Road, Ikoyi, Lagos State Nigeria or by email at [investorrelations.ng.tech@lafargeholcim.com](mailto:investorrelations.ng.tech@lafargeholcim.com).

8. The profile of Directors for election/re-election or approval can be accessed via the Company's website: [www.lafarge.com.ng](http://www.lafarge.com.ng)

BY ORDER OF THE BOARD



**UZOMA UJA (MS.)**  
FRC/2012/NBA/00000001645  
Company Secretary  
Dated this 12th May 2016  
REGISTERED OFFICE  
27B Gerrard Road,  
Ikoyi, Lagos.



# Directors' and Statutory Information

## DIRECTORS

Mr. Mobolaji Balogun
Mr. Jean-Christophe Barbant
Mr. Michel Puchercos
Mr. Anders Kristiansson
Mrs. Adepeju Adebajo
Mr. Guillaume Roux
Mr. Joe Hudson
Mrs. Oludewa Edodo-Thorpe
Dr. Adebayo Jimoh
Ms. Sylvie Rochier
Mr. Adebode Adefioye
Mr. Jean-Carlos Angulo
Mr. Thierry Metro
Alhaji Umaru Kwairanga
Dr. Shamsuddeen Usman CON, OFR
Mrs. Elenda Osima - Dokubo
Mrs. Adenike Ogunlesi

## COMPANY SECRETARY

## EXTERNAL AUDITORS

## REGISTERED OFFICE AND PLANTS

## BANKERS

## REGISTRAR

Chairman
Vice Chairman/Non-Executive Director
GMD/CEO
Group Chief Finance Officer
MD, Geocycle & Project Mgt Office
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non- Executive Director
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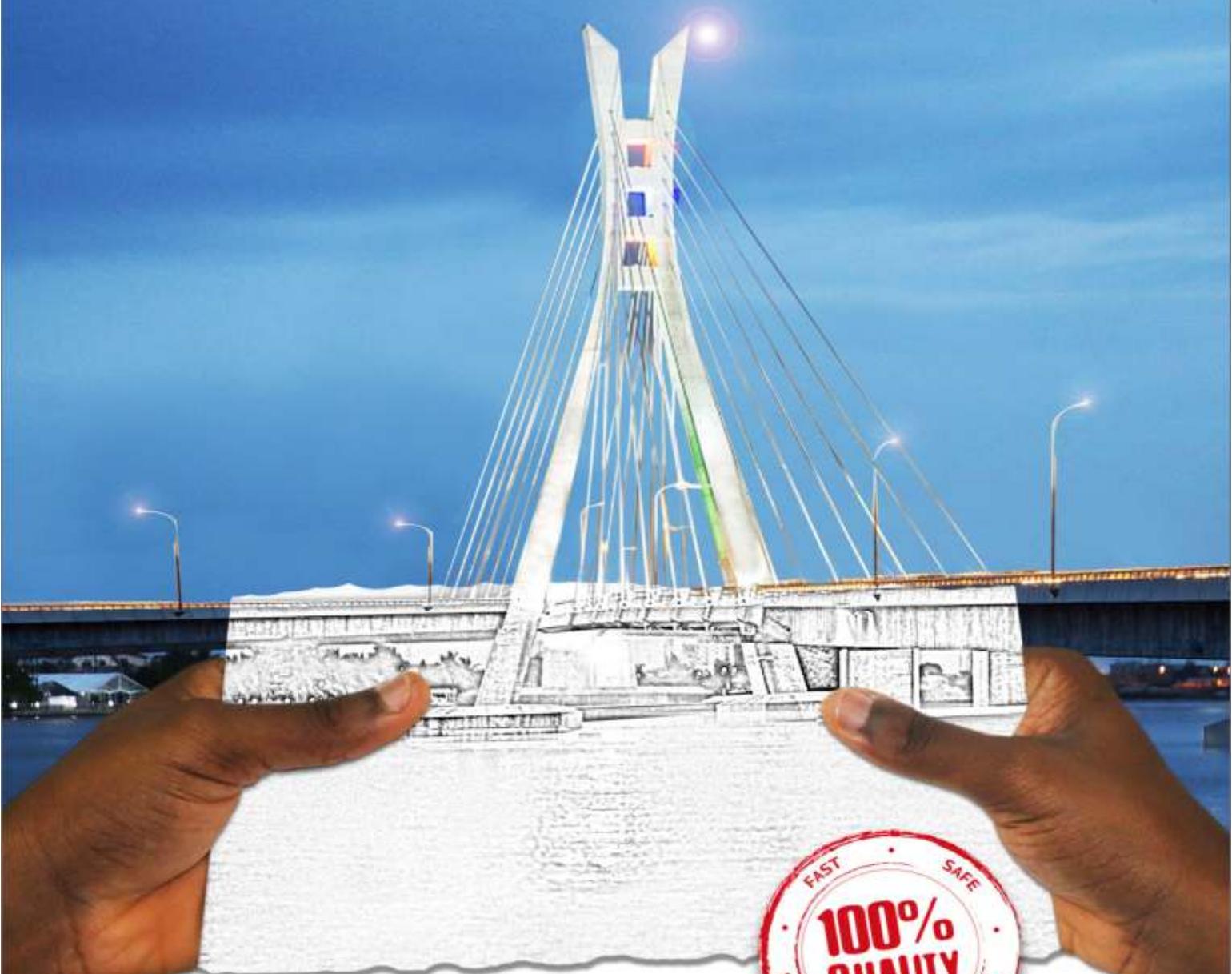
## Uzoma Uja (Ms.)

Akintola Williams Deloitte

27B, Gerrard Road Ikoyi, Lagos State  
Abuja Liason Office , Clan Place,  
Plot 1386A Tigris Crescent Maitama  
FCT Abuja Nigeria.

CitiBank Nigeria Limited  
Diamond Bank Plc  
First Bank of Nigeria Limited  
Guaranty Trust Bank Plc  
Standard Chartered Bank Plc  
Stanbic IBTC Bank Limited  
Wema Bank Plc  
Zenith Bank Plc

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



## THE SAFER WAY TO MAKE YOUR PLAN CONCRETE. **FASTER**

With **Lafarge ReadyMix 'concrete solution'** you can save time, because it offers outstanding quality, accurately customized services, timely deliveries, sufficient equipment to fit each site's peculiarity and more value.

Don't just plan, Call Lafarge ReadyMix on **0700ReadyMix**

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141 worldwide | aaan/0197

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# Financial Highlights

For the year ended 31st December, 2015

Increase/ (decrease) %	In thousands of naira	
	<b>Revenue</b>	
2.5%	267,234,239	2015
	260,810,463	2014
	<b>Profit before tax</b>	
-27.5%	29,274,869	2015
	40,358,133	2014
	<b>Taxation</b>	
-65.2%	(2,276,596)	2015
	(6,537,761)	2014
	<b>Profit after tax</b>	
-19.5%	26,998,273	2015
	33,544,981	2014
	<b>Minority Interest</b>	
580.3%	(1,634,105)	2015
	(240,214)	2014
	<b>Retained profit</b>	
15.8%	100,992,758	2015
	87,206,392	2014
	<b>Share capital</b>	
3.4%	2,277,451	2015
	2,202,088	2014

	<b>Shareholders' fund</b>	
0%	176,151,729	2015
	175,579,949	2014
	<b>Proposed dividend</b>	
-13.8%	13,664,706	2015
	15,855,034	2014
	<b>Per Share data (kobo)</b>	
	<b>Earnings- Basic (k)</b>	
-18.0%	629	2015
	767	2014
	<b>Earnings- Diluted (k)</b>	
-18.0%	629	2015
	767	2014
	<b>Dividend (k)</b>	
-16.7%	300	2015
	360	2014
	<b>Dividend cover (times)</b>	
0%	2	2015
	2	2014
	<b>Net assets (k)</b>	
-3.0%	3,867	2015
	3,987	2014
	<b>Number of Employees</b>	
5.5%	3,786	2015
	3,589	2014



# Chairman's Statement

Fellow shareholders, it is my pleasure to welcome you all to the 57th Annual General Meeting of our Company, Lafarge Africa Plc and to lay before you the Annual Report and Accounts of the Company for the financial year ended 31st December, 2015. I am indeed honoured as this is the first meeting of our shareholders since my appointment as Chairman of the Board of Lafarge Africa Plc.

2015 was transformational and the first full operational year of our new enlarged Company. You may recall that in 2014, Lafarge Cement WAPCO Nigeria Plc had completed the acquisition of 100% of Lafarge South Africa Holdings, 58.61% of AshakaCem Plc, 35% of United Cement Company of Nigeria Limited ('Unicem') and 100% of Atlas Cement Company Limited, to create a strong and diversified Nigerian and African building materials company, Lafarge Africa Plc. In the course of 2015, through a Mandatory Tender Offer arising from our equity acquisition in AshakaCem, we increased our shareholding in that entity to 82.46%. We also acquired a further 15% shareholding in Unicem, to take our shareholding to 50%. We have now built a significant platform to drive value creation for all stakeholders and in particular, our shareholders. I thank our shareholders and my colleagues on the Board of Directors for their support and commitment that ensured that we were able to carry out these strategic initiatives.

At this juncture, I would like to acknowledge and pay tribute to my predecessor as Chairman of the Board, Chief Olusegun Osunkeye, CON, a Nigerian patriot and corporate statesman par excellence, who served on the Board for over 14 years and as Chairman for over 5 years. His considerable experience, vision and commitment to good corporate governance has guided Lafarge Africa's transformation from a small regional cement manufacturer into Africa's largest diversified building materials company. The best way that we can honour him is to continue to grow the Company and to deliver increasing shareholder value and that is our commitment to all of our shareholders.

Let me also express my sincere appreciation to Mr. Guillaume Roux, who was our Group Managing Director and CEO until July 2015.

Guillaume led the strategic vision for this transformational acquisition and his passion for Nigeria and Africa and unique relationship management skills, guided Lafarge Africa through the process. He ignored those who said 'it can't be done' and the result today is Lafarge Africa Plc, a Company in which we are all proud to be shareholders. I thank Guillaume for his service to the Company and more importantly, for his acceptance to remain on the Board of Directors as a non-executive Director.

In July 2015, LafargeHolcim was formed from the successful global merger of Lafarge and Holcim. LafargeHolcim, our majority shareholder is the world leader in the building materials industry with a local presence in 90 countries, over 100,000 employees and 374MT of installed capacity worldwide. LafargeHolcim provides solutions and services in cement, concrete and aggregates for buildings, infrastructure, affordable housing, distribution and oil and gas while setting new health, safety and sustainability standards.

## **BUSINESS ENVIRONMENT**

### **Nigeria Operations**

2015 was an important year for Nigeria with the peaceful election and transition of government, the restoration of stability in the North-East and the government's pursuance of its anti-corruption agenda. It was also a challenging period with the global drop in oil prices from \$114 a barrel in June 2014 to \$37 a barrel by the end of December 2015. The elections, successful transition and the increased stability in the North-East were all positive for the country. The new administration's anti-corruption campaign will significantly improve Nigeria's integrity quotient and there is nothing more supportive of an enabling business environment than this. In time, this may well become the enduring legacy of this administration.

The Nigerian operations of our Company faced strong macro-economic headwinds in 2015 with falling oil prices significantly impacting government's revenues and the economy. The Central Bank of Nigeria ('CBN') had to devalue the Naira from N168 to the dollar at the end of 2014 to N197 by the end of 2015. The prolonged transition and the CBN foreign currency restrictions have led to a general slowdown in the economy and even more so in construction activity and infrastructure investments.

#### **SOUTH AFRICAN OPERATIONS**

The South African market witnessed slower GDP growth as the economy was impacted by power outages, lower commodity prices and industrial relations problems. The South African Rand was also devalued against the US dollar from 11.6 in December 2014 to 15.6 in December 2015.

#### **RESULTS FOR THE YEAR**

On a like for like basis, turnover in 2015 grew by 2.5% versus 2014. The Nigeria Ready-Mix & Aggregates operation continued its strong market penetration which resulted in a 29.3% growth in its turnover. In the final quarter of 2015, unplanned stoppages at our Unicem and Ewekoro plants affected our ability in Nigeria to produce and satisfy the market's demand which in turn reversed turnover gains in the first three quarters of the year. Similarly in South Africa unplanned kiln stoppage at the start of the year, meant we had to import clinker to maintain market share. However, gross profit from Nigerian Ready Mix & Aggregates operation grew more than 120% over 2014 and together with improved gas availability at Unicem, the impact of the marginal growth in turnover has meant that gross profit for 2015 compared with 2014 remained flat.

With the increase in our equity ownership in Unicem to 50% during the year, the full results of Unicem are now consolidated into the group's results. Consequently, the revaluation impact of Unicem's unrealized

exchange losses on its foreign currency debt largely led to a reduction in the group's net income compared with 2014. The Company is working on a refinancing, which will not only minimize the impact of adverse currency revaluations on Unicem debt but also reduce finance costs.

As part of cost saving measures, the group's operations in Nigeria at Wapco, AshakaCem and Unicem are now organized along one country organization with functional lines to remove role duplications and to ensure that synergies from the consolidation of the group's entities are realized. It is expected that this action will deliver significant cost savings which will have a positive impact on the financial results in near term.

#### **ACQUISITION OF ADDITIONAL 50% EQUITY OF UNITED CEMENT COMPANY NIGERIA LTD (UNICEM)**

Shareholders will recall the resolution that was passed at the 55th Annual General Meeting of the Company held on 9th July, 2014 at which shareholders authorized the Board of Directors to acquire such additional shares of Egyptian Cement Holdings B.V. (ECH) and/ or Unicem as the case may be, on the same terms as were for the initial 35% equity acquired. Consequently the Board of Directors at its meeting of 12th May, 2016 approved the acquisition of additional 50% of Unicem. Lafarge Africa currently holds 50% of the equity of Unicem and with this acquisition will now own 100% of the entity via its full ownership of Egyptian Cement Holdings B.V. In consideration for this acquisition the Board of Directors has approved the issue of 413,175,709 ordinary shares to Holcibel S.A, a subsidiary of LafargeHolcim that currently own 50% of ECH.

Unicem, the only cement plant in the South-South and South-East Region of

Nigeria is strategically located in Mfamosing, Calabar, in Cross Rivers State. The plant has a cement capacity of 2.5mm tonnes and a new cement line of 2.5mm tonnes is expected to be completed in 2016. This transaction will be value accretive to the shareholders of Lafarge Africa. In addition to other synergies from full ownership of the company, the transaction will enable the debt refinancing of Unicem via Lafarge Africa and improve the corporate organizational structure.

#### **VOLUNTARY TENDER OFFER FOR MINORITY SHARES OF ASHAKACEM PLC**

Following several requests received from shareholders of AshakaCem who for various reasons could not tender their shares during the Mandatory Tender Offer (MTO) concluded in 2015, the Company after regulatory clearance and recommendation of the terms of the offer by the Board of AshakaCem, opened on the 11th of May, 2016 a Voluntary Tender Offer (VTO) for the remaining shares held by minorities in AshakaCem. The terms for the VTO are the same as were for the MTO. The VTO therefore provides the remaining shareholders the opportunity to migrate their investments to larger and growing platform which Lafarge Africa represents.

#### **PROPOSED DIVIDEND**

The Board of Directors recommends for your approval a dividend of 300 kobo per share as against 360 Kobo paid in 2014. The proposed dividend is payable on 27 June 2016 and represents 50.6% of net income after taxation.

#### **BONUS**

In addition to the proposed dividend, a bonus issue of 1 new share for every 10 shares previously held by shareholders is being recommended for approval. These bonus shares will be issued to shareholders whose names appear in the

register of members as at the close of business on 15th of June, 2016, subject to receipt of appropriate regulatory approvals.

#### CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility report detailing our key activities during the year under review is set out on pages 52 - 58 of the Annual Report and Accounts. I would like to highlight Lafarge Africa's National Literacy Initiative. Too many children of school going age in Nigeria are out of school and illiterate. If our country is ever going to rise to the challenges of the future, the education of our children must be a major priority for us all and Lafarge Africa is taking a leadership role in this area. I am therefore delighted that as a Company we have made measurable positive impact on this front as the literacy campaign now covers all regions of the country and is so much enjoyed by the children. Your Company continues to be mindful of its partnership with host communities where our production facilities are situated. A majority of our Corporate Social Responsibility spend was committed to various community development projects.

#### BOARD COMPOSITION

In July 2015, Mr. Peter Hoddinott was appointed to the Board of Directors to replace Guillaume Roux as Group Managing Director/CEO. At the end of March 2016, Peter Hoddinott left LafargeHolcim and the Board of our company appointed Mr. Michel Puchercos to the Board as Group Managing Director/CEO. Michel Puchercos has substantial international experience and was until his appointment, President and Country CEO of Lafarge South Korea and prior to this was CEO of Lafarge in Kenya and Uganda. His profile is on page 40 of the Annual Report & Accounts. Please join me in welcoming Michel to the Board and to Nigeria. His appointment to the

Board of Directors will be presented to shareholders at this Annual General Meeting for your ratification. I thank Peter Hoddinott for his brief and memorable service to the Company and wish him well in the future.

#### FUTURE OUTLOOK

Notwithstanding the downturn in crude oil prices and its impact on Nigerian Government revenue, the 2016 Federal Government budget indicates a significant increase in the spending on infrastructure and capital projects. The Government recognizes the urgent need to re-invest in Nigerian infrastructure to catalyse much needed growth. We therefore see growth opportunities in 2016 and beyond for the building material sector.

The 2.5Mtpa cement capacity expansion work in the Mfamosing plant at Unicem is progressing and should be commissioned later this year. When completed, this will increase the total cement production capacity of Unicem to 5Mtpa and 14.1Mtpa for Lafarge Africa. This strategically located investment will increase our share of the growing cement market in the South East and South South regions of Nigeria.

#### CONCLUSION

Given the various macro-economic headwinds experienced in 2015, we are likely to be faced with a challenging operating environment in 2016. However I remain confident that our company will weather the storm and produce outstanding results.

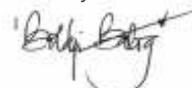
I would like to express my gratitude on behalf of the Board to all our stakeholders particularly our management and staff who have continued to work tirelessly in a challenging economic environment. Without their individual and collective efforts, we would not have been able to achieve the results during the year under review. I thank our key partners namely

our distributors, customers, transporters, suppliers, bankers and other service providers for their support during 2015. My sincere gratitude to all my fellow shareholders for their continued support and encouragement. Our largest shareholder and partner, LafargeHolcim continues to provide tremendous commercial and technical support to our operations, for which we remain grateful. I thank my colleagues on the Board for your commitment and your support, invaluable counsel and insights have been instrumental and I have no doubt that together, we will continuously deliver superior returns to our shareholders.

In conclusion, I wish to share with you all a few thoughts that I shared at a recent Lafarge Africa event. I have thought about a vision for my tenure as Chairman and that is encapsulated in these few words: **A Force for Good**. Our company is so much more than cement and over the next few years, Lafarge Africa will demonstrate this in Nigeria and across all our geographies. We will be a force for good in rebuilding Nigeria and Africa's infrastructure, in housing millions of Nigerians and Africans, in contributing to solving our power situation, in rebuilding roads with concrete and perhaps even in dealing with waste in our largest cities. We will be a force for good in the rebuilding of the North East and in our host communities. We will be a force for good in building Nigeria and Africa's future. I have no doubt that God willing and with your help, we will make you proud.

Distinguished shareholders, my colleagues on the Board, ladies and gentlemen, to God be the glory.

Thank you.



**Mobolaji Balogun**  
Chairman, Board of Directors  
Lafarge Africa Plc

# Corporate Governance Report



## 1. INTRODUCTION

**The Company applies high standards of corporate governance, with the goal of ensuring long-term value and success for all stakeholder groups: customers, shareholders, employees, creditors, suppliers and the communities in which we operate.**

The Company's corporate governance policies particularly seek to ensure:

- o Transparent and sustainable value creation by clearly delineating responsibilities, management processes and organization
- o Continuous monitoring of the Board of Directors' performance and efficiency
- o Appropriate decision-making relating to policy principles and controls
- o Entrenching of the five core values of the Company which are improved Customer Relations, Results, Integrity, Sustainability and People Development.

## 2. CORPORATE GOVERNANCE STRUCTURE

Lafarge Africa Plc has progressively strengthened its governance processes and systems evidenced through constant improvisations, sustainability initiatives, profitable growth, continued success, achievement of excellence in its business operations and creation of long-term value for all its stakeholders, with health and safety as an overarching value embedded in everything we do.

The Company's existing practices and policies based on Fairness, Accountability, Disclosures and Transparency are significantly in conformity with global best practices having benchmarked with internationally effective internal control systems.

Corporate Governance principles and practices are

further strengthened with the adherence to the LafargeHolcim Code of Business Conduct, which articulates the values, ethics and business principles and serves as the ethical road map for the Company, its directors, employees and stakeholders, supplemented with an appropriate mechanism to report any concerns pertaining to non-adherence to the said Code of Business Conduct.

The Company remains in full 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 Securities and Exchange Commission (SEC), International Best Practices and other regulations.

During the year 2015, Lafarge Africa Plc complied largely with the provisions of the Securities and Exchange Commission Code of Corporate Governance for Public Companies 2011 (SEC) together with the requirements of the corporate governance standards listed above.

## 3. 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 which provides that the Company's Board shall consist of not more than Seventeen Directors. In 2015, the Board comprised of Seventeen (17) Directors: Fourteen (14) Non-Executives and Three (3) 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.

#### 4. **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 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 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.

#### 5. **BOARD CHANGES**

Since the last Annual General Meeting, Mr. Michel Puchercos joined the Board of Directors on April 1, 2016 as Group Managing Director/Chief Executive Officer of the Company. He replaced Mr. Peter Hoddinott who has decided to leave the LafargeHolcim Group.

The Board Nomination and Remuneration Committee considered the required skills, competencies and experience of nominees and their suitability on the Board. The Committee then made recommendations for appointment to the Board.

Subsequent to the recommendation of the Board Nomination and Remuneration Committee, the Board appointed Mr. Michel Puchercos as Group Managing Director/Chief Executive Officer of Lafarge Africa Plc.

Mr. Michel Puchercos's profile is contained on page 40.

#### 6. **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. Mobolaji Balogun, Dr. Adebayo Jimoh, Mr. Guillaume Roux and Mr. Jean-Christophe Barbant, Mr. Thierry Metro and Mr. Jean Carlos Angulo; who being eligible, offer themselves for re-election.

Their performances in the Director's evaluation conducted for the year 2015 were satisfactory. The profile of the Directors retiring by rotation is stated on pages 40 to 44 of the Annual Report.

#### 7. **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 the year 2015 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 seven (7) 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.

#### 8. BOARD MEETINGS

The Board held seven (7) meetings during the 2015 financial year. The following table shows membership and the attendance of Directors at Board meetings in the 2015 financial year:

	Name	Designation	Status	29/1	11/3	13/5	22/5	15/7	21/10	17/12	Total
1	Mr. Mobolaji Balogun	Chairman	Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	7
2	Mr. Jean-Christophe Barbant	Vice-Chairman	Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	7
3	Mr. Michel Puchercos	GMD/CEO	Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4	Mr. Peter Hoddinott	GMD/CEO (Resigned)	Executive Director	N/A	N/A	N/A	N/A	N/A	✓	✓	2
5	Mr. Anders Kristiansson	Member	CFO Executive Director	✓	✓	✓	✓	✓	✓	✓	7
6	Mrs. Adepaju Adebajo	Member	MD Geocycle & Project Mgt Office	✓	✓	✓	✓	✓	✓	✓	7
7	Mr. Guillaume Roux	Member	Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	7
8	Mr. Joe Hudson	Member	Non-Executive Director	*	✓	✓	✓	✓	✓	✓	6
9	Mrs. Oludewa Edodo-Thorpe	Member	Non-Executive Director (Independent Director)	✓	✓	✓	✓	✓	✓	✓	7
10	Dr. Adebayo Jimoh	Member	Non-Executive Director (Independent Director)	✓	✓	✓	✓	✓	✓	✓	7
11	Ms. Sylvie Rochier	Member	Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	7
12	Mr. Adebode Adefioye	Member	Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	7
13	Mr. Jean-Carlos Angulo	Member	Non-Executive Director (Independent Director)	✓	✓	✓	✓	✓	✓	✓	7
14	Mr. Thierry Metro	Member	Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	7
15	Alhaji Umaru Kwairanga	Member	Non-Executive Director	N/A	N/A	N/A	✓	✓	✓	✓	4
16	Dr. Shamsuddeen Usman, CON, OFR	Member	Non-Executive Director	N/A	N/A	N/A	✓	✓	✓	✓	4
17	Mrs. Elenda Osima-Dokubo	Member	Non-Executive Director	N/A	N/A	N/A	✓	✓	✓	✓	4
18	Mrs. Adenike Ogunlesi	Member	Non-Executive Director	N/A	N/A	N/A	✓	✓	✓	✓	4

N/A means the Director was either not a member of the Committee at the time or is presently not a member of the Committee.

\* Means absent with apologies

### 3. COMMITTEES OF THE BOARD

#### (i) Finance and Strategic Planning Committee

The Committee's Terms of Reference includes:

- a. To review and make recommendations to the Board of Directors with respect to the Company's annual and long-term financial strategies and objectives.
- b. 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.
- c. 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.
- d. Review and make recommendations to the Board as to strategic decisions regarding operational priorities, including expanding into new or exiting from existing business markets.
- e. 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.
- 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 members of the Committee at the meetings held during the year:

S/N	Name	Designation	11/3	28/4	15/07	21/10	15/12	Total
1	Dr. Shamsuddeen Usman, CON, OFR	Chairman	N/A	✓	✓	✓	✓	5
2	Mr. Jean-Christophe Barbant	Member	✓	✓	✓	✓	✓	6
3	Ms. Sylvie Rochier	Member	✓	✓	✓	✓	✓	6
4	Mrs. Elenda Osima – Dokubo	Member	N/A	✓	✓	✓	✓	5
5	Mr. Guillaume Roux	Member	N/A	✓	✓	✓	✓	5
6	Mr. Peter Hoddinnott	Member	N/A	N/A	N/A	✓	✓	6
7	Mr. Anders Kristiansson	Member	✓	✓	✓	✓	✓	6
8	Mrs. Adepeju Adebajo	Member	✓	✓	✓	✓	✓	6

- o N/A means the Director was either not a member of the Committee at the time or is presently not a member of the Committee.

#### (ii) Nomination 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 (2) times in the year. The table below shows the attendance of the members of the Committee at the meeting:

	Name	Designation	11/3	15/07	Total
1.	Mr. Jean-Carlos Angulo	Chairman	✓	✓	2
2.	Mr. Jean-Christophe Barbant	Member	✓	✓	2
3.	Mr. Adebode Adefioye	Member	✓	✓	2
4.	Mr. Guillaume Roux	Member	✓	✓	2

#### (iii) Risk Management & Ethics Committee

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

- a. Ensuring that the Company's policy on ethics 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. 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. Reviewing the risk register and notifying the Board of changes in the status and control evaluation of risks;
- f. Keeping under review and monitoring 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. Monitoring compliance by the Company regarding, Health, Safety, Environment and Ethics.

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

S/N	Directors	Designation	27/4	20/10	Total
1	Mr. Jean-Christophe Barbant	Chairman	✓	✓	2
2	Mrs. Oludewa-Edodo Thorpe	Member	✓	✓	2
3	Mrs. Adepeju Adebajo	Member	✓	N/A	1
4	Mr. Guillaume Roux	Member	✓	N/A	1
5	Mr. Jean-Carlos Angulo	Member	N/A	✓	1
6	Dr. Adebayo Jimoh	Member	✓	N/A	1
7	Ms. Sylvie Rochier	Member	✓	✓	2
8	Dr. Shamsuddeen Usman, CON, OFR	Member	N/A	✓	1
9	Mrs. Adenike Ogunlesi	Member	N/A	✓	1
10	Alhaji Umaru Kwairanga	Member	N/A	✓	1
11	Mr. Anders Kristiansson	Member	✓	✓	2

- o N/A means the Director was either not a member of the Committee at the time or is presently not a member of the Committee.

#### (iv) Property Optimization Committee

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

The Committee met three (3) 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:

S/N	Directors	Designation	9/3	16/6	13/10	Total
1	Mr. Adebode Adefioye	Chairman	✓	✓	✓	3
2	Mr. Adebayo Jimoh	Member	✓	✓	✓	3
3	Mrs. Oludewa Edodo-Thorpe	Member	✓	✓	✓	3
4	Mrs. Adenike Ogunlesi	Member	N/A	N/A	✓	1
5	Alhaji Umaru Kwairanga	Member	N/A	N/A	✓	1
6	Mrs. Adepeju Adebajo	Member	✓	✓	✓	3

- o N/A means the Director was either not a member of the Committee at the time or is presently not a member of the Committee.

#### (v) 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 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 57<sup>th</sup> Annual General Meeting.

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

S/N	Name	Status	Designation	11/3	16/6	16/12	Total
1.	Mr. Olawale Oyedele	Shareholder Representative	Chairman	✓	✓	✓	3
2.	Mr. Adebayo Adeleke	Shareholder Representative	Member	✓	✓	✓	3
3.	Chief Peter Asu	Shareholder Representative	Member	✓	*	✓	2
4.	Mr. Adebode Adefioye	Non-Executive Director	Member	✓	✓	✓	3
5.	Dr. Adebayo Jimoh	Non-Executive Director	Member	✓	✓	✓	3
6..	Mr. Joe Hudson	Non-Executive Director	Member	✓	*	✓	2

- o N/A means the Director was either not a member of the Committee at the time or is presently not a member of the Committee.

\* Means absent with apologies

#### 8. BOARD EVALUATION

In line with the Securities and Exchange Commission's Code of Corporate Governance 2011, a formal assessment of the Board's operations during the year 2015 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.

The assessment also included a debate on the Board's organization and practices and an assessment of the Board Committees and the Directors individually. A summary of the 2015 performance evaluation results revealed that the Chairman was highly rated by other Directors of the Company, while the organization and practices of the Board were also found to be globally satisfactory.

#### 9. INDUCTION & CONTINUING TRAINING FOR DIRECTORS

All new Directors participate in the Company's Orientation Program, upon election as a Director. This orientation includes presentations intended to familiarize new Directors with the Company's

operations, strategic plans, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and independent auditors.

All other Directors are also invited to attend the Orientation Program and receive continuing education regarding the Company's operations and the industry.

The Company attaches great premium to training its Directors and the Company Directors attended foreign and local trainings during the course of the financial year 2015.

#### 10. LEADERSHIP (MANAGEMENT) TEAM

The Leadership Team is headed by the Group Managing Director/Chief Executive Officer, who is responsible for the day-to-day management of the business. The Leadership Team is made up of Company Executives. They meet at least once a month to deliberate on critical issues affecting the day to day running of the Company.

#### 11. 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.

## 12. ANTI-BRIBERY AND CORRUPTION STATEMENT

The Board of Directors of the Company in recognising the need for adopting global best practices and high standards of Corporate Governance adopted the following as its Anti- Bribery and Corruption Statement: "Lafarge Africa Plc ("the Company") is committed to:

- o Conducting its business dealings and relationships in an ethical manner and with the highest level of integrity, in accordance with the Group's Anti-Bribery and Corruption policies included, for example, in the LafargeHolcim 's Code of Business Conduct as well as applicable laws;
- o Complying with relevant Anti-Bribery and Corruption laws such as Corrupt Practices and other Related Offences Act of 2000 and the UK Bribery Act of 2010 regardless of the business environment we operate in.
- o Ensuring the implementation and enforcement of effective systems to counter the risks of bribery and corrupt practices in the form of gifts and entertainment, reciprocal agreements, favors, discounts, travel, education, donations and other forms of improper benefits for which the Company could be held liable;
- o Prohibiting the Company as well as third parties acting on its behalf from engaging in fraudulent acts, corrupt practices and all forms of bribery, gratification, attempting to obtain gratification, facilitation payments, and improper payments or benefits to public officials, their family members and other individuals."

Lafarge Africa Plc commits to comply with the LafargeHolcim Group Directives and comply with applicable law on anti-bribery and corruption as well as ensure its business practices reflect this commitment.

## 13. ETHICS AND CODE OF BUSINESS CONDUCT

The Company has adopted the LafargeHolcim Code on Ethics and Business Conduct. LafargeHolcim's Code of Business Conduct ensures that all directors,

officers and employees share LafargeHolcim's commitment to conducting business with integrity, and provides guidance on how to put this commitment into practice. It also helps to ensure that we are adhering to the laws and regulations in the countries in which we operate.

Of equal importance to the Lafarge Africa Group is how suppliers we work with conduct their business in the marketplace. We strive to ensure all suppliers behave in accordance with principles set forth in the LafargeHolcim Supplier Code of Conduct, particularly when it comes to human rights, labor related issues, the environment and anti-bribery and corruption.

## 14. STAKEHOLDERS' ENGAGEMENT

In our objective to co-work effectively with stakeholders, it is crucial for the Company to identify stakeholders accurately and proactively engage with them in regular and constructive dialogue in order to anticipate and manage changes and, ultimately, partner in order to create shared value. The Company considers its stakeholders as those who have influence over its activities as well as those who are impacted by them. The Company interacts and engages in a sustained dialogue with a broad spectrum of stakeholders, at all levels.

## 15. COMPLIANT MANAGEMENT FRAMEWORK POLICY

The Board and Management of the Company ensure that communication and dissemination of information regarding the operations of the Company to shareholders, stakeholders, potential investors and general public is timely, accurate and continuous.

In compliance with the requirements of the Securities & Exchange Commission's Rules Relating to the Complaints Management Framework of the Nigerian

Capital Market issued on 16th February, 2015 and The Nigerian Stock Exchange Directive issued on 22nd April, 2015 to all listed Companies, the Company has put in place a Complaints Management Framework Policy.

The Complaints Management Framework Policy sets out the broad framework by which Lafarge Africa Plc and its Registrar will provide assistance regarding shareholder issues and concerns. It also provides the opportunity for Lafarge's shareholders to provide feedback to the Company on matters that affect shareholders.

This Policy is directly accessible on the Company's website; [www.lafarge.com.ng](http://www.lafarge.com.ng). In addition, information on the performance of the Company and other major corporate information are also available to shareholders in particular and the general public at the Company's website: [www.lafarge.com.ng](http://www.lafarge.com.ng).

#### 15. 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 can be reported through the Company's internal whistle blowing process.

#### 16. HEALTH & SAFETY

At Lafarge Africa Plc Health and safety is our number one priority. In line with the LafargeHolcim Group's objective, we intend to attain world-class health and safety performance: zero harm for our employees and contractors.

In 2015, we have continued to focus on our zero harm goals because we believe that incidents are preventable and that "zero harm" is achievable.

Several actions were taken throughout the year to fully implement our health and safety policies and processes.

In 2016, we intend to implement road safety improvement plan to help improve our road safety performance. The Leadership Team has been engaged in a committee called Clean, Green Zero Harm and is focused on transforming health and safety performance of our operations.

#### Other activities in the year include:

- Engagement sessions with our employees and contractors across all our plants to share the elements of the new health and safety rules launched by LafargeHolcim Group.
- The annual Health & Safety month in June themed "Committed, Open and Uncompromising". To improve employees' commitment and uncompromising contribution towards achieving zero incidents at work and in our personal lives.
- Several health and safety audits were conducted across our plants and actions arising from these audits are being addressed.
- Conducting numerous engagement sessions and driver trainings with our transporter drivers to further re-enforce our zero harm objective.

In the South African operations, a Health and Safety Transformation Plan has been developed and cascaded through all the levels of the organisation with a comprehensively-structured Employee Engagement programme led by the CEO of Lafarge South Africa. The plan aims to reduce the level of tolerance for incidents and to proactively prevent them from happening. It will continue to be effected in 2016, focusing on Leadership, Empowerment and Road Safety, as well as effective execution, to embed a proactive Health and Safety culture in all our operations.

#### 17. RISK MANAGEMENT

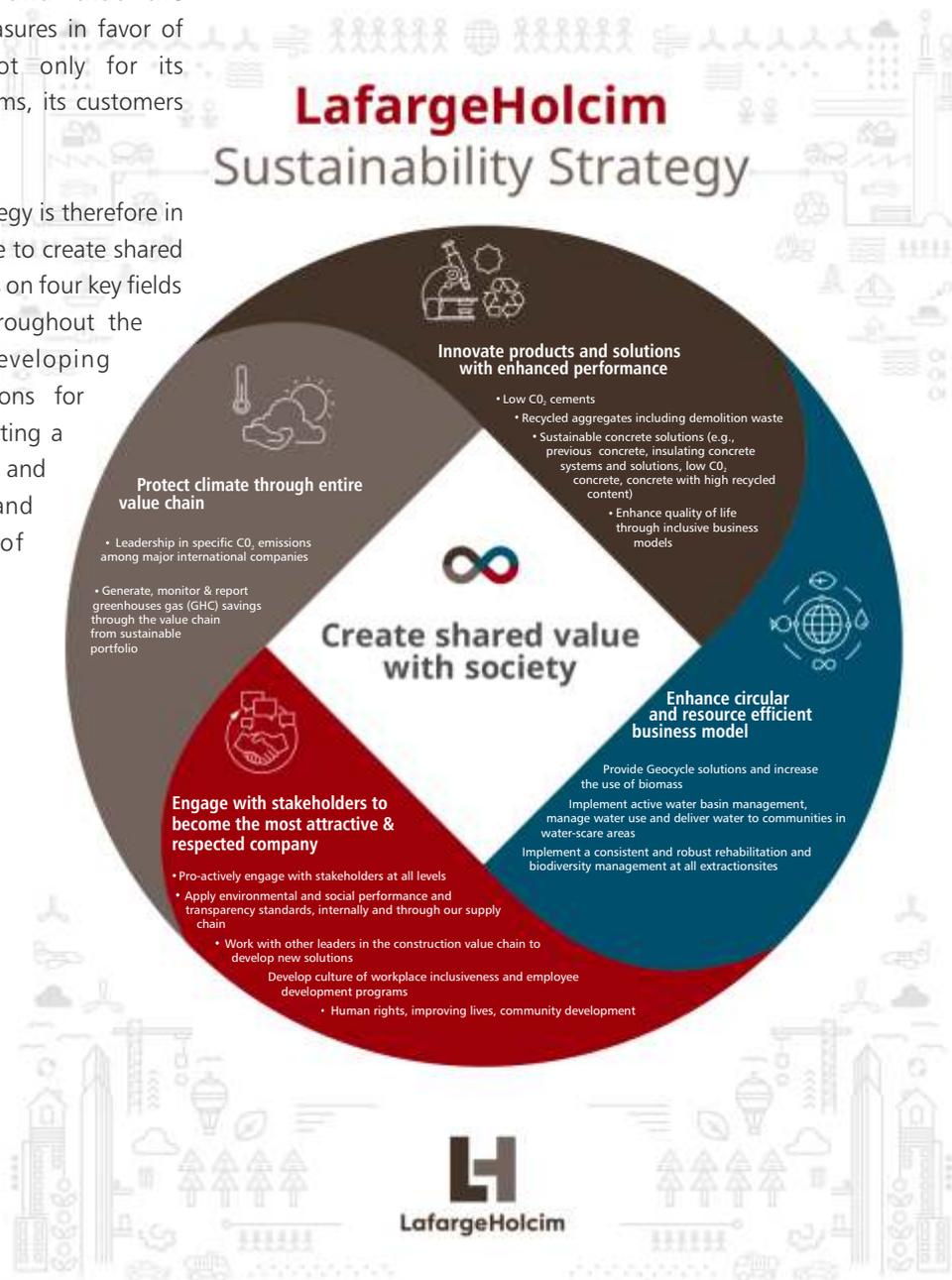
The Board has the responsibility of safeguarding the maintenance of a sound system of internal control and risk management and regularly receives reports from the Risk Management and Ethics Committee on

the effectiveness of the Company's risk management processes to support its strategy and objectives.

18. **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 strategy is therefore in line with LafargeHolcim's objective to create shared value within society, which focuses on four key fields of action: protecting climate throughout the entire production chain, developing innovative products and solutions for energy efficient buildings, promoting a business model that preserves and optimizes natural resources and furthers the development of communities.



# Board of Directors



- 1 Mr Mobolaji Balogun
- 2 Mr. Jean-Christophe Barbant
- 3 Mr. Michel Pucheros
- 4 Mrs. Adepeju Adebajo

- 5 Mr. Guillaume Roux
- 6 Mr. Joe Hudson
- 7 Mrs. Oludewa Edodo-Thorpe
- 8 Dr. Adebayo Jimoh





**Mr. Mobolaji Oludamilola Balogun  
Chairman**

Mobolaji Oludamilola Balogun joined the Board of Lafarge Africa Plc on the 1<sup>st</sup> of March 2005 and was elected as the Chairman on the 22<sup>nd</sup> of May 2015.

Mr. 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 Group, 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 Board Advisory Committee in September 2009.



**Mr. Jean-Christophe Barbant  
Vice-Chairman**

Mr. Jean-Christophe Barbant (French) is a graduate of Polytechnique School for Sciences and Engineering and Ecole Nationale des Mines de Paris/France. 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 was the Lafarge Country CEO for Nigeria and Benin Republic from 2009 to 2013.

He was appointed to the Board of Lafarge Africa Plc on the 27<sup>th</sup> May 2009 and was elected Vice-Chairman on the 27<sup>th</sup> September 2012.



**Mr. Michel Puchercos  
Group Managing Director/CEO**

Mr. Puchercos is a graduate of the Ecole Polytechnique (1976) and the Ecole Nationale du Génie Rural, des Eaux et des Forêts (1981). He started his career in 1982 at the French Ministry of Agriculture and served as a Director of Orsan, a subsidiary of Lafarge from 1989.

He worked in senior executive positions in a number of Agro-Food and Chemical Industries in Europe as follows: from 1992-1994 in Jungbunzlauer SA as Executive President, from 1994-1996 as General Manager of the Cana group and from 1996-1998 Doux, as Executive Vice President of this leading European group specializing in poultry.

Michel returned to Lafarge in 1998 when he was appointed as Director of Strategy and Information Systems of the Gypsum division of Lafarge. In 2003, he moved to the Cement Division as Director of Cement strategy, until his re-assignment to Bamburi Cement as Managing Director in September 2005 till 2009 when he was appointed the President and CEO of Lafarge South Korea Japan Operations.

He was appointed as the GMD/CEO of Lafarge Africa Plc on the 1<sup>st</sup> of April, 2016 and his appointment as a Director will be presented for ratification by the Shareholders at the 2016 Annual General Meeting of the Company.



**Mr. Anders Kristiansson  
Group Chief Financial Officer**

Anders Kristiansson (Swedish) started his career with Procter & Gamble (P&G) in Scandinavia and thereafter worked for P&G

for South Africa. He was the Global Divisional Controller for Eaton Automotive Working in Europe and North America, there after he went back to Africa to oversee Celtel's (today Airtel) Finance Departments across its Africa 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 Nigeria 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 27<sup>th</sup> October 2014.



**Mrs. Adepeju Adebajo**  
MD, Geocycle & Project Mgt Office

Mrs. Adepeju Adebajo joined the company as MD WAPCO Operations and was appointed to the Board of Lafarge Africa Plc on 27<sup>th</sup> October 2014.

Prior to this, Mrs. Adebajo served as the Chief Executive Officer and Managing Director at Mouka Limited. Previously, she was CEO UTC Nigeria Plc, where she successfully turned the business around.

Earlier, she 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.



**Mr. Guillaume Roux**  
Director

Mr. Guillaume Roux (French) is a graduate of Institute d' Etudes Politiques, Paris. He joined the Lafarge Group in 1980 as 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 headquarters 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 was also the former Group Managing Director of Lafarge Africa Plc until July 2015.

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



**Mr. Joseph Hudson**  
Director

Mr. Hudson has held various roles with the Lafarge Group since joining in 2001. 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.

Prior to joining Lafarge, Mr. Hudson was Head of Human Resources for Homegrown Kenya LTD where he also held operational roles in logistics and Plant management.

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 formerly the MD/CEO of Lafarge Africa Plc till the 1<sup>st</sup> of October 2014.



**Mrs. Oludewa Edodo Thorpe**  
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 3<sup>rd</sup> of September 2008.



**Dr. Adebayo Jimoh**  
Director

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

Dr. Jimoh served as the General Manager for John Holt Ventures from 1994 – 1996 and thereafter moved to Yamaha Motorcycle Company as the General Manager in 1997, before his appointment as Executive Director in charge of the Group Operations of John Holt Plc in 2003. He retired as the Group Managing Director/CEO of Odua Investment Company in May 2005.

He joined the Board of Lafarge Africa Plc on the 16<sup>th</sup> March 2011.



**Mr. Jean-carlos Angulo**  
Director

Mr. Jean Carlos Angulo (French) started his career with Lafarge in 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 to Lafarge, he was Project Manager and Projects Director in Group engineering subsidiaries (plant construction). He later became the General Manager of Lafarge 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's operations in Western Europe and Morocco from 2000 to August 2007. He joined the Lafarge Group Executive Committee in September 2007 as Executive Vice President Operation with responsibilities for Lafarge Group's operations in several countries including Nigeria until September 2012. He was then appointed Advisor of the Group Chairman and CEO until January 2015 when he retired from the Lafarge Group.

He joined the Board of Lafarge Africa Plc on the 20<sup>th</sup> March 2012.



**Ms. Sylvie Rochier**  
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 was the Group Senior Vice President, Finance. She joined the Board of Lafarge Africa Plc on the 26<sup>th</sup> July 2012.



**Mr. 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 20<sup>th</sup> December 2012.



**Mr. 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 Center, 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.



**Dr. Shamsuddeen Usman, CON, OFR**  
Director

Dr. Shamsuddeen Usman, CON, OFR is an Economist and a Banker. He is currently the Chairman/CEO of Susman & Associates, an economic, financial and management consulting firm headquartered in Nigeria. Dr. Usman was Nigeria's Minister of Finance, from June 2007 to January 2009 and Minister of National Planning from January 2009 to September 2013.

He was responsible for the development of Nigeria's long-term development strategy and the Country's 30 year Infrastructure Master Plan.

He attended Dandago Primary School in Kano State. After secondary school education at the prestigious Government College Keffi and King's College, Lagos, he gained a BSc. in Economics from Ahmadu Bello University in Zaria, Nigeria. He also obtained both Msc (1976) and PHD (1980) in Economics, from the London School of Economics and Political Science, UK.

Dr. Usman was also, at various times, the Executive Director of UBA and Union Bank, Managing Director NAL Merchant Bank and Deputy Governor, Central Bank of Nigeria.

He was appointed a Director of the Company on March 11, 2015.



**Mrs. Adenike Ogunlesi**  
Director

Mrs. Adenike Ogunlesi is the founder & Chief Responsibility Officer of Ruff 'n' Tumble, the foremost indigenous lifestyle brand operating to international standards in the design, manufacturing and retail of children clothing.

Starting from the boot of her car, Adenike has turned Ruff 'n' Tumble into an instantly recognizable brand. As an entrepreneur of great vision and determination, she has built a reputation for being the best manufacturer of children's clothing, with a network of stores nationwide.

Adenike is the founding member and the first president of the Network of Entrepreneurial

Women (NNEW) at the Nigeria Employer's Consultative Association (NECA). She was an advisory board member of the Enterprise Development Centre (EDC) at the Lagos Business School. She is an advisory board member and mentor at WISCAR (Women in Successful Careers) which is a structured mentoring programme for young women, a mentor at the Mara foundation and an avid motivational speaker.

She is a winner of numerous awards and a finalist at the CNBC AABLA (All Africa Business Leaders Awards) in the category of the Business Woman of the year 2014 and 2015. She was appointed to the Board of Lafarge Africa Plc on March 11, 2015.



**Mrs. Elenda Osima-Dokubo**  
Director

Mrs. Elenda Osima-Dokubo – CEO, Chandrea Lifestyle Limited, Interior designer. 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 is the prime driver of Calabar Carnival, which is regarded as Cross River State's most enduring brand and 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 on March 11, 2015.



**Alh. (Dr.) Umaru Kwairanga**  
Director

Umaru Kwairanga (Sarkin Fulanin Gombe) holds a Bsc (Hons) in Business Administration; MBA from the University of Maiduguri and MSc Finance & Governance from Liverpool John Moores University U.K (LTMU) Liverpool United Kingdom. He is a fellow Institute of Directors (IOD), Certified Pension Institute of Nigeria (CPIN) and Chartered Institute of Stockbrokers of Nigeria He is a well-traveled executive with vast knowledge of corporate governance practices with over 20 years cognate experience in banking, corporate finance, as well as an active player in the Capital Market.

1. **He is on the Board of the following companies:**
  - (a) Lafarge Africa Plc
  - (b) Jaiz Bank Plc

- (c) Axa Mansard Pensions
- (d) Fimal Finance Services Ltd (MD/CEO)
- (e) Waila Microfinance Bank Ltd
- (f) Gombe Microfinance Bank Ltd
- (g) First Bank of Nigeria Mortgage Bank Ltd
- (h) Kano Electricity Distribution Company (KEDCO)

2. **He is on the council of:**

- (a) Nigerian Stock Exchange
- (b) Certified Pension Institute of Nigeria (President)
- (c) Chartered Institute of Stockbrokers,

3. **He is:**

- (a) Former Chairman of Ashaka cement Plc,
- (b) Former director in Central Securities Clearing System Plc.

Alhaji Kwairanga has attended several courses and training programs in fields relating to finance, investment and money market in reputable institutions including the Harvard Business School, New York, Institute of Finance and Euro Money. He is a professional certificate holder of the Chartered Institute of Stockbrokers, Certified Pension Institute of Nigeria and the Abuja Securities and Commodity Exchange. He has been Managing Director of a top notch stockbroking firm for over a decade and a director in several blue-chip organizations. He was a member of the Nigerian Vision 20:2020, National Technical Working Group (NTWG) on Public sector Thematic Area. He was recently conferred with an Honorary Doctorate Degree by Igbinedion University, Okada, Edo State Nigeria.



**Ms. Uzoma Uja**  
Company Secretary

Ms. Uzoma Uja is the Company Secretary of Lafarge Africa Plc. Prior to this; she was the Company Secretary/Legal Adviser, Lafarge Cement Wapco Nig. Plc. She joined Lafarge Africa Plc in November 2010 as the Assistant Company Secretary/Legal Manager. Prior to joining Lafarge Africa 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 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) and is an Associate of the Chartered institute of Arbitrators (UK). Ms. Uja is listed on the "2014 Corporate Counsel 100: Africa" a series of publications, highlighting the most influential in-house lawyers in business.

# Leadership Team



**Michel Puchercos**  
Group Managing Director/CEO



**Abdel-Illeh Chouar**  
Industrial Director



**Adepeju Adebajo (Mrs.)**  
MD - Geocycle & Project Management Office



**Loren Zanin**  
Aggregates and Concrete Director



**Anders Kristiansson**  
Country Chief Financial Officer



**Bruno Hounkpati**  
Project Marketing Director



**Edith Onwuchekwa (Mrs.)**  
Legal & Public Affairs Director



**Fidelia Osime (Mrs.)**  
Organisation & Human Resource Director



**Graeme Bride**  
Health & Safety Director



**Hans Mielants**  
Logistics Director



**Marlene Kiniffo-Zounon**  
Sales Director, Key Accounts / Pre-cast & IHB



**Ola Ehinmoro**  
Integration & Business  
Transformation Director



**Rabiu Umar**  
Energy & Power Director



**Sam Ndionyenma**  
Sales Director- Retail



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

# Report of the Directors

The Board of Directors has the pleasure of presenting to members, the Annual Report of Lafarge Africa Plc ("the Company") and its subsidiaries (together as the Group) along with the Consolidated Financial Statements of the Group for the year ended 31st December, 2015.

## 1. 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.

## 2. 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.

The Company has 50% equity shareholding in United Cement Company Limited, majority shareholding in AshakaCem Plc and full ownership of Atlas Cement Company Limited, Lafarge Ready-Mix Nigeria Limited and Lafarge South Africa Holdings Limited.

## 3. PRINCIPAL ACTIVITIES

The principal activities of the Company are manufacturing and marketing of cement, concrete and aggregates products and the provision of building solutions.

## 4. SUMMARY GROUP FINANCIAL RESULTS FOR THE YEAR

	2015	2014	%
	N'million	N'million	Change
Revenue	267,234	260,810	2.5%
Profit before taxation	29,274	40,358	-27.5%
Taxation	(2,277)	(6,538)	-65.2%
Profit after taxation	26,998	33,545	-19.5%

## Revenue

Group revenue grew by 2.5% versus last year in very challenging market conditions. Ready-Mix continued its strong growth with a 29% increase over last year. WAPCO Operations generated 8% growth behind a number of initiatives such as the Key Distribution Partnership System, a strong Route to Market and solid capacity utilization. South Africa revenues improved by 1% in Naira, following a strong Quarter 4. The security challenges in the North affected the demand for cement in the North, thus impacting Ashaka's revenue adversely. Management remains very positive about the long term outlook for Ashaka, and sees it returning to strong growth in 2016.

## Profit and Net Income

Group Net Income declined by 19.5% versus last year when taking into account one off restructuring costs and the unrealized exchange impact on the Unicem foreign currency denominated borrowings. Excluding these two one-offs, profit improved by 6% versus last year, behind strong underlying fundamentals

## 5. DIVIDEND

The Board of Directors has resolved to propose for approval by shareholders at the 57th Annual General Meeting of the Company a dividend 300Kobo (2014: 360 kobo) per ordinary share in issue. The dividend proposed for 2015 is comparable to the total pay-out on the after tax profit for 2014. The total dividend proposed if approved by Shareholders is ₦13,664,706,042 is payable from the pioneer profits and not subject to deduction of withholding tax.

## 6. BONUS SHARES

The Board has resolved to propose the approval by shareholders of the sum of ₦248,403,876 to be capitalized from the Share Premium account into 496,807,752 Ordinary Shares of 50 kobo each and appropriated to the members whose names appear in the Register of Members at the close of business on Wednesday 15th June 2016, in the proportion of one new share for every ten (1:10) registered in such member's names on that date, subject to the approval of the appropriate regulatory authorities, the shares so distributed being treated for all purposes as capital and not as income, ranking pari passu with the existing shares.

## Report of the Directors

### 7. 50% ADDITIONAL ACQUISITION OF UNICEM

Shareholders will recall the resolution that was passed at the 55th Annual General Meeting of the Company held on 9th July, 2014 at which shareholders authorized the Board of Directors to acquire such additional shares of Egyptian Cement Holdings B.V. (ECH) and/ or Unicem as the case may be, on the same terms as were for the initial 35% equity acquired. Consequently the Board of Directors at its meeting of 12th May, 2016 approved the acquisition of additional 50% of Unicem. Lafarge Africa currently hold 50% of the equity of Unicem and with this acquisition will now own 100% of the entity via its full ownership of Egyptian Cement Holdings B.V. In consideration for this acquisition the Board of Directors has approved the issue of 413,175,709 ordinary shares to Holcibel S.A, a subsidiary of LafargeHolcim that currently own 50% of ECH.

Unicem, the only cement plant in the South-South and South-East Region of Nigeria is strategically located in Mfamosing, Calabar, in Cross Rivers State. The plant has a cement capacity of 2.5mtpa tonnes and a new cement line of 2.5mtpa tonnes is expected to be completed in 2016. This transaction will be value accretive to the shareholders of Lafarge Africa. In addition to other synergies from full ownership of the company, the transaction will enable the debt refinancing of Unicem via Lafarge Africa and improve the corporate organizational structure.

### 8. VOLUNTARY TENDER OFFER FOR MINORITY SHARES IN ASHAKACEM

On April 11, 2016, the Board of Directors submitted a Bid Notice for a Voluntary Tender for the remaining minority shares in AshakaCem which represents 17.54% of its issued share capital. The terms of the Bid remained the same as were for the Mandatory Tender Offer (MTO) concluded in 2015 i.e 57 new shares of Lafarge Africa for 202 shares of AshakaCem plus a cash consideration of ₦2.00 per every share tendered by AshakaCem shareholders (net of any applicable tax). The Board of Directors of AshakaCem considered the terms of the Bid and recommended this to the shareholders of AshakaCem. Consequently the Voluntary Tender Offer (VTO) was opened on May 11, 2016.

### 9. INTEREST OF DIRECTORS

The interest of Directors in the issued share capital of the Company as recorded in the Register of Members and/or notified by the Directors for the purpose of Section 275 of CAMA and disclosed in accordance with Section 342 also of CAMA and the requirements of the Listing Rules of The Nigerian Stock Exchange, is as follows:

	No. of Shares 12.05.2016	No. of Shares Direct 31.12.15	No. of Shares Indirect 31.12.15	No. of Shares Direct 31.12.14	No. of Shares Indirect 31.12.14
Mr. Mobolaji Balogun	2,103,302	2,103,302	-	2,103,302	-
Mr. Jean-Christophe Barbant	25,093	25,093	-	25,093	-
Mr. Michel Puchercos (appointed wef 01.04.2016)	-	-	-	-	-
Mr. Peter Hoddinnot (resigned wef 01.04.2016)	-	-	-	-	-
Mr. Anders Kristiansson	-	-	-	-	-
Mrs. Peju Adebajo	-	-	-	-	-
Mr. Guillaume Roux	-	-	-	-	-
Mr. Joseph Hudson	38,424	38,424	-	38,424	-
Mrs. Oludewa Edodo-Thorpe	51,354	51,354	-	46,037	-
Dr. Adebayo Jimoh Kadiri	53,000	53,000	-	53,000	-
Mr. Jean-Carlos Angulo	-	-	-	-	-
Ms. Sylvie Rochier	-	-	-	-	-
Mr. Adebode Adefioye	-	-	-	-	-
Mr. Thierry Metro	-	-	-	-	-
Dr. Shamsuddeen Usman, CON	44,290	44,290	-	-	-
Mrs. Elenda Osima-Dokubo	-	-	-	-	-
Mrs. Adenike Ogunlesi	-	-	-	-	-
Alhaji Umaru Kwairanga	289,227	289,227	-	4,000	-
<b>Grand Total</b>	<b>2,610,440</b>	<b>2,610,440</b>	-	<b>2,275,606</b>	-

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

## 10. 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, 2015.

## 11. LAFARGE OWNERSHIP STRUCTURE AS AT 31<sup>ST</sup> DECEMBER 2015

The following shareholders held more than 5% of the issued share capital of the company as December 31, 2015.

Share Capital:		4,554,902,014
NAME	HOLDINGS	PERCENT
ASSOCIATED INTERNATIONAL CEMENT LIMITED	1,095,025,626	24.04
FINANCIERE LAFARGE SAS	724,758,803	15.91
LAFARGE ASSOCIATED NIGERIA LIMITED	705,982,502	15.50
LAFARGE NIGERIA (UK) LIMITED	388,594,185	8.53
LAFARGE CEMENT INTERNATIONAL BV	289,222,996	6.35
STANBIC NOMINEES	272,384,914	5.98
	3,475,969,026	76.31
<b>SUMMARY</b>		
LAFARGE HOLCIM	3,203,584,112	70.33%
STANBIC NOMINEES	272,384,914	5.98%
OTHERS	1,078,932,988	23.69%
	4,554,902,014	100.00%
FREE FLOAT:	1,351,317,902	29.67%

\* LafargeHolcim is an international investor holding its shares in the names of its subsidiaries: AIC UK (24.04%), Financiere Lafarge SAS (15.91%) Lafarge Nigeria (UK) Limited (8.53%), Lafarge Cement International BV (6.35%) and Lafarge Associated Nigeria Limited (15.50%).

The Company did not purchase any of its own shares during the year. No one other than those listed above

held more than 5% of the issued share capital of the Company as at 31<sup>st</sup> December 2015.

## 12. REGISTER RANGE ANALYSIS

Range	Register Range Analysis		As At:		31 / 12 / 2015	
	No of Holders	Percent	Unit	Percent		
1 - 500	19678	31.5287	5339288	0.1172		
501 - 5000	33294	53.3447	56787643	1.2467		
5001 - 50000	8258	13.2312	115210078	2.5294		
50001 - 500000	1000	1.6022	136922975	3.0061		
500001 - 5000000	136	0.2179	209877555	4.6077		
5000001 - 50000000	36	0.0577	540644544	11.8695		
50000001 - 500000000	9	0.0144	2073795465	45.5289		
500000001 - 4.555E+09	2	0.0032	1416324466	31.0945		
Grand Total	62413	100.0000	4554902014	100.0000		

## 13. LAFARGE AFRICA SHAREHOLDING AS AT DECEMBER 31<sup>ST</sup> 2015 SUMMARY SEGMENT

TOTAL SHAREHOLDING	4,554,902,014	
SUMMARY		
Lafarge Holcim	3,203,584,112	70.33%
International Institutional	340,844,186	7.48%
Domestic Institutional	761,855,348	16.73%
Retail Investors	248,618,368	5.46%
	4,554,902,014	100%
FREE FLOAT:	1,351,317,902	29.67%

## 14. UNCLAIMED DIVIDEND AND SHARE CERTIFICATES

The Company has posted to 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.

The Company's Registrars have advised that the total amount outstanding as at 31st December 2015 was the sum of ₦688,525,714.65 and the sum of ₦410,150,792.78 was returned to Lafarge Africa Plc in line with the Rules of the Securities and Exchange Commission leaving the cash balance of ₦278,374,921.87 with the Company's Registrars.

Total Unclaimed Dividend	688,525,714.65
Transferred to Lafarge Africa	410,150,792.78
Cash Balance with Registrars	278,374,921.87

In addition, the list of unclaimed dividend and share certificate as at December 31st, 2015 has also been posted on the Company's website for easy access. The address of the website is [www.lafarge.com.ng](http://www.lafarge.com.ng).

## 15. DONATIONS AND CHARITABLE GIFTS

In 2015, the Group undertook Corporate Social Responsibility (CSR) initiatives and made donations amounting to ₦604,245,559. Details are provided as follows:

	Naira
Community Development Projects in Gombe	153,886,144
Community Development Projects in Ewekoro	209,307,992
Community Development Projects in Mfamosing	39,896,906
Community Development Projects in Sagamu	123,810,190
Sponsorship of LEAP Africa Forum	5,000,000
Apprenticeship School Mfamosing	17,155,990
Lafarge National Literacy Competition	35,259,759
Other Donations & Other Charitable Gifts	19,928,578
<b>Total</b>	<b>604,245,559</b>

During the year under review, the Company's subsidiary Lafarge South Africa Holdings Limited (LSAH) spent 1,623 Million Rand on various Corporate Social Investment (CSI) initiatives particularly on community educational project and volunteering activities.

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.

## 16. HUMAN RESOURCES AND PEOPLE DEVELOPMENT

The Company, in keeping with the LafargeHolcim Group standards and global best practice, is an equal opportunity employer. The Company's human resources policies and principle are based on, the objective to attract, develop and retain a highly competent workforce to operate our plants and businesses through intensive training, proper placements and exchange program.

Specific focus this year was on aligning the workforce and restructuring the Company to deal with the challenges that came with the LafargeHolcim merger. This has led to expanded job scopes, increased responsibility and enlarged roles.

We therefore remain committed to create a more efficient and modern workforce in line with the global organization.

## 17. EMPLOYEE HEALTH AND SAFETY

Employee health and safety remain our priority in the Company. In line with our commitment to the wellbeing of our employees, the Company currently reviewed the annual medical health check policies and programmes towards ensuring that the programme remained robust and adequate for the well-being of all employees.

Periodic health talks continued to run at various locations covering several health topics; celebration of Malaria Day and our Health & Safety month activities helped to keep employee health and well-being at the forefront of our operations.

Refresher courses for our First Aid Training (due after 2 years) commenced this year 2016. The First Aid Training was for the over 20% of employees who had been trained in first aid and response techniques to better prepare for and manage emergencies in and out of the workplace.

In addition to caring for our employees, we also ran various health programme for contractors (drivers, cleaners, technical support, etc.) who worked with us in the course of the year. Health Awareness Drives, regular health checks and follow-up sessions all formed part of the activities carried out periodically for our contractors.

The Company ensures a safe working environment by providing basic HIV/AIDS training to inform, educate and train all employees about HIV/AIDS prevention, care and control.

Employees are not discriminated based on their HIV status. Adequate medical care and attention is given to affected employees.

Furthermore, a world-class Wellness and HIV/AIDS programme has been implemented and put in place in South Africa. The programme, which is run in partnership with specialist service providers, is in line with the global Workplace Wellness movement supported by the International Labour Organisation.

## 18. EMPLOYEE RELATIONS

Employee relations took center stage in 2015 in the lead up and transition to the integrated Organization. The quarterly live webinars with the Group Managing Director/CEO were a focal point for engaging the workforce, in addition to the established platforms of intranet, internal messaging and unions/ association fora.

A fortnight e-newsletter dedicated to the change Project CREO was launched, for the sole objective of giving staff insight into the drivers and benefits of integration, together with an overview of the change journey.

Town Hall meetings were introduced as an opportunity for employees to discuss the proposals and impact at function and team level; these meetings were facilitated by the relevant functional lead and had active participation.

In addition, roadshows led by members of the Lafarge Africa Plc Leadership Team also took place across all office and plant locations in Nigeria with a view to engaging and gaining the commitment of staff to the change journey.

In South Africa, there was an increased usage of the Employee Assistance Programme Scheme in 2015, which resulted in improved employee performance and engagement levels.

## 19. DIVERSITY & INCLUSION

Diversity and Inclusion remained a priority in 2015 with equity, transparency and fairness being some of the underlying principles for the internal selection process to the new organization.

In Nigeria, the Company celebrated the International Women's Day 2015, and a workshop was organized by the Company as part of the organization's drive to increase female representation in the workplace.

The Company also co-sponsored the Association of Professional Women Engineers of Nigeria (APWEN) Publicity week, to raise awareness of female engineers. In South Africa, as an extension of the International Women's Day, a 'Pay it forward' Volunteering initiative was held on 31 August 2015, which focused on the need to assist rape survivors. Volunteers donated 'comfort bags' with items that would help restore the dignity of rape victims, together with a note of support from Lafarge South Africa women.

## 20. PROTECTION OF THE ENVIRONMENT

Lafarge Africa Plc has incorporated the use of alternative fuels, mainly biomass residues at its Sagamu Plant with advanced plans to implement same in Ewekoro plant by June 2016 in line with its roadmap for the development of renewable fuel for its plant across the country.

The Company recently signed a Memorandum of Understanding (MOU) with Ogun State Government and Nigeria Sovereign Investment Authority (NSIA) with the support of President Mohammadu Buhari on 15th September, 2015 in Paris. The MOU will explore collaboration in 108,000 hectares of degraded forest land in Aworo and Imeko in Ogun State. The project will involve the development of these degraded forest lands into forest reserves using best practices. The project will drive climate change initiatives and showcase it as a model for the sustainability ambition of Lafarge Africa Plc. and CSR objective. The project was

presented at a side event during the recently concluded Climate Change conference (COP 21) in Paris.

Lafarge Africa Plc has successfully registered its application of the Clean Development Mechanism (CDM) under 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 CO<sub>2</sub> under the Kyoto Protocol. The mechanism stimulates sustainable development and emission reductions.

The introduction of alternative fuel as a fuel for pyro-processing in our cement kilns is in line with global environmental goal of reducing greenhouse gas emissions and global warming.

The substitution of fossil fuels with alternative fuels when appraised in relation to CO<sub>2</sub> footprint cannot be overemphasised. For every ton of biomass residue substituted, there is an approximate equivalent 1.4 tons CO<sub>2</sub> savings. The Company therefore contributes towards global CO<sub>2</sub> mitigation initiatives.

In South Africa, there has been continued investment in alternative fuel and raw materials with a focus on efficient and responsible substitution of energy. In 2015, savings from energy substitution accounted for 14 Million ZAR with initiatives being implemented to double this figure in 2016. Increased value will be gained as legislation on waste becomes more stringent and as zero-waste-to-landfill policies are adopted by large industrial waste generators.

Our main plant in Lichtenburg South Africa has also implemented a waste management system (i.e. a colour-coded system) that seeks to promote separation of waste at source, i.e. using the 3Rs (Reduce, Re-use, Recycle). The waste management hierarchy ensures that the amount of waste going to landfill is reduced.

In addition, the plant is involved in the co-processing of

waste through the use of alternative fuels and raw materials (i.e. hydrocarbon sludge, tyres). Co-processing of waste in the cement industry is an advanced and innovative recovery process whereby energy is recovered and the non-combustible part of the waste is reused as raw materials. The co-processing of waste in a cement kiln is a mix of recycling and thermal recovery. The mineral portion of the waste is reused during the process and replaces virgin raw materials. At the same time, the energy content of the waste is efficiently recovered into thermal energy, thus saving conventional fuels.

## 21. STATUTORY 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 56th Annual General Meeting held in Lagos on the 9th July 2014 comprising three Shareholders and three members of the Board of Directors namely Mr. Olawale Oyedele, Chief Peter Asu, Mr. Adeleke Adebayo (shareholder representatives) and Mr. Joe Hudson, Mr. Adebode Adefioye, Dr. Adebayo Jimoh (Directors).

## 22. AUDITORS

In accordance with Section 357(2) of the Companies and Allied Matters Act, Ernst & Young Chartered Accountants has been appointed to replace Akintola Williams Deloitte 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 12th day of May 2016

# CORPORATE SOCIAL RESPONSIBILITY REPORT

Our Commitment to  
Sustainable Development

In alignment with our global commitment to the tenets of sustainable development, Lafarge Africa Plc has an objective of creating shared value within the society. LafargeHolcim's strategy under The 2030 Plan focuses on four key fields of action: climate, circular economy, water & nature, people & communities. These all aim at protecting the climate throughout the entire construction chain; developing innovative products and solutions for building energy efficiency; promoting a business model that preserves and optimizes natural resources and furthers the development of communities.

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**Our social investments in our host communities are continuous. These are needs-based, strategic, sustainable and focused on the key impact areas of Education, Economic Empowerment, Health & Safety**

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Inspired by our vision of Building a Stronger Nigeria, we have worked at country level on a number of developmental programs that adopt the three bottom line approach through our value chain in order to address concerns for the society, economy and the environment.

These ongoing corporate responsibility initiatives and investments in our Nigeria operation include:

- Health & Safety
- Education & local job creation
- Gender & Diversity
- Alternative Fuels and Biomass
- Employee Volunteering
- Community Development
- Stakeholder engagement
- Affordable Housing
- Dust control
- Visual impact plan
- Corporate Governance
- Contractor safety management

We are looking forward to driving more shared value initiatives in Nigeria, which will be based on the new United Nations-focused sustainability roadmap recently launched by the LafargeHolcim Group.

At the community front, we undertake planned stakeholder engagements at all Lafarge Africa sites. Our stakeholder relations approach recognizes the host communities as strategic partners to whom we accord mutual respect, believing that our footprints should, in its overall assessment, be a blessing to our neighbors.

Our social investments in our host communities are continuous. These are needs-based, strategic, sustainable and focused on the key impact areas of Education, Economic Empowerment, Health & Safety.

**1. BUILDING AFFORDABLE NIGERIAN HOMES**

Lafarge Africa has an ambition to support the bridging of the housing deficit in the country by providing safe, efficient and innovative housing solutions to meet the needs of our customers and offer value to stakeholders. Our affordable housing solutions rest on three pillars of: Housing Microfinance, Mass Housing and providing Soil Stabilised Bricks (SSB) for North East (Northern Nigeria).



*Affordable Housing Prototype - 25m<sup>2</sup> model studio bungalow at Oregun, Lagos.*



*Winners of 2015 National Literacy Competition with Dignitaries*

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**In collaboration with strategic partners, Lafarge Africa delivers Concrete Structures (or carcass) on a mass scale using Lafarge Concrete and aluminium formwork.**

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Since its launch in 2013, Lafarge Africa's microfinance scheme, Ile Irorun (Easy Home) which is the first housing microfinance scheme in Nigeria has made an impact on 15,000 beneficiaries across 10 states in the country.

In collaboration with strategic partners, the company delivers Concrete Structures (or carcass) on a mass scale using Lafarge Concrete and aluminium formwork. We offer tailor-made concrete solutions for projects, and provide formworks. Buildings are delivered with speed, are affordable and at consistent quality. The approach is to cast-in-situ (or cast-on-site),

reinforced concrete structures. Walls are load bearing and reinforced. Thickness of the walls are 4 inches or 100cm thick. The innovative technology enables structural, architectural, electrical and mechanical components to be incorporated in the formwork.

We constructed a prototype 25m<sup>2</sup> model studio bungalow in Lagos in December 2015 to show the workability of the mass housing programme. The fully functional apartment, which was constructed and completed in just twelve days and at a cost of NGN1.5M, is in line with the company's vision of partnering with the Government to provide quality housing to Nigerians at a very affordable rate.



*Ewekoro volunteering team in action .*



*Mission for Vision (Eye Care Program) undertaken at Unicem for Host Community - Akansoko, Akpabuyo L.G.A. Cross River State.*



Commissioning of a maternity clinic built by AshakaCem.



Legal Director and other employees visit to Mother Theresa Children's Home, Gwarimpa, Abuja, as part of our volunteering activities.

As part of its commitment to building a greater Nigeria, Lafarge Africa Plc continues to provide support and interventions in Education as part of its core areas of social investments.

Our model is to construct and supply carcass to Developers and Project Owners of mass projects to enable such customers to deliver quality homes to Nigerians.

2. EMPLOYEES CONTRIBUTE TO BUILDING A STRONGER NIGERIA.

Lafarge Africa employees continue to support the company's vision of contributing to the socio-economic development of Nigeria. The pool of staff volunteers, under the Lafarge Friends of Community platform dedicated 2,525 working hours in 2015 to execute various community

programmes across its operations in Abuja, Port Harcourt, Gombe, Sagamu, Calabar, Ewekoro, Mfamosing and Lagos. Employees are always excited at the company's commitment and support because the volunteering scheme offers them opportunity to express their values, solidarity, motivation and sense of purpose. A total of 6,212 volunteering hours have been utilized for various societal improvement projects since 2013 when the initiative was officially launched.

3. SUPPORTING EDUCATION THROUGH LITERACY ENHANCEMENT

As part of its commitment to building a greater Nigeria, Lafarge Africa Plc continues to provide support and interventions in Education as part of its core areas of social investments.

The Lafarge Africa Literacy Competition was conceived and developed as a national CSR initiative to complement the company's ongoing host community development investments. It cuts across the federation and is organized in partnership with the Ovie Brume Foundation and support of the State Universal Basic Educations Boards.



Lafarge Africa's participation in NSE Corporate Challenge, 2015.

We focus on Literacy Enhancement in order to contribute our quota to bridging the gap in the country's educational system, especially in literacy where statistics reveal that competency level in primary school pupils is low.

The annual competition, which is in its third year, has made significant impact on the lives of participating pupils in the areas of reading, writing and comprehension. Testimonials from the contestants' teachers show that there is an increase in the level of confidence in pupils after their participation in the competition while Contestants' parents also reveal that the contestants are now eager to go to school as they have been motivated to work harder by their participation in the competition. The Schools that produce contestants now dedicate time to hold weekly spelling sessions, using the Lafarge Africa spelling bee guide. This has motivated other schools to do the same in order to produce the contestants for subsequent competitions.

In addition to the competition, Lafarge Africa volunteers engage in reading sessions with pupils between ages 9 and 13 in public primary schools in our host communities as



*Volunteers at Wet nose South Africa.*



*White cane day South Africa.*



*Women's day pay it forward, South Africa.*

part of the total literacy enhancement initiative.

#### 4. COMMUNITY ENGAGEMENT AND DEVELOPMENT

In 2015, Lafarge Africa Plc funded several programmes and projects in its host communities in various parts of the country. Some of these programmes and projects include:

##### □ AshakaCem

Ashaka Cement committed a total of NGN153,886,144 to its corporate social responsibility in 2015. Some of the projects are:



Lafarge Africa Staff - Temitope Oguntokun, Viola Graham-Douglas and Ugochi Bede-Nwokoye - with the awards and certificate for 2nd runner-up in the Awards for Overall Best Company at SERAs 2015.

- Provision of basic infrastructure for host communities
- Electrification of rural communities
- Free medical consultations and distribution of drugs to local communities
- Youth empowerment and capacity development programmes

□ **UniCem**

In 2015, the United Cement Company of Nigeria expended NGN39,896,906 on various community development initiatives including:

- Education support for secondary and tertiary students
- Economic empowerment and capacity development programmes
- Eye care and de-worming programmes for various communities
- Sponsorship of secondary schools football tournament for boys and girls
- The Green- Ball Event for the Calabar Carnival

□ **WAPCO Operations**

The company spent NGN333,118,182 on various programmes and projects in Ewekoro and Sagamu "as detailed in page 49", including:

- Bursary awards to indigent students in Ewekoro and Sagamu communities
- Support for the Braille Training School and the Nigerian Association for the Blind
- Expanded skills acquisition and

- empowerment scheme for youths in vocational trades
- Renovation of blocks of classrooms in various schools in the communities

A major initiative was also undertaken to reconstruct a 1.3KM road and drainage systems on the Ewekoro plant axis of the Lagos –Abeokuta expressway.



Youth Day South Africa.



# Build Enduring Legacies With Lafarge Cement



- ▲ SUPERIOR QUALITY
- ▲ SUPERIOR STRENGTH
- ▲ SUPERIOR FINISHING

**LAFARGE**  
Building better cities™

**L** A member of  
**LafargeHolcim**

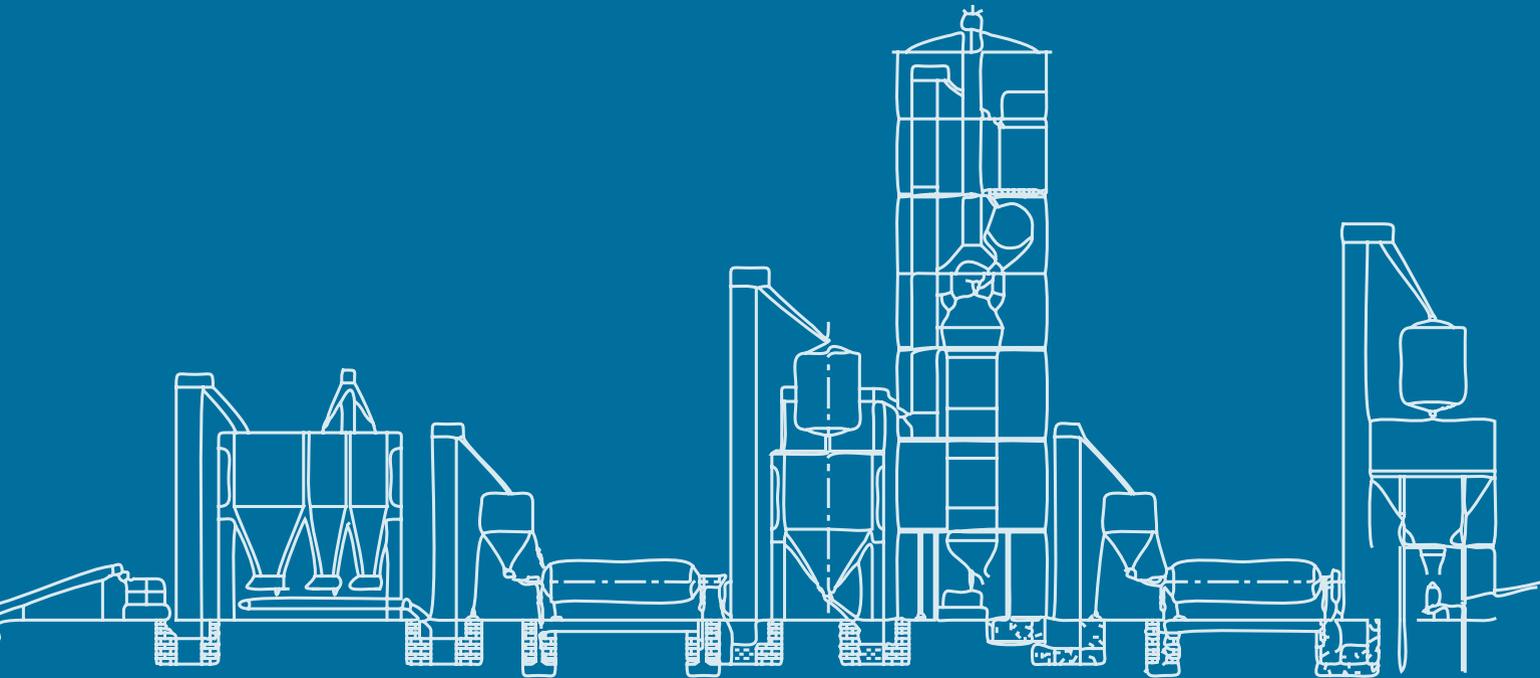
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04



A member of  
**LafargeHolcim**

# FINANCIAL STATEMENTS



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## Report of The Independent Auditors

TO THE MEMBERS OF LAFARGE AFRICA PLC

### Report on the Consolidated and Separate 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 2015, 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 2015 and of its financial performance and cash flows for the year then ended in accordance with 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 explanations 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/00000000839  
For: Akintola Williams Deloitte  
Chartered Accountants  
Lagos, Nigeria

March 2016



# 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 31<sup>st</sup> December 2015 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the scope and planning of the audit for the year ended 31<sup>st</sup> December, 2015 were adequate and Management's responses to the Auditors' findings were satisfactory.

Dated 16<sup>th</sup> day of March 2016



**Mr. Olawale Oyedele**  
FRC/2013/C11 N/00000001622  
Chairman, Audit Committee

Mr Olawale Oyedele (Chairman)



Chief Peter Asu (Member)



Mr. Adebayo Adeleke (Member)



Mr Joseph Hudson (Member)



Dr. Adebayo Jimoh (Member)



Mr. Adebode Adefioye (Member)



## Statement of Directors' Responsibilities

The Directors of Lafarge Africa Plc are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and Company as at 31 December 2015, and the results of its operations, cash flows and changes in equity for the year 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 and separate 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:

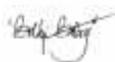
- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group and Company;
- maintaining adequate accounting records that are sufficient to show and explain the Group's and company's transactions and disclose with reasonable accuracy at any time the 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:

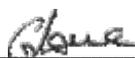
The Directors have made an assessment of the Group's and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not remain a going concern in the year ahead.

The consolidated and separate financial statements for the year ended 31 December 2015 were approved by the Board of directors on March 2016

On behalf of the Directors of the Group



Mr Mobolaji Balogun  
Chairman  
FRC/2013/CISN/00000004945



Guillaume Roux  
Director  
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 2015

	Note	Group		Company	
		31/12/2015 N'000	31/12/2014 N'000	31/12/2015 N'000	31/12/2014 N'000
<b>CONTINUING OPERATIONS</b>					
Revenue	5	267,234,239	260,810,463	114,558,245	105,848,657
Cost of sales	6	<u>(184,703,341)</u>	<u>(177,782,717)</u>	<u>(70,196,509)</u>	<u>(61,862,716)</u>
<b>GROSS PROFIT</b>		<b>82,530,898</b>	<b>83,027,746</b>	<b>44,361,736</b>	<b>43,985,941</b>
Sales and marketing expenses	7.1	(4,482,752)	(3,915,635)	(1,993,424)	(1,413,645)
General and administrative expenses	7.2	(26,402,625)	(25,145,779)	(9,949,737)	(8,211,374)
Other gains / (losses)	8	(7,294,861)	(4,090,900)	(506,464)	(457,349)
Other expenses	8	(6,047,367)	(1,585,390)	(4,344,940)	(516,387)
Investment income	9	2,182,685	3,333,624	5,634,492	1,770,338
Finance cost	10	<u>(11,211,109)</u>	<u>(11,265,533)</u>	<u>(2,294,870)</u>	<u>(2,804,528)</u>
<b>PROFIT BEFORE TAX</b>		<b>29,274,869</b>	<b>40,358,133</b>	<b>30,906,793</b>	<b>32,352,996</b>
Income tax expense	11	<u>(2,276,596)</u>	<u>(6,537,761)</u>	<u>(1,249,020)</u>	<u>(3,992,850)</u>
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	13	<b>26,998,273</b>	<b>33,820,372</b>	<b>29,657,773</b>	<b>28,360,146</b>
Net loss from discontinued operations	14	-	(275,391)	-	-
<b>PROFIT FOR THE YEAR</b>		<b>26,998,273</b>	<b>33,544,981</b>	<b>29,657,773</b>	<b>28,360,146</b>
<i>Of which, attributable to:</i>					
Owners of the parent Company		28,632,378	33,785,195	29,657,773	28,360,146
Non- controlling interests		<u>(1,634,105)</u>	<u>(240,214)</u>	-	-
<b>NET INCOME</b>		<b>26,998,273</b>	<b>33,544,981</b>	<b>29,657,773</b>	<b>28,360,146</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Net gain/(loss) arising on business combination	17	(495,563)	(161,689,548)	-	-
Actuarial gain on remeasurement of employee benefits obligations	25.3	40,992	994,527	-	510,997
Tax effect on actuarial loss on remeasurement of employee benefits obligations	11	145,617	(330,824)	171,236	(153,299)
Actuarial gain on remeasurement of employee long service award		11,980	-	11,980	-
Tax effect on actuarial loss on remeasurement of employee long service award	11	(3,594)	-	(3,594)	-
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange gain / (loss) on foreign currency translation		(8,815,606)	(444,560)	-	-
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>		<b>(9,116,174)</b>	<b>(161,470,405)</b>	<b>179,622</b>	<b>357,698</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>17,882,099</b>	<b>(127,925,424)</b>	<b>29,837,395</b>	<b>28,717,844</b>
<i>Total comprehensive income attributable to:</i>					
Owners of the parent company		19,536,356	(127,810,144)	29,837,395	28,717,844
Non-controlling interests		<u>(1,654,257)</u>	<u>(115,280)</u>	-	-
<b>Earnings per share</b>					
Basic (kobo)	12	<u>629</u>	<u>767</u>	<u>838</u>	<u>826</u>
Diluted (kobo)		<u>629</u>	<u>767</u>	<u>838</u>	<u>826</u>

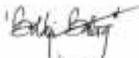
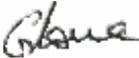
The notes on pages 70 to 122, and the additional statements on pages 123 and 124 form part of these financial statements.

# Consolidated Statement of Financial Position

as at 31 December 2015

	Note	Group		Company	
		31/12/2015 N'000	31/12/2014 N'000	31/12/2015 N'000	31/12/2014 N'000
<b>ASSETS</b>					
<b>Non current assets</b>					
Property, plant and equipment	15	364,397,315	331,257,236	118,251,256	120,154,329
Intangible assets	16	1,548,927	2,196,926	-	-
Investment in subsidiaries	18	-	-	211,903,225	198,173,967
Investment in Associate	18	27,409	43,208	-	-
Other long term investment	18	5,526	7,606	-	-
Other Assets	19	545,542	1,587,096	-	-
Deferred tax asset	23	447,942	294,629	-	-
Restricted cash	22	2,188,089	2,097,687	-	-
Long term receivables	14	9,975,000	6,247,999	18,139,971	-
<b>Total non current assets</b>		<b>379,135,750</b>	<b>343,732,387</b>	<b>348,294,452</b>	<b>318,328,296</b>
<b>Current assets</b>					
Inventories	20	33,027,315	31,545,060	15,742,902	15,224,740
Trade and other receivables	21	23,474,461	19,830,192	10,759,231	7,714,284
Current tax receivable	24	881,662	508,745	-	-
Cash and cash equivalents	22	16,493,209	20,330,118	6,476,368	2,360,238
<b>Current assets</b>		<b>73,876,647</b>	<b>72,214,115</b>	<b>32,978,501</b>	<b>25,299,262</b>
<b>TOTAL ASSETS</b>		<b>453,012,397</b>	<b>415,946,502</b>	<b>381,272,953</b>	<b>343,627,558</b>
<b>EQUITY &amp; LIABILITIES</b>					
<b>Equity</b>					
Share capital	29	2,277,451	2,202,088	2,277,451	2,202,088
Share premium	29	186,419,988	173,997,568	186,419,988	173,997,568
Retained earnings		100,992,758	87,206,392	113,904,430	100,464,682
Foreign currency translation reserve	30.1	(10,156,642)	(1,341,036)	-	-
Other reserves arising on business combination	16b	(162,185,111)	(161,689,548)	-	-
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY</b>		<b>117,348,444</b>	<b>100,375,464</b>	<b>302,601,869</b>	<b>276,664,338</b>
Non controlling interest	31	58,803,285	75,204,485	-	-
<b>TOTAL EQUITY</b>		<b>176,151,729</b>	<b>175,579,949</b>	<b>302,601,869</b>	<b>276,664,338</b>
<b>NON CURRENT LIABILITIES</b>					
Borrowings	26	142,942,565	116,001,594	5,672,992	7,057,436
Retirement benefits obligation	25	1,496,257	8,978,941	-	3,833,426
Deferred tax	24	33,385,265	34,172,979	18,900,872	18,021,055
Provisions	32	3,160,336	3,124,736	1,210,350	742,123
Deferred revenue	28	2,133,748	2,368,466	752,600	782,704
Other long-term liabilities	30	4,354,991	-	2,153,969	-
<b>Total non current liabilities</b>		<b>187,473,162</b>	<b>164,646,716</b>	<b>28,690,783</b>	<b>30,436,744</b>
<b>Current liabilities</b>					
Trade and other payables	27	76,846,591	67,463,165	36,693,121	30,734,536
Provisions	32	1,864,197	1,333,773	1,503,290	917,471
Borrowings	26	2,011,056	2,263,675	4,884,444	3,384,444
Deferred revenue	28	234,718	234,718	30,104	30,104
Income tax payable	24	1,268,688	1,553,878	606,850	742,539
Dividends		3,828,017	-	3,828,017	-
Bank Overdraft	22	3,334,239	2,870,628	2,434,475	717,382
<b>Total current liabilities</b>		<b>89,387,506</b>	<b>75,719,837</b>	<b>49,980,301</b>	<b>36,526,476</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>453,012,397</b>	<b>415,946,502</b>	<b>381,272,953</b>	<b>343,627,558</b>

These financial statements were approved and authorised for issue by the Board of Directors on 16 March 2016 and were signed on its behalf by:

		
Mr. Mobolaji Balogun Chairman FRC/2013/CISN/00000004945	Guillaume Roux Director FRC/2015/IODN/00000011033	Anders Kristiansson Group FD/CFO FRC/2014/ANAN/00000009819

The notes on pages 70 to 122, and the additional statements on pages 123 and 124 form an integral part of these consolidated financial statements.

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

Group	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
Balance as at 1 January, 2014	1,500,800	9,488,747	67,448,375	(896,476)	6,534,440	19,520,368	103,596,254
	<u>1,500,800</u>	<u>9,488,747</u>	<u>67,448,375</u>	<u>(896,476)</u>	<u>6,534,440</u>	<u>19,520,368</u>	<u>103,596,254</u>
Net income for the year	-	-	33,785,195	-	-	(240,214)	33,544,981
Other comprehensive income for the year, net of tax	-	-	538,770	(444,560)	(161,689,548)	124,933	(161,470,405)
<b>Total comprehensive income for the period</b>	-	-	<b>34,323,965</b>	<b>(444,560)</b>	<b>(161,689,548)</b>	<b>(115,281)</b>	<b>(127,925,424)</b>
Dividends paid	29	-	(14,565,948)	-	-	(389,303)	(14,955,251)
Issue of shares	29	164,802,678	-	-	-	-	165,503,966
Share issue expenses	29	(293,857)	-	-	-	-	(293,857)
Share of UNICEM NCI share capital @ 65%					56,188,701		56,188,701
Reversal of share capital and share premium on pooling of interest					(6,534,440)		(6,534,440)
<b>Balance as at 31 December, 2014</b>	<b>2,202,088</b>	<b>173,997,568</b>	<b>87,206,392</b>	<b>(1,341,036)</b>	<b>(161,689,548)</b>	<b>75,204,485</b>	<b>175,579,949</b>
Net income for the year	-	-	28,632,378	-	-	(1,634,105)	26,998,273
Other comprehensive income for the year, net of tax	-	-	215,147	(8,815,606)	(495,563)	(20,152)	(9,116,174)
<b>Total comprehensive income for the period</b>	-	-	<b>28,847,525</b>	<b>(8,815,606)</b>	<b>(495,563)</b>	<b>(1,654,257)</b>	<b>17,882,099</b>
Dividends paid	29		(16,397,647)	-	-	(176,760)	(16,574,407)
Issue of shares	29	12,585,606	-	-	-	-	12,660,969
Share issue expenses	29	(163,186)	-	-	-	-	(163,186)
Acquisition of additional 23.85% of Ashaka NCI	31		12,225,899	-	-	(12,225,899)	-
Elimination of Ashaka NCI Share Capital acquired	17		(267,072)	-	-	-	(267,072)
Acquisition of additional 15% of UNICEM share capital	30		2,344,284	-	-	(2,344,284)	-
Elimination of UNICEM NCI Share Capital acquired	17		(12,966,623)	-	-	-	(12,966,623)
<b>Balance as at 31 December 2015</b>	<b>2,277,451</b>	<b>186,419,988</b>	<b>100,992,758</b>	<b>(10,156,642)</b>	<b>(162,185,111)</b>	<b>58,803,285</b>	<b>176,151,729</b>

The notes on pages 70 to 122, and the additional statements on pages 123 and 124 form an integral part of these consolidated financial statements.

# Consolidated Statement of Changes in Equity

as at 31 December 2015

Company	Note	Share capital N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
Balance as at 1 January, 2014		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
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>28,717,844</b>	<b>28,717,844</b>
Issue of shares	29	701,288	164,802,678	-	165,503,966
Share issue expenses	29		(293,857)	-	(293,857)
Dividends paid	29	-	-	(9,905,280)	(9,905,280)
<b>Balance as at 31 December 2014</b>		<b>2,202,088</b>	<b>173,997,568</b>	<b>100,464,682</b>	<b>276,664,338</b>
Net income for the year		-	-	29,657,773	29,657,773
Other comprehensive income for the year, net of tax				179,622	179,622
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>29,837,395</b>	<b>29,837,395</b>
Dividends	29	-	-	(16,397,647)	(16,397,647)
Issue of shares	29	75,363	12,585,606	-	12,660,969
Share issue expenses	29		(163,186)	-	(163,186)
<b>Balance as at 31 December 2015</b>		<b>2,277,451</b>	<b>186,419,988</b>	<b>113,904,430</b>	<b>302,601,869</b>

The notes on pages 70 to 122, and the additional statements on pages 123 and 124 form an integral part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

For the year ended 31 December 2015

		Group		Company	
	Note	31/12/2015 N'000	31/12,2014 N'000	31/12/2015 N'000	31/12,2014 N'000
Income from continuing operations		26,998,273	33,820,372	29,657,773	28,360,146
Net (loss)/income from discontinued operation		-	(275,391)	-	-
<b>Profit after tax</b>		<b>26,998,273</b>	<b>33,544,981</b>	<b>29,657,773</b>	<b>28,360,146</b>
<i>Adjustment to reconcile net income to net cash from operating activities:</i>					
Depreciation charged	15	16,037,841	15,289,439	5,298,867	5,145,482
Amortisation charged	16	110,954	220,021		
Loss/(Gains) on disposals / write offs of property plant and equipment		(380,241)	317,121	(2,401)	(318)
Write offs for consumables and other assets		279,135	299,542	117,076	
Retirement benefit obligations - Service costs	25.3	771,321	729,866	378,822	381,000
Finance cost	10	11,211,109	11,265,533	2,294,870	2,804,528
Investment income	9	(2,182,685)	(3,333,624)	(5,634,492)	(1,770,338)
Income taxes	11	2,276,596	6,537,761	1,249,020	3,992,850
Changes in working capital	23	2,916,766	(3,691,013)	1,022,986	(500,365)
Other non cash movements	22.1	11,422,204	7,664,963		
Cash payments for financial expenses		(9,341,803)	(8,018,782)	(125,674)	(339,619)
Income taxes paid	24	(2,251,507)	(3,009,083)	(337,250)	(335,608)
<b>Net cash used in operating activities before impacts of financial expenses and tax</b>		<b>69,461,273</b>	<b>68,844,590</b>	<b>34,382,521</b>	<b>38,412,985</b>
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>57,867,963</b>	<b>57,816,725</b>	<b>33,919,597</b>	<b>37,737,758</b>
Purchase of property, plant and equipment	15	(59,853,343)	(25,485,420)	(3,517,347)	(2,172,458)
Purchase of intangible assets	16	(184,660)	(242,207)		
Net cash outflow on acquisition of subsidiaries		(1,068,289)	(32,620,000)	(1,068,289)	(32,620,000)
Net movement in long term receivables / investments		(3,727,001)	(439,978)	(18,139,971)	-
Investment income		1,366,213	3,481,594	4,401,219	1,740,234
Proceed from disposal of assets		326,503	75,571	6,878	1,729
<b>NET CASH (USED IN) / PROVIDED BY INVESTING ACTIVITIES</b>		<b>(63,140,577)</b>	<b>(55,230,440)</b>	<b>(18,317,510)</b>	<b>(33,050,495)</b>
Interest paid		(585,790)	(2,237,782)	(585,790)	(1,981,234)
Dividend paid to equity holders of the company	29	(12,991,527)	(14,565,948)	(12,991,527)	(9,905,280)
Dividend paid to Non Controlling Interest		(176,760)	(389,303)	-	-
Unclaimed dividend received		421,897	-	421,897	-
Transaction cost on shares issued	29	(163,186)	(293,857)	(163,186)	(293,857)
Loan received during the year	26	17,035,756	13,340,000	-	2,000,000
Intercompany loan received during the year	26	-	-	1,500,000	-
Repayment of external borrowings	26	(1,888,180)	(24,106,934)	(1,384,444)	(13,069,412)
<b>NET CASH (USED IN) / PROVIDED BY FINANCING ACTIVITIES</b>		<b>1,652,210</b>	<b>(28,253,824)</b>	<b>(13,203,050)</b>	<b>(23,249,783)</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(3,620,404)</b>	<b>(25,667,539)</b>	<b>2,399,037</b>	<b>(18,562,520)</b>
Effect of exchange rate changes on the balance of cash held in foreign currencies		(680,116)	74,372	-	-
Cash and cash equivalents at beginning of year		17,459,490	43,052,657	1,642,856	20,205,376
<b>CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER 2015</b>	<b>22</b>	<b>13,158,970</b>	<b>17,459,490</b>	<b>4,041,893</b>	<b>1,642,856</b>

The notes on pages 70 to 122, and the additional statements on pages 123 and 124 form an integral part of these consolidated financial statements

# Notes to the Group Financial Statements

For the year ended 31 December 2015

## 1 Business description

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

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

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

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

Lafarge Holcim is now the ultimate controlling party.

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

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 38 Kudirat Abiola Way, Oregun, 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. Following the acquisition on 12 September 2014, Lafarge Africa Plc owned the entire 58.61% controlling interest of AshakaCem held by Lafarge Nigeria (UK) Limited. During the year, an additional 23.85% shareholding was acquired from the existing 41.39% minority shareholding following a Mandatory tender offer in which 57 ordinary shares of Lafarge Africa Plc were issued for 202 ordinary shares of AshakaCem Plc tendered. The current shareholding in Ashaka Cem as at 31 December 2015 was 82.46%.
- Atlas was incorporated on 24 September 24 1999 and was 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 interests in several South African entities with significant scale and a 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.

- United Cement Company Nigeria (Unicem) was incorporated in Nigeria on 18 September 2002 as a private limited liability company, which has Nigerian Cement Holdings (NCH) as its parent. Following the acquisition on 12, September 2014, Lafarge Africa held a 50% shareholding in Egyptian Cement Holding B.V., a company which owns 100% equity investment in Nigerian Cement holdings (NCH). At this date, Lafarge Africa owned 35% indirect shareholding in Unicem based on the 70% equity stake of NCH in Unicem. On 7 November, 2014, Lafarge Africa Plc, through NCH concluded an arrangement to acquire indirectly a further 15% of the equity shares of Unicem which was previously held by Flour Mills Nigeria plc (FMN) in two tranches. On 6 January 2015, Lafarge Africa Plc provided NCH with a loan in the sum of USD 50 million valued at N9,823,500,000 for NCH to purchase the first tranche representing 7.5% of the equity shareholding in Unicem. On 28<sup>th</sup> September 2015, Holcim International, joint owner of ECH with Lafarge Africa Plc paid the sum of USD 137 million for the purchase of the remaining 15% equity stake in Unicem which was shared equally between (LAP Plc and Holcim International). Consequently, as at 31 December 2015, the indirect shareholding in Unicem is 50%.

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

These consolidated and separate financial statements cover the financial period from 1 January 2015 to 31 December 2015 with comparatives for the year 2014 as appropriate.

**1.1 Composition of financial statements**

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

**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 IFRS standards**

**2.1 Accounting standards and interpretations effective as at reporting date**

The following are revisions to accounting standards and interpretations applicable to the company which were issued and effective as at reporting date.

Pronouncement	Nature of change	
Amendments to IAS 19: Defined Benefit Plans: Employee Contributions.	The amendment relates to contributions received from employees or third parties for defined benefit plans. These contributions could either be discretionary or set out in the formal terms of the plan. If they are discretionary then they reduce the service cost. Those which are set out in the formal terms of the plan are either linked to service or not. When they are not linked to service then the contributions affect the remeasurement. When they are linked to service and to the number of years of service, they reduce the service cost by being attributed to the periods of service. If they are linked to service but not to the number of years' service then they either reduce the service cost by being attributed to the periods of service or they reduce the service cost in the period in which the related service is rendered.	The application of these amendments has had no material impact on the disclosures of the amounts recognised in the Group's consolidated financial statements

**2.2 New and revised IFRSs in issue 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
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 2018
IFRS 15	Revenue from contracts with customers	Accounting for revenue arising from contracts with customers.	Annual periods beginning on or after 1 January 2017

## Notes to the Group Financial Statements

For the year ended 31 December 2015 (cont'd)

### 2.2 New and revised IFRSs in issue but not yet effective (cont'd)

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
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
Amendments to IAS 1	Disclosure initiative	The amendments to IAS 1 gives guidance on how to apply the concept of materiality in practice.	Annual periods beginning on or after 1 January 2016
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation	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 16 and IAS 41	Agriculture: Bearer plants	The amendment to IAS 16 and IAS 41 defines a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41.	Annual periods beginning on or after 1 January 2016
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture.	Annual periods beginning on or after 1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidated Exception	The amendments to IFRS 10, IFRS 12 and IAS 28 clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10.	Annual periods beginning on or after 1 January 2016
Annual Amendments to IFRSs	Annual improvements to IFRS 2012 – 2014 Cycle	Annual improvements to IFRS 2012 – 2014 cycle include a number of amendments to various IFRSs, which are summarized below: The amendments to IFRS 5 introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sales to held for distribution to owners (or vice versa). The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosure required in relation to transferred assets. The amendments to IAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds.	Annual periods beginning on or after 1 January 2016

The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's consolidated financial statements.

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

**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, 2014. 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 and separate 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, 2015.

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.

The profit or loss and each component of other comprehensive income (OCI) of AshakaCem and Unicem 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 LafargeHolcim 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 uniform accounting policies

#### 3.4.1 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.

Lafarge Africa Plc owns 50% of the equity investment in Egyptian Cement Holdings (ECH), an investment jointly owned by Holcim Limited. The company is a private limited liability company, having its statutory seat in Amsterdam and its business seat at Herikerbegweg 238, 1101CM Amsterdam, the Netherlands. It was incorporated under the laws of the Netherlands on 29 December 2005. This company owns a 100% equity investment in Nigerian Cement Holdings (NCH). NCH is the sole parent of UNICEM. The company does not exercise significant influence over ECH or NCH, and therefore treats these as unlisted investments, and not as associates

#### 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.

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.

###### **Assessment of control and significant influence**

In determining whether an entity represents a subsidiary or associate of the Lafarge Africa Group, the management

are required to consider the degree to which the company exercises control or significant influence respectively over the investee. Decisions relating to the determination of control over the subsidiaries, and significant influence over potential associate companies involves an element of judgment, which may have a significant impact on the constitution of the group amounts.

### 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.

#### 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.

#### Employee share ownership plans

The accounting for cash-settled share-based payments requires the Company to make certain assumptions that have a significant impact on the expenses and liabilities that are recorded for these future pay-outs. The expected long-term payables as recorded in note 32 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 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.

#### Classification of spares

The Group has set certain conditions for distinguishing a spare as critical or not. Critical spares are capitalized if they increase the useful life it belongs or significantly increase the original equipment performance and meet the set threshold for capitalization.

Based on the definition and recognition criteria of IAS 16, critical spares should only be capitalized as capitalized as PPE if by themselves they meet the definition of PPE and not because they will enhance the performance or extend the life of a recognized PPE. The group policy of capitalizing an asset as PPE when it passes the test creates room for assets that are not PPE by IAS 16 definition to be capitalized as PPE.

### 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 2015 (cont'd)

**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.

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

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.

The schedule below presents foreign exchange rates for the main currencies used within the Group:  
December 2015 December 2014 Foreign currency

Foreign currency	December 2015			December 2014		
	YTD Average Naira	Q4 Average Naira	YTD Closing Naira	Average Naira	Q4 Average Naira	Closing Naira
US Dollar (USD)	197.77	198.82	199.30	165.08	172.58	186.80
South African Rand	15.57	13.99	12.88	15.22	15.39	17.73

### 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.

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 2015 (cont'd)

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.

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

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

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.

### 3.17 Allowance for inventories written down

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

### 3.18 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.

### 3.19 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 2015 (cont'd)

### 3.19.1 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.

### 3.19.2. 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.

### 3.19.3 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.

### 3.19.4 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.

### 3.19.5 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.

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.

### 3.19.6 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.

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.

### 3.20 Financial liabilities and equity instruments

#### 3.20.1 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

#### 3.20.2 Financial liabilities

Financial liabilities are classified as other financial liabilities.

#### 3.20.3 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.

#### 3.20.4 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.

### 3.21 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% (2014: 7.5% and 7.5% up to June 2014) 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 discontinued the defined benefit gratuity schemes for its eligible employees as at 31 December. For the Nigerian entities prior to discontinuance, benefits were related to the employees' length of service and remuneration. The cost of providing gratuity benefits was 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 was 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.

### **South African entities**

Lafarge South Africa continues to provide 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 occurred.

## **3.22 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.

### **3.22.1 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.

## **3.23 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 32.

## **3.24 Taxation**

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

### **3.24.1 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.

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)**3.24.2 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.

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.

**3.24.3 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.

**3.25 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 26). Furthermore, dividends distributed by the SPV's are reflected as part of finance costs of the group.

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

#### 4 Operating segment information

The group is organised 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.

#### SEGMENT INFORMATION by Country – December, 2015

	Nigeria N'000	South Africa N'000	Total N'000
REVENUE	191,681,920	75,552,319	267,234,239
Current Operating Income (i)	47,596,917	4,048,604	51,645,521
Other gains / (losses)	(7,351,442)	56,581	(7,294,861)
Other income / (expenses)	(6,047,367)	-	(6,047,367)
<b>OPERATING INCOME</b>	<b>34,198,108</b>	<b>4,105,185</b>	<b>38,303,293</b>

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

#### OTHER INFORMATION

Capital expenditure	57,662,442	2,375,561	60,038,003
Capital employed	333,454,208	30,170,683	363,624,891

#### STATEMENT OF FINANCIAL POSITION

Segment non-current assets	350,809,809	28,298,532	379,108,341
<i>Of which investments in associates</i>	-	27,409	27,409
Segment Current Assets	61,107,785	12,768,862	73,876,647
<b>TOTAL ASSETS</b>	<b>411,917,594</b>	<b>41,094,803</b>	<b>453,012,397</b>
Segment non-current liabilities	177,552,521	9,920,641	187,473,162
Segment current liabilities	78,463,386	10,924,120	89,387,506
Equity	155,901,687	20,250,042	176,151,729
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>411,917,594</b>	<b>41,094,803</b>	<b>453,012,397</b>

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

4 **Operating segment information (cont'd)**

**SEGMENT INFORMATION by Country – December, 2014**

	Nigeria N'000	South Africa N'000	Total N'000
<b>STATEMENT OF INCOME</b>			
REVENUE	185,896,619	74,913,844	260,810,463
Current Operating Income (i)	47,352,786	6,613,546	53,966,332
Other gains / (losses)	(4,269,918)	179,018	(4,090,900)
Other income / (expenses)	(1,585,390)	-	(1,585,390)
<b>OPERATING INCOME</b>	<u>41,497,478</u>	<u>6,792,564</u>	<u>48,290,042</u>

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

**OTHER INFORMATION**

Capital expenditure	24,007,693	1,719,934	25,727,627
Capital employed	298,127,468	42,099,194	340,226,662

**STATEMENT OF FINANCIAL POSITION**

Segment Non-current assets	298,389,756	45,299,423	343,689,179
Of which investments in associates	43,208	-	43,208
Segment current assets	59,174,516	13,039,599	72,214,115
<b>TOTAL ASSETS</b>	<u>357,607,480</u>	<u>58,339,022</u>	<u>415,946,502</u>
Segment Non-Current Liabilities	152,442,625	12,204,091	164,646,716
Segment Current Liabilities	59,480,009	16,239,828	75,719,837
Equity	145,684,846	29,895,103	175,579,949
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>357,607,480</u>	<u>58,339,022</u>	<u>415,946,502</u>

**B SEGMENT INFORMATION BY PRODUCT LINE**

	External revenue		Gross Revenue	
	31/12/2015 N'000	31/12/2014 N'000	31/12/2015 N'000	31/12/2014 N'000
Cement	223,086,487	217,563,558	223,086,487	217,563,558
Aggregates and concrete	43,690,373	42,770,167	43,690,373	42,770,167
Other products	3,639,693	3,046,587	3,639,693	3,046,587
Related party sales elimination	(3,182,314)	(2,569,849)	-	-
<b>Total</b>	<u>267,234,239</u>	<u>260,810,463</u>	<u>270,416,553</u>	<u>263,380,312</u>

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

5 Revenue

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

	Group		Company	
	31/12/015 N'000	31/12/014 N'000	31/12/2015 N'000	31/12/014 N'000
Revenue from Sale of goods	<u>267,234,239</u>	<u>260,810,463</u>	<u>114,558,245</u>	<u>105,848,657</u>

The following is the analysis of the revenue by product:

Cement	219,904,173	214,993,709	114,557,782	105,848,657
Concrete and aggregates	43,690,373	42,770,167	-	-
Others (Note 5.1)	<u>3,639,693</u>	<u>3,046,587</u>	<u>463</u>	<u>-</u>
	<u>267,234,239</u>	<u>260,810,463</u>	<u>114,558,245</u>	<u>105,848,657</u>

5.1 This represents revenue earned from the sale of fly ash from the Company's South African operations.

6 Cost of sales

	Group		Company	
	31/12/015 N'000	31/12/014 N'000	31/12/2015 N'000	31/12/014 N'000
Variable cost	139,277,006	133,100,089	51,709,042	43,315,650
Production fixed costs	8,242,185	4,969,906	2,767,266	3,142,517
Maintenance fixed costs	10,207,786	12,615,995	5,679,708	5,657,766
Other fixed costs	463,650	1,759,333	463,650	-
Depreciation	15,579,666	14,747,770	5,112,134	5,016,508
General, social cost	<u>10,933,048</u>	<u>10,589,624</u>	<u>4,464,709</u>	<u>4,730,275</u>
	<u>184,703,341</u>	<u>177,782,717</u>	<u>70,196,509</u>	<u>61,862,716</u>

7.1 Selling and marketing expenses

	Group		Company	
	31/12/015 N'000	31/12/014 N'000	31/12/2015 N'000	31/12/014 N'000
Advertising expenses	1,026,297	276,779	674,903	141,771
Campaign and innovation expenses	370,723	468,572	370,723	468,572
Other selling and marketing expenses	<u>3,085,732</u>	<u>3,170,284</u>	<u>947,798</u>	<u>803,302</u>
	<u>4,482,752</u>	<u>3,915,635</u>	<u>1,993,424</u>	<u>1,413,645</u>

7.2 General and Administrative expenses

	Group		Company	
	31/12/015 N'000	31/12/014 N'000	31/12/2015 N'000	31/12/014 N'000
Other general and administrative expenses (Note 7.2.1)	17,410,743	16,183,115	6,224,668	4,697,438
Depreciation	569,129	761,689	186,733	128,973
Technical fee (Note 7.2.2)	7,828,343	7,645,577	3,346,582	3,145,897
Others	<u>594,410</u>	<u>555,398</u>	<u>191,754</u>	<u>239,066</u>
	<u>26,402,625</u>	<u>25,145,779</u>	<u>9,949,737</u>	<u>8,211,374</u>

7.2.1 Included in Other general and admin expenses are salaries and related costs amounting to ₦2.89 billion (2014: ₦3.03 billion) and ₦6.17 billion (2014: ₦6.65 billion) for the Company and Group respectively.

7.2.2 Technical fee represents the cost incurred by Lafarge Africa group in respect of the Industrial Franchise Agreement with Lafarge S.A., the Ultimate parent company of the Group. This has been registered with NOTAP and represents 3.5% of net sales.

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

8a	Other (gains) / losses	Group		Company	
		31/12/015 N'000	31/12/014 N'000	31/12/015 N'000	31/12/014 N'000
	Loss/(gains) on disposals / write off of property plant and equipment	(191,087)	722,255	(2,401)	(318)
	Other losses (Note 8.1)	320,557	(49,805)	223,917	-
	Write back of excess accruals no longer required	(27,221)	-	-	-
	Income from disposed investment (Note 8.5)	-	(178,074)	-	-
	Rental income (Note 8.2)	(41,543)	(69,083)	(6,065)	(69,083)
	Scrapped and other miscellaneous (Note 8.3)	(1,256,104)	(642,038)	(34,936)	67,771
	Net exchange loss	8,490,259	4,307,645	325,949	458,979
		<u>7,294,861</u>	<u>4,090,900</u>	<u>506,464</u>	<u>457,349</u>

8b	Other expenses	Group		Company	
		31/12/015 N'000	31/12/014 N'000	31/12/015 N'000	31/12/014 N'000
	Other expenses (Note 8.4)	<u>6,047,367</u>	<u>1,585,390</u>	<u>4,344,940</u>	<u>516,387</u>
		<u>6,047,367</u>	<u>1,585,390</u>	<u>4,344,940</u>	<u>516,387</u>

- 8.1 Other losses for the Company represent the write-down of the value of undeployed trucks and also the write off of previously capitalised unviable land costs. Included in other losses for the Group is loss incurred on the discontinued Gypsum business in South Africa during the year which amounted to N34.91 million.
- 8.2 Rental income accrues from the leased portion of the corporate head office building.
- 8.3 Scrapped and other miscellaneous income comprise of the total monies earned from miscellaneous activities not related to cementitious products including sale of scrap and product shortage recoveries (hauliers).
- 8.4 This amount represents various expenses incurred on integration projects of Lafarge Africa Plc and also restructuring costs incurred as a result of the merger between Lafarge Africa Plc and Holcim.
- 8.5 Income from disposed business represents gain on disposal of LG PTY subsidiary of Financiere Lafarge SA .

9	Investment income	Group		Company	
		31/12/015 N'000	31/12/014 N'000	31/12/015 N'000	31/12/014 N'000
	Treasury bills	-	339,729	-	339,729
	Fixed term deposits	1,260,707	1,498,827	39,742	231,762
	Interest on current account	107,670	1,254,032	67,259	1,168,743
	Government grant	234,718	234,718	30,104	30,104
	Equity share of associate	(4,811)	5,373	-	-
	Interest on loan receivable (Note 9.1)	581,754	-	1,203,169	-
	Other dividend (Note 9.2)	2,647	945	-	-
	Dividends received from subsidiaries (Note 9.3)	-	-	4,294,218	-
		<u>2,182,685</u>	<u>3,333,624</u>	<u>5,634,492</u>	<u>1,770,338</u>

- 9.1 This represents total interest accrued on the N8.164 billion long term loan granted to UNICEM at MLR 13% + 2% per annum (see note 14) and also accrued interest receivable on N9.28 billion loan to Nigerian Cement Holdings (NCH).
- 9.2 This represents LSA dividend received from unlisted investment.
- 9.3 These are dividends received from Lafarge South Africa Holdings (Pty) Limited and AshakaCem Plc. amounting to N3,403,224,000 (100%) and N830,994,000 (82.46%) respectively.

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

10 Finance costs	Group		Company	
	31/12/2015 N'000	31/12/2014 N'000	31/12/2015 N'000	31/12/2014 N'000
<b>Financial expenses</b>				
Bank charges	623,559	312,218	125,674	205,036
Interest charged on bank overdraft	855,179	134,583	743,604	134,583
Interest expense	8,457,122	9,448,264	843,767	1,981,234
Other financial expenses	324,998	361,499	-	-
Net interest cost on employees' long service award (note 32.2)	28,937	-	28,937	-
Net interest cost on defined benefit liability (note 25.3)	921,314	1,008,969	552,888	483,675
	<u>11,211,109</u>	<u>11,265,533</u>	<u>2,294,870</u>	<u>2,804,528</u>
<b>11 Income tax expense relating to continuing operations</b>				
<b>11.1 Income tax expense recognised in profit or loss</b>				
	Group		Company	
	31/12/2015 N'000	31/12/2014 N'000	31/12/2015 N'000	31/12/2014 N'000
Education tax payable	201,561	438,291	201,561	366,164
Company Income Tax payable	1,587,248	3,021,897	-	-
Over provision	(423,099)	48,519	-	-
	<u>1,365,710</u>	<u>3,508,707</u>	<u>201,561</u>	<u>366,164</u>
Deferred tax expense recognised in the period	902,691	3,132,850	1,192,331	3,626,686
Deferred tax expense/(credit relating to prior periods)	8,195	(103,796)	(144,872)	-
	<u>910,886</u>	<u>3,029,054</u>	<u>1,047,459</u>	<u>3,626,686</u>
<b>Total income tax expense relating to current period relating to continuing operations</b>	<u>2,276,596</u>	<u>6,537,761</u>	<u>1,249,020</u>	<u>3,992,850</u>
The income tax expense for the period can be reconciled to the accounting profit as follows:				
<b>Profit before tax from continuing operations</b>	<b>29,274,869</b>	<b>40,358,133</b>	<b>30,906,793</b>	<b>32,352,996</b>
Income tax expense calculated at 30% (2014:30%)	8,782,461	12,107,440	9,272,038	9,705,899
Effect of income that is exempt from taxation	(1,246,270)	(7,465,761)	(1,246,270)	(6,224,525)
Effect of expenses that are not deductible in determining taxable profit	222,827	188,659	-	551
Effect of education tax payable	201,561	405,386	201,561	333,259
Effect of Investment allowance	-	(101,675)	-	(45,484)
Effect of Pioneer status	(7,834,607)	-	(6,833,437)	-
Effect of withholding taxes and other costs on dividends	47,909	120,542	-	-
Other permanent differences	(4,546)	-	-	-
Effect of capital gains tax	2,376	42,966	-	-
Effect of deferred tax not recognised	2,599,724	1,201,101	-	-
Effect of corporate tax	(8,097)	-	-	-
Effect of income tax different rate	(71,838)	(128,770)	-	-
Adjustments recognised in the current year in relation to the tax of prior years	(414,904)	167,873	(144,872)	223,151
<b>Income tax expense recognised in profit or loss (relating to continuing operations)</b>	<u>2,276,596</u>	<u>6,537,761</u>	<u>1,249,020</u>	<u>3,992,850</u>
Effective tax rate	<u>8%</u>	<u>16%</u>	<u>4%</u>	<u>12%</u>

The tax rate used for the 2015 and 2014 reconciliations above is the corporate tax rate of 30% payable by corporate entities in Nigeria as stipulated in the Companies Income Tax Act CAP 60 LFN 1990 and 28% for Lafarge South Africa.

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

11.2 Income tax recognised in other comprehensive income

	Group		Company	
	31/12/2015 N'000	31/12/2014 N'000	31/12/2014 N'000	31/12/2014 N'000
Deferred tax arising on:				
Remeasurement of defined benefit obligation	<u>142,023</u>	<u>(330,824)</u>	<u>167,642</u>	<u>(153,299)</u>

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	
	31/12/2015 N'000	31/12/2014 N'000	31/12/2014 N'000	31/12/2014 N'000
Profit for the year attributable to owners of the company. (N'000)	<u>28,632,378</u>	<u>33,785,195</u>	<u>29,657,773</u>	<u>28,360,146</u>
Weighted average number of ordinary shares ('000)	4,554,902	4,404,176	3,537,854	3,424,294
Basic earnings per share (kobo)	629	767	838	826

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	<u>28,632,378</u>	<u>33,785,195</u>	<u>29,657,773</u>	<u>28,360,146</u>
Weighted average number of ordinary shares ('000)	4,554,902	4,404,176	3,537,854	3,424,294
Diluted earnings per share (kobo)	629	767	838	826

The weighted average number of shares was used in the calculation of the Group's earnings per share.

13 Profit for the year from continuing operations

	Group		Company	
	31/12/2015 N'000	31/12/2014 N'000	31/12/2014 N'000	31/12/2014 N'000
Profit for the year from continuing activities This has been arrived at after charging (crediting):	<u>26,998,273</u>	<u>33,820,372</u>	<u>29,657,773</u>	<u>28,360,146</u>
Depreciation and amortisation expense				
Depreciation of property, plant and equipment	16,037,841	15,289,439	5,298,867	5,145,482
Amortisation of intangible assets	110,954	220,021	-	-
	<u>16,148,795</u>	<u>15,509,460</u>	<u>5,298,867</u>	<u>5,145,482</u>
Directors emoluments (Note 37)	181,489	72,889	78,295	72,889
Auditors remuneration	187,180	156,005	41,000	43,000
Loss/ (Profit) on disposal of fixed assets (Note 8)	(191,087)	722,255	(2,401)	(318)
Technical fees (note 7)	7,828,343	7,645,577	3,346,582	3,145,897
Interest income on treasury bills, deposits and current account (note 9)	1,368,377	3,092,588	107,001	1,740,234
Exchange loss/ (gain) (note 8)	8,490,259	4,307,645	325,949	458,979

## Notes to the Group Financial Statements

For the year ended 31 December 2015 (cont'd)

14	Long term receivables	31/12/2015	Group	31/12/2015	Company
		N'000	31/12/2014	N'000	31/12/2014
	Shareholder loan receivable from UNICEM (14.1)	-	-	8,164,971	-
	Long term loan receivable from NCH (14.2)	9,975,000	-	9,975,000	-
	Long term investment / receivables (14.3)	-	6,247,999	-	-
		<u>9,975,000</u>	<u>6,247,999</u>	<u>18,139,971</u>	<u>-</u>
14.1	Long term receivables amounting to ₦4.07 billion represents a shareholder loan plus accumulated interest acquired from Flour Mills of Nigeria Plc. (FMN). The shareholder loan, originally a receivable from United Cement Company of Nigeria (UNICEM) to FMN was acquired by Lafarge Africa Plc. from FMN as part of the 1st tranche of the FMN buy-out in UNICEM. This was fully paid to FMN on the 20th March 2015.				
	The shareholder loan is repayable by UNICEM to Lafarge Africa Plc at an annual interest rate of 15% (MPR 13% + 2%) over a 120-month period commencing 20th March 2015.				
14.2	Long term receivable represents a loan to Nigerian Cement Holdings (NCH) for the first tranche of the agreement to acquire additional 15% equity stake in Unicem by NCH in the sum of USD 50 million in February, 2015. The principal initially valued at ₦9,823,500,00 was revalued to ₦9,975,000,000 at 31 December 2015.				
	The loan is repayable at the rate of interest which is the aggregate of 6% margin ad Libor 1Y for the tenth anniversary of the disbursement of the loan. Accrued interest receivable amounted to ₦581m as at year end.				
	The loan is repayable at the rate of interest which is the aggregate of 6% margin and Libor 1Y on the tenth anniversary of the disbursement of the loan. Accrued interest receivable amounted to ₦581 m as at year end.				
14.3	This investment represents Lafarge South Africa Holdings (Pty) Limited long term loan receivable from the ultimate parent company (Lafarge S.A.) of France, as a result of the share sale agreement between Lafarge South Africa Holdings (Pty) Limited and Financiere Lafarge, relating to the discontinued activities of its Gypsum division.				
14.3	Net loss from Discontinued operations - Gypsum			Group	
				31/12/2015	31/12/2014
				N'000	N'000
	Revenue			-	4,193,293
	Expenses			-	(4,404,607)
	<b>Gross profit</b>			-	<b>(211,314)</b>
	Loss on disposal - PPE			-	-
	Finance cost			-	(52,311)
	Non recurring expenses			-	-
	<b>Loss before tax</b>			-	<b>(263,625)</b>
	Tax			-	(11,765)
				<u>-</u>	<u>(275,390)</u>

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

**15. Plant, property and equipment**

15. Group	Leasehold Land	Buildings	Production Plant	Capitalized Spares	Furniture	Motor Vehicles	Computer Equipment	Ancillary Plant & Mach. under finance lease	Motor vehicles	Construction Expenditure	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Cost or deemed cost</b>											
At 1 January 2014	7,397,160	73,368,098	285,606,481	899,808	5,320,776	3,279,522	1,126,229	21,764	89,400	30,997,976	408,107,214
Capital expenditure	-	-	181,223	-	20,200	-	-	-	-	25,283,997	25,485,420
Construction expenditure capitalised	235,081	3,526,110	4,938,576	669,419	239,268	20,677	5,481	88,778	-	(9,723,390)	-
Adjustments	(7,306)	(58,343)	2,506,885	-	42,265	58,931	-	-	(7,450)	(2,794,424)	-
Disposals	(391,998)	(58,627)	(596,489)	-	(184,361)	(237,603)	-	-	-	-	(1,091,836)
Write-offs	(15,916)	(694,692)	(2,534,343)	-	(92,450)	(190,909)	-	-	-	(141,591)	(4,045,983)
Change in scope	(20,587)	(106,101)	(1,247,088)	-	(3,438)	-	-	-	-	-	(183,173)
Effect of foreign currency exchange differences	(1,196,434)	76,221,131	288,691,426	1,569,227	5,303,344	2,930,618	1,131,710	110,542	81,950	43,587,759	426,824,141
At 31 December 2014	7,196,434	76,221,131	288,691,426	1,569,227	5,303,344	2,930,618	1,131,710	110,542	81,950	43,587,759	426,824,141
<b>Cost or deemed cost</b>											
At 1 January 2015	7,196,434	76,221,131	288,691,426	1,569,227	5,303,344	2,930,618	1,131,710	110,542	81,950	43,587,759	426,824,141
Capital expenditure	150,182	-	95,725	-	4,971	31,521	-	-	-	59,570,944	59,853,343
Construction expenditure capitalised	1,437,489	(381,032)	4,607,504	381,116	130,879	17,580	224,923	224,689	-	(6,643,148)	-
Adjustments	-	(13,512)	(275,297)	-	8,702	1	-	-	(44,700)	349,860	69,754
Disposals	-	(150,251)	(888,206)	-	(221,109)	(197,357)	-	-	(61,713)	(100,340)	(1,501,623)
Write-offs	(117,076)	-	-	-	-	(6)	-	-	-	(504)	(279,135)
Change in scope	-	-	-	-	5,559	-	-	-	-	-	5,055
Effect of foreign currency exchange differences	(202,129)	(1,322,954)	(14,480,445)	1,950,343	5,033,923	2,782,357	1,356,633	335,231	(24,463)	(458,060)	(16,662,011)
At 31 December 2015	8,464,900	74,353,382	277,750,707	1,950,343	5,033,923	2,782,357	1,356,633	335,231	(24,463)	96,306,511	468,309,524
<b>Depreciation</b>											
At 1 January 2014	1,259,334	11,340,228	64,169,083	393,275	4,523,336	1,931,509	924,733	5,128	89,400	-	84,636,026
Charge for the year	829,298	2,118,469	11,238,762	226,452	461,312	349,335	49,724	16,087	-	-	15,289,439
On disposals	(91)	(55,081)	(531,242)	-	(155,912)	(92,388)	-	-	(7,450)	-	(842,164)
Write-offs	(29,338)	(320,672)	(2,483,711)	-	(92,279)	(184,654)	-	-	-	-	(3,110,654)
Change in scope	(8,131)	-	(102,774)	-	(746)	-	-	-	-	-	(111,651)
Effect of foreign currency exchange differences	(1,021)	3,200	(264,205)	619,727	4,703,647	2,003,802	974,457	21,215	-	-	(294,090)
At 31 December 2014	2,050,051	13,086,144	72,025,913	619,727	4,703,647	2,003,802	974,457	21,215	81,950	-	95,566,906
<b>Depreciation</b>											
At 1 January 2015	2,050,051	13,086,144	72,025,913	619,727	4,703,647	2,003,802	974,457	21,215	81,950	-	95,566,906
Charge for the year	1,079,461	2,426,364	11,310,896	327,847	220,383	515,418	35,850	120,698	924	-	16,037,841
On disposals	-	(64,534)	(629,243)	-	(209,547)	(161,619)	-	-	(46,548)	-	(1,111,491)
Adjustments	-	1	52,754	-	(14,853)	(8,078)	-	-	924	-	30,748
Effect of foreign currency exchange differences	(15,347)	(449,932)	(5,991,979)	947,574	4,545,093	2,349,523	1,010,307	141,913	37,250	-	(6,611,795)
At 31 December 2015	3,114,165	14,998,043	76,768,341	947,574	4,545,093	2,349,523	1,010,307	141,913	37,250	-	103,912,209
<b>Carrying amount</b>											
At 31 December 2015	5,350,735	59,355,339	200,982,366	1,002,769	488,830	432,834	346,326	193,318	(61,713)	96,306,511	364,397,315
At 31 December 2014	5,146,383	63,134,987	216,665,513	949,500	599,697	926,816	157,253	89,327	-	43,587,759	331,257,236

The assets of the South African group, with a net book value totalling N26.7 billion (2014: N36.8 billion) 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 26).

Change in scope represents 50% investment in Qala, a small entity in South Africa. Qala was accounted for using proportionate consolidation up to 31 December 2013. With effect from 1 January 2014, Qala was accounted for using equity method in line with IFRS 11 - Joint Arrangements.

Adjustment in depreciation in the current year relates to correction of opening balances in Lafarge Ready Mix.

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

**15. Plant, property and equipment (cont'd)**

15. Company	Leasehold Land	Buildings	Production Plant	Capitalized Spares	Furniture	Motor Vehicles	Computer Equipment	Ancillary Plant & Mach. under lease	Motor vehicles under finance lease	Construction Expenditure	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Cost or deemed cost</b>											
At 1 January 2014	1,976,427	2,332,853	134,837,077	899,808	2,324,803	1,255,129	1,126,229	21,764	-	4,007,980	148,782,070
Capital expenditure	-	-	-	-	-	-	-	-	-	2,172,458	2,172,458
Construction expenditure capitalised	-	-	5,000	669,419	71,150	6,600	5,481	88,778	-	(846,428)	-
Disposals	-	-	-	-	-	(14,963)	-	-	-	-	(14,963)
<b>At 31 December 2014</b>	<b>1,976,427</b>	<b>2,332,853</b>	<b>134,842,077</b>	<b>1,569,227</b>	<b>2,395,953</b>	<b>1,246,766</b>	<b>1,131,710</b>	<b>110,542</b>	<b>-</b>	<b>5,334,010</b>	<b>150,939,565</b>
<b>Cost or deemed cost</b>											
At 1 January 2015	1,976,427	2,332,853	134,842,077	1,569,227	2,395,953	1,246,766	1,131,710	110,542	-	5,334,010	150,939,565
Capital expenditure	-	-	-	-	-	-	-	3,517,347	3,517,347	-	-
Construction expenditure capitalised	511,222	67,105	2,615,343	381,116	29,463	7,600	224,923	224,689	-	(4,061,461)	-
Disposals	-	-	(231)	-	(13,362)	-	-	-	-	-	(13,593)
Write-offs	(117,076)	-	-	-	-	-	-	-	-	-	(117,076)
<b>At 31 December 2015</b>	<b>2,370,573</b>	<b>2,399,958</b>	<b>137,457,189</b>	<b>1,950,343</b>	<b>2,412,054</b>	<b>1,254,366</b>	<b>1,356,633</b>	<b>335,231</b>	<b>-</b>	<b>4,789,896</b>	<b>154,326,243</b>
<b>Depreciation</b>											
At 1 January 2014	13,419	777,608	20,589,004	393,275	2,250,870	699,270	924,733	5,128	-	-	25,653,307
Charge for the year	1,917	75,308	4,565,288	226,452	38,163	172,543	49,724	16,087	-	-	5,145,482
On disposals	-	-	-	-	(8,908)	(13,553)	-	-	-	-	(13,553)
<b>At 31 December 2014</b>	<b>15,336</b>	<b>852,916</b>	<b>25,154,292</b>	<b>619,727</b>	<b>2,289,033</b>	<b>858,260</b>	<b>974,457</b>	<b>21,215</b>	<b>-</b>	<b>-</b>	<b>30,785,236</b>
<b>Depreciation</b>											
At 1 January 2015	15,336	852,916	25,154,292	619,727	2,289,033	858,260	974,457	21,215	-	-	30,785,236
Charge for the year	1,917	79,348	4,526,767	327,847	38,993	167,447	35,850	120,698	-	-	5,298,867
On disposals	-	-	(208)	-	(8,908)	-	-	-	-	-	(9,116)
<b>At 31 December 2015</b>	<b>17,253</b>	<b>932,264</b>	<b>29,680,851</b>	<b>947,574</b>	<b>2,319,118</b>	<b>1,025,707</b>	<b>1,010,307</b>	<b>141,913</b>	<b>-</b>	<b>-</b>	<b>36,074,987</b>
<b>Carrying amount</b>											
At 31 December 2015	2,353,320	1,467,694	107,776,338	1,002,769	92,936	228,659	346,326	193,318	-	4,789,896	118,251,256
<b>At 31 December 2014</b>	<b>1,961,091</b>	<b>1,479,937</b>	<b>109,687,785</b>	<b>949,500</b>	<b>106,920</b>	<b>388,506</b>	<b>157,253</b>	<b>89,327</b>	<b>-</b>	<b>5,334,010</b>	<b>120,154,329</b>

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 3.12.

**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 26). The Company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

**Notes to the Group Financial Statements**

For the year ended 31 December 2015 (cont'd)

**16 Intangible asset**

<b>Group</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>Cost</b>		
At 1 January	3,587,225	3,913,561
Addition	184,660	242,207
Change in Scope (Qala) (Note 16.1)	(156,385)	(181,900)
Disposal	(80,014)	(295,466)
Exchange difference	(792,068)	(91,177)
	<u>2,743,418</u>	<u>3,587,225</u>
<b>Amortization</b>		
At 1 January	1,390,299	1,546,773
Charge for the year	110,954	220,021
Change in Scope (Qala)	-	(40,436)
On disposal	(79,033)	(295,466)
Exchange difference	(227,729)	(40,593)
	<u>1,194,491</u>	<u>1,390,299</u>
<b>Net Book Value</b>	<u>1,548,927</u>	<u>2,196,926</u>

Intangible assets represents largely the value of IT Software in the South African operations.

- 16.1 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.

Qala was treated in Lafarge South Africa Holdings (Pty) Limited books using proportionate consolidation where 50% of the assets, liabilities and income were included in the group financial statements.

Effectively from 1 January 2014, Qala has now been treated using the equity method in line with IFRS 11 – Joint Arrangements.

- 17 Calculation of amount included in Other Comprehensive Income arising from business combination assuming Pooling of Interest method.

	<b>₦'000</b>
Total cash consideration	32,620,000
Total equity consideration	<u>165,503,966</u>
Total purchase consideration	198,123,966
Less:	
Acquirees' share capital	(89,085,617)
Acquirees' share premium	(4,000,957)
Non-controlling interest	<u>56,652,156</u>
<b>Acquisition reserve included in O.C.I at 31 December 2014</b>	<b>161,689,548</b>
Cash Payment consideration (AshakaCem MTO) (See Note 18.1.1)	1,068,289
Equity consideration (AshakaCem MTO) (See Note 18.1.1)	<u>12,660,969</u>
	<b>13,729,258</b>
Ashaka NCI Share Capital taken (23.85% of ₦'000 1,119,727)	(267,072)
UNICEM NCI Share Capital taken over (15% of ₦'000 86,444,156)	<u>(12,966,623)</u>
Amount charged to Other Comprehensive Income	495,563
<b>Total Reserves arising on business combinations</b>	<b><u>162,185,111</u></b>

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

18. Investment

18.1 Investment in subsidiaries

Company	Place of Incorporation	Proportion %	31/12/2015 N'000	Proportion %	31/12/2014 N'000
Lafarge Ready Mix Nigeria Limited	Nigeria	100.00	50,000	100.00	50,000
Ashaka Cement PLC (18.1.1)	Nigeria	82.46	57,432,428	58.61	43,703,170
Atlas Cement Company Limited.	Nigeria	100.00	2,150,944	100.00	2,150,944
United Cement Company of Nigeria Limited	Nigeria	50.00	34,128,314	35.00	34,128,314
Lafarge South Africa Holdings (PTY) Limited (18.1.2)	South Africa	100.00	<u>118,141,539</u>	100.00	<u>118,141,539</u>
			<u>211,903,225</u>		<u>198,173,967</u>

- 18.1.1 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) in 2014, 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 December 10, 2014 and closed on January 23, 2015 following an extension of five (5) working days to the offer period.

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:

- i 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. 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.
- ii The sum of ₦2.00 (Two Naira) per share inclusive of any applicable tax for every AshakaCem share tendered by the shareholders.

When the offer closed, 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 ₦1,068,289,184 to shareholders of AshakaCem whose tendered shares were accepted.

23.85% of AshakaCem Plc's net assets (₦51,261,632,232) which amounted to ₦12,225,899,232 was taken over from minority shareholders after the MTO.

Following the allotment by the Board of Directors, the returns of the MTO was filed and approved by Securities and Exchange Commission.

**Purchase consideration**

	N'000
Cash	1,068,289
Lafarge Africa Share Capital Issued	12,660,969
	<u>13,729,258</u>

**Notes to the Group Financial Statements**

For the year ended 31 December 2015 (cont'd)

**18.1.2 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
Qala Resources (Pty) Limited	–	50% holding

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

**18.2 Other long term investments**

	31/12/2015	Group 31/12/2014
	R'000	R'000
<i>This represents LSAH investments as follows:</i>		
<b>Unlisted investments - available-for-sale:</b>		
Business Partners Limited	7,376	7,376
Pietersburg Mixed Concrete (Proprietary) Limited	177	177
Rand Park Golf Club	53	53
Exchange loss	(2,080)	-
	<u>5,526</u>	<u>7,606</u>

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

**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 at Gombe State in north-eastern region of Nigeria.

The group acquired 58.61% of AshakaCem on 12 September 2014 and an additional 23.85% through a Mandatory Tender Offer (MTO) for the minority shareholdings in AshakaCem Plc in January 2015. Total shareholding in AshakaCem Plc as at 31 December 2015 was 82.46%

Summary of financial position and performance of Ashaka as at 31 December 2015 is shown below:

**Summarized Statement of financial position**

	31/12/2015	31/12/2014
	R'000	R'000
Non-current assets	50,387,130	49,833,615
Current assets	19,982,493	21,693,256
<b>TOTAL ASSETS</b>	<u>70,369,623</u>	<u>71,526,871</u>
Total equity	43,710,058	30,044,443
Non-controlling interest	9,297,531	21,217,189
Non-current liabilities	9,904,109	12,136,626
Current liabilities	7,457,925	8,128,613
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>70,369,623</u>	<u>71,526,871</u>

**Notes to the Group Financial Statements**

For the year ended 31 December 2015 (cont'd)

**Summarized Statement of comprehensive income**

	31/12/2015	31/12/2014
	N'000	N'000
Revenue	17,414,893	21,133,974
Profit from continuing operations	2,756,878	4,566,668
Profit attributable to the owners of the company	2,273,322	2,676,524
Profit attributable to the non-controlling interests	483,556	1,890,144
Other Comprehensive income/(loss)	(3,167)	473,495
Total Comprehensive income	2,753,711	5,391,473

**Summarized Statement of Cash Flows**

Net cashflows from operating activities	(3,879,764)	2,190,472
Net cashflows from investment activities	(1,242,640)	(1,535,972)
Net cashflows from financing activities	(1,007,754)	(940,570)

**18.2c Disclosure of Equity with Non-Controlling Interest within the group (cont'd)****Investment in UNICEM**

At the beginning of the year, Lafarge Africa Plc's indirect investment in UNICEM was ₦34.13 billion representing 35% equity stake in the company. UNICEM then was an associate company. In September, 2015, UNICEM became a subsidiary with Lafarge Africa Plc owning 50% indirect equity investment in the Company through Egyptian Cement holdings (ECH). Lafarge Africa owns 50% equity in ECH, a company jointly owned by Holcim and which owns 100% equity investment in Nigerian Cement Holdings (NCH). The total Investment in UNICEM as at 31 December 2015 remained at ₦34.13 billion as no additional investment was made in the acquisition of additional interests in the Company. The additional 15% of UNICEM's net assets (₦15,628,560,000) amounting to ₦2,344,284,000 was taken over from the minority shareholders.

Summary of financial position and performance of UNICEM as at 31 December 2015 is shown below:

**Summary Statement of financial position**

	31/12/015	31/12/2014
	N'000	N'000
Non-current assets	169,353,735	125,802,804
Current assets	14,180,324	15,956,005
<b>TOTAL ASSETS</b>	<b>183,534,059</b>	<b>141,758,809</b>
Total equity attributable to the parent of the company	5,677,022	5,469,996
Total equity attributable to non-controlling interests	5,677,022	10,158,564
Non-current liabilities	147,718,416	109,620,410
Current liabilities	24,461,599	16,509,841
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>183,534,059</b>	<b>141,758,809</b>

**Summary Statement of comprehensive income**

	31/12/015	31/12/2014
	N'000	N'000
Revenue	54,299,020	54,965,662
Loss from continuing operations	(4,235,322)	(3,277,473)
Attributable to the parent of the company	(2,117,661)	(1,147,116)
Attributable to non-controlling interests	(2,117,661)	(2,130,357)
Other Comprehensive income/(loss)	(39,194)	(109,302)
Total Comprehensive income	(4,274,516)	(3,386,776)

**Summarized Statement of Cash Flows**

Net cashflows from operating activities	20,083,454	2,292,715
Net cashflows from investment activities	(51,065,792)	(18,691,536)
Net cashflows from financing activities	25,760,000	10,520,856

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

18.2d Investment in Associates

	Group	
	31/12/2015	31/12/2014
	₦'000	₦'000
Investment in QALA (Note 18.2e)		
At January 1	43,208	43,208
Share of income /(loss) from QALA	(4,811)	-
Exchange loss	(10,988)	-
	<u>27,409</u>	<u>43,208</u>

18.2e Investment in QALA

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.

Qala was treated in Lafarge South Africa Holdings (Pty) Limited books using proportionate consolidation where 50% of the assets, liabilities and income were included in the group financial statements.

Effectively from 1 January 2014, Qala has now been treated using the equity method in line with IFRS 11 – Joint Arrangements.

19 Other Assets

	Group	
	31/12/2015	31/12/2014
	₦'000	₦'000
Other assets		
Luciama Hospital (note 19.1)	116,461	163,045
Deferred charges (note 19.2)	429,081	1,424,051
	<u>545,542</u>	<u>1,587,096</u>

19.1 Luciama Hospital

This amount relates to the rent/lease for 10 years for the use of Luciama Memorial Hospital. The current portion of Luciama Memorial Hospital is amortised to the profit and loss account through the prepayment account.

19.2 Deferred charges

This amount relates to the car grants paid in advance to the employees of UNICEM in accordance with the entity's car policy and apartment rentals spanning over one year. The car grant advance relates to a period of 4 years and will be amortised accordingly.

20 Inventories

	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	₦'000	₦'000	₦'000	₦'000
Raw materials	6,690,475	8,537,566	3,136,585	3,460,190
Work-in-progress	2,087,437	1,588,386	285,189	337,209
Finished and semi-finished goods	6,687,538	5,513,735	2,590,785	2,267,451
Spare parts	18,593,031	17,369,127	8,359,268	7,646,765
Other supplies	2,511,703	2,587,629	2,130,708	2,171,154
	<u>36,570,184</u>	<u>35,596,443</u>	<u>16,502,535</u>	<u>15,882,769</u>
Allowance for obsolescence	(3,542,869)	(4,051,383)	(759,633)	(658,029)
	<u>33,027,315</u>	<u>31,545,060</u>	<u>15,742,902</u>	<u>15,224,740</u>

The cost of inventories recognised as an expense during the year in respect of continuing operations was ₦28.69b, (FY-2014: ₦40.22b) and ₦16.55b, (FY-2014 : ₦14.66) for group and company respectively.

**Notes to the Group Financial Statements**

For the year ended 31 December 2015 (cont'd)

21	Trade and other receivables	Group		Company	
		31/12/2015	31/12/2014	31/12/2015	31/12/2014
	Trade receivables	₦'000	₦'000	₦'000	₦'000
	Third party sales	8,676,917	8,748,857	774,086	646,253
	Related party sales (see note 37a)	-	-	1,125,933	932,301
	Deferred rebates	(1,132,674)	(1,265,945)	28,754	35,597
	Allowance for doubtful trade receivables	(161,616)	(73,741)	-	-
		<u>7,382,627</u>	<u>7,409,171</u>	<u>1,928,773</u>	<u>1,614,151</u>
	<b>Other receivables</b>				
	Prepaid expenses	1,793,042	2,011,487	809,057	842,308
	Advance payments to suppliers	5,718,774	6,262,739	444,276	491,731
	Related companies (see note 37b)	1,624,759	1,557,218	5,198,827	3,754,039
	Offshore commitments	926,807	665,042	926,807	665,042
	Staff debtors	91,026	418,579	41,312	59,104
	Employee share scheme	2,756	38,532	-	-
	Accrued interest receivable (a)	409,681	-	1,203,169	-
	Insurance claim receivable (Note 21.2)	203,452	287,909	-	287,909
	Unutilised letters of credit (b)	4,232,754	-	-	-
	Sundry debtors	585,131	698,030	-	-
	Other current receivables (c)	712,564	711,141	207,010	-
	Allowance for other doubtful receivables	(208,912)	(229,656)	-	-
		<u>16,091,834</u>	<u>12,421,021</u>	<u>8,830,458</u>	<u>6,100,133</u>
		<u>23,474,461</u>	<u>19,830,192</u>	<u>10,759,231</u>	<u>7,714,284</u>

- (a) Accrued interest receivable relates to accumulated interest on the USD 50 million loan to Nigerian Cement Holdings by LAP for the acquisition of additional 15% equity stake in UNICEM
- (b) This represents letters of credit already issued in respect of the expansion project in Ashaka. The project has been suspended in view of the security situation in the area.
- (c) Other current receivables comprise receivables for services (including Lafarge group fellow subsidiaries), QALA loans and other non-operating receivables."

**21.1 Movement in allowance for doubtful receivables**

Trade receivables	31/12/2015	31/12/2014
	₦'000	₦'000
At 1 January	73,741	70,943
Bad debt written off	(64,606)	-
Charge during the year	113,893	15,585
Write back during the year	38,588	-
Other	-	(12,787)
<b>At 31 December</b>	<u>161,616</u>	<u>73,741</u>
<b>Other Receivables</b>		
At 1 January	229,656	378,982
Write back during the year	(20,744)	(149,326)
<b>At 31 December</b>	<u>208,912</u>	<u>229,656</u>

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

**21.2 Insurance claim receivable**

Insurance claim receivable includes amount receivable from insurance companies in respect of damaged items of mobile plant in the Group's South African operations

**Notes to the Group Financial Statements**

For the year ended 31 December 2015 (cont'd)

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 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 Lafarge South Africa and Ashaka cement:**

	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	N'000	N'000	N'000	N'000
31 - 60 days	393,948	451,459	-	-
60 - 90 days	87,636	78,916	-	-
Over 90 days	84,312	121,326	-	-
	<u>565,896</u>	<u>651,701</u>	<u>-</u>	<u>-</u>

**Ageing of receivables that are past due and impaired for Lafarge South Africa and Ashaka cement:**

31 - 60 days	4,276	14,751	-	-
60 - 90 days	9,402	4,982	-	-
Over 90 days	147,938	54,008	-	-
	<u>161,616</u>	<u>73,741</u>	<u>-</u>	<u>-</u>

**22 Cash and cash equivalents**

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	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	N'000	N'000	N'000	N'000
Restricted cash	<u>2,188,089</u>	2,097,687	<u>-</u>	<u>-</u>
Short term investments	-	8,877,112	-	-
Cash in hand and at bank	<u>16,493,209</u>	11,453,006	<u>6,476,368</u>	2,360,238
	<u>16,493,209</u>	20,330,118	<u>6,476,368</u>	2,360,238
Overdraft	<u>(3,334,239)</u>	(2,870,628)	<u>(2,434,475)</u>	(717,382)
	<u>13,158,970</u>	17,459,490	<u>4,041,893</u>	1,642,856

Cash and cash equivalents comprise cash and bank balances, short term securities with maturities of three months or less.

Restricted cash represents deposit with the bank held against any default in interest payment on due dates: Amount (stated in N'000) DSRA GTBank - ₦2,021,241 and Zenith Bank ₦166,848 - Nil (31/12/2014: DSRA GTBank ₦1,932,463 and Zenith Bank - ₦165,224)

**Notes to the Group Financial Statements**

For the year ended 31 December 2015 (cont'd)

## 22.1 Other non-cash movements

Group	
31/12/2015	31/12/2014
N'000	N'000
<u>11,422,204</u>	<u>7,664,963</u>

Included in Other non-cash movements are exchange differences and interest charges amounting to ₦7.2 billion and ₦3.0 billion respectively.

## 23 Reconciliation of cash flow changes in working capital

	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	N'000	N'000	N'000	N'000
Decrease / (Increase) in inventories	(1,482,259)	(4,152,514)	(518,162)	(3,579,121)
Decrease / (Increase) in trade and other receivables	(3,066,030)	(5,780,997)	(3,044,947)	(2,877,126)
(Decrease) / Increase in trade and other payables	10,347,765	7,006,518	5,958,586	6,185,493
<b>Movements in operating working capital items</b>	<u>5,799,476</u>	<u>(2,926,993)</u>	<u>2,395,477</u>	<u>(270,754)</u>
Employee benefit paid on retirement benefit obligation	(3,417,827)	(840,303)	(747,080)	(274,752)
(Decrease in deferred revenue)	-	(204,614)	-	-
Net movement in provisions	535,117	280,897	(625,411)	45,141
<b>Other movements / adjustments</b>	<u>(2,882,710)</u>	<u>(764,020)</u>	<u>(1,372,491)</u>	<u>(229,611)</u>
<b>Changes in working capital</b>	<u>2,916,766</u>	<u>(3,691,013)</u>	<u>1,022,986</u>	<u>(500,365)</u>

## 24 Income tax

	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	N'000	N'000	N'000	N'000
<b>At 1 January</b>	1,045,133	512,131	742,539	711,982
Payments during the year	(2,251,507)	(3,009,083)	(337,250)	(335,608)
Current income tax charged for the year	1,161,779	3,142,542	-	-
Capital gains tax charge	2,370	-	-	-
Education tax charged for the year	201,561	333,258	201,561	333,258
Prior year over / under provision on current tax	-	32,907	-	32,907
Effect of pioneer status	-	-	-	-
Charge for the year (Note 11)	<u>1,365,710</u>	<u>3,508,707</u>	<u>201,561</u>	<u>366,165</u>
Change in scope (Note 18)	-	5,130	-	-
Exchange rate difference	227,690	28,248	-	-
<b>At 31 December</b>	<u>387,026</u>	<u>1,045,133</u>	<u>606,850</u>	<u>742,539</u>
<b>Made up of</b>				
Current tax payable	1,268,688	1,553,878	606,850	742,539
Current tax receivable	<u>(881,662)</u>	<u>(508,745)</u>	<u>-</u>	<u>-</u>
	<u>387,026</u>	<u>1,045,133</u>	<u>606,850</u>	<u>742,539</u>

**Notes to the Group Financial Statements**

For the year ended 31 December 2015 (cont'd)

24.1 Deferred taxation Group	31/12/2015					
	Balance at beginning of year N'000	(Expense) income N'000	Recorded in other Compre- hensive Income N'000	Exchange rate differences N'000	Other scope changes (Note 18.2e) N'000	Balance at end of year N'000
Deferred tax liabilities in relation to:						
Property, Plant and Equipment	38,992,880	(122,711)	-	(2,221,702)	-	36,648,467
Provisions and other liabilities	(5,038,580)	1,196,220	22,452	496,637	-	(3,323,271)
Revaluation reserve	953	-	-	-	-	953
Retirement obligation	18,230	-	(164,475)	-	-	(146,245)
Prepayments	46,027	233	-	(12,631)	-	33,629
Provision for doubtful debtors	(11,825)	(12,799)	-	5,447	-	(19,177)
Operating lease liability	(129,334)	(5,185)	-	22,357	-	(112,162)
Others	-	(144,872)	-	-	-	(144,872)
	<u>33,878,350</u>	<u>910,886</u>	<u>(142,023)</u>	<u>(1,709,892)</u>	<u>-</u>	<u>32,937,322</u>

Group	31/12/2014					
	Balance at beginning of year N'000	(Expense)/ income N'000	Recorded in other Compre- hensive Income N'000	Exchange rate differences N'000	Other scope changes (Note 18.2e) 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)
	<u>30,788,862</u>	<u>3,029,054</u>	<u>330,824</u>	<u>(274,282)</u>	<u>3,893</u>	<u>33,878,350</u>

Company	31/12/2015				
	Balance at beginning of year N'000	(Expense)/ Income N'000	Recorded in Other Compre- hensive income N'000	Exchange rate differences N'000	Balance at end of year N'000
Deferred tax liabilities in relation to:					
Property, Plant and Equipment	19,617,536	-	-	-	19,617,536
Provisions and other liabilities	(1,600,978)	1,192,331	-	-	(408,647)
Revaluation reserve	953	-	-	-	953
Retirement obligation	3,545	-	(167,642)	-	(164,097)
Others	-	(144,872)	-	-	(144,872)
	<u>18,021,055</u>	<u>1,047,459</u>	<u>(167,642)</u>	<u>-</u>	<u>18,900,872</u>

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

**Company (cont'd)**

**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
	<u>14,241,071</u>	<u>3,626,686</u>	<u>153,299</u>	-	<u>18,021,055</u>

**Deferred tax Balance**

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

	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	N'000	N'000	N'000	N'000
Deferred Tax assets	447,942	294,629	-	-
Deferred Tax liabilities	<u>(33,385,264)</u>	<u>(34,172,979)</u>	<u>(18,900,872)</u>	<u>(18,021,055)</u>
	<u>(32,937,322)</u>	<u>(33,878,350)</u>	<u>(18,900,872)</u>	<u>(18,021,055)</u>

**25 Retirement benefit obligations**

**25.1 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.

**25.2 Defined benefit plan - End of service benefits**

At 31 December 2015, the Group discontinued the gratuity scheme for all qualifying staff apart from the South African operations.

**Nigerian entities**

**Lafarge Africa Plc**

The .plans had 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. The "in house" gratuity will be paid to qualifying staff on exit. However, no further liability will be incurred as from 31 December 2015. Subsequent to the closure of the scheme, the remaining liability has been reclassified to other creditors (Note 26).

## Notes to the Group Financial Statements

For the year ended 31 December 2015 (cont'd)

### 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 discontinuing the actuarial valuation were as follows:

Financial assumptions	31/12/015	31/12/2014
Discount rate (p.a)	15%	15%
Average pay increase (p.a)	13%	13%
Average rate of inflation (p.a)	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.

	Sample age	No. of death
	25	7
	30	7
	35	9
	40	14
	45	26

Withdrawal from Service	Age Band	Rate
	≤ 30	3.0%
	31 - 39	2.0%
	40 - 49	1.0%
	50 - 60	0.0%

#### Ashaka Cement Plc

The Group which operated an unfunded defined benefit plan (gratuity) for its qualifying employees discontinued the plan on 31 December 2015. Under the plan, the employees were entitled to retirement benefits on attainment of a retirement age of 55. No other post-retirement benefits was provided to these employees. The present value of the defined benefit obligation, and the related current service cost and past service cost as at the date of discontinuance, were measured using the Projected Unit Credit Method.

Financial assumptions	31/12/015	31/12/2014
	%	%
Discount rate	14.5	12.5
Expected rate(s) of salary increases	11	11
Average rate of inflation	9	9

**Notes to the Group Financial Statements**

For the year ended 31 December 2015 (cont'd)

**Demographic assumptions****Mortality in Service**

The rates of mortality assumed for employees were 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	No. of death
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%

**Atlas Cement Limited**

Financial assumptions	31/12/2015	31/12/2014
	%	%
Discount rate	15	15
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	No. of death
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	31/12/2015	31/12/2014
Discount rate (p.a)	9.2%	9.2%
Medical Inflation (Year 1 to Year 3)	8.7%	8.7%
Salary inflation (p.a)	7.6%	7.6%
Normal retirement age	63 years	63 years

**Notes to the Group Financial Statements**  
 For the year ended 31 December 2015 (cont'd)

## 25.3 Retirement benefit obligations

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

	Group		Company	
	31/12/015 N'000	31/12/2014 N'000	31/12/2015 N'000	31/12/2014 N'000
Service cost	771,321	729,866	378,822	381,000
Net interest expense	921,314	1,065,979	552,888	483,675
Curtailment (gains) / losses	558,806	(5,224)	558,806	-
Components of defined benefit costs recognised in profit or loss	<u>2,251,441</u>	<u>1,790,621</u>	<u>1,490,516</u>	<u>864,675</u>

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

	Group		Company	
	31/12/015 N'000	31/12/2014 N'000	31/12/2015 N'000	31/12/2014 N'000
Actuarial (gains) losses	(40,992)	(994,526)	-	(510,997)
Components of defined benefit costs recognised in Other comprehensive income	(40,992)	(994,526)	-	(510,997)
<b>Total</b>	<u>2,210,449</u>	<u>796,095</u>	<u>1,490,516</u>	<u>353,678</u>

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

	31/12/015 N'000	31/12/2014 N'000	31/12/2015 N'000	31/12/2014 N'000
Present value of defined benefit obligations	1,496,257	8,978,941	-	3,833,426
Funded status (Deficit)	1,496,257	8,978,941	-	3,833,426
<b>Liability recognised in the statement of financial position</b>	<u>1,496,257</u>	<u>8,978,941</u>	<u>-</u>	<u>3,833,426</u>

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

	31/12/015 N'000	31/12/2014 N'000	31/12/2015 N'000	31/12/2014 N'000
At 1 January	8,978,941	9,209,347	3,833,426	3,754,500
Service cost	771,321	729,866	378,822	381,000
Interest cost	921,314	1,065,979	552,888	483,675
<i>Remeasurement losses:</i>				
Actuarial (gains) / losses – Change in assumptions	(33,501)	(848,271)	-	(692,773)
Actuarial (gains) / losses – experience adjustment	(7,491)	(146,255)	-	181,776
Curtailment (gains) / losses	558,806	(5,224)	558,806	-
Benefits paid	(3,504,861)	(1,001,390)	(747,080)	(274,752)
Exchange difference	(559,955)	(25,111)	-	-
Reclassified to current and long term liabilities (Notes 27 and 30)	(5,628,317)	-	(4,576,862)	-
<b>At 31 December</b>	<u>1,496,257</u>	<u>8,978,941</u>	<u>-</u>	<u>3,833,426</u>

**Reconciliation of Change in Benefit Obligation**

	31/12/015 N'000	31/12/2014 N'000	31/12/2015 N'000	31/12/2014 N'000
Net liability beginning of period	8,978,941	9,209,347	3,833,426	3,754,500
Net periodic pension cost (Profit or loss)	2,251,441	1,790,621	1,490,516	864,675
Benefits paid during the year	(3,504,861)	(1,001,390)	(747,080)	(274,752)
Amount recognised in other comprehensive income	(40,992)	(994,526)	-	(510,997)
Exchange difference	(559,955)	(25,111)	-	-
Reclassified to current and long term liabilities	(5,628,317)	-	(4,576,862)	-
<b>Net liability end of period</b>	<u>1,496,257</u>	<u>8,978,941</u>	<u>-</u>	<u>3,833,426</u>

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

26 **Borrowings**

	Group		Company	
	31/12/2015 N'000	31/12/2014 N'000	31/12/2015 N'000	31/12/2014 N'000
Non- current liability	142,942,565	116,001,594	5,672,992	7,057,436
Current liability	<u>2,011,056</u>	<u>2,263,675</u>	<u>4,884,444</u>	<u>3,384,444</u>
	<u>144,953,621</u>	<u>118,265,269</u>	<u>10,557,436</u>	<u>10,441,880</u>
<b>Split into:</b>				
Power Fund (i)	7,057,436	8,441,880	7,057,436	8,441,880
Preference share loans (ii)	1,641,504	2,668,188	-	-
Related party loan (iii)	-	-	3,500,000	2,000,000
Shareholders' loans (iv)	54,345,861	45,579,742	-	-
Bank loans (v)	<u>81,908,820</u>	<u>61,575,459</u>	-	-
Total Debt	<u>144,953,621</u>	<u>118,265,269</u>	<u>10,557,436</u>	<u>10,441,880</u>

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

ii. Additional information about the preference share loans from Lafarge South Africa is provided below:

Secured loans	Maturity date on demand	Nominal Interest rate %	Group	
			2015 N'000	2014 N'000
Nedbank "A" Preference shares (Secured)	2016 and redeemable on a 6 monthly basis from dividend income	At 65% of prime	1,397,209	2,234,441
Nedbank "C" Preference shares (Secured)	2017 and redeemable in December	At 69% of prime	114,658	147,106
ABSA Preference share (Secured)	2017 and redeemable on a 6 monthly instalment of various amounts	At 88% of prime	129,637	286,641
			<u>1,641,504</u>	<u>2,668,188</u>

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.

iii **Related party loan**

The related party loan granted the company on 31 December 2014 was a short term loan received from AshakaCem Plc. The loan was unsecured and accrued interest at 13.5% per annum. The outstanding balance as at the end of the year was ₦3.5 billion.

**Type of Loan**

iv	SHAREHOLDERS LOANS	Currency	Nominal Interest rate	Secured/ Unsecured	2015	2014
					N'000	N'000
	Nigerian Cement Holding B.V. - Principal	USD	5.7%	Unsecured	26,809,883	22,610,835
	Nigerian Cement Holding B.V. - Interest	USD		Unsecured	9,419,367	6,567,997
	FMN Cement Ind. Nigeria Ltd - Principal	Naira		Unsecured	-	6,215,666
	FMN Cement Ind. Nigeria Ltd - Interest	Naira		Unsecured	-	6,362,411
	Holderfin Loan Principal (USD)	USD	5.7%	Unsecured	13,211,138	-
	Holderfin Loan Interest (USD)	USD		Unsecured	372,704	-
	Others				4,532,769	3,822,833
	<b>Total</b>				<u>54,345,861</u>	<u>45,579,742</u>

## Notes to the Group Financial Statements

For the year ended 31 December 2015 (cont'd)

The rate of interest on the loan from Nigerian Cement B.V. is the aggregate of the applicable margin (5.7%) and L I B O R , while the rate of interest on the loan from FMN Cement Industries Nigeria Limited is the aggregate of the applicable margin (14.5%) and MRR or an average of NIBOR for the last 60 days.

				31/12/015 N'000	31/12/2014 N'000
<b>v</b>	<b>BANK LOANS</b>				
	Guaranty Trust Bank Plc	Naira	15.57% Secured	18,500,000	18,500,000
	GTB/BOI	Naira	4.00% Secured	1,976,888	2,095,459
	Zenith Bank Plc	USD	7.53% Secured	8,216,088	6,929,258
	Zenith Bank Plc	Naira	15.57% Secured	11,858,752	6,857,720
	First Bank Plc	Naira	14.00% Secured	15,295,084	9,697,936
	First Bank Plc	USD	7.53% Secured	3,587,184	3,025,348
	Ecobank Plc	Naira	15.57% Secured	7,012,205	4,352,223
	Ecobank Plc	USD	7.53% Secured	2,979,994	2,513,258
	UBA Plc	Naira	15.57% Secured	10,333,959	5,792,122
	UBA Plc	USD	7.53% Secured	2,148,666	1,812,135
	<b>Total debt</b>			<u>81,908,820</u>	<u>61,575,459</u>

The rate of interest on the USD Bank loan is 7.53% LIBOR and applicable margin and the Naira Bank loan is 15.57% NIBOR.

The loans are secured on a negative pledge on the assets of the company.

Loan Movements	Group		Company	
	31/12/2015 N'000	12/12/2014 N'000	31/12/2015 N'000	31/12/2014 N'000
At 1 January	118,906,789	122,708,718	10,441,880	21,511,292
Loans raised during the year	17,035,756	13,340,000	-	-
Accrued interest	248,629	312,903	-	-
Capitalised interest	3,014,150	2,715,807	-	-
Intercompany loan	-	-	1,500,000	2,000,000
Amortised cost adjustment	409,229	1,360,188	-	-
Repayment of external borrowings	(1,888,180)	(24,106,934)	(1,384,444)	(13,069,412)
Exchange difference	7,227,248	1,934,587	-	-
<b>At 31 December</b>	<u>144,953,621</u>	<u>118,256,269</u>	<u>10,557,436</u>	<u>10,441,880</u>

## Maturity profile of borrowings

The outstanding loan amounts are payable as follows:

	31/12/2015 N'000	12/12/2014 N'000	31/12/2015 N'000	31/12/2014 N'000
Less than one year	9,488,441	2,497,764	4,884,444	3,384,444
Between one and two years	67,748,773	9,593,015	1,384,444	1,384,444
Between two to five years	39,123,232	69,684,933	4,153,332	4,153,333
After five years	28,593,175	36,489,557	135,216	1,519,659
	<u>144,953,621</u>	<u>118,265,269</u>	<u>10,557,436</u>	<u>10,441,880</u>

## 27 Trade and other payables

Trade payables	Group		Company	
	31/12/2015 N'000	12/12/2014 N'000	31/12/2015 N'000	31/12/2014 N'000
Trade payables	28,020,304	27,883,910	7,523,698	10,032,633
Trade creditors- accruals	21,277,771	10,720,250	13,551,697	7,749,404
Technical fee (Note 27.1)	7,052,288	7,857,241	3,346,582	2,360,434
	<u>56,350,363</u>	<u>46,461,401</u>	<u>24,421,977</u>	<u>20,142,471</u>

**Notes to the Group Financial Statements**

For the year ended 31 December 2015 (cont'd)

**Defined Benefit Obligation**

Retirement benefits obligation* (Note 25)	<u>2,422,893</u>	<u>-</u>	<u>2,422,893</u>	<u>-</u>
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\* This was paid in January 2016 to all qualifying staff

	Group		Company	
	2015	2014	2015	2014
	N'000	N'000	N'000	N'000
<b>Other payables</b>				
Customers' deposits	9,299,282	13,242,390	6,386,585	8,509,356
Related companies (see note 37b)	1,864,540	2,195,166	488,084	585,322
Withholding tax payable	1,461,352	381,643	790,246	123,921
Value added tax payable	1,630,250	834,232	1,074,927	463,710
Accrued interest	1,225,392	1,253,412	760,452	596,716
Other employee costs	999,100	1,529,155	302,768	276,697
Advance rent received	3,587	4,155	3,587	4,155
Professional fees	24,280	38,807	18,680	32,188
Accruals	1,125,705	975,449	22,922	-
Other payables(a)	439,847	547,355	-	-
	<u>18,073,335</u>	<u>21,001,764</u>	<u>9,848,251</u>	<u>10,592,065</u>
	<u>76,846,591</u>	<u>67,463,165</u>	<u>36,693,121</u>	<u>30,734,536</u>

**27.1 LafargeHolcim Technical fee**

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

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

The provision by LafargeHolcim of technical and operational support through the secondment of suitably qualified expatriate personnel, as requested by Lafarge Africa Plc and approved by the Federal Government of Nigeria;

The guarantee by LafargeHolcim of the achievement of raw material reserves and production targets by Lafarge Africa Plc.

**28 Deferred revenue**

	Group		Company	
	2015	2014	2015	2014
	N'000	N'000	N'000	N'000
Deferred income	2,603,184	2,837,902	812,808	842,912
Grant released to profit or loss (note 12)	<u>(234,718)</u>	<u>(234,718)</u>	<u>(30,104)</u>	<u>(30,104)</u>
	<u>2,368,466</u>	<u>2,603,184</u>	<u>782,704</u>	<u>812,808</u>
Current	234,718	234,718	30,104	30,104
Non-current	<u>2,133,748</u>	<u>2,368,466</u>	<u>752,600</u>	<u>782,704</u>
	<u>2,368,466</u>	<u>2,603,184</u>	<u>782,704</u>	<u>812,808</u>

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.

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

29a	<b>Share Capital</b>	Group		Company
		<b>31/12/2015</b>	31/12/2014	<b>31/12/2015</b>
		<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
	<b>Authorised:</b>			
	10000000000 ordinary shares of 50k each	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
	Issued and fully paid			
	Ordinary shares of 50 kobo each			
			<b>No of shares</b>	<b>Share capital</b>
			<b>₦'000</b>	<b>₦'000</b>
	At 1 January 2015		4,404,176	2,202,088
	Issued during year		<u>150,726</u>	<u>75,363</u>
	At 31 December 2015		<u>4,554,902</u>	<u>2,277,451</u>
	At 1 January 2014		3,001,600	1,500,800
	Issued during the year		<u>1,402,576</u>	<u>701,288</u>
	At 31 December 2014		<u>4,404,176</u>	<u>2,202,088</u>

A total of 150,725,822 units of the ordinary shares of Lafarge Africa Plc were issued to the shareholders of AshakaCem who tendered their shares in the Mandatory tender offer. The ordinary shares of 50k each were issued at ₦84 per share thereby increasing share capital and share premium by ₦75,362,911 and ₦12,585,606,137 respectively as at 31 December 2015.

29b	<b>Share Premium</b>		<b>No of shares</b>	<b>Share Premium</b>
			<b>₦'000</b>	<b>₦'000</b>
	At 1 January 2015		4,404,176	173,997,568
	Issued during the year		150,726	12,585,606
	Transactional share issue costs		-	(163,186)
	<b>At 31 December 2015</b>		<u>4,554,902</u>	<u>186,419,988</u>
	At 1 January 2014		3,001,600	9,488,747
	Issued during the year		1,402,576	164,802,678
	Transactional share issue costs		-	(293,857)
	<b>At 31 December 2014</b>		<u>4,404,176</u>	<u>173,997,568</u>

29c **Dividend paid**

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

	Group		Company
	<b>31/12/2015</b>	31/12/2014	<b>31/12/2015</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
Lafarge Africa Plc	12,991,527	9,905,280	12,991,527
AshakaCem	-	551,267	-
Lafarge South Africa Holdings Limited	-	4,109,401	-
Paid to Non Controlling Interest	<u>176,760</u>	<u>389,303</u>	<u>-</u>
<b>Total</b>	<u>13,168,287</u>	<u>14,955,251</u>	<u>12,991,527</u>

## Notes to the Group Financial Statements

For the year ended 31 December 2015 (cont'd)

All dividends paid in 2014 were paid to the ultimate holding company Financiere Lafarge prior to the merger of Nigeria and South Africa operations.

AshakaCem Plc proposed dividend of 45kobo per its Ordinary shares of 50kobo each on the 2,239,453,125 existing ordinary shares. 82.46% of the proposed dividend amounting to ₦831million was paid to Lafarge Africa Plc and ₦177million paid to non-controlling members of AshakaCem Plc. Total AshakaCem Plc dividend paid was ₦1.008 billion.

29d	Dividend payable	Group		Company	
		31/12/2015	31/12/2014	31/12/2015	31/12/2014
		₦'000	₦'000	₦'000	₦'000
	Dividend declared	16,397,647	14,955,251	16,397,647	9,905,280
	Unclaimed dividend	421,897	-	421,897	-
		<u>16,819,544</u>	<u>14,955,251</u>	<u>16,819,544</u>	<u>9,905,280</u>
	Payment	(12,991,527)	(14,955,251)	(12,991,527)	(9,905,280)
	<b>Dividend payable</b>	<u><b>3,828,017</b></u>	<u>-</u>	<u><b>3,828,017</b></u>	<u>-</u>

### 29e Proposed dividend

At the Board of Directors' meeting held on 16 March, 2016, the directors proposed that a dividend of 300 kobo (2014: 360kobo) per ordinary share would be paid to the shareholders of Lafarge Africa Plc. In addition, a bonus of 1 for 10 has also been proposed for members whose names appear in the Register of members at the close of business on 22, April, 2016.

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

### 30 Other long -term liabilities

	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	₦'000	₦'000	₦'000	₦'000
LG PTY*	389,568	-	-	-
Gypsum LI Division*	759,997	-	-	-
	<u>1,149,565</u>	<u>-</u>	<u>-</u>	<u>-</u>
Retirement benefit obligations**	3,205,426	-	2,153,969	-
	<u><b>4,354,991</b></u>	<u>-</u>	<u><b>2,153,969</b></u>	<u>-</u>

\* This Amount is due by Lafarge to Lafarge Gypsum - which is now directly owned by Financiere Lafarge (FLAF) in Paris - resulted from Lafarge Treasury collecting the Proceeds from the ultimate disposal of the Gypsum Net Assets to Etex in November. These 'surplus' funds will be used to enable LG Pty to refund their Loan granted to it by FLAF. This Refund exercise will include an additional R81m held in trust pending the transfer of property titles during March.

\*\* This represents the liability on the frozen in-house gratuity scheme payable to qualifying staff on exit. (Note 25).

### 30.1 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 2015 (cont'd)

**31 Non- Controlling Interest**

	Group	
	31/12/2015	31/12/2014
	N'000	N'000
<b>At 1 January</b>	<b>75,204,485</b>	<b>19,520,368</b>
Share of profit for the year	(1,634,105)	(240,214)
Share of UNICEM NCI share capital @ 65%	-	56,188,701
Actuarial (loss) / gain on Employees long-term benefits	(20,152)	124,933
Acquisition of additional 23.85% of Ashaka NCI	(12,225,899)	-
Acquisition of additional 15% of UNICEM share capital	(2,344,284)	-
Dividend paid	(176,760)	(389,303)
<b>At 31 December</b>	<b><u>58,803,285</u></b>	<b><u>75,204,485</u></b>

The Non-controlling interest represent the holdings belonging to non- members of the group in Ashaka Cement Plc and UNICEM for 2015 and 2014 respectively. This represents 17.54% and 41.39% for Ashaka in 2015 and 2014 respectively as well as 50% and 35% for UNICEM in 2015 and 2014 respectively.

**32 Provision**

	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	N'000	N'000	N'000	N'000
Current	1,864,197	1,333,773	1,503,290	917,471
Non-current	<u>3,160,336</u>	<u>3,124,736</u>	<u>1,210,350</u>	<u>742,123</u>
	<u>5,024,533</u>	<u>4,458,509</u>	<u>2,713,640</u>	<u>1,659,594</u>
<b>This is further analysed into:</b>				
Employee benefits (note 32.1)	1,864,197	1,333,773	1,503,290	917,471
Site restoration (note 32.2)	2,576,567	2,618,190	792,578	742,123
Employee share option scheme (note 32.3)	165,997	506,546	-	-
Employee long service award (note 32.4)	417,772	-	417,772	-
	<u>5,024,533</u>	<u>4,458,509</u>	<u>2,713,640</u>	<u>1,659,594</u>

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

## 32 Employee benefits

Group	Restructuring cost	Employee Profit Share Scheme	Productivity Bonus	Total
				N'000
At January 1 2014	14,209	729,023	816,289	1,559,521
Expense for the period	-	697,705	691,050	1,388,755
Payment	(14,209)	(716,718)	(844,513)	(1,575,440)
Exchange difference	-	-	(39,063)	(39,063)
At December 31 2014	-	710,010	623,763	1,333,773
Expense for the period	-	887,404	1,236,559	2,123,963
Payment	-	(712,428)	(762,613)	(1,475,041)
Exchange difference	-	-	(118,498)	(118,498)
At 31 December 2015	-	884,986	979,211	1,864,197

Company	Restructuring cost	Employee Profit Share Scheme	Productivity Bonus	Total
				N'000
At 1 January 2014	14,209	729,023	230,723	973,955
Expense for the period	-	697,705	309,074	1,006,779
Payment	(14,209)	(716,718)	(332,336)	(1,063,263)
At December 31 2014	-	710,010	207,461	917,471
Expense for the period	-	887,404	772,850	1,660,254
Payment	-	(712,428)	(362,007)	(1,074,435)
At 31 December 2015	-	884,986	618,304	1,503,290

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.

## 32 Site restoration

	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
At 1 January	2,618,190	2,205,128	742,123	640,498
Expense for the period	503,561	468,127	121,649	120,492
Payment	(71,194)	(28,638)	(71,194)	(18,867)
Change in scope (Note 18.2)	-	(9,968)	-	-
Exchange difference	(473,990)	(16,459)	-	-
Balance at end of period	2,576,567	2,618,190	792,578	742,123

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.

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

### 32.3 Employee share option scheme

	Group	
	31/12/2015	31/12/2014
	N'000	N'000
At 1 January	506,546	416,533
Expense for the period	(244,169)	86,313
Exchange difference	<u>(96,380)</u>	<u>3,700</u>
<b>Balance at end of period</b>	<b><u>165,997</u></b>	<b><u>506,546</u></b>

The employee share option scheme is a bonus scheme whereby bonuses are computed based on performance criteria of respective companies under Lafarge South Africa Holdings (Pty) Limited.

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%)

### 32.4 Employee long service award

The amount included in the statement of financial position arising from the Group's obligations in respect of its employee long service award schemes is as follows:

	Group		Company	
	31/12/ 2015	31/12/2014	31/12/ 2015	31/12/2014
	N'000	N'000	N'000	N'000
At 1 January	-	-	-	-
Service cost	450,203	-	450,203	-
Interest cost	28,937	-	28,937	-
Benefit paid	(49,388)	-	(49,388)	-
Recorded in Other Comprehensive Income	<u>(11,980)</u>	<u>-</u>	<u>(11,980)</u>	<u>-</u>
<b>Liability recognised in the statement of financial position</b>	<b><u>417,772</u></b>	<b><u>-</u></b>	<b><u>417,772</u></b>	<b><u>-</u></b>

Movement in net service cost are as a result of the changes in assumptions used during the period.

Amount recognised in profit or loss in respect of this employee long service award schemes is as follows:

	Group		Company	
	31/12/ 2015	31/12/2014	31/12/ 2015	31/12/2014
	N'000	N'000	N'000	N'000
Current service cost	360,369	89,834	360,369	89,834
Interest cost	<u>-</u>	<u>-</u>	<u>28,937</u>	<u>-</u>
	<b><u>360,369</u></b>	<b><u>89,834</u></b>	<b><u>389,306</u></b>	<b><u>89,834</u></b>
Recognised in OCI - Change in assumption	(10,728)	-	(10,728)	-
Experience gain	(1,252)	-	(1,252)	-
	<u>(11,980)</u>	<u>-</u>	<u>(11,980)</u>	<u>-</u>
Deferred tax effect	3,594	-	3,594	-
	<b><u>(8,386)</u></b>	<b><u>-</u></b>	<b><u>(8,386)</u></b>	<b><u>-</u></b>

**Notes to the Group Financial Statements**  
For the year ended 31 December 2015 (cont'd)

**33 Commitments for expenditure**

Capital expenditure contracted for at the reporting period end but not recognised in the financial statements is as follows:

	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	N'000	N'000	N'000	N'000
<b><u>Capital expenditure commitments</u></b>				
Approved but not yet contracted for	176,623	25,067,650	-	3,516,875
<b><u>Share purchase commitments</u></b>				
Purchase of additional shares in UNICEM	-	28,800,000	-	28,800,000
Purchase of additional interest in Ashaka	-	1,100,000	-	1,100,000
	<u>-</u>	<u>29,900,000</u>	<u>-</u>	<u>29,900,000</u>
<b><u>Operating expenditure commitments</u></b>				
Commitments for the supply of gas (Note 33.1)	50,766,990	47,011,130	50,766,990	47,011,130
Commitments for the supply of power (Note 33.2)	1,986,906	1,839,910	1,986,906	1,839,910
Other commitments: Non-cancelable operating lease commitment (Note 34)	1,079,344	1,905,284	-	-
	<u>53,833,240</u>	<u>50,756,324</u>	<u>52,753,896</u>	<u>48,851,040</u>

33.1 Commitments for the supply of gas represents the Take or Pay commitment for the supply of gas on a monthly basis to the plants for a period of 50 years with effect from 1, January, 2012.

33.2 Commitments for the supply of power represents the fixed cost commitment on a monthly basis for the supply of power to the Shagamu plant for four years which took effect in 2014.

**34 Contingent liabilities**

	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	N'000	N'000	N'000	N'000
<b><u>Lafarge Africa Plc</u></b>				
Various litigations (a)	196,283	683,853	17,730	505,300
<b><u>Lafarge South Africa Holdings Limited</u></b>				
Performance guarantees	-	392,666	-	-
Suretyship on sub-contractors vehicles (b)	848,212	1,323,846	-	-
Suretyship to Standard Bank on overdraft	128,800	177,300	-	-
Utilities guarantees (c)	236,863	258,574	-	-
Rehabilitation guarantees (d)	418,574	535,588	-	-
	<u>1,828,732</u>	<u>3,371,827</u>	<u>17,730</u>	<u>505,300</u>

(a) The Directors 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.

**Notes to the Group Financial Statements**

For the year ended 31 December 2015 (cont'd)

**35 Operating lease arrangements**

Operating lease payments charged to income by Lafarge South Africa Holdings Limited:

	2015	Group	2014
	R'000		R'000
Land and buildings	296,717		312,832
Plant and machinery	343,645		164,148
Other tangible assets	167,891		22,830
	<u>808,253</u>		<u>499,810</u>

At the statement of financial position date, the group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2015	Group	2014
	R'000		R'000
Within one year	331,080		519,560
In the second to fifth year inclusive	748,264		1,073,481
After five years	-		312,243
	<u>1,079,344</u>		<u>1,905,284</u>

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.

**35.1 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.

**36 Financial risk management****36.1 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 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.

## Notes to the Group Financial Statements

For the year ended 31 December 2015 (cont'd)

### 36.1 Capital management (Cont'd)

The Group is not subject to any externally imposed capital requirement.

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	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	N'000	N'000	N'000	N'000
Borrowings (note 26)	144,953,621	118,265,269	10,557,436	10,441,880
Less: Cash and cash equivalents (Note 22)	(13,158,970)	(17,459,490)	(4,041,893)	1,642,856
<b>Net debt</b>	<b>131,794,651</b>	<b>100,805,779</b>	<b>6,515,543</b>	<b>12,084,736</b>
Equity	176,151,729	175,579,949	302,601,869	276,664,338
<b>Gearing</b>	<b>74.8%</b>	<b>57.4%</b>	<b>2.2%</b>	<b>4.4%</b>

- i. Debt is defined as current- and non-current term borrowings (as described in note 26).
- ii. Equity includes all capital and reserves of the Group that are managed as capital.

### 36.2 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.

### 36.3 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.

## Notes to the Group Financial Statements

For the year ended 31 December 2015 (cont'd)

### 36.4 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 .

#### 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	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	N'000	N'000	N'000	N'000
Naira strengthens by 10% against US dollar	395,723	555,059	334,677	236,274
Naira weakens by 10% against the US dollar	<u>(395,723)</u>	<u>(555,059)</u>	<u>(334,677)</u>	<u>(236,274)</u>

### 36.5 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.

### 36.6 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

## Notes to the Group Financial Statements

For the year ended 31 December 2015 (cont'd)

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	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	N'000	N'000	N'000	N'000
	Profit/(Loss)	Profit/(Loss)	Profit/(Loss)	Profit/(Loss)
Finance cost on borrowings- annual	<u>93,123</u>	<u>87,321</u>	<u>15,874</u>	<u>84,764</u>

### 36.7 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.

	Group		Company	
Book value	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	N'000	N'000	N'000	N'000
<b>Financial assets</b>				
Trade and other receivables	23,474,461	19,830,192	10,759,231	7,714,284
Bank balances	<u>16,493,209</u>	<u>20,330,118</u>	<u>6,476,368</u>	<u>2,360,238</u>
<b>Financial liabilities</b>				
Trade and other payables	(76,846,591)	(67,463,165)	(36,693,121)	(30,734,536)
Provisions	(5,024,533)	(4,458,509)	(2,713,640)	(1,659,594)
Bank overdraft	(3,334,239)	(2,870,628)	(2,434,475)	(717,382)
Borrowings	<u>(144,953,621)</u>	<u>(118,265,269)</u>	<u>(10,557,436)</u>	<u>(10,441,880)</u>
<b>Fair value</b>				
<b>Financial assets</b>				
Trade and other receivables	23,474,461	19,830,192	10,759,231	7,714,284
Bank balances	<u>16,493,209</u>	<u>20,330,118</u>	<u>6,476,368</u>	<u>2,360,238</u>
<b>Financial liabilities</b>				
Trade and other payables	(76,846,591)	(67,463,165)	(36,693,121)	(30,734,536)
Provisions	(5,024,533)	(4,458,509)	(2,713,640)	(1,659,594)
Bank overdraft	(3,334,239)	(2,870,628)	(2,434,475)	(717,382)
Borrowings	<u>(144,953,621)</u>	<u>(118,265,269)</u>	<u>(10,557,436)</u>	<u>(10,441,880)</u>

The book and the fair value of the trade and other receivables is expected to be the same as the Group expects to make the full recovery of their debts.

### 37a Related parties

#### Related party transactions

The ultimate parent of the Group is LafargeHolcim, incorporated in Switzerland. There are other companies which are related to Lafarge Africa Plc through common shareholdings or directorships.

## Notes to the Group Financial Statements

For the year ended 31 December 2015 (cont'd)

In the normal course of business, Lafarge Africa Plc sells cement to 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 27.1).

The following transactions were carried out by the Company with related companies during the year:

	Sale of goods		Purchase of goods	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	N'000	N'000	N'000	N'000
Atlas Cement	1,064,959	544,392	-	-
Lafarge ReadyMix	2,117,355	2,025,458	-	-
	<u>3,182,314</u>	<u>2,569,850</u>	<u>-</u>	<u>-</u>

The following balances were outstanding at the end of the period for sale and purchase of goods:

	Company	
	31/12/2015	31/12/2014
	N'000	N'000
Atlas Cement	387,761	386,453
AshakaCem Plc	41,286	41,286
Lafarge ReadyMix	696,886	504,562
	<u>1,125,933</u>	<u>932,301</u>

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.

Other receivables from and payables to related parties as at

	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	N'000	N'000	N'000	N'000
<b>Other receivables</b>				
AshakaCem Plc	-	23,191	1,153,841	620,014
Atlas Cement Company Limited	-	-	57,571	-
United Cement Company of Nigeria (UNICEM)	736,032	625,376	698,529	623,053
Lafarge S.A.	396,023	431,835	360,330	350,401
Lafarge Cement Zimbabwe	1,689	11,028	-	-
Lafarg Lafarge Bamburi Cement - BPCCK	778	1,294	-	-
Lafarge Cement Malawi	14,012	8,298	-	-
Hima Cement Limited	930	9,432	-	-
Lafarge Gysum (Pty) Ltd	-	28,262	-	-
Lafarge Nigeria	429,332	418,503	416,100	405,271
Lafarge ReadyMix Limited	-	-	2,512,456	1,755,300
Lafarge Intern. Serv. Singapore	13,000	-	-	-
Centre Technique Inter-Unites	32,476	-	-	-
Willian francis cloete	317	-	-	-
Cimencam	170	-	-	-
	<u>1,624,759</u>	<u>1,557,219</u>	<u>5,198,827</u>	<u>3,754,039</u>

Material transactions on other receivables relate to payment of salaries and other expenses on their behalf.

## Notes to the Group Financial Statements

For the year ended 31 December 2015 (cont'd)

Other payables	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	₦'000	₦'000	₦'000	₦'000
Atlas Cement Company Limited	-	-	-	153,906
United Cement Company of Nigeria (UNICEM)	1,702,237	-	-	-
Lafarge S.A.	195,329	1,609,962	195,329	6,548
Lafarge Nigeria	500	-	-	-
Nigeria kraft Bags Limited	98,849	98,849	98,849	98,849
Lafarge UK Services	245,268	166,025	189,943	166,025
Lafarge Cement Pakistan	345	290	345	290
Lafarge Philippines	-	29,732	-	-
Lafarge Intern. Serv. Singapore	4,923	17,691	-	-
Lafarge East Africa	3,420	3,460	-	-
Lafarge ZA (South Africa)	-	16,554	3,618	23,348
Lafarge Middle East and Africa (LMEA)	-	249,291	-	136,356
Centre Technique Inter-Unites	3,380	3,312	-	-
Mbeya cement company ltd	21	-	-	-
Thyssenkrupp industrial Sol	82	-	-	-
Chilanga Cement Plc	736	-	-	-
Lafarge Poland	21,558	-	-	-
	<u>2,276,648</u>	<u>2,195,166</u>	<u>488,084</u>	<u>585,322</u>

Material transactions relate to Other payables to Lafarge S.A. which represents technical fees payable.

### 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	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	₦'000	₦'000	₦'000	₦'000
Executive	-	650	-	650
Non-Executive	10,464	5,800	9,364	5,800
Fees	<u>10,464</u>	<u>6,450</u>	<u>9,364</u>	<u>6,450</u>
Other allowances and expenses	171,025	66,439	68,931	66,439
	<u>181,489</u>	<u>72,889</u>	<u>78,295</u>	<u>72,889</u>
Other emoluments:				
Salaries and other short-term employment benefits	1,124,508	1,124,673	1,124,508	1,124,673
Other long-term benefits	64,550	64,894	64,550	64,894
	<u>1,189,058</u>	<u>1,189,567</u>	<u>1,189,058</u>	<u>1,189,567</u>

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.

## 38 Events after balance sheet date

### Planned bond issue

Lafarge Africa will refinance Unicem's debt, to a large extent via a combination of bond and external debt issuance of up to 100 billion Naira. The bond or bonds, are foreseen to be concluded by June 2016. This is intended to provide significant interest savings. These loans will be priced in accordance with Nigerian transfer price regulations and the LafargeHolcim methodology.

**Notes to the Group Financial Statements**

For the year ended 31 December 2015 (cont'd)

**39 Directors and Employees****39.1 Directors**

	31/12/2015	Group 31/12/2014	Company 31/12/2015	31/12/2014
	Number	Number	Number	Number
Directors' emolument comprise:				
Fees	10,464	10,550	9,364	6,450
Other emoluments	171,025	344,380	68,931	66,439
	<u>181,489</u>	<u>354,930</u>	<u>78,295</u>	<u>72,889</u>

The average number of Directors excluding the Chairman with gross emoluments:

Range (R)	Number	Number	Number	Number
Up to 2,000,000	14	11	14	11
2,000,001 - 3,000,000	-	-	-	-
3,000,001 - 4,000,000	-	-	-	-
Above 4,000,000	8	12	-	-
	<u>22</u>	<u>23</u>	<u>14</u>	<u>11</u>

**39.2 Employees**

The average number of employees employed during the year:

	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	Number	Number	Number	Number
Managerial staff	991	887	381	405
Senior staff	1,900	1,772	213	234
Junior staff	895	930	170	237
	<u>3,786</u>	<u>3,589</u>	<u>764</u>	<u>876</u>

The aggregate payroll costs:

	R'000	R'000	R'000	R'000
Wages, salaries, allowances and other benefits	26,958,271	23,489,735	9,539,546	7,448,690
Pension and social benefits	2,586,348	1,813,644	957,694	404,048
Staff training	821,300	789,410	405,987	340,591
	<u>30,365,919</u>	<u>26,092,789</u>	<u>10,903,227</u>	<u>8,193,329</u>

The number of higher paid employees with gross emoluments within the ranges below were:

Range (R)	Number	Number	Number	Number
Up to 1,000,000	527	2,090	-	15
1,000,001 - 3,000,000	1,235	1,051	421	511
3,000,001 - 5,000,000	820	243	174	177
5,000,001 - 7,000,000	407	73	84	55
7,000,001 - 10,000,000	179	77	42	63
Above 10,000,000	618	55	43	55
	<u>3,786</u>	<u>3,589</u>	<u>764</u>	<u>876</u>

**40 Approval of financial statements**

The financial statements were approved by the board of directors and authorised for issue on March 16, 2016.

# NON IFRS DISCLOSURE

## SPECIAL PURPOSE STATEMENT OF VALUE ADDED

	Group				Company			
	31/12/2015		31/12/2014		31/12/2015		31/12/2014	
	N'000	%	N'000	%	N'000	%	N'000	%
Revenue	267,234,239		260,810,463		114,558,245		105,848,657	
Other income	1,515,955		939,000		43,402		69,401	
Bought in materials & services	(184,503,489)		(170,340,818)		(66,648,993)		(58,245,018)	
	<u>84,246,705</u>	<u>100</u>	<u>91,408,645</u>	<u>100</u>	<u>47,952,654</u>	<u>100</u>	<u>47,673,040</u>	<u>100</u>
<b>Applied as follows:</b>								
<b>Employees</b>								
Employee benefits	30,356,919	36%	26,092,789	29%	10,903,227	23%	8,193,329	17%
<b>Lenders</b>								
Interest on borrowings	8,457,122	10%	9,448,264	10%	843,767	2%	1,981,234	4%
<b>Government</b>								
Taxation	2,276,596	3%	6,537,761	7%	1,249,020	3%	3,992,850	9%
<b>Asset replacement</b>								
Depreciation	16,148,795	19%	15,509,459	17%	5,298,867	11%	5,145,481	11%
<b>Shareholders</b>								
Retained profit	26,998,273	32%	33,820,372	37%	29,657,773	62	28,360,146	60%
	<u>84,246,705</u>	<u>100</u>	<u>91,408,645</u>	<u>100</u>	<u>47,952,654</u>	<u>100</u>	<u>47,673,040</u>	<u>100</u>

Value added represents the additional wealth which the group has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between employees, providers of capital, government and that retained for the future creation of wealth.

# NON-IFRS STATEMENT

	Group				Company					
	31/12/2015 N'000	31/12/2014 N'000	31/12/2013 N'000	31/12/2012 N'000	31/12/2011 N'000	31/12/2015 N'000	31/12/2014 N'000	31/12/2013 N'000	31/12/2012 N'000	31/12/2011 N'000
<b>ASSETS/LIABILITIES</b>										
Property, Plant & Equipment	364,397,315	331,257,236	213,276,396	128,094,873	127,729,024	118,251,256	120,154,329	123,128,764	127,275,266	127,379,132
Intangible assets	1,548,927	2,196,926	2,360,869	5,964	12,958	-	-	-	-	-
Long term investments	5,526	7,606	6,321,989	40,000	40,000	211,903,225	198,173,967	50,000	90,000	90,000
Investment in Associate	27,409	43,208	-	-	-	-	-	-	-	-
Other assets	545,542	1,587,096	-	-	-	-	-	-	-	-
Deferred Tax Asset	447,942	294,629	96,571	-	-	-	-	-	-	-
Restricted cash	2,188,089	2,097,687	-	-	-	-	-	-	-	-
Long term receivables	9,975,000	6,247,999	-	-	9,444	18,139,971	-	-	-	9,444
Net current (liabilities)/assets	(15,510,859)	(3,505,722)	3,160,160	(8,043,093)	(7,557,330)	(17,001,800)	(11,227,214)	(2,646,343)	(7,352,606)	(7,229,147)
	<b>363,624,891</b>	<b>340,226,665</b>	<b>225,215,985</b>	<b>120,097,744</b>	<b>120,234,096</b>	<b>31,292,652</b>	<b>307,101,082</b>	<b>120,532,421</b>	<b>120,012,660</b>	<b>20,249,429</b>
Deferred taxation	(33,385,265)	(34,172,979)	(30,885,433)	(13,845,905)	(9,911,008)	(18,900,872)	(18,021,055)	(14,241,070)	(13,845,905)	(9,911,008)
Provisions	(3,160,336)	(3,124,736)	(2,561,661)	(535,694)	(262,292)	(1,210,350)	(742,123)	(640,498)	(535,694)	(262,292)
Borrowings	(142,942,565)	(116,001,594)	(11,160,339)	(32,921,478)	(48,701,293)	(5,672,992)	(7,057,436)	(8,441,880)	(32,921,478)	(48,701,293)
Deferred revenue	(2,133,748)	(2,368,466)	(812,808)	(842,912)	(903,120)	(752,600)	(782,704)	(812,808)	(842,912)	(903,120)
Retirement benefits obligation	(1,496,257)	(8,978,941)	(8,770,669)	(3,592,387)	(4,362,262)	-	(3,833,426)	(3,754,500)	(3,592,387)	(4,362,262)
Other long term liabilities	(4,354,991)	-	-	-	-	(2,153,969)	-	-	-	-
	<b>(187,473,162)</b>	<b>(164,646,716)</b>	<b>(54,190,910)</b>	<b>(51,738,376)</b>	<b>(64,139,975)</b>	<b>(28,690,783)</b>	<b>(30,436,744)</b>	<b>(27,890,756)</b>	<b>(51,738,376)</b>	<b>(64,139,975)</b>
<b>CAPITAL AND RESERVES</b>	<b>176,151,729</b>	<b>175,579,949</b>	<b>171,025,075</b>	<b>68,359,368</b>	<b>56,094,121</b>	<b>302,601,869</b>	<b>276,664,338</b>	<b>92,641,665</b>	<b>68,274,284</b>	<b>56,109,454</b>
Share capital	2,277,451	2,202,088	1,500,800	1,500,800	1,500,800	2,277,451	2,202,088	1,500,800	1,500,800	1,500,800
Share premium	186,419,988	173,997,568	9,488,747	9,488,747	9,488,747	186,419,988	173,997,568	9,488,747	9,488,747	9,488,747
Retained Earnings	100,992,758	87,206,392	134,877,196	57,369,821	45,104,574	113,904,430	100,464,682	81,652,118	57,284,737	45,119,907
Foreign currency translation reserve	(10,156,642)	(1,341,036)	(896,476)	-	-	-	-	-	-	-
Other reserves	(162,185,111)	(161,689,548)	6,534,440	-	-	-	-	-	-	-
Non controlling interest	58,803,285	75,204,485	19,520,368	-	-	-	-	-	-	-
	<b>176,151,729</b>	<b>175,579,949</b>	<b>171,025,075</b>	<b>68,359,368</b>	<b>56,094,121</b>	<b>302,601,869</b>	<b>276,664,338</b>	<b>92,641,665</b>	<b>68,274,284</b>	<b>56,109,454</b>
<b>REVENUE AND PROFITS</b>										
Revenue	<b>267,234,239</b>	<b>260,810,463</b>	<b>206,072,691</b>	<b>87,965,224</b>	<b>62,502,320</b>	<b>114,558,245</b>	<b>105,848,657</b>	<b>97,174,505</b>	<b>87,091,634</b>	<b>62,211,143</b>
Income before taxation	29,274,869	40,358,133	64,261,549	21,264,420	10,349,273	30,906,793	32,352,996	27,443,083	21,164,004	10,364,606
Income for the year from continuing operations	26,998,273	33,820,372	60,953,245	14,711,676	8,639,387	29,657,773	28,360,146	28,022,200	14,611,260	8,654,720
Dividend proposed	13,664,706	15,855,034	9,905,280	3,601,920	2,251,200	13,664,706	15,855,034	9,905,280	3,601,920	2,251,200
Per share data (Kobo)										
Earnings - Basic	629	767	1,343	490	288	838	826	934	487	283
Dividend proposed (kobo)	300	360	330	120	75	300	360	330	120	75
Dividend cover (times)	2	2	4	4	4	3	2	3	4	4
Net assets	<b>3,867</b>	<b>3,987</b>	<b>3,883</b>	<b>2,277</b>	<b>1,869</b>	<b>8,553</b>	<b>8,079</b>	<b>3,086</b>	<b>2,275</b>	<b>1,869</b>

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.

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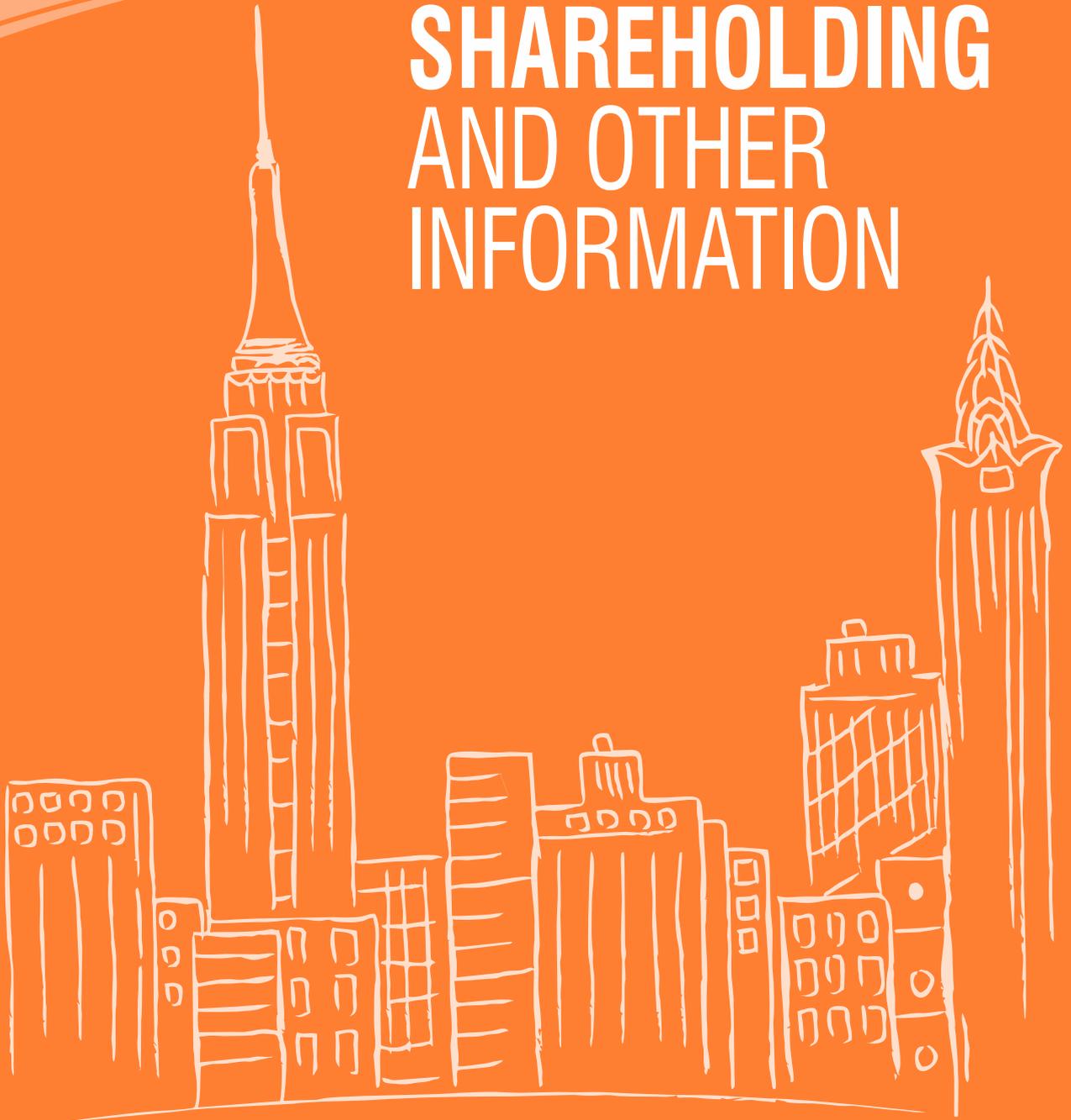
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# SHAREHOLDING AND OTHER INFORMATION



# Share Capital History

Lafarge Africa Plc as at December 31 2015

AUTHORIZED				FULLY PAID UP		
YEAR	NUMBER OF SHARES	VALUE (NAIRA)	NOMINAL VALUE	NUMBER ISSUED	VALUE (NAIRA)	REMARKS
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	

## Shareholding and Other Information

YEAR	AUTHORIZED			FULLY PAID UP		
	NUMBER OF SHARES	VALUE (NAIRA)	NOMINAL VALUE	NUMBER ISSUED	VALUE (NAIRA)	REMARKS
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 SHARE
2015	10,000,000,000	5,000,000,000	AT N0.50 EACH	4,554,902,014	2,277,450,507	ASHAKA MTO

### Bonus History

YEAR	NUMBER ISSUED	AMOUNT (1.00 EACH)	RATIO
1983	30,150,000	15,075,000	1:2
1988	30,150,000	5,075,001	1:3
1992	120,600,000	60,300,000	1:1
1994	80,400,000	40,200,000	1:3
1996	107,200,000	53,600,000	1:3
1998	142,933,334	71,466,667	1:3
2001	571,733,334	285,866,667	1:1
2002	571,733,334	285,866,668	1:2



Chairman Turnover Ceremony

## PHOTOREEL



Mrs. Adebajo Adebajo, Mr. Mobolaji Balogun, Chief Olusegun Osunkeye and Mr. Guillaume Roux at the turn over ceremony for the Chairman Board of Directors, Lafarge Africa PLC.



CEO Awards

PHOTOREEL



Fred Amobi, Igbuan Okaisibor, Loren Zanin and Adegaye Adebowale at the MOU signing ceremony with Kaiser Construction



Ashakacem 2014 Annual General Meeting.



Unicem 2014 Health & Safety Celebration.



Employees engagement – football match between Lafarge Africa and Oando Plc.



Atlas volunteers planting trees.





## E-Dividend Mandate and Change of Address

### 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

# Proxy Form

The 57th Annual General Meeting of Lafarge Africa Plc will be held at Zinna Jasmine Hall, Eko Hotels, Plot 1415 Adetokunbo Ademola Street, Victoria Island, Lagos on Monday, 27th June, 2016 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 Monday, 27th June, 2016 and at any Adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2016 \_\_\_\_\_ Shareholder's Signature

Resolutions	For	Against	Abstain
1. To receive the Audited Financial Statement for the year ended 31st December 2015, the Report of Directors, Auditors and Audit Committee thereon.			
2. To declare a dividend.			
3a. To re-elect Directors: Mr. Mobolaji Balogun			
Mr. Adebayo Jimoh			
Mr. Guillaume Roux			
Mr. Jean-Christophe Barbant			
Mr. Thierry Metro			
Mr. Jean Carlos Angulo			
3b. To elect Directors: Mr. Michel Pucheros			
4. To authorize the Directors to fix the remuneration of the External Auditors.			
5. To elect members of the Audit Committee.			
6. To authorize a bonus issue.			

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.

## LAFARGE AFRICA PLC 57TH 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 Zinna Jasmine Hall, Eko Hotel & Suites, Plot 1415 Adetokunbo Ademola Street, Victoria Island, Lagos on Monday, 27th June, 2016 at 11am.

Name of Shareholder \_\_\_\_\_

Number of Shares Held \_\_\_\_\_ Signature of Person attending \_\_\_\_\_

*Note: This form should be completed, signed, 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

To all Shareholders:

### INTRODUCING THE NEW E-DIVIDEND MANDATE MANAGEMENT SYSTEM (EDMMS)

As a part of the ongoing collaborative effort of stakeholders in the Financial Industry to ensure that the e-dividend payment process is embraced by all; the Central Bank of Nigeria (CBN), Securities Exchange Commission (SEC), National Interbank Settlement System (NIBSS), and the Institute of Capital Market Registrars (ICMR) have successfully developed an e-dividend payment portal that will serve as an on-line verification and communication medium for e-dividend mandate processing.

The portal is a web-based application that can be accessed by every branch of all Banks and by all Registrars. The following are the unique features/advantages of the new process;

1. Shareholders can go to their Bank or any of their Bank's branches nationwide to complete an e-dividend mandate form and this will be verified and stamped by the Bank and forwarded electronically to the Registrar
2. Information relating to shareholders who are yet to provide their Bank details to the Registrars has been pre-loaded unto the portal by NIBSS so as to allow the Bank verify shareholders' details online when they complete e-dividend forms.
3. Completed forms that have been verified by the Bank will be forwarded electronically to the relevant Registrar via the portal.
4. Confirmation of forms and other correspondences between the Registrar and the Bank required will be done via the portal.
5. Shareholders do not have to come to the Registrar's office to submit e-dividend forms any more.

With this new system, shareholders have the opportunity to update their bank details with Registrars with ease.

Kindly visit your Bank or CardinalStone Registrars office or our website [www.lafarge.com.ng](http://www.lafarge.com.ng) for more details.

Thank you.

Cardinal Stone Registrars  
358, Herbert Maculay Way  
Yaba  
Lagos



 A member of  
**LafargeHolcim**

**Lafarge Africa Plc**  
27B, Gerrard Road, Ikoyi,  
Lagos State.  
Tel: 234 1 2713990  
[www.lafarge.com.ng](http://www.lafarge.com.ng)

