LAFARGE CEMENT WAPCO
NIGERIA PLC

1

PROFILE PRESENTATION

Lafarge WAPCO: Building Sustainably 2
The Lafarge Advantage 5

2

INFORMATION ON LAFARGE

Lafarge Profile 8

3

CORPORATE GOVERNANCE

Notice of Annual General Meeting 11
Directors' and Statutory Information 12
Chairman's Statement 13
Board of Directors 16
Board of Directors' Profile 17
Financial Highlights 22
Report of the Directors 24
Management Team 33

4

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Health and Safety Report 35
Environment Report 37
Human Resources and People Development Report 38
Corporate Social Responsibility Report 40
Innovation and Marketing Report 42

F

FINANCIAL STATEMENTS

Report of Independent Auditors 46
Report of Audit Committee 47
Statement of Management Reponsibilities 48
Consolidated Statement of Comprehensive Income 49
Consolidated Statement of Financial Position 50
Consolidated Statement of CashFlows 51
Consolidated Statement of Change in Equity 52
Notes to the Consolidated Financial Statements 53
Consolidated Statement of Value Added 103
Consolidated Financial Summary 104

5

SHAREHOLDING AND OTHER INFORMATION

Free Float Analysis 105
Register Range Analysis 106
Share Capital History 107
Depots and Addresses 108
Mandate for E-Dividend Payment 109
Proxy Form 111

LAFARGE WAPCO: BUILDING SUSTAINABLY

Lafarge Cement WAPCO Nigeria Plc is driving excellence in Nigeria's building industry by placing at the heart of its priorities, innovation, sustainable construction and architectural creativity.

A subsidiary of Lafarge SA, the world's largest cement manufacturer and leader in building materials with presence in 64 countries. Lafarge WAPCO remains a foremost cement manufacturing and marketing company in Nigeria.

With its three plants located in Sagamu and Ewekoro, Lafarge WAPCO has a current cement production capacity of 4.5 million metric tonnes. 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 one of its core hallmarks.

Having fulfilled the national desire to establish a cement manufacturing company, Lafarge WAPCO, since its establishment in 1959 has grown sustainably and has made tremendous contributions to the availability of cement in Nigeria, including making investments that support the development of Nigeria.

Evidently, the Company is at the forefront of production and marketing of cement in Nigeria. Lafarge WAPCO is in the business of Building Better Cities by being a responsible and involved actor for better towns and cities with better housing, better infrastructures and better cities in urban areas. Our activities meet the basic needs of mankind by providing materials for housing and infrastructures in the country: shaping the everyday surroundings of millions of men and women and transforming our societies.

Over the years, Lafarge WAPCO has acquired strategic visible presence in the business environment whilst building an enduring legacy on the nation's landscape. Lafarge WAPCO continues to have positive impact on its numerous stakeholders: Communities, Customers, Shareholders and Employees.

Lafarge WAPCO is known for putting its core values at the forefront of the way it does business. The following principles are the hallmark of our business operations: Health and Safety, People Development, Corporate Governance, Customer Care/Market Orientation, Corporate Social Responsibility, Performance, Value Creation, Respect for Employees and Local Culture, Environmental Protection, Conservation of Natural Resources and Energy.

As a result of its take-over of Blue Circle Industries Plc, U.K in July 1 2001, Lafarge SA of France became the majority shareholder in Lafarge WAPCO, culminating in the change of name from West African Portland Cement Plc (WAPCO) to Lafarge Cement WAPCO Nigeria Plc in February 2008. With the acquisition, Lafarge WAPCO has integrated into the Lafarge culture, implementing process re-engineering and imbibing Lafarge's Best Practices.

The 2.5MT Ewekoro Line II Plant in Ogun State.

Milestones

Since establishment of its first factory in Ewekoro in 1960, Lafarge WAPCO has achieved the following milestones:

- 1960: No.1 kiln commissioned with 200,000 tonnes/annum (TPA) capacity
- 1964: No.2 kiln installed capacity increased to 400,000 TPA
- 1972: No.3 kiln installed capacity increased to 700,000 TPA
- 1977: Peak Cement production achieved - 706,500 tonnes
- 1978: commissioned a second factory in Sagamu as a full wet process plant with an installed capacity of 600,000 tonnes cement per annum
- 1979: quoted on the Nigerian Stock Exchange
- 1980: Sagamu capacity upgraded to 850,000 tonnes cement per annum with addition of one Raw Mill and one Roller Crusher for limestone. The Plant's current capacity is about 900,000 tonnes
- 2003: The old Ewekoro Plant was replaced with a new modern state-of-the-art plant, which was commissioned by His Excellency, Chief Olusegun Obasanjo – former President, Federal Republic of Nigeria
- 2008: Commencement of our expansion project, (Lakatabu) a 2.5mt plant to double the cement production capacity of the Company
- February 2009: Foundation Laying Ceremony of Lakatabu
- November 2010: Launch of New Product, Supaset
- June 2011: 90MW Power Plant Commissioned
- July 2011: Ewekoro II Plant kiln lit up
- July 2011: 1st Clinker Production from Ewekoro II Plant
- September 2011: 1st Cement Production from Ewekoro II Plant
- September 2011: 1st bag of Cement from Ewekoro II Plant
- September 2011: Ready Mix Concrete commenced production
- December 2011: Inauguration of Ewekoro II Cement Plant by His Excellency, President of Federal Republic of Nigeria, Dr. Goodluck Ebele Jonathan GCFR.
- April 2012: Launch of new product, Powermax

OUR BRANDS

Elephant Cement

A five decade-old formidable brand of impeccable standard and quality; it backs solution provision with power, maturity, resilience, durability and reliability. Little wonder it has consistently won the NIS Certificate for product quality by the Nigerian Standard Organization for over two decades now. The Elephant brand has helped to build that edifice, brought that monumental project to life, created that serene atmosphere and positively impacted the lives of Nigerians socio-economically. Since 1960, Elephant Cement has made visible landmarks in the areas of developmental projects which include amongst others:

- The National Assembly Complex, Abuja
- The Federal Secretariat, Abuja
- Shell Trustees 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
- Premier Hotel, Ibadan

Supaset Cement

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

Powermax Cement

Powermax Cement is a Premium Technical cement that combines excellent strength performance at all stages with versatility and enhanced durability benefits. Its characteristics of superior workability and good early strength in particular, make Powermax Cement the effective solution to the productivity demands of large construction projects while also satisfying the needs of home owners.

Ready Mix

Ready Mix concrete is a product of Lafarge WAPCO'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.

Lafarge WAPCO remains the only cement company in Nigeria with unique brands: Elephant Cement and Supaset Cement. With its new products – Powermax Cement and Readymix concrete, Lafarge WAPCO has demonstrated that its skills and technical resources are deployed to achieve effectiveness in meeting all building needs, a tradition it has practised for the past 52 years.

Health and Safety: No. 1 business priority.

L - R: Lagos State Commissioner for Commerce and Industry, Mrs. Olusola Oworu; MD/CEO, Lafarge WAPCO, Mr. Joe Hudson and Senior Marketing Manager, Rilwan Yusuf at Nigeria Infrastructure and Construction Exhibition in February 2012.

THE LAFARGE ADVANTAGE

1

THE LAFARGE ADVANTAGE

Since its acquisition by the Lafarge Group, Lafarge WAPCO has become part of a truly multi-national company, strategically positioned for greater heights.

Lafarge Group is located in 64 countries with 65,000 employees, a world leader in building materials, with top-ranking positions in its Cement, Aggregates & Concrete businesses.

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

Lafarge Group's core values include Health and Safety as first priority, People Development, Respect for Employees and local culture, Corporate Governance, Customer Care and Market Orientation together with commitment to be ranked among the World's most effective industrial groups in terms of Environmental Protection, Social Responsibility and Corporate Governance.

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

Lafarge's long-term presence in Lafarge WAPCO, its high degree of vertical integration and advance in product research and innovation gives the Company a competitive advantage in terms of product

In 2010, for the sixth consecutive year, Lafarge was listed in the '100 Global Most Sustainable Corporations in the world'.

quality and consistency, product differentiation as well as allowing stronger operational efficiencies.

PRESENCE IN AFRICA

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

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

INNOVATION

With an annual R&D budget exceeding 170 million Euros, the largest building materials laboratory in the world, and more than 1,300 employees in R&D and Technical program, innovation is undoubtedly one of the driving forces in Lafarge's strategy. Lafarge also has formal partnerships with some of the world's best research teams and Universities in Europe, the United States and Asia (MIT, Berkeley, CNRS, etc).

BUILDING CONSISTENCY IN THE NIGERIAN MARKET

Lafarge WAPCO stands to enjoy high value creation from Lafarge as the Group introduces a turning point to display customer orientation, technical excellence and innovation from its branding platform.

A benefit of being part of Lafarge is that our shareholders can expect

Innovation is a key driver of the Lafarge WAPCO brand in the Nigerian cement industry.

good return on investments from a better managed organization and feel proud to be part of a global brand leader. Customers can equally be proud to be associated with an international brand and expect high quality products from modern equipment, international standards and enhanced customer relations.

Our employees can look forward to development and technical trainings, as well as wider access to knowledge through the Group's intranet and internationalization. Our communities benefit from best practices on environment, community relations and social responsibility.

COMMITMENT TO SUSTAINABLE DEVELOPMENT

For many years, Lafarge has been committed to a deliberate strategy of sustainable development that combines industrial know-how with performance, value creation, respect for employees and local cultures, environmental protection and the conservation of natural resources and energy. The Company is committed to progress and attentive to the ever-changing needs of local communities, contributing to the improvement of their quality of lives by setting up local development programs, healthcare, housing, education and human capital development.

Lafarge recently launched the Sustainability Ambitions 2020, a signature of its leadership and a unique selling proposition of the brand as a net positive contributor to society. The Sustainability Ambitions 2020 has thirty-four (34) objectives focused around nine (9) transformational ambitions, all of which rest on three (3) key pillars of sustainable development including building sustainably, building communities and building the circular economy.

The Ambitions are:

Building Communities

- Health and Safety – 0 fatalities and eliminated LTIs for employees and contractors
- Diversity – 35% of senior management positions to be held by women
- Volunteer Work – 1,000,000 volunteer hours per year

Building the Circular Economy

- Local Job Creation – 75% of country operations to implement a plan for local job creation
- Affordable Housing – 2,000,000 people to have access to affordable and sustainable housing
- Sustainable Products and Services – 3 Billion Euro target for new sustainable solutions, products and services

Building Sustainably

- CO2 Emissions – 33% reduction of our CO2 emissions per ton of cement
- Non-Fossil Fuels – 50% use of non-fossil fuels in our cement plants
- Reused and Recycled Materials – 20% of our concrete to contain reused or recycled materials

Research & Development Centre in Lyon with 250 researchers from 12 nationalities.

LAFARGE PROFILE

KEY FIGURES
(at December 31, 2012)

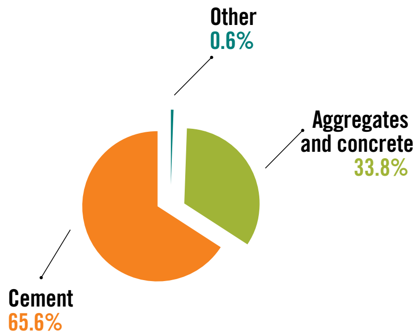
64
countries

65,000
employees

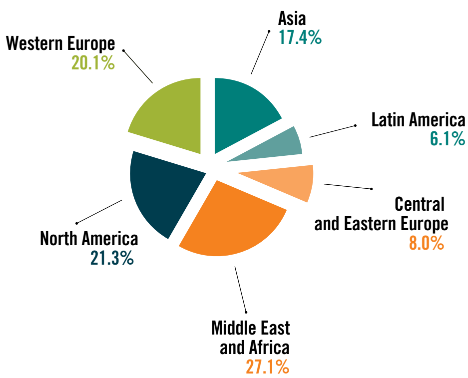
15,816
revenues
in million euros

1,570
production sites

GROUP REVENUES BY DIVISION
(at December 31, 2012)



GROUP REVENUES BY GEOGRAPHIC AREA
(at December 31, 2012)

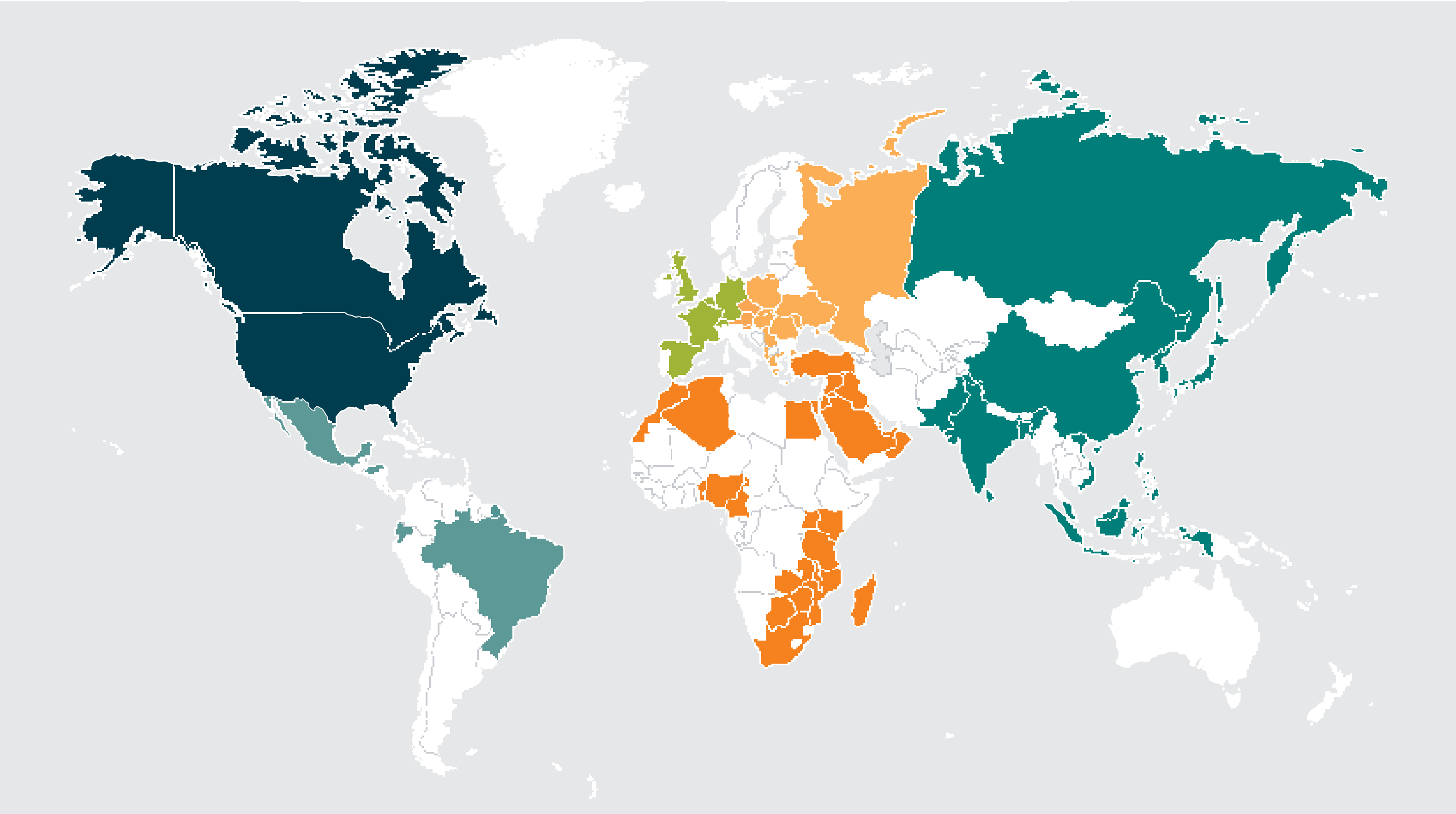


NET INCOME GROUP SHARE

432 M€

LAFARGE WORLDWIDE (at December 31, 2012)

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



World map of lafarge's presence as of December 31, 2012 (plants and sales offices)

CEMENT WORLD LEADER

58 countries

41,200 employees

10,373 revenues *in million euros*

161 production sites

N°2 AGGREGATES & N°4 CONCRETE

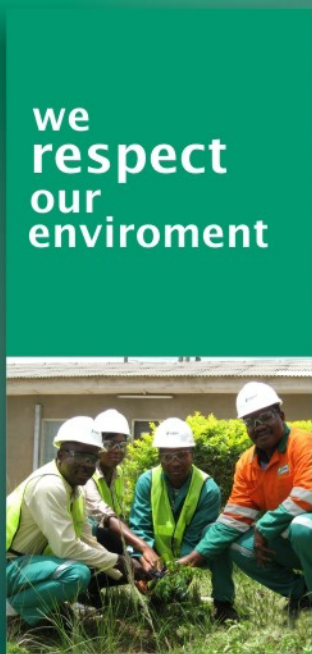
36 countries

21,800 employees

5,353 revenues *in million euros*

1,395 production sites

BUILDING STRONG VALUES



LAFARGE
Building better cities™

Lafarge Cement WAPCO Nigeria Plc
www.lafargewapco.com

NOTICE OF ANNUAL GENERAL MEETING

***NOTICE IS HEREBY GIVEN THAT** the 54th Annual General Meeting of LAFARGE CEMENT WAPCO NIGERIA PLC will be held at City Hall, Catholic Mission Street, Lagos Island on Tuesday, 28th May 2013 at 11 a.m. to transact the following business:*

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the year ended 31st December 2012, the reports of the Directors, Auditors and Audit Committee thereon.
2. To declare a dividend.
3. To elect/re-elect retiring Directors.
4. To authorise the Directors to fix the remuneration of the External Auditors
5. To elect members of the Audit Committee.

Special Businesss

6. To approve the remuneration of Directors

NOTES:

PROXY

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

A proxy form is attached in this Annual Report. For the instrument of proxy to be valid for the purpose of the meeting it must be completed, duly stamped by the Commissioner of Stamp Duties in accordance with the Stamp Duties Act (Cap S8 Laws of the Federation of Nigeria 2004) and deposited at the Office of the Registrar of the Company, City Securities Limited, Primrose Tower, 17A Tinubu Street, Lagos, not later than 48 hours before the time for holding the meeting.

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 30th day of May 2013, to members whose names appear in the Register of Members at the close of business on the 3rd of May 2013.

CLOSURE OF REGISTER

The Register of Members and Transfer Books of the Company will be closed on the 6th to 10th of May 2013 (both dates inclusive) for the purpose of payment of dividend.

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.

2

BY ORDER OF THE BOARD

UZOMA UJA (MS.)
Company Secretary/Legal Adviser

Dated this 21st March 2013

REGISTERED OFFICE
Elephant Cement House
ASSIBIFI Road, Alausa, Ikeja
Lagos State.

DIRECTORS' AND STATUTORY INFORMATION

DIRECTORS

Chief Olusegun Osunkeye OFR, OON	-	Chairman
Jean-Christophe Barbant Esq.	-	Vice Chairman
Joseph Hudson Esq.	-	Managing Director/CEO
Alfred Amobi Esq.	-	Finance Director/CFO
Asiwaju Ademola Awosanya	-	Director
Chief (Dr.) Joseph Sanusi CON	-	Director
Guillaume Roux Esq.	-	Director
Mobolaji Balogun Esq.	-	Director
Oludewa Edodo-Thorpe (Mrs.)	-	Director
Adebayo Jimoh Esq.	-	Director
Jean-Carlos Angulo Esq.	-	Director
Sylvie Rochier (Ms.)	-	Director
Adebode Adefioye Esq.	-	Director

COMPANY SECRETARY/LEGAL ADVISER

Uzoma Uja (Ms.)

EXTERNAL AUDITORS

Akintola Williams Deloitte

REGISTERED OFFICE AND PLANTS

1. Elephant Cement House,
   Alausa Ikeja, Lagos State

2. Ewekoro Plants, Ewekoro, Ogun State

3. Sagamu Plant, Sagamu, Ogun State

BANKERS

Access Bank Plc
CitiBank Nigeria Ltd
Ecobank Plc
First Bank of Nigeria Ltd
First City Monument Bank Plc
Guaranty Trust Bank Plc
Key Stone Bank Ltd
Standard Chartered Bank Ltd
Stanbic IBTC Bank Plc
Union Bank of Nigeria Plc
United Bank for Africa Plc
Wema Bank Plc

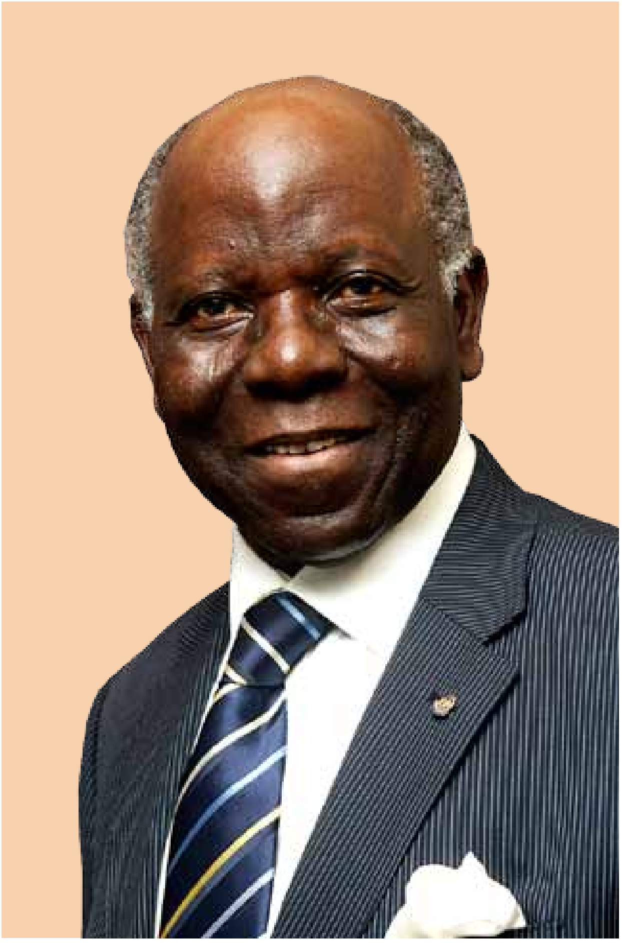
REGISTRAR

City Securities (Registrars) Limited
Primrose Tower
17A Tinubu Street
Lagos

CHAIRMAN'S STATEMENT

Distinguished shareholders, my colleagues on the Board of Directors, gentlemen of the press, Ladies and Gentlemen, I am pleased to welcome you to the 54th Annual General Meeting of our Company, Lafarge Cement WAPCO Nigeria Plc.

As is usual I will use the opportunity of today's meeting to lay before our shareholders the performance of the Company for the 2012 financial year and the economic environment under which it operated.



Chief Olusegun Osunkeye, OFR, OON
Chairman of the Board
Lafarge Cement WAPCO Nigeria Plc

BUSINESS ENVIRONMENT

Domestic demand for cement in 2012 was estimated at 18.3 million metric tonnes; up by approximately 7% on the estimated demand for 2011. This reflects a contraction in demand compared with the last five years where year on year growth in demand averaged approximately 10.8%. The lull in demand during 2012 was principally caused by an unusually prolonged rainy season which lasted into the fourth quarter of the year; a period of dry spell when construction activities were expected to pick up. The consequent flooding in most parts of the country as a result of the heavy rainfall also meant that construction activities by major contractors and private home builders were disrupted.

The Nigerian economy continue to offer tremendous opportunities but the capacity of manufacturers to harness the opportunities was constrained by the prevailing challenges of the operating environment. Economic activities were paralyzed at the beginning of the year due to the complete removal by the Federal Government of subsidy on Premium Motor Spirit (i.e Petrol). This consequently led to a nationwide civil unrest which only settled after an agreement with the Nigeria Labour Congress was reached for a partial removal of the subsidy.

The partial removal of subsidy on petrol and increase in food prices as a result of flooding of farm lands led to a spike in inflation rate which increased to 11.9% by end of 2012 from 10.9% at the start of the year. The escalation in inflation rate was, however, reined in by a combination of monetary tool by the Central Bank of Nigeria (CBN) and some level of fiscal restraints by the Federal Government. Thankfully, the CBN was able to maintain the volatility range of the Naira exchange rate within -/+ 3% for the year as it committed to, thus allowing businesses to plan better.

Although the security situation particularly in the Northern part of the country deteriorated during the year with significant curtailment of trade and disruptions of services in that region, the company was able to achieve an uninterrupted production run as its core markets are outside of the trouble spots.

While the supply of natural gas to manufacturers by the Nigerian Gas Company stabilized in 2012, electric power supply from the national grid only improved marginally. However, given the significant progress made on the privatization of the generation and distribution of electricity by the Federal Government, expectation by manufacturers is that electric power supply will gradually become stabilized with positive impact on industrial performance.

CHAIRMAN'S STATEMENT

HEALTH AND SAFETY

Health and safety of our employees and partners who work in our facilities is of paramount importance and at the core of the value of the Company. I am pleased to report to shareholders that total elimination of fatality in our operations continue to receive due attention with regular safety training and briefings for employees and contractors on hazard identification, assessment of risks associated with the hazard identified and controlling the risks assessed. During 2012 we intensified efforts in the area of road safety, particularly as it affects our cement hauliers. As an encouragement of the efforts already made in the area of safety, I am delighted to report that at the 2012 Lafarge Group annual Cement Award Competition, the Company won the first position in the "Best Risk Management" category. The award was won on the back of a record minimal Lost Time Incidents achieved during the construction of the new cement plant at Ewekoro.

RESULTS FOR THE YEAR

The audited Group Financial Statements for 2012 financial year which are laid before shareholders today is for the first time compliant with International Financial Reporting Standards (IFRS) with the corresponding 2011 numbers re-stated to ensure comparison on a like-for-like basis. Total cement despatched for the year closed at 2.9 million metric tonnes; up by 35% on 2011. This significant increase in cement despatched resulted from a combination of improved run time on our older plants, the ramp-up of production volume at the new plant in Ewekoro and a more stabilized supply of natural gas. Consequently, turnover for the year increased by 41% to N87.9 billion , with a contribution of N874 million from the Ready Mix Concrete business. As a result of the substantial increase in turnover, profit before taxation for the year increased to N21.3 billion from N10.3 billion recorded for 2011.

Tax charged for the year increased to N6.6 billion from N1.7 billion for 2011. The increase resulted mainly from deferred tax provision of N4.7 billion charged for the year to account for accelerated tax allowances on fixed assets of the Company over accounting depreciation charged. The 2012 financial year therefore closed with profit after taxation at N14.7 billion.

In order to maximize the return to our shareholders we have as much as cashflow requirements will allow, accelerated the repayment of some of our bank loans in order to minimize interest expense. No additional loans were taken in 2012 and the increase in finance cost from N1.7 billion in 2011 to N5.4 billion in 2012 arose principally from the cessation of capitalization of financing cost of the new cement and power plant following its commissioning for production at the end of 2011.

READY MIX CONCRETE BUSINESS

Shareholders will recall that last year, I reported the establishment of a Ready Mix Concrete business wholly owned by the Company. This was in response to the growing opportunities presented by the construction industry for value-add products which also provided another platform for brand differentiation. I am therefore delighted to report to shareholders that the operation of this business continues to expand and as the financial results which are being considered today show, has begun to contribute to increase in shareholder value.

PROPOSED DIVIDEND

Given the cash flow requirements to repay the bank loans and to pay down the corporate bond at maturity, it is important to maintain dividend pay-out to shareholders at a level which ensures repayments can be achieved with no risks of default and impairment of the operations of the Company. However, based on the improvement in profitability, the Board of Directors is able to propose for approval by shareholders, a gross dividend of 120 kobo on each ordinary share in issue. In absolute terms, this represents an increase of 60% on the gross dividend approved by shareholders on the 2011 financial results.

PERFORMANCE IMPROVEMENT

With the competitive landscape becoming more intense, we continue to introduce innovative building material products based on opportunities offered by the market. To drive product and commercial innovation, the Company has keyed into the Lafarge Group performance improvement initiative code named "EXTRA MILE". This initiative has as its main objective growth in market share and improved profitability achieved through the acceleration of differentiation in our business and strengthening of our commercial capabilities. Under this initiative and following its successful launch two years ago of "SUPASET" which caters for the need of the pre-cast segment of the cement market, the Company during the year introduced another new cement product into the market called "POWERMAX". Powermax is a technical product that combines excellent strength performance with enhanced benefits of versatility and durability. Powermax is the effective solution to the productivity demands of large construction projects while also satisfying the needs of individual home builders.

The Company is also exploring opportunities to enhance its route-to-market by partnering with its key industrial customers on product quality improvements and working with multi-lateral development agencies and microfinance institutions on affordable housing.

BOARD CHANGES

Since the last Annual General Meeting, Mr. John Stull (American) and Professor Oyelowo Oyewo resigned from the Board of Directors.

Ms. Sylvie Rochier (French) was appointed to the Board of Directors on 26th July 2012 to fill the position vacated by Mr John Stull. Ms. Sylvie Rochier started her career with Lafarge Group in 1989 at the Lafarge Materiaux de Specialities, rising to the position of Finance Director. She moved to the Lafarge Group Central Finance Services in 2000 and since then has occupied several key roles including Group Vice President, Investment Projects. She is presently a Group Senior Vice President, Finance at the Lafarge Group.

Mr. Adebode Adefioye was appointed to the Board of Directors on the 20th of December 2012 to fill the seat vacated by Professor Oyelowo Oyewo. He is a graduate of the University of Lagos and holds a Masters Degree from the same University. He joined John Holt Plc in 1987 and held various managerial positions in Production and Quality Control, Personnel and Administration as well as in Sales and Marketing and rose to the position of Deputy General Manager by the time he left in 2002. He is currently the Chief Executive Officer of Sw8 Investments Limited and holds non-executive director positions in Wema Bank Plc, Ceerem Investment Nigeria Limited and Elmetec Nigeria Limited. Mr Adefioye is member of the Institute of Directors and the Institute of Public Analysts of Nigeria.

On behalf of shareholders and the Board of Directors, I will like to acknowledge with gratitude the contributions of Mr John Stull and Professor Oyelowo Oyewo to the work of the Board of Directors and wish them success in their future endeavours.

I also on behalf of the shareholders and Directors, offer our warm welcome to both Ms Sylvie Rochier and Mr Adebode Adefioye.

FUTURE OUTLOOK

Despite the challenging operating environment, our resolve is to continue to look for opportunities to expand the operations and markets of the Company. We will continue to pursue the introduction of innovative building material products that will help deepen our reach to customers and differentiate us from competition.

The deficit in urban housing stock and the urgent need by Government at all levels to upgrade various road networks in the country provides growth opportunity for the cement sector and we will continue to adapt our production and commercial operations to these opportunities to the benefit of our shareholders.

E-DIVIDEND AND ELECTRONIC DELIVERY MANDATE

In order to eliminate issues of unclaimed dividend, I will once again like to encourage shareholders who have not taken the E-Dividend option to do so. An E-Dividend Mandate Form is attached at the back of the Annual Report and Accounts for completion and return to the Registrars' desk at the entrance of the hall of the meeting or at their office.

APPRECIATION

On behalf of the Board of Directors, I thank the Management and Staff of the Company for their dedication, enthusiasm and an unwavering focus in managing the operations of the Company in spite of a challenging operating environment.

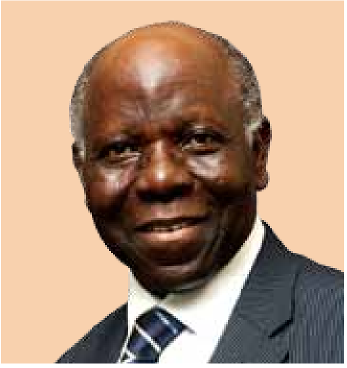
We are grateful to the Lafarge Group, our core investor and technical partners for bringing to bear on our manufacturing and commercial operations the benefit of its global experience and brand equity. On behalf of the Board of Directors and shareholders I place on record our appreciation of their contributions.

The communities where we have our manufacturing plants have continued to provide the necessary atmosphere for our operations to thrive and to collaborate with us in a mutually beneficial way to ensure that our Corporate Social Responsibility activities achieved their aim and impact. We are grateful for their partnership.

Distinguished shareholders, my colleagues on the Board, Ladies and Gentlemen, I thank you for your presence at this year's Annual General Meeting and I look forward to your full participation in the agenda of today's meeting.

Chief Olusegun Osunkeye, OFR, OON
Chairman of the Board
Lafarge Cement WAPCO Nigeria Plc

BOARD OF DIRECTORS



CHIEF OLUSEGUN OLADIPO OSUNKEYE, OFR, OON
Chairman

Chief Olusegun Oladipo Osunkeye, OFR, OON is a Fellow of the Institute of Chartered Accountants of Nigeria, the Institute of Directors and the Nigerian Institute of Management. He is also the Chairman of Nestle Nigeria Plc, GlaxoSmithkline Consumer Nigeria Plc.

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

He was a member of Senate of the University of Lagos from 2002-2007 and a facilitator at the Lagos Business School of Pan African University on "Directing the Enterprise and Corporate Governance". He is a past President of the Nigerian Employers' Consultative Association (NECA). He is a high ranking Chief, as the Babalaje of Egbaland. He was conferred with a Doctor of Science Degree (honoris causa) by the University of Agriculture, Abeokuta in 1998. In 2003, he was conferred with the National Honors Award of Officer of the Order of the Niger (OON) and in 2011 he was conferred with the National Honors Award of Order of Federal Republic of Nigeria (OFR) in recognition of his significant contribution, through the private sector, to the industrial, commercial and agricultural development of the country.

He joined the Board of the Company on the 24th October 2000, was elected Chairman of the Board with effect from 1st October 2009.

JEAN-CHRISTOPHE BARBANT ESQ.
Vice Chairman

Mr. Jean-Christophe Barbant (French) is a graduate of Ecole Nationale Superieure des Mines de Paris/France and School for Sciences and Engineering. He joined Lafarge Gypsum in 1995 as a Director for strategic development projects.

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

He is currently the Lafarge Country CEO for Nigeria and Benin Republic. He was appointed to the Board of Lafarge Cement WAPCO Nigeria Plc on the 27th of May 2009 and was elected Vice Chairman on the 27th September 2012.

JOSEPH HUDSON ESQ.
Managing Director/Chief Executive Officer

Mr. Joseph Hudson, a British citizen, is presently the Managing Director and Chief Executive Officer of the Company. He was appointed to the Board of Lafarge Cement WAPCO Nigeria Plc on the 16th March 2011.

Mr. Hudson has held various roles within 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.

BOARD OF DIRECTORS' PROFILE

ALFRED AMOBI ESQ.
Finance Director/Chief Financial Officer

Mr. Alfred Amobi is a fellow of both the Institute of Chartered Accountants of Nigeria and Chartered Institute of Taxation of Nigeria. He graduated with a Distinction in Accountancy from the Institute of Management and Technology, Enugu. He also holds a Masters Degree in Business Administration from Enugu State University of Science and Technology. Mr. Amobi has attended Executive Management Programmes at various institutions including Havard Business School and Management Centre, Europe.

Mr. Amobi held several positions within UAC of Nigeria Plc, including Management Accountant, Divisional Commercial Director (BPP/Kalamazoo). He represented UACN on the Board of Spring Waters Nigeria Ltd as the Finance Director of the Company. He later spent many years within the Coca-Cola System, holding various senior management positions including Head of Finance Operations and Commercial Director, East/West of Nigerian Bottling Company Plc. (A Coca-Cola HBC Company).

He joined Lafarge Cement WAPCO Nigeria Plc as the Chief Financial Officer and was appointed to the Board of Lafarge Cement WAPCO Nigeria Plc on the 16th of September 2011.

ASIWAJU ILIASU ADEMOLA AWOSANYA
Director

Asiwaju Ademola Awosanya, the Ori Aje of Remoland worked at Royal Exchange Assurance Limited and also Bank of America Limited from where he proceeded to the United Kingdom in 1962 to study Banking and Accountancy at the City of London College and Balham & Tooting College London.

Asiwaju Awosanya served at various times at the Nigerian Embassy in London, as a Senior Accounts Officer under the Financial Attachee. He also served as a Manager at the United African Company of Nigeria Plc (UACN). He was the Chairman, Ijebu-Remo Local Government, Ogun State Water Corporation and Ogun State Towergate Insurance Plc. He is presently the Chairman/Chief Executive of Project Publications Limited. He joined the Board of Lafarge WAPCO Nigeria Plc on the 7th of November 2003.

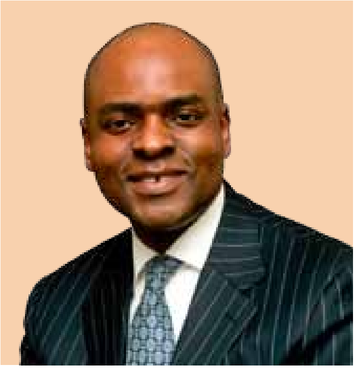
CHIEF (DR.) JOSEPH OLADELE SANUSI, CON
Director

Dr. Joseph Oladele Sanusi is a Fellow of the Institute of Chartered Accountants of Nigeria and a Fellow of the Nigerian Institute of Bankers. He trained at the South-West London College; Kingston College of Technology, Havard University, Boston, USA. He was the former Governor, Central Bank of Nigeria.

He has held top-level management and directorship positions in the financial services sector including the MD/CEO of First Bank of Nigeria Plc, United Bank for Africa Plc, Chairman FBN (Merchant Bankers) Limited, Kakawa Discount House and he is presently the Chairman of Standard Chartered Bank Limited in Nigeria and Chairman of First Pension Custodian Nigeria Ltd. He is a recipient of several awards. In 2002 he was conferred with the National Honour of the Commander of the Order of the Niger (CON). He is the Bashorun of Ile-Ife and the Asiwaju of Ogbagi Land in Akoko, Ondo State.

He was appointed to the Board of Directors of Lafarge Cement WAPCO Nigeria Plc on the 7th of October 2004.

MOBOLAJI OLUDAMILOLA BALOGUN ESQ.
Director



Mobolaji Oludamilola Balogun is an Economics (Honours) graduate of the London School of Economics, University of London. He is the Chief Executive Officer of Chapel Hill Denham 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 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. Balogun joined the Board of Lafarge Cement WAPCO Nigeria Plc on the 1st of March 2005.

GUILLAUME ROUX ESQ.
Director

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

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

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

He was appointed to the Board of Lafarge Cement WAPCO Nigeria Plc on 18th December 2007.

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 and a member of the Nigerian Bar Association, the International Bar Association and Soroptimist International of Nigeria.

She is a Director of Coastline Microfinance Bank Limited 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 Cement WAPCO Nigeria Plc on the 3rd of September 2008.

BOARD OF DIRECTORS' PROFILE

ADEBAYO JIMOH ESQ.
Director

Mr. Adebayo Jimoh is a graduate of the University of Ilorin and 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.

Mr. Adebayo 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 was appointed the Group Managing Director of Odu'a Investment Limited in May 2005. He joined the Board of Lafarge Cement WAPCO Nigeria Plc on the 16th March 2011.

JEAN-CARLOS ANGULO ESQ.
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 to 1974) in Bordeaux. He joined Lafarge in 1975, where he was successively Project Manager and Projects Director in Group engineering subsidiaries (plant construction). He later became the General Manager of Lafarge Consulteria e Estudos in Brazil. In 1984, he joined Lafarge Aluminates as Head of Development. He was General Manager of Lafarge's Brazil operations and head of the Southern region of Latin America from 1990 to 1996. He was appointed the General Manager of Lafarge Cements in France in 1996.

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

MS. SYLVIE ROCHIER
Director

Ms. Sylvie Rochier (French) started her career with Lafarge in 1989 where she held various senior Management Positions including Controller and Finance Director at the Lafarge Materiaux de Specialities.

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

ADEBODE ADEFIOYE ESQ.
Director

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

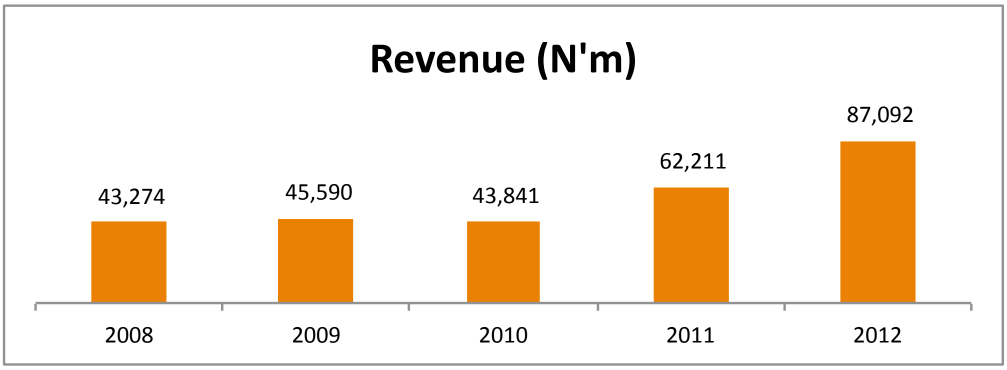
Mr. Adebode Adefioye joined John Holt Plc in 1987 and held various Managerial positions in Production and Quality Control, Personnel and Administration as well as Marketing & Sales. He rose to the position of Deputy General Manager by the time he left in 2002.

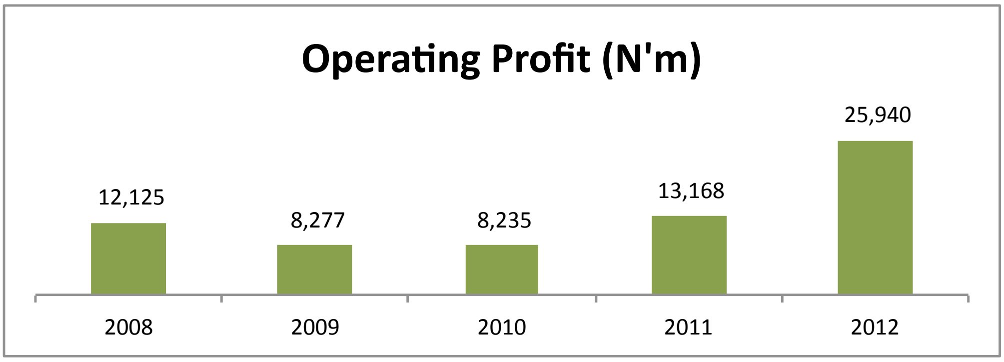
Mr. Adeboye Adefioye is the Chief Executive Officer of Sw8 Investments Limited and holds Directorship positions on the Board of Wema Bank Plc and Ceerem Investment Nigeria Limited. He joined the Board of Lafarge Cement WAPCO Nigeria Plc on the 20th December 2012.

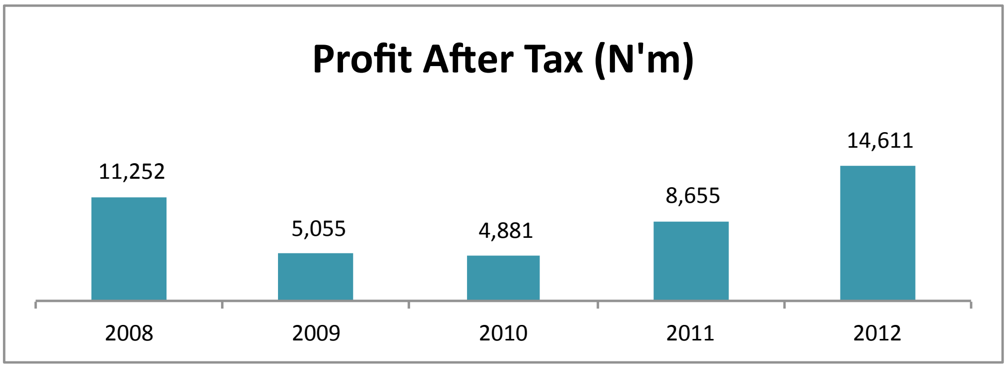
FINANCIAL HIGHLIGHTS

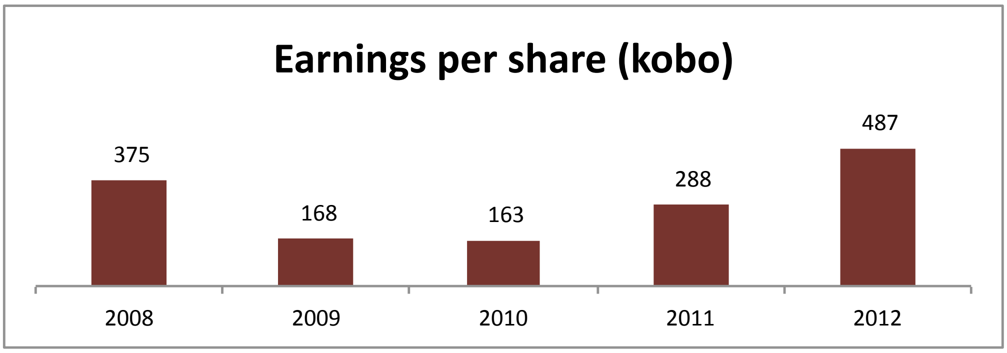
	Group		Company		Increase/(Decrease)	
	2012	2011	2012	2011	Group	Company
Major Balance Sheet Items (N'Million)						
Plant, Property & Equipment	128,095	127,729	127,275	127,379	0%	(0%)
Borrowings	37,306	52,740	37,306	52,740	(29%)	(29%)
Net Current Assets/(Liabilities)	(8,043)	(7,557)	(7,353)	(7,229)	6%	2%
Ordinary Shareholders' Funds	68,359	56,094	68,274	56,109	22%	22%
Major Profit & Loss Account Items(N'Million)						
Revenue	87,965	62,502	87,092	62,211	41%	40%
Operating Profit	26,041	13,152	25,940	13,168	98%	97%
Profit Before Tax	21,264	10,349	21,164	10,365	105%	104%
Profit After Tax	14,712	8,639	14,611	8,655	70%	69%
Ordinary Dividends	3,602	2,251	3,602	2,251	60%	60%
Major Cashflow Items in/(out): (N'Million)						
Net Cash Inflows from Operating Activities	24,969	31,341	24,416	30,902	(20%)	(21%)
Cash and Cash Equivalent	8,892	11,420	8,826	11,352	(22%)	(22%)
Ratios						
Net return on Ordinary Shareholders' Funds	22%	15%	21%	15%		
Gross Profit to Turnover	37%	31%	37%	31%		
Operating Profit to Turnover	30%	21%	30%	21%		
Operating Profit on Total Assets	17%	9%	17%	9%		
Debt to Equity	55%	94%	55%	94%		
Headcount:						
Number of Employees (including trainees)	1,081	1,022	976	966	6%	1%
Information per 50k Ordinary Share:						
Dividends (Kobo)	120	75	120	75	60%	60%
Earnings	490	288	487	288	70%	69%
Net Assets (Kobo)	2,277	1,869	2,275	1,869	22%	22%
Dividends Cover (Times)	4.1	3.8	4.1	3.8	6%	6%

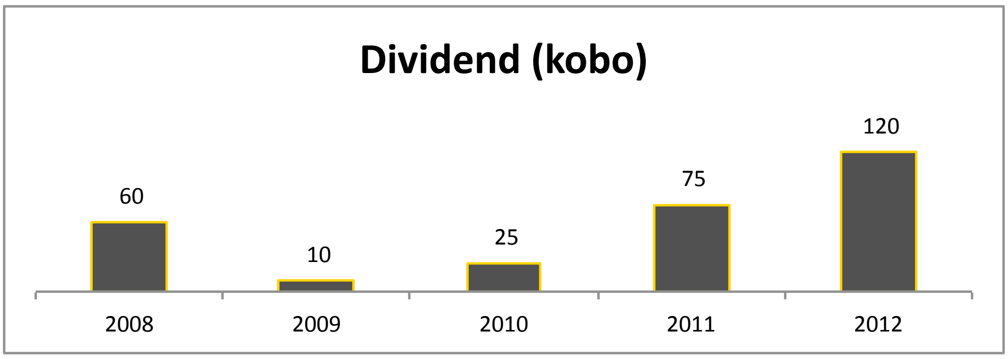
FIVE YEAR TREND - COMPANY











REPORT OF THE DIRECTORS

The Board of Directors has the pleasure in submitting to members, its Annual Report along with the Financial Statements of the Company for the year ended 31st December, 2012.

DIRECTORS' RESPONSIBILITIES

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act (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.
- suitable accounting policies are used and consistently applied.

PRINCIPAL ACTIVITIES

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

READY MIX CONCRETE BUSINESS

Lafarge Ready Mix Nigeria Limited is a fully owned subsidiary of Lafarge Cement Wapco Nigeria Plc. The Ready Mix business was set up in 2010 in response to the opportunities presented by local construction industry and commenced operations in the last quarter of 2011. Since it commenced operations, the Ready Mix business has made significant in-roads in the construction market of Lagos area with plans to expand its operations to other parts of the Country. The Directors are therefore presenting to the Shareholders at the Annual General Meeting audited Group Financial Statements.

SUMMARY FINANCIAL RESULTS FOR THE YEAR

The Group's revenue increased by 41% over 2011 (Company – 40%) as a result of the ramp up of our new Ewekoro Plant and market expansion activities within the year.

Finance cost increased by 78% in 2012 compared to 2011. Significant part of the borrowing cost in prior year was capitalized during the construction of our new Ewekoro Plant.

Profit before tax grew by 101%. This is a reflection of increased operating profit due to the benefit from both the capacity expansion and various cost reduction initiatives embarked upon by the Group during the year.

Tax expense increase was as a result of increased deferred taxation in the first year of capitalizing our new Ewekoro II Plant.

	Group		Company	
	2012 N'm	2011 N'm	2012 N'm	2011 N'm
Revenue	87,965	62,502	87,092	62,111
Operating profit	**26,041**	**13,152**	**25,940**	**13,168**
Other operating (expense)/income	(115)	137	(115)	137
Investment income	616	223	616	223
Finance costs	(5,393)	(3,026)	(5,392)	(3,026)
Profit before tax	21,264	10,349	21,164	10,365
Tax expense	(6,553)	(1,710)	(6,553)	(1,710)
Profit from continuing operations	**14,712**	**8,639**	**14,611**	**8,655**
Other comprehensive loss	(195)	(101)	(195)	(101)
Total comprehensive income for the year	**14,516**	**8,538**	**14,416**	**8,553**

DIVIDEND

The Board of Directors is proposing a gross dividend of 120 kobo on every Ordinary Share in issue. This amounts to N3.602 billion. The proposed dividend if approved by shareholders is subject to deduction of withholding tax at the appropriate rate.

BOARD CHANGES

Since the last Annual General Meeting, Mr. John Stull (Vice Chairman) and Professor Oyelowo Oyewo (Non-Executive Director) resigned from the Board.

Ms. Sylvie Rochier was appointed to the Board of the Company on 26th July 2012 to fill position created by Mr. John Stull. Ms. Sylvie Rochier commenced her career with Lafarge in 1989 as a Controller. In 1992, she rose to the position of Finance Director in Lafarge Materiaux de Specialites. She joined the Group Central Finance Services in 2000 and since then occupied several key roles including Group Vice President, Investment Projects. She is currently the Group Senior Vice President, Finance.

Mr. Adebode Adefioye was appointed on the 20th of December 2012 to fill the position created by Professor Oyelowo Oyewo. Mr. Adebode Adefioye is the Chief Executive Officer of Sw8 Investment Limited, a Member of the Institute of Directors and a Member of the Institute of Public Analysts of Nigeria. He currently holds non-executive director positions on the Board of Wema Bank Plc, Ceerem Investment Nigeria Limited and Elmetec Nigeria Limited.

BOARD APPOINTMENTS

The Board Nominations and Remunerations Committee considered the nominees to the Board and their suitability for joining the Board. The Committee then made recommendations to the Board on the suitability or otherwise of the nominees for appointment to the Board. The appointment of Ms. Sylvie Rochier and Mr. Adebode Adefioye are presented for ratification by the shareholders at the 2013 Annual General Meeting of the Company.

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 Asiwaju Ademola Awosanya, Mr. Mobolaji Balogun, Mrs. Oludewa Edodo-Thorpe, Mr. Adebayo Jimoh and being eligible, offer themselves for re-election.

Their performances in the Director's evaluation conducted for the year 2012 were satisfactory.

Asiwaju Ademola Awosanya, being above the age of 70, has indicated his willingness to continue in office as a Director of the Company in accordance with Section 252 of the Companies and Allied Matter Act (Cap C20, Laws of the Federation of Nigeria 2004).

3

INTEREST OF DIRECTORS

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

Name	No of shares 21.03.2013	No of shares 31.12.12	No of shares 31.12.11
Chief Olusegun Osunkeye, OFR, OON	101,184	101,184	101,184
Mr. John Stull (Resigned 26.07.12)	-	-	-
Mr. Joseph Hudson	49,574	49,574	-
Mr. Alfred Amobi	5,750	5,750	5,750
Mr. Guillaume Roux	-	-	-
Mr. Jean-Christophe Barbant	-	-	-
Asiwaju Ademola Awosanya	10,500	10,500	10,500
Chief (Dr.) Joseph Sanusi, CON	8,964	8,964	8,964
Mr. Mobolaji Balogun	2,103,302	2,103,302	2,103,302
Professor Oyelowo Oyewo (Resigned 27.09.12)	10,000	10,000	10,000
Mrs. Oludewa Edodo-Thorpe	46,037	46,037	20,948
Mr. Adebayo Jimoh	-	-	-
Mr. Jean-Carlos Angulo	-	-	-
Ms. Sylvie Rochier (Appointed 26.07.12)	-	-	-
Mr. Adebode Adefioye (Appointed 20.12.12)	-	-	-

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

REPORT OF THE DIRECTORS

DIRECTORS' INTEREST IN CONTRACTS

None 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, 2012.

CORPORATE GOVERNANCE REPORT

Lafarge Cement WAPCO Nigeria Plc remains committed to institutionalizing the principles of corporate governance. The Company continues to ensure adherence to 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 applicable regulations.

The Company believes that the implementation of global best practices and corporate governance principles would help to achieve its goals to enhance stakeholders' value. The Company therefore organised an Investor Relations Forum in 2012 as a demonstration of its belief in developing stakeholders' relations and enhancing transparency.

The Company's commitment to pursuing and maintaining the highest level of Corporate Governance is evidenced by the Company's adherence over the years to International Best Practices and the standard of corporate governance advocated by SEC's Code of Corporate Governance 2011. The Company shall continue to report to shareholders its compliance with the mandatory requirements under the Code.

We present in details, a statement of how the Board conducted its activities in the last financial year.

1. THE BOARD COMPOSITION AND ITS COMMITTEES

- The Board has overall responsibility for ensuring that the Company is appropriately managed and achieves its strategic objectives.
- The Company's Articles of Association provides that the Company's Board shall consist of not more than thirteen Directors. During the year, the Board comprised of thirteen Directors: eleven (11) non-executives and two (2) executives.
- The Company's Board is comprised of a non-executive Chairman, with a mix of executive and non-executive Directors, all bringing high levels of competencies and experiences, with enviable records of achievement in their respective fields.
- The Board meets regularly to 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.

2. ROLE OF THE BOARD

- Reviewing alignment of goals, major plans of action, annual budget and business plans with overall strategy; setting performance objectives; monitoring implementation and corporate performance and overseeing major capital expenditure in line with approved budget.
- Ensuring 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 law.
- Through the establishment of the Board Committees, making recommendations and taking decisions on issues of expenditure that may arise outside the normal meeting schedule of the full Board.
- Ratifying 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 approval of 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.

3. 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 Directors' attendance and meetings held during year 2012 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 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.

BOARD MEETING

The Board held 7 meetings during the 2012 financial year. The following table shows membership and the attendance of Directors at the Board meetings held in the 2012 financial year:

Directors	15/2/12	20/3/12	23/5/12	26/7/ 12	27/9/ 12	24/10/12	20/12/12	Total
Chief Olusegun Osunkeye	x	x	x	x	x	x	x	7
Mr. John Stull (resigned 26.07.2012)	x	-	-	-	-	-	-	1
Mr. Joseph Hudson	x	x	x	x	x	x	x	7
Mr. Alfred Amobi	x	x	x	x	x	x	x	7
Mr. Guillaume Roux	-	x	x	x	-	x	x	5
Mr. Jean-Christophe Barbant	x	-	x	x	x	x	x	6
Asiwaju Ademola Awosanya	x	x	x	x	x	x	x	7
Chief (Dr.) Joseph Sanusi	x	x	x	x	x	x	x	7
Mr. Mobolaji Balogun	x	x	x	x	x	x	x	7
Mrs. Oludewa Thorpe	x	x	x	x	x	x	x	7
Professor Oyelowo Oyewo (resigned 27.09.2012)	x	x	x	-	x	-	-	4
Mr. Adebayo Jimoh	x	x	x	x	x	x	x	7
Mr. Jean-Carlos Angulo	-	-	x	x	-	x	x	4
Ms. Sylvie Rochier (appointed 26.07.2012)	-	-	-	x	x	x	x	4
Mr. Adebode Adefioye (appointed 20.12.2012)	-	-	-	-	-	-	x	1

4. COMMITTEES OF THE BOARD

a. Finance and Strategic Planning Committee

The Committee reviews and makes recommendations to the Board of Directors with respect to the Company's annual and long- term financial strategies and objectives.

The Committee is made up of six members namely:

1. Chief (Dr.) Joseph Sanusi - Chairman
2. Mr. Mobolaji Balogun - Director
3. Mr. Alfred Amobi - Director
4. Mr. Joseph Hudson - Director
5. Mr. Jean-Christophe Barbant - Director
6. Ms. Sylvie Rochier - Director

The following table shows the attendance of the members of the Committee at the meetings:

Directors	15/3/12	24/4/12	24/7/12	24/10/12	17/12/12	Total
Chief (Dr.) Joseph Sanusi	x	x	x	x	x	5
Mr. Mobolaji Balogun	x	x	x	x	x	5
Mr. Alfred Amobi	x	x	x	x	x	5
Mr. Joseph Hudson	x	x	x	x	x	5
Mr. Jean-Christophe Barbant	x	x	x	x	x	5
Ms. Sylvie Rochier	-	-	-	-	x	1

REPORT OF THE DIRECTORS

b. Nomination and Remuneration Committee

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 consists of five members namely:

1. Mr. Jean-Carlos Angulo - Chairman
2. Mr. Jean-Christophe Barbant - Director
3. Professor Oyelowo Oyewo - Director
4. Chief (Dr.) Joseph Sanusi - Director
5. Asiwaju Ademola Awosanya - Director

The Committee met three times in the year. The following table shows the attendance of the members of the Committee at the meetings:

Directors	20/3/12	26/7/12	20/12/12	Total
Mr. Jean-Carlos Angulo	-	-	x	1
Mr. Jean-Christophe Barbant	x	x	x	3
Professor Oyelowo Oyewo	x	-	-	1
Chief (Dr.) Joseph Sanusi	x	x	x	3
Asiwaju Ademola Awosanya	x	x	x	3

c. Risk Management & Ethics Committee

The Committee reviews the nature, extent and categories of risks facing the Company, probability of the risks occurring and the Company's Policies among others. The Committee also monitors compliance of the Company regarding Health, Safety, Environment and Ethics.

The Committee is made up of six members namely:

1. Mr. Jean-Christophe Barbant - Chairman
2. Mrs. Oludewa Edodo Thorpe - Director
3. Asiwaju Ademola Awosanya - Director
4. Mr. Joseph Hudson - Director
5. Mr. Adebayo Jimoh - Director
6. Ms. Sylvie Rochier - Director

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

Directors	23/4/12	6/9/12	Total
Mr. Jean-Christophe Barbant	x	x	2
Mrs. Oludewa Edodo Thorpe	x	x	2
Asiwaju Ademola Awosanya	x	x	2
Mr. Joseph Hudson	x	x	2
Mr. Adebayo Jimoh	x	x	2
Ms. Sylvie Rochier	-	x	1

d. Property Optimisation Committee

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

The Committee is made up of six members namely:

1. Professor Oyelowo Oyewo - Chairman
2. Mr. Joseph Hudson - Director
3. Mr. Mobolaji Balogun - Director
4. Mrs. Oludewa Edodo Thorpe - Director
5. Asiwaju Ademola Awosanya - Director
6. Mr. Adebayo Jimoh - Director

The adhoc Committee met once during the year to consider the optimization of the Company's properties. The following table shows the attendance of the members of the Committee at the meeting:

Directors	15/3/12
Professor Oyelowo Oyewo	x
Mr. Joseph Hudson	x
Mr. Mobolaji Balogun	x
Mrs. Oludewa Edodo Thorpe	x
Asiwaju Ademola Awosanya	x
Mr. Adebayo Jimoh	x

e. Audit Committee

In accordance with section 359 (5) of the Companies and Allied Matters Act cap C20, Laws of the Federation of Nigeria 2004, members and Directors 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 54th Annual General Meeting. The meetings of the Committee were held three times during the year. The functions of the Committee are provided in section 359 (6) of the Companies and Allied Matters Act (Cap C20, Laws of the Federation of Nigeria 2004).

The Committee comprises of six members namely:

1.	Mr. Olawale Oyedele	-	Member (Chairman)
2.	Mr. Adebayo Adeleke	-	Member
3.	Chief Peter Asu	-	Member
4.	Chief (Dr.) Joseph Sanusi	-	Director
5.	Mr. Mobolaji Balogun	-	Director
6.	Mr. Alfred Amobi	-	Director

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

Members	15/3/12	27/7/12	30/11/12	Total
Mr. Olawale Oyedele	x	x	x	3
Mr. Adebayo Adeleke	x	x	x	3
Chief Peter Asu	x	x	x	3
Chief (Dr.) Joseph Sanusi	x	x	x	3
Mr. Mobolaji Balogun	x	x	x	3
Mr. Alfred Amobi	x	x	x	3

5. 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 2012 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. A summary of the 2012 performance evaluation results revealed the Chairman as highly rated by other Directors of the Company. The organization and practices of the Board was also found to be on the overall satisfactory.

6. MANAGEMENT TEAM

The Management Team headed by the Managing Director/CEO is responsible for the day-to-day management of the business. The Management Team is made up of Heads of Departments in the Company. They meet at least once a month to deliberate on critical issues affecting the day to day running of the Company.

7. INSIDER TRADING

The Board has ultimately the responsibility for the Company's compliance with the rules relating to insider trading. The Company's Directors are prohibited from dealing in the Company's shares at certain periods, in accordance with the Investment and Securities Act, 2007 and the Company's policy on insider trading.

8. ETHICS AND CODE OF BUSINESS CONDUCT

The Company has adopted the Lafarge Code on Ethics and Business Conduct. All employees and third parties dealing with the Company are required to imbibe the rules of business conduct and comply with them.

REPORT OF THE DIRECTORS

The Lafarge Code of Business Conduct workshop/training was organized for employees of the Company at different periods during the year.

As one of its responsibilities, the Audit Committee and the Board, approves, evaluates the extent of compliance and proffers suggestions, benchmarks and achievable objectives towards the realisation of the Company's policy on ethics. Management in addition, presents an annual report on Ethics to the Audit Committee for review and evaluation.

8. WHISTLE BLOWING

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

9. ACQUISITION OF SHARES

The Company did not purchase any of its own shares during the year.

Major Shareholders	No. of shares	%
Odu'a Group of Companies	154,321,349	5.14
Stanbic Nominees Nigeria Limited	324,961,006	10.83
Nigerian Public	721,309,521	24.03
Foreign	1,801,008,128	60.00
Total	3,001,600,004	100.00

Lafarge SA is the foreign investor holding its shares in the names of its subsidiaries: Associated International Cement UK (36.481%) and Lafarge Associated Nigeria Limited (23.52%).

No one other than those listed above held more than 5% of the issued share capital of the Company as at 31st December 2012.

10. EMPLOYMENT OF DISABLED PERSONS

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

11. DONATIONS AND CHARITABLE GIFTS

During the year donations amounting to N213,600,000.00 were made; details are provided as follows:

Community Development Projects, Donations & Charitable Gifts	Amount in Naira (N)
Community Development Projects (Ewekoro)	100, 000,000
Community Development Projects (Sagamu)	85, 000,000
Other Community Activities	5,000,000
Ogun State Security Trust Fund	20, 000,000
Ogun State Investors' Forum	1, 000,000
Ladies Golf Association of Nigeria	1, 500,000
Empowerment Programme	1, 900,000
Nigerian Society of Engineers (National Essay Competition)	500, 000
The PEACE Concert	400, 000
Capital Market Correspondents Association Nigeria	300, 000
Commerce & Industry Correspondent Association of Nigeria	350,000
Nigeria Union of Journalists (NUJ) Ogun State Chapter	250,000
Nigerian Institute of Building	400,000
The Village Network (NGO for Rural Empowerment)	400,000
Building Collapse Prevention Guild	400,000
Others	1,200,000
Total	**N213,600,000.00**

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.

12. 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.

13. SUSTAINABILITY REPORT

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

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

14. 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 53rd Annual General Meeting held in Lagos on 23rd May, 2012 comprising three Directors and three shareholders namely Chief (Dr.) Joseph Sanusi, Mr. Mobolaji Balogun, Mr. Alfred Amobi and Mr. Olawale Oyedele, Chief Peter Asu and Mr. Adeleke Adebayo.

15. AUDITORS

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

BY ORDER OF THE BOARD

UZOMA UJA (MS.)
FRC/2012/NBA/00000001645
Company Secretary/Legal Adviser
Dated this 21st day of March 2013

3

ADDENDUM TO THE REPORT OF THE DIRECTORS

PIONEER STATUS

On the 3rd of April 2013, the Federal Ministry of Trade and Investment granted the Ewekoro II Plant Pioneer Status based on the Company's application in line with the Industrial Development (Income Tax Relief) Decree No. 21, 1971.

The commencement date of the tax holiday (Production Date) is 1st of December 2011 for a period of 5 years. The tax expense on the 2012 Financial Statements has not considered the impact of this tax holiday. However, the necessary adjustments will be reflected in the 2013 Financial Statements.

BY ORDER OF THE BOARD

UZOMA UJA (MS.)
FRC/2012/NBA/00000001645
Company Secretary/Legal Adviser
Dated this 24th day of April 2013

MANAGEMENT TEAM

Joseph Hudson
Managing Director/CEO

Alfred Amobi
Finance Director/CFO

Paul Rogers
Industrial Director

Geoffrey Ndugwa
GM, Innovation &
Technical Development

Enitan Oyenuga
GM, Human Resources

Olufemi Ransome-Kuti
GM, Supply Chain

3

Lanre Opakunle
GM, Industrial Performance

Sam Ndionyenma
National Sales Manager

Michael Awanayah
GM, Business Transformation


LAFARGE
Elephant
Supaset
LAFARGE
Elephant
Elephant
Cement
Enduring strength built on
decades of experience.
LAFARGE
Elephant
LAFARGE
Elephant
Supaset

HEALTH AND SAFETY

In line with the Lafarge Group's commitment, Health & Safety landscape in Lafarge Cement WAPCO Nigeria Plc has changed significantly over the years. The Company has made very positive strides in the last few years in its pursuit of achieving ZERO accidents and ZERO occupational illness.

MD/CEO Joe Hudson with children of staff at the closing ceremony of our annual Health & Safety Month in June 2012.

2012 was a very challenging year on many fronts with respect to Health and Safety for our Company. Notwithstanding, the challenges, Lafarge WAPCO was among the very few Business Units (BU) within the Group that achieved its 2012 Lost Time Injury Frequency Rate (LTIFR) targets of 0.51 and 0.47 for both employees and contractors respectively. To put this performance in perspective, the Company achieved LTIFR-Employees of 0.42 per 2.36 million man-hours translating to over 59.6% improvement against the 2011 performance. LTIFR-Contractors remained at 0.00 for two consecutive years running. The Company's contractors continue to key-into our Health & Safety Management System resulting in a remarkable feat of achieving LTIFR of 0.00 per 5.56 million man-hours in 2012.

As a sign of gradual but steady maturity in our Health and Safety Management System (HSMS), all three plants in Sagamu and Ewekoro showed significant improvements of over 10% in HSMS Audit scores in 2012 compared to 2011.

An aspect of our operation that continues to pose huge challenge remains Logistics Road Transport Safety. The risk exposure in this area continues to increase as we expand the business especially with the reality of road accidents in Nigeria and all over the world but we will not rest on our oars. In 2012, the Company moved a total of 2.9 million metric tons of cement covering a delivery distance of 18.378 million kilometers. This translates to 0.11 incident frequency rate per million kilometers covered. This performance is indeed commendable. Lafarge WAPCO will continue to work with all stakeholders in the haulage sector in addition to deploying the knowledge and experience available within the Lafarge Group to tackle incidents of road accident towards achieving our ambitious Health and Safety target of "ZERO FATALITY ".

Lafarge WAPCO Staff commiting to the 5 Easy Steps Risk Based Assessment process during the Health and Safety Month in July 2012.

The economic environment in 2012 was also very challenging. But this did not deter Lafarge WAPCO from ensuring that the annual medical assessment for all employees was conducted as usual. Despite the increased number of staff, over 95% of employees were medically examined in 2012. This is a testimony of our belief that only healthy employees can perform optimally.

In 2012, Lafarge WAPCO received several awards; two were on Health & Safety. The Company was awarded the Best Risk Management Business Unit among the 64 countries of the Lafarge Group at the Annual Global Cement Awards Competition. The award was based on a thorough implementation of Health & Safety Risk Management during the construction of Lafarge WAPCO's new 2.5 million metric tons state-of-the-art Plant, Ewekoro II with a landmark safety record of eleven million man hours with just five (5) Lost Time Incidents translating to LTIFR of 0.45.

Again, the Nigeria Employers Consultative Association (NECA), an umbrella body for all employers, also honored Lafarge WAPCO in November 2012 as the winner of the NSITF-NECA Workplace Safety Award.

The Director General of NECA, Mr. Olusegun Osinowo during the presentation of an Ambulance Bus as a Prize to the Company at its NECA House, Ikeja, Lagos commended the Company for its strong and consistent Health & Safety practices in the work place.

The above achievements were not by chance but attributable to the hard work of the Company in ensuring that Health and Safety is imbibed as a value. As part of our annual June 2012 Health & Safety Month, we organized a 3-Day Retreat tagged "Working Together to Partner Effectively with Line Managers"

HEALTH AND SAFETY

L-R: Country CEO Lafarge for Nigeria and Republic of Benin, Jean-Christophe Barbant, GM, Industrial Performance, Lanre Opakunle, MD/CEO, Joe Hudson and Company Secretary, Uzoma Uja at the Company's Annual Health & Safety Month closing ceremony in June 2012.

with the Company's top executives in attendance, which was a huge success. Partnership project works with various Health & Safety experts like DuPont; Behavioral Science Technology and Safety Network consultants also played positive roles. Key projects were: Safety Management Assessment, Safety Culture Survey for all employees and Task-based Risk Assessment. In addition to the above, the Company embarked on Company-wide behavioral change training tagged "Driving a Culture of Safety" for all employees and was facilitated by the Leadership Team.

Moreover, every member of the Leadership Team personally sponsored and followed through action plans on a specific Health & Safety Initiative work stream in 2012. In all of these activities, communication was pivotal as processes were put in place to disseminate basic information to help ensure that Health & Safety is imbibed as a culture in the Company.

Medical doctor attending to an employee during the Company's Annual Medical check up in December 2012.

In 2011, the Lafarge Group introduced a new Health & Safety strategy – the Risk Based Approach, where each BU prioritizes how risks in Health and Safety are identified and managed. Lafarge WAPCO has since adopted the risk based approach to Health and Safety and it has been working well. The Company's employees have started shifting from compliance-based approach to commitment-based risk management across all our operations.

We believe it is too early to celebrate as we are on a journey. To attain excellence in Health & Safety, we must continue to improve. Hence, in 2013, using the Risk-based Management approach, we will focus on: Housekeeping, Road Transport Safety, Energy Isolation, Work at Heights, Occupational Health Risk Management and consolidating on the progress made so far towards changing the safety culture mindset of our people.

To achieve sustainable results in Health & Safety and to move to the next level, the Company will focus on the following initiatives: internalizing Visible Felt Leadership rather than making it a numbers game; full implement of existing Health and Safety standards; increasing our sense of urgency and lowering our tolerance level; moving from lagging to leading indicators; developing our people to improve their competency level by engaging both middle management and supervisors; integrating Health and Safety into performance management and improving our Health and Safety communication amongst other initiatives.

ENVIRONMENT


The golf course at Sagamu Plant.


Ewekoro tree nursery – May 2012

Biomass Fuels Project

In line with the Company's commitment to Sustainable Development, Lafarge WAPCO embarked on a Biomass Fuels Project in the year under review. The main object of the Company's biomass Fuels Project is to develop an Alternative Fuel (primarily Biomass) supply and utilization system to partly substitute the use of fossil fuels at the Ewekoro and Sagamu Plants.

Project Description

Nigeria has abundant reserves of fossil fuels and is a major global exporter of both crude and Liquified Natural Gas. Nevertheless, severe infrastructure barriers restrict the domestic availability of both natural gas and fuel oil for industrial use all year round. Until recently, all Lafarge WAPCO kilns relied almost exclusively on natural gas except for the new Ewekoro II kiln which is designed to use coal as well as natural gas as a primary fuel in pyro-processing.

The impact of fossil fuels as significant contributor to global and Nigerian CO2 emissions cannot be over emphasized. A widely acknowledged option with the highest potential to reduce GHG emissions is the use of Biomass residue and other low-carbon alternative fuels. Lafarge WAPCO Biomass Project Roadmap is inclined towards the use of biomass residues such as wood waste, Palm Kernel Shell (PKS) and saw dust in the short term while the Company continues to explore other means of securing Alternative Fuel for consumption in the long term.

Benefits of the Biomass Fuels Project

The introduction of Biomass as a fuel for pyro-processing in Lafarge WAPCO cement kilns will go beyond contribution to the global environmental goal of reducing greenhouse gas emissions - it will also improve the domestic technical skills of the cement industry in the use of Biomass. This could result in more applications in the use of renewable fuels and clean technologies in the cement manufacturing and other energy based industries in Nigeria. This project will be the first wide-scale use of third-party Biomass in Nigeria. It will support the development of agriculture while creating a carbon-neutral sustainable energy source.

Also, the project provides wide range socio-economic benefits especially in terms of employment generation within our Host Communities and the ability to replicate this technology to increase the use of Biomass for energy provision in other sectors of the economy. This will be a major step forward in the development of a low-carbon; bio-fuel based Sustainable Development in the country. Indeed, it will provide an important example of Lafarge WAPCO actively developing Nigeria's Biomass sector for fuel.

The introduction of Biomass as a fuel for pyro-processing in Lafarge WAPCO cement kilns will go beyond contribution to the global environmental goal of reducing greenhouse gas emissions. It will also improve the domestic technical skills of the cement industry in the use of Biomass.

HUMAN RESOURCES AND PEOPLE DEVELOPMENT

L-R: Geoffrey Ndugwa , GM, Innovation and Technical Development; Alfred Amobi, Finance Director with Adeyemi Adesola, a recipient of the 25-year award and wife, and Chief Olusegun Osunkeye, OFR, OON, Chairman Lafarge WAPCO; Joe Hudson, MD/CEO, Paul Rogers, Industrial Director and Fidelia Osime, HR Country Director at the Company's Annual Long Service Award held in December 2012 in Abeokuta, Ogun State. Standing behind is Thierry Tierrere, Ewekoro I Plant Manager .

OUR PEOPLE

Lafarge WAPCO Nigeria Plc is an equal opportunity employer in keeping with our Group and global best practice standards. The Company does not discriminate in its hiring and employment policies with respect to gender, race, religion or physical disabilities.

All qualified applicants are given equal opportunities to contest for available employment opportunities within the organization.

Internationally, we participated in major career fairs in 2012, held to attract and bring in highly experienced Nigerians and professionals from other nations, who have worked with world class organizations around the globe. In the year under review, a total of 976 full term employees were employed in the organization.

EMPLOYEE HEALTH AND SAFETY

The Company enforces strict health and safety rules and practices both at work environments and off-work sites, which are reviewed periodically to ensure relevance and compliance. The Company provides medical care for its employees and their families through fully equipped on-site clinics at the head office and plant locations, complementing this with access to designated reputable hospitals and clinics around employees' residences.

The Company operates a medical policy that covers all employees, their spouses and a maximum of four dependents. The policy operates under a fee for service approach and thus covers medical situations from the mild to more complex issues. The Company's policy on HIV/AIDS includes non-disclosure and non-discrimination. Employees also have access to in house voluntary counseling and testing services.

The Company conducts an annual health week and one of the key activities is the free comprehensive medical check for all employees and follow up after the reports are issued to ensure we have a fit and healthy employee population.

Regular medical drills are conducted across the sites to ensure the medical team is fully prepared for any emergencies.

Our commitment to a safe working environment and culture was reinforced by the "Driving a Safety culture" program which was cascaded by the senior management and driven throughout the organization during the course of the year.

CAPABILITY DEVELOPMENT

In consolidation of the various initiatives launched to focus on the development of its neighbouring community, the Company relaunched its Apprenticeship Scheme. This is focused at developing key skills in selected candidates with potential from the community and equipping them for gainful employment even outside Lafarge WAPCO.

Within the organization some new initiatives were introduced whilst we continued to build on existing ones. The former include a team building program tagged 'Lighting Up Organizational Performance' a Supervisory Development Program which is aimed at developing early managerial skills in young employees; the Cement Professional Development Program (CPDP) and the certification programs for key areas of the Plants. These are in addition to several other technical and non-technical trainings, local and international, attended by identified members of staff from across the different grades of the organization.

A significant number of employees embarked on short term assignments to other Business Units within the Lafarge Group to further expose our local employees to Group standard technology, processes and practices.

PERFORMANCE BONUS SYSTEM

In 2012, the Company restructured its employee bonus framework in the Sales and Industrial Divisions to ensure employees were rewarded for their input and contributions to the business. An enhanced Sales Bonus Incentive Scheme was introduced for the field-facing roles within the Sales and Marketing Division in order to further drive a customer-centric culture.

Geoffrey Ndugwa, GM, Innovation and Technical Development with 10 year long service award recipient Sunday Awofodu, Public Affairs Manager and his wife at the Company's Annual Long Service Award held in December 2012 in Abeokuta, Ogun State.

Temitope Oguntokun, Head of Communications; Uzoma Uja, Company Secretary; Honorable Commissioner for Youths and Sports in Ogun State, Hon. Olugbenga Otenuga; Paul Rogers, Industrial Director with Wole Edun, HRBP Sagamu Plant; Omotayo Yusuff, General Services Manager, Ewekoro and Ezekiel Obasanya, HRBP Ewekoro at the Company's annual Sports Day in September 2012 held in Ewekoro.

The framework for the Industrial Division was revised and aligned with the business performance objectives which would help facilitate efficient and effective production and promote interdependence and teamwork. The overall performance bonus system for other areas of the business was also reviewed to make it more effective.

We continue to ensure that our remuneration policy remains competitive within the industry. This enabled us to maintain our reputation as an employer of choice and we are thus able to retain existing talent and attract talent from the local and international talent market.

EMPLOYEE RELATIONS PRACTICES

The Company maintains a robust employee relations practice. Aside representation at the Industry and national union levels, various in–house unions and associations exist to cater for the diverse interest of work groups in the business, while the management through its appointed representatives, maintains a cordial relationship with employee representatives, using both formal and informal communication channels as may be required. The Joint Consultative Committee was relaunched as a means of ensuring communication with a wider audience.

Management continues to use the quarterly forum, Time Out with the CEO, to ensure employee engagement and involvement in critical business issues.

EMPLOYEE RECOGNITION PROGRAM

The Company recognizes and celebrates employees who have meritoriously served the organization on a long term basis of ten (10) years and above 2012 was not an exception as a total of 76 employees in the 10,15, 20, 25 and 30 year categories were recognized and celebrated in a very colourful ceremony attended by family, friends, employees and directors of Lafarge WAPCO in Abeokuta in December 2012.

CORPORATE SOCIAL RESPONSIBILITY REPORT

Lafarge WAPCO considers the Community as a social partner. The Company's focus on youth development and education takes the center stage of the structured developmental activities mapped out for the Company's Host Communities in the year 2012. The Supaset Block Makers Empowerment Project (BMEP) and the Lafarge Technical Apprenticeship Scheme launched 2012 were some of the fresh initiatives of the Company geared towards improving the technical skills of young school leavers from the community and to give helping hands to willing and committed block makers to either start up or expand their own businesses.

The Company believes that these initiatives will not only empower the youths but will move them from unemployment or small scale artisanship to profitable medium sized entrepreneurs. BMEP includes funding of equipment and working capital by the Company in conjunction with a Micro Finance Institution called Self-Reliance Economic Advancement Programme (SEAP).

This is in alignment with our commitment to maximize the impact of our Corporate Social Investments which have been carefully defined in these focus areas:

- Health & Safety
- Education and Youth Development
- Shelter and Basic Infrastructure

In the area of education, the impact of the Company's social investments cannot be over emphasized. The Company renovated 5 blocks of 22 classrooms with adequate provision of chairs and tables in different Primary Schools across Sagamu Local Government and also built a block of 3 classrooms and an office at Egbado Ajegunle Community in Ewekoro Local Government in Ogun State.

Apart from education, the Company recognizes that the health of the communities is very important. As a caring organization, this perhaps explains the importance of partnering with the Communities to improve the health and living conditions of the people.

Joe Hudson, MD/CEO with pupils of AUD Primary School, Isale-Oko in Sagamu during the commissioning of blocks of classrooms renovated by Lafarge WAPCO.

This care was demonstrated recently when the Company in partnership with the Community donated various medical equipment and other consumables to primary health centers in Sagamu Local Government area in order to improve healthcare delivery to the people.

We have a platform through which the Community development projects are executed. We also involve the communities at all stages of projects from conception to implementation which, to a large extent, has ensured peaceful co-existence between the Company and our Host Communities.

At each of our Plants, we have in place the Community Development Committee comprising reputable members of the endorsed by the community leaders as representatives. The Committees meet regularly to discuss issues of common interest and monitor implementation of community development projects.

At Lafarge WAPCO, we are of the view that involvement in the life of the communities in which we operate helps us build long-term relations and, as an added step to further bring more value to bear on people's lives, we launched our Employee Volunteer Programme in September 2012. Tagged Lafarge Friends of Community (Lafarge FOC). The initiative is designed to encourage employees invest in local projects. Such projects relate to biodiversity, water conservation, health or local job creation. The underlying theme is to impact on our Communities.

Between 2006 and 2012, Lafarge WAPCO has expended an estimated sum of N900 million on the development of its host Communities.

In 2012, about N185 million was spent on the following development projects in Sagamu and Ewekoro where our plants are situated.

EDUCATION:

Ewekoro

- Bursary Award to 120 Undergraduates in various Tertiary Institutions across the country.
- Provision of 101,000 exercise books and biros indigent students in different schools.

Sagamu

- Provision of 167,000 Exercise books for 52 pupils in Public Primary Schools
- Bursary Awards to 70 Community Undergraduates
- Donation of Textbooks & Science Laboratory Equipment to 18 Secondary Schools in Sagamu.
- WAEC/NECO Coaching Classes Scheme in Science and Mathematics for final year students in Public Secondary Schools.
- Upgrade of Community IT Learning Centre with 10

New Computer sets, Scanner, Printer and Photocopy Machine
- Provision of resource to the School for Special Needs and Training School of Remo Branch of Nigeria Association for the Blind

HEALTH, SAFETY & ENVIRONMENT:

Ewekoro
- Public enlightenment campaign on eradication of Malaria fever
- Safety and Health Campaign for aged people in the community

Sagamu
- Donation of 25 items of Essential Medical/Health Equipment to 23 Primary Health Care Centres in Sagamu Local Government
- Public enlightenment campaign for personal health care and safety
- Advocacy and support for road safety in Sagamu Local Government
- Promotion of Safe & Healthy environment and implementation of effective domestic and industrial waste management strategies

YOUTH EMPOWERMENT:

Ewekoro
- Provision of vocational tools to 91 Youths (2 sets of complete computer and printer, 5 sets of Hair Dryer and Tools, 27 Motorcycles, 7 Sewing Machines, 6 Generators,1 Ox Machine, 4 Tricycle (Keke Napep), 1 Clipper, Weeding Chemicals and Fertilizers and 26 Deep Chest Freezers

- Provision of initial capital to 16 members of the community on their entrepreneurial journey

Sagamu
- Skill Acquisition - 29 Artisans trained in different vocations and empowered with working tools

AGRICULTURAL AID:

Sagamu
- Maintenance of indigenous big-scale Fish Farming Project.

CARE FOR THE AGED:

Ewekoro
- Provision of Relief Materials to 122 old people in the Community.

INFRASTRUCTURE SUPPORT:

Ewekoro
- Olujobi - Olujobi Bridge
- Lapeleke - Concrete Road Construction
- Alaguntan - Concrete Road and Drainage Construction
- Elebute - Concrete flooring of Town hall
- Itori - Drainage Construction
- Papalanto - Provision of Toilet
- Ewekoro - Construction of Drainage
- Egbado Ajegunle - Construction of a Block of 3 classrooms with one office
- Akinbo - Construction of Concrete road
- Oke - Oko Egbado - Electrification, construction of Drainage and Concrete flooring of Town hall

Joe Hudson, MD/CEO with beneficiaries of the Supaset Block Makers Empowerment Programme, an initiative designed to impact positively on SMEs in the Company's host communities.

- Oke - Oko Sekoni - Electrification, construction of Drainage and Concrete flooring of Town hall

Sagamu
- Renovation of 5 blocks of 22 Classrooms at various Primary School across Sagamu Local Government

SECURITY:
- Annual Financial support to local vigilante.

4

SUPPORTING YOUTH EMPOWERMENT

Supaset Block Makers Empowerment Programme

The Elephant Supaset Block makers Empowerment Programme combines commercial relevance and social impact through support for entrepreneurship in a sustainable manner.

The mechanics involve partnership with a micro finance institution called Self Reliance Economic Advancement Programme (SEAP) to create business discipline and monitoring for the beneficiaries as well as a high level of sustainability. We also involve business resource personnel within and outside the organization to provide business orientation and trainings that will sharpen beneficiaries' skills on how to run a profitable business.

The pilot scheme was launched in November 2012 with 10 beneficiaries (four technical college graduates who are starters in the block making vocation and six small scale block makers from our neighbouring communities). It is hoped that many more lives will be touched in the near future as the programme is sustained with the cooperation and support of all stakeholders.

DRIVING INNOVATION AND DEVLOPMENT IN THE MARKET

Industrial testing at the Le Tiel plant in France.

NEW PRODUCT DEVELOPMENT

To further demonstrate its commitment to customer service, research and innovation, Lafarge WAPCO developed and introduced an additional product into the increasingly exciting cement market in Nigeria in 2012 to complement the existing Elephant Classic and Supaset brands: Powermax Cement.

Powermax Cement is the first SON certified 42.5 cement product in Nigeria meant to cater for the needs of specialized users who require high strength concrete. Since its introduction into the market in mid-2012, the product has been well received by major construction companies in Nigeria.

AFFORDABLE HOUSING PROJECT

Lafarge WAPCO is bringing to Nigeria, a Lafarge Group business initiative aimed at developing affordable housing solutions for low to middle income Individual Home-Builders (IHB) through access to microcredit and technical assistance.

The Project, which has been successfully launched and implemented in Indonesia and Honduras is considered relevant to Nigeria, where about 14 million households are in need of housing microfinance to renovate, extend or build their house from scratch, representing a total market size of N21.3 Trillion (source: Alitheia Capital, 2011). To tap into this huge market, Lafarge WAPCO will partner with Microfinance institutions with proven integrity and willingness to key into the objectives of the project.

Preliminary work on the project began in the second quarter of 2012 and Lafarge WAPCO is currently working to facilitate investment in the identified micro finance institutions to launch a pilot in 2013.

MARKETING

MARKETING

2012 was an eventful year for the Company with respect to Sales and Marketing. Operationally, the year redefined competition in the cement industry as more local capacities came on stream, especially in the Company's traditional core market; thus the increase in competition activities. The Company took proactive steps to fortify the Sales and Marketing team, in the areas of Marketing and Product Brand Management, Research and Corporate Sales. In the same vein, the Sales Organisation of the Company was restructured to become more customer focused.

Summary of Sales & Marketing activities for the year under review include:

Marketing Communication

The communication objectives were mainly to reinforce the Lafarge corporate image and the Elephant brand. The campaign generated awareness and aided in the advertisement of the brand. The platforms for the campaign were, Press, Radio & Out of Home (billboards).

Trade Fairs/Exhibitions

In 2012, we participated in a number of exhibitions namely:

- Nigeria Infrastructure Construction (NIC) Exhibition (April)
- Lagos Expo & Investment Forum – Lagos (August)
- Federation of Construction Companies Exhibition – Abuja (July)
- Lagos International Trade Fair – Lagos (November)

To further demonstrate its commitment to customer service, research and innovation, Lafarge WAPCO developed and introduced an additional product into the increasingly exciting cement market in Nigeria in 2012 to complement the existing Elephant Classic and Supaset brands: Powermax Cement.

Members of the Company's 2013 Diamond Club flanked by Jean-Christophe Barbant, CCEO Lafarge Nigeria & Benin Republic, and Joe Hudson, MD/CEO Lafarge WAPCO at the Company's Annual Customers' Awards held in 2013 in Lagos.

Chairman, Lafarge WAPCO, Chief Olusegun Osunkeye OFR, OON; Otunba Abimbola Ashiru, Ogun State Commissioner for Commerce and Industry and MD/CEO Lafarge WAPCO, Joe Hudson at the Company's Customers' Awards held in 2012 in Ewekoro.

A cement cargo train at Lafarge WAPCO's rail loading ramp at Ewekoro Plant in Ogun State.

MARKETING

Operationally, the year redefined competition in the cement industry as more local capacities came on stream, especially in the Company's traditional core market, thus the increase in competition activities. The Company took proactive steps to fortify the Sales and Marketing team, in the areas of Marketing & Product Brand Management, Research and Corporate Sales.

Mr. Ovie Jitobor of Peter Jitobor Nigeria Limited, Highest Region Volume Buyer receives a soloon car prize at the Company's 2012 Annual Customers' Awards held in Lagos.

The Exhibitions provided the Company the platform to gather information on business leads and respond to general enquiries on Company offerings.

Stakeholders Engagement Forum (Artisans Forum):

In the year under review, the Sales & Marketing team produced and deployed point of purchase materials to drive trade visibility. They also organised various stakeholders' engagement programmes involving Block-Makers, Masons/Brick layers to achieve the following objectives:

- Generate end user awareness and education
- Provide information on specific brand application
- Increase bonding & brand endorsement/ recommendations with end user group, (artisans & influencers).

Mrs. Eunice Ayoola Ipadeola of Mabos Ayok Company Limited, Highest National Volume Buyer receives a 7 tonne Tata truck prize at the Company's 2012 Annual Customers' Awards.

Customer Complaint Management

The Customers' Complaint Management system continued to operate. This allows customers to either call in or send an email stating their issues. This is a new step in moving Lafarge WAPCO towards a customer centered organization. The customer care line is: 01 7730747/ 9502554.

Outlet Branding; Depot & Distributors Outlets

As a means of increasing our market share while also fostering relationship with both the end users and retailers, we opened 12 additional mini depots. This has positively impacted our brand availability and visibility.

The Director of Finance and Administration, Lagos State Ministry for Commerce and Industry, Mr. Adisa Balogun, (right) presenting certificate and award plaque to the National Highest Volume buyer, Engr. Bashiru Abidemi Atinsola and his wife, at the Lafarge WAPCO's 2012 Customers' Award Ceremony held at Tulip Hotel, Festac Town, Lagos.

Rail Shipment of Cement

We consolidated our partnership with the Nigerian Railway Corporation by extending rail shipment to Minna. Shipment is currently being done on regular basis from Ewekoro to Oshogbo, Ilorin and Minna.

FINANCIAL STATEMENTS

Report of Independent Auditors	46
Report of Audit Committee	47
Statement of Management Reponsibilities	48
Consolidated Statement of Comprehensive Income	49
Consolidated Statement of Financial Position	50
Consolidated Statement of CashFlows	51
Consolidated Statement of Change in Equity	52
Notes to the Consolidated Financial Statements	53
Consolidated Statement of Value Added	103
Consolidated Financial Summary	104

Deloitte.

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF LAFARGE CEMENT WAPCO NIGERIA PLC

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of **Lafarge Cement WAPCO Nigeria Plc and its subsidiary** which comprise the consolidated statements of financial position as at 31 December 2012, 31 December, 2011 and 1 January 2011, the consolidated income statement, statement of changes in equity, cash flow statement for years ended 31 December, 2012 and 31 December, 2011, a summary of significant accounting policies and other explanatory information set out on pages 53 to 104.

Directors' Responsibility for the Consolidated Financial Statements
The Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004, the Financial Reporting Council of Nigeria Act No 6, 2011, the International Financial Reporting Standards and for such internal control as the Directors determine are necessary to enable the preparation of consolidated 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 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 control 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 the 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 financial statements present fairly, in all material respects, the financial position of **Lafarge Cement WAPCO Nigeria Plc and its subsidiary** as at 31 December 2012, 31 December 2011 and 1 January, 2011, and the financial performance and cash flows for the year then ended 31 December 2012 and 31 December 2011 in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004, the Financial Reporting Council of Nigeria Act No. 6, 2011 and the International Financial Reporting Standards.

Akintola Williams Deloitte

Chartered Accountants
Lagos, Nigeria
28th March 2013
FRC number: FRC/2012/ICAN/00000000871

REPORT OF AUDIT COMMITTEE

In accordance with Section 359 (6) of the Companies and Allied Matters Act 2004, we have:

(a) Reviewed the scope and planning of the audit requirements.

(b) Reviewed the external Auditors' Memorandum of Recommendations on accounting policies and together with Management responses.

(c) Ascertained that the accounting and reporting policies of the Company for the year ended 31st December 2012 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the scope and planning of the audit for the year ended 31st December, 2012 were adequate and Management's responses to the Auditors' findings were satisfactory.

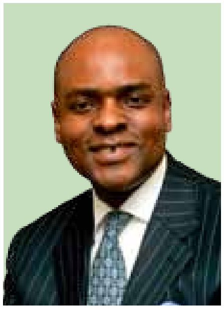
O. O. Oyedele
FRC/2013/CIIN/00000001622
Chairman, Audit Committee
Dated 13th March 2013


Mr. Olawale Oyedele
Chairman


Chief Peter Asu
Member


Mr. Adebayo Adeleke
Member


Chief (Dr.) Joseph Sanusi
Director


Mr. Mobolaji Balogun
Director


Mr. Alfred Amobi
Finance Director/CFO

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

The Directors of Lafarge Cement Wapco Nigeria Plc are responsible for the preparation of the financial statements that present fairly the financial position of the Group as at 31 December 2012, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS").

In preparing the 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 understand the impact of particular transactions, and conditions on the Group'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;
- maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group, and which enable them to ensure that the financial statements of the Group 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
- preventing and detecting fraud and other irregularities.

The financial statements of the Group for the year ended 31 December 2012 were approved on 21 March, 2013.

Chief Olusegun Osunkeye (OFR, OON)	**Joseph Hudson Esq.**	**Alfred Amobi Esq.**
Chairman	Managing Director/CEO	Finance Director
FRC/2012/ICAN/00000000224	FRC/2013/CIPMN/00000001665	FRC/2012/ICAN/00000001490

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2012

	Note	Group Dec 2012 N'000	Group Dec 2011 N'000	Company Dec 2012 N'000	Company Dec 2011 N'000
Continuing operations					
Revenue	6	87,965,224	62,502,320	87,091,634	62,211,143
Cost of sales	7	(55,565,641)	(43,183,586)	(54,944,153)	(42,951,847)
Gross profit		32,399,583	19,318,734	32,147,481	19,259,296
Selling and administrative expenses	8	(6,243,471)	(6,303,288)	(6,092,739)	(6,228,517)
Other operating (expense)/income	9	(114,641)	136,801	(114,641)	136,801
Investment income	10	615,958	223,390	615,958	223,390
Finance costs	11	(5,393,009)	(3,026,364)	(5,392,055)	(3,026,364)
Profit before tax	12	21,264,420	10,349,273	21,164,003	10,364,606
Taxation	13	(6,552,744)	(1,709,886)	(6,552,744)	(1,709,886)
Profit for the year from continuing operations		14,711,676	8,639,387	14,611,259	8,654,720
Other comprehensive loss (net of tax)					
Actuarial losses	33	(195,229)	(101,297)	(195,229)	(101,297)
Total comprehensive income for the year		14,516,447	8,538,090	14,416,030	8,553,423
Profit attributable to:					
Owners of the Company		14,711,676	8,639,387		
Total comprehensive income attributable to:					
Owners of the Company		14,516,447	8,538,090		
Earnings per share					
Basic (kobo)	34	490	288	487	288
Diluted (kobo)	34	490	288	487	288

The notes on pages 53 and 102 form an integral part of these consolidated financial statements.

F

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the year ended 31 December 2012

	Note	Group Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Company Dec 2011 N'000	Jan 2011 N'000
ASSETS						
Non current assets						
Property, plant and equipment	14	128,094,873	127,729,024	127,275,266	127,379,132	100,059,039
Intangible assets	15	5,964	12,958	-	-	-
Investments	16	40,000	40,000	90,00	90,000	60,206
Long term receivables	17	-	9,444	-	9,444	66,111
Total non current assets		**128,140,837**	**127,791,426**	**127,365,266**	**127,478,576**	**100,185,356**
Current assets						
Inventories	18	12,933,476	10,315,930	12,880,397	10,282,629	9,728,462
Trade receivables	19	296,627	571,906	283,058	496,372	569,576
Other receivables and prepayments	20	1,685,381	2,408,500	2,301,144	2,805,681	2,056,555
Cash and cash equivalents	21	8,892,313	11,419,833	8,825,753	11,351,526	3,836,706
Total current assets		**23,807,797**	**24,716,168**	**24,290,351**	**24,936,208**	**16,191,299**
TOTAL ASSETS		**151,948,633**	**152,507,595**	**151,655,617**	**152,414,784**	**116,376,655**
EQUITY & LIABILITIES						
Equity						
Share capital	31	1,500,800	1,500,800	1,500,800	1,500,800	1,500,800
Share premium		9,488,747	9,488,747	9,488,747	9,488,747	9,488,747
Retained Earnings	32	57,666,346	45,205,871	57,581,263	45,221,204	37,316,884
Other reserves	33	(296,526)	(101,297)	(296,526)	(101,297)	-
Total equity		**68,359,368**	**56,094,121**	**68,274,284**	**56,109,454**	**48,306,431**
NON CURRENT LIABILITIES						
Deferred tax	23	13,845,905	9,911,008	13,845,905	9,911,008	8,532,311
Provisions	26	535,694	262,292	535,694	262,292	-
Borrowings	27	32,921,478	48,701,293	32,921,478	48,701,293	-
Deferred revenue	28	842,912	903,120	842,912	903,120	-
Retirement benefits obligation	29	3,592,387	4,362,262	3,592,387	4,362,262	3,586,770
Total non current liabilities		51,738,376	64,139,975	51,738,376	64,139,975	12,119,081
Current liabilities						
Trade payables	24	17,334,821	13,672,330	17,153,889	13,574,048	3,927,578
Other payables	25	7,608,298	13,276,172	7,581,298	13,266,310	5,712,304
Provisions	26	552,485	400,109	552,485	400,109	295,000
Borrowings	27	4,384,444	4,038,215	4,384,444	4,038,215	45,183,245
Deferred revenue	28	30,104	-	30,104	-	-
Current tax payable	30	1,940,738	886,672	1,940,738	886,672	833,016
		31,850,890	**32,273,498**	**31,642,958**	**32,165,354**	**55,951,143**
TOTAL EQUITY AND LIABILITIES		**151,948,633**	**152,507,594**	**151,655,617**	**152,414,784**	**116,376,655**

The notes on pages 53 and 102 form an integral part of these consolidated financial statements .

These financial statements were approved and authorised for issue by the Board of Directors on 21 March 2013 and were signed on its behalf by:

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

Joseph Hudson Esq.
Managing Director/CEO
FRC/2013/CIPMN/00000001665

Alfred Amobi Esq.
Finance Director
FRC/2012/ICAN/00000001490

CONSOLIDATED STATEMENT OF CASHFLOWS

for the year ended 31 December 2012

	Note	Group 2012 N'000	Group 2011 N'000	Company 2012 N'000	Company 2011 N'000
Income from continuing operations		**14,711,676**	**8,639,387**	**14,611,259**	**8,654,720**
Adjustment to reconcile net income to net cash from operating activities:					
Depreciation		4,900,394	2,089,701	4,830,917	2,081,627
Assets written down	14.2	329,125	-	329,125	-
(Gains) on disposals of fixed assets	9	(2,405)	(5,462)	(2,405)	(5,462)
Finance cost	11	5,472,404	2,260,718	5,471,450	2,260,718
Non-cash finance cost		(140,523)	-	(140,523)	-
Income taxes paid	30	964,943	234,120	964,943	234,120
Investment income	10	(615,958)	(223,390)	(615,958)	(223,390)
Release of income from government grant	9	30,104	-	30,104	-
Others	36	4,542,462	2,608,592	4,519,932	2,608,592
Change in operating working capital items, excluding financial expenses and income taxes	36	(3,615,088)	16,443,752	(3,975,644)	15,997,261
Net cash used in operating activities before impacts of financial expenses and tax		**26,577,134**	**32,047,417**	**26,023,201**	**31,608,186**
Cash payments for financial expenses	11	(643,353)	(472,074)	(642,400)	(472,074)
Income taxes paid	30	(964,943)	(234,120)	(964,943)	(234,120)
NET CASH GENERATED FROM OPERATING ACTIVITES		**24,968,838**	**31,341,223**	**24,415,859**	**30,901,992**
Capital expenditures	14	(5,748,177)	(25,239,611)	(5,193,451)	(24,868,688)
Interest income	10	615,958	223,390	615,958	223,390
Disposals		9,176	75,556	9,176	75,556
NET CASH PROVIDED (USED IN) BY INVESTING ACTIVITES		**(5,123,043)**	**(24,940,665)**	**(4,568,317)**	**(24,569,742)**
Interest paid		(4,688,528)	(5,623,293)	(4,688,528)	(5,623,293)
Dividend paid		(2,251,200)	(750,400)	(2,251,200)	(750,400)
(Repayment)/receipt of borrowings		(15,433,586)	7,556,263	(15,433,586)	7,556,263
NET CASH PROVIDED (USED IN) BY FINANCING ACTIVITES		**(22,373,315)**	**1,182,569**	**(22,373,315)**	**1,182,570**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(2,527,520)**	**7,583,127**	**(2,525,773)**	**7,514,820**
Cash and cash equivalents at beginning of year		11,419,833	3,836,706	11,351,526	3,836,706
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**21**	**8,892,313**	**11,419,833**	**8,825,753**	**11,351,526**

The notes on pages 53 and 102 form an integral part of these consolidated financial statements.

F

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2012

A. Group

	Share capital N'000	Share premium N'000	Retained earnings N'000	Other reserves N'000	Total equity N'000
IFRS balance as at January 1, 2011	1,500,800	9,488,747	37,316,884		48,306,431
Comprehensive income for the year			8,639,387		8,639,387
Other Comprehensive loss				(101,297)	(101,297)
Dividends paid			(750,400)		(750,400
Balance as at December 31, 2011	**1,500,800**	**9,488,747**	**45,205,871**	**(101,297)**	**56,094,121**
Comprehensive income for the period			14,711,676		14,711,676
Other Comprehensive loss				(195,229)	(195,229)
Dividends paid			(2,251,200)		(2,251,200)
Balance as at December 31, 2012	**1,500,800**	**9,488,747**	**57,666,346**	**(296,526)**	**68,359,367**

B. Company

	Share capital N'000	Share premium N'000	Retained earnings N'000	Other reserves N'000	Total equity N'000
IFRS balance as at January 1, 2011	1,500,800	9,488,747	37,316,884	-	48,306,431
Comprehensive income for the year			8,654,720		8,654,720
Other Comprehensive loss				(101,297)	(101,297)
Dividends paid			(750,400)		(750,400)
Balance as at December 31, 2011	**1,500,800**	**9,488,747**	**45,221,204**	**(101,297)**	**56,109,454**
Comprehensive income for the period			14,611,259		14,611,259
Other Comprehensive income				(195,229)	(195,229)
Dividends paid			(2,251,200)		(2,251,200
Balance as at December 31, 2012	**1,500,800**	**9,488,747**	**57,581,263**	**(296,526)**	**68,274,284**

The notes on pages 53 and 102 form an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

1 General Information

1.1 Legal form

Lafarge Cement WAPCO Nigeria Plc was incorporated in Nigeria on 26 February, 1959 and commenced business on 10 January 1961. The Corporate head office is located at Elephant Cement House, Ikeja Central Business District, Alausa, Ikeja, Lagos.

On 21 December, 2010 Lafarge Readymix Nigeria Limited was incorporated in Nigeria as a 100% fully owned subsidiary of Lafarge Cement WAPCO Nigeria Plc.

1.2 Principal Activity

The Group engages in the manufacturing and marketing of cement products. Lafarge Readymix Nigeria Limited was incorporated as a fully owned subsidiary in response to the opportunities presented by the construction industry to produce ready mix concrete.

1.3 Going concern status

The Group has consistently been making profits. The Directors believe that there is no intention or threat from any source to curtail significantly its line of business in the foreseeable future. Thus, these financial statements are prepared on a going concern basis.

1.4 Financial period

These consolidated financial statements cover the financial period from 1 January 2012 to 31 December 2012 with comparatives for the year ended 31 December 2011 and opening statement of financial position as at the transition date of 1 January 2011.

2 Operating environment

Emerging markets such as Nigeria are subject to risks more than developed markets, including economic, political, social, legal and legislative risks. As has happened in the past, actual or perceived financial problems or an increase in the perceived risks associated with investing in emerging economies could adversely affect the investment climate in Nigeria and the country's economy in general.

The global financial system continues to exhibit signs of deep stress and many economies around the world are experiencing lesser or no growth than in prior years. These conditions could slow or disrupt Nigeria's economy, adversely affect the Group's access to capital and cost of capital, and more generally, its business, results of operations, financial condition and prospects.

Because Nigeria produces and exports large volumes of oil, Nigerian's economy is particularly sensitive to the price of oil on the world market which has fluctuated significantly during 2012 and 2011.

3 New and revised IFRS affecting amounts reported in the current year (and/or prior years)

3.1 Application of new and revised International Financial Reporting Standards (IFRS)

The following new and revised IFRS has been applied in the current year and have affected the amounts reported in these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

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:

	Effective date
IFRS 9 Financial Instruments	annual periods beginning on or after 1 January 2015
IFRS 10 Consolidated Financial Statements	annual periods beginning on or after 1 January 2013
IFRS 11 Joint Arrangements	annual periods beginning on or after 1 January 2013
IFRS 13 Fair Value Measurement	annual periods beginning on or after 1 January 2013
Amendments to IAS 1 Presentation of Items of Other Comprehensive Income	annual periods beginning on or after 1 July 2012
Amendments to IAS 12 Deferred Tax – Recovery of Underlying Assets	annual periods beginning on or after 1 January 2012
IAS 19 (as revised in 2011) Employee Benefits	annual periods beginning on or after 1 January 2013
IAS 27 (as revised in 2011) Separate Financial Statements	annual periods beginning on or after 1 January 2013
IAS 28 (as revised in 2011) Investments in Associates and Joint Ventures	annual periods beginning on or after 1 January 2013

IFRS 9 issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9 are described as follows:

IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

Application of new and revised International Financial Reporting Standards (continued)

IFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted. The directors anticipate that the standard will be adopted in the Group's financial statements for the annual period beginning 1 January 2015. The application of this standard will not have significant impact on amounts reported in the financial statements.

In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

Key requirements of these five Standards are described below.

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. Under IFRS 10, there is only one basis for consolidation, that is control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities – Non-monetary Contributions by Venturers. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, pending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures will be extended by IFRS 13 to cover all assets and liabilities within its scope.

IFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The directors anticipate that IFRS 13 will be adopted in the Group's financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard may affect the amounts reported in the financial statements and result in more extensive disclosures in the financial statements. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments to IAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

Application of new and revised International Financial Reporting Standards (continued)

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to IAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions. The directors anticipate that the amendments to IAS 19 will be adopted in the Group's financial statements for the annual period beginning 1 January 2013 and that the application of the amendments to IAS 19 may have impact on amounts reported in respect of the Group's defined benefit plans. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

4.1 Significant accounting policies

Statement regarding status of compliance with IFRSs

The Group's full consolidated financial statements for the year ended 31 December 2012 are its first full financial statements prepared in accordance with IFRS. In all other respects, the Group's consolidated financial statements are presented in accordance with, and comply with, International Financial Reporting Standards (IFRS) and International Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these statements. In the preparation of the accompanying financial statements, the provisions of IFRS 1- First-time Adoption of International Financial Reporting Standards have been applied, and the impacts of adopting IFRS are disclosed in note 45.

4.2 Basis of preparation

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

The principal accounting policies are set out below:

4.2.1 IFRS 1 - First time adoption

As these financial statements represent the initial presentation of Company's results and financial position under IFRS, they were prepared in accordance with IFRS 1, First Time Adoption of International Financial Reporting Standards ("IFRS 1"). IFRS 1 requires retrospective application of all IFRS standards, with certain optional exemptions and mandatory exceptions, which are described further in this note. The accounting policies described in Note 4 have been applied consistently to all periods presented in the financial statements with the exception of the optional exemptions elected and the mandatory exceptions required. At 1 January 2011 ("the Transition Date"), an opening statement of financial position was prepared under IFRS.

The 2010 financial statements were previously prepared in accordance with Nigerian Statement of Accounting Standards (SAS). In this note, our transition to IFRS is explained through the following:

i First time adoption optional exemptions and mandatory exceptions to retrospective application of IFRS. This section describes the standards for which IFRS was not applied retrospectively as available in IFRS.

ii Reconciliation of total equity and comprehensive income from Nigerian SAS to IFRS
Quantitative and qualitative explanations are included in this section to explain the differences between Nigerian SAS and IFRS in total equity and comprehensive income (see appendix).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

iii Reconciliation of statement of financial position from Nigerian SAS to IFRS
This section explains quantitatively and qualitatively the impact and differences between Nigerian SAS and IFRS (see appendix).

4.2.2 First time adoption optional exemption and mandatory exceptions to retrospective application of IFRS

As previously noted, IFRS 1 requires retrospective application of all IFRS standard with certain optional exemptions and mandatory exceptions. The optional exemptions elected and the mandatory exceptions to retrospective application of IFRS are described below and the quantification of these are shown in the reconciliations (see appendices).

Optional exemptions

a. Employee benefits

IAS 19 provides the option of recognising all cumulative unamortized actuarial gains and losses in equity at the date of transition.

IAS 19, Employee Benefits, requires retrospective application for the recognition of actuarial gains and losses on employee benefits. IFRS 1 provides the option to recognise all deferred cumulative unamortised actuarial gains and losses on defined benefit pension plans and other benefits plans under Nigerian SAS in opening equity at the Transition Date and provide disclosures on a prospective basis. We have taken this option, resulting in the cumulative amount of actuarial losses on our defined benefit pension plans and other benefits plans being recognised in retained earnings at the Transition Date.

b. Leases

IFRIC 4, Determining Whether an Arrangement Contains a Lease, requires an assessment of whether a contract or arrangement contains a lease. The assessment should be carried out at the inception of the contract or arrangement. First-time adopters must apply IFRIC 4, but can elect to make this assessment as of the date of transition based on the facts at that date, rather than at inception of the arrangement. We had elected to take this exception and did not assess arrangement according to IFRIC 4 prior to Transition Date.

Mandatory exceptions

c. Estimates

Estimates made in accordance with IFRS at the Transition Date are consistent with estimates we previously made under Nigerian SAS.

d. Classification and measurement of financial assets

The entity is required to assess whether a financial asset meets the conditions in IAS 39 on the basis of the facts and circumstances that exist at the date of transition to IFRS. We had assessed the classification of our financial assets in line with IAS 39.

e. De-recognition of financial assets and liabilities exception

Financial assets and liabilities derecognized before 1 January 2011 are not re-recognized under IFRS.

All other mandatory exceptions in IFRS 1 were not applicable because there were no significant differences in management's application of Nigerian SAS in these areas.

F

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

4.3 Basis of consolidation

The Group financial statements incorporate the financial statements of the Parent Company and its subsidiary made up to 31 December 2012. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Prior to 31 December 2010, the Company had no subsidiaries and hence no consolidation was relevant.

At 31 December 2010, the Company's only subsidiary had not commenced operations and no transactions had arisen. Hence, no consolidated opening statement of financial position is presented at 1 January 2011.

The results of any subsidiary acquired or disposed of during the year are included in the Group statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used in line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Changes in the Group's interests in the subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities are disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the costs on initial recognition of an investment in an associate or jointly controlled entity.

4.4 Non-current assets held for sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

4.5 Revenue recognition

Revenue is measured as the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

4.5.1 Sale of goods

Revenue from the sale of goods is recognised when the goods are despatched and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

4.6 Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.7 Rental income

Rental income from letting property is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

4.8 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Parts of the Group's corporate office are let under operating 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.

4.9 Foreign currency translation

For the purpose of these financial statements, the results and financial position of Lafarge Cement Wapco Nigeria Plc are expressed in Naira, which is the functional currency of the Group, and the presentation currency for the financial statements. The functional and presentation currency was determined by the directors.

In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the income statement in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

4.10 Pensions and other post-employment benefits

The Group operates a defined contribution based retirement benefit scheme for its staff, in accordance with the Pension Reform Act of 2004 with employee contributing 7.5% and employer contributing 15% each of the employee's relevant emoluments. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions. The total expense recognised in the profit or loss for the year was N379.97 million (N380.82 million in 2011).

The Group also operates a gratuity scheme for its qualified employees. Benefits are related to the employees' length of service and remuneration. The cost of providing gratuity benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses (if any) are recognised fully in other comprehensive income . Also, past service cost is recognised immediately in profit or loss. Liabilities for the gratuity scheme is fully provided for in the financial statements and fund is being set aside within the control of the company to settle the obligation as the need arises.

4.11 Taxation

This represents the sum of the tax currently payable and deferred tax.

4.11.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in future 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 substantatively enacted by the end of the reporting period.

4.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases 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 utilised. 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 utilise 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 each reporting date 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

Current and deferred tax are recognised in the statement of comprehensive income, 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.

4.12 Property, plant and equipment

Land and buildings mainly comprise factories, depots, warehouses and offices. All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which it is incurred.

Depreciation on property, factory buildings, machinery, vehicles, furniture and equipment is calculated on a straight-line basis at rates deemed appropriate to write off the cost of the assets to their residual values over their expected useful lives.

Freehold land is not depreciated as it is deemed to have an infinite life.

Depreciation is recognised so as to write off the cost or valuation of assets (other than land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following basis:

		%
Freehold Land		Nil
Leasehold Land		Over the lease period
Buildings		3.33
Plant and Machinery		3.33
Ancillary Plant and Equipment		20.00
Mobile plant		3.33
Fixtures		20.00
Computer and Information Technology Equipment		33.33
Vehicles -	Saloon Cars	20.00
	Trucks	16.67
	Trailers	8.33

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Profits and losses on disposals of fixed assets are determined by comparing proceeds with the carrying amounts. These profits and losses are included within 'items of a capital nature' in profit or loss.

F

Properties in the course of construction (capital work-in-progress) are carried at cost, less any recognised impairment losses. Cost includes professional fees and for qualifying assets borrowing costs capitalised in accordance with the Group's accounting policy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

4.13 Borrowing cost

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds. These include interest expenses calculated using the effective interest rate method, finance charges in respect of finance leases and exchange differences arising from foreign currency borrowings' interest cost. Where a range of debt instruments is used to borrow funds, or where the financing activities are coordinated centrally, a weighted average capitalisation rate is applied.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Group defines a qualifying asset as an asset that takes more than a year to prepare for its intended use. All other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

4.14 Government grants

Government grants are not recognised 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 relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Specifically grants relating to the purchase of property, plant and equipment are included in liabilities as deferred government grants and are credited to profit or loss on a straight-line basis over the expected 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 recognised in the income statement in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

4.15 Impairment of tangible and intangible assets excluding goodwill and financial assets.

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease subject to the available surplus in the revaluation reserve.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.16 Inventories

Inventories are stated in the financial statements at the lower of cost and net realisable value. Raw Materials which include purchase cost and other costs incurred to bring the materials to their location and condition, are valued using weighted average cost. Cost of finished goods and work-in-progress which include direct labour and factory overheads, are valued using standard cost and adjusted to actual cost.

Engineering spare parts and other consumables are valued at weighted average cost after making allowance for obsolete and damaged stocks. Engineering spare parts with high value and held for commissioning of a new plant or for infrequent maintenance of plants are capitalised and depreciated over their useful life and the useful life starts when they are put to use. If the estimated useful life of the spare parts from installation exceeds that for the whole plant, depreciation is limited to the remaining life of the plant.

4.17 Trade receivables

Trade receivables are carried at original invoice amount less any allowance for doubtful debts. Allowances are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollectable it is written off, firstly against any allowance available and then to profit or loss. Subsequent recoveries of amounts for which a previous allowance was made are credited to the profit or loss. Long-term receivables are discounted where the effect is material. Trade receivables are measured at amortized cost. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

4.18 Trade payables

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

4.19 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and highly liquid investments generally with maturities of three months or less. They are readily convertible into known amounts of cash and have an insignificant risk of changes in value.

4.20 Provisions

Provisions are recognised 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 the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

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 recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4.20.1 Environmental expenditure

Environmental expenditure related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible is charged to profit or loss. The Group recognizes its liability on a site-by-site basis when it can be reliably estimated. This liability includes Group's portion of the total costs and also a portion of other potentially responsible parties' costs when it is probable that they will not be able to satisfy their respective shares of the clean-up obligation. Recoveries of reimbursements are recorded as assets when virtually certain.

4.20.2 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

4.21 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

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) 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 the income statement.

4.22 Financial assets

The Group's financial assets are classified into available for sale (AFS) 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.

4.22.1 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.

4.22.2 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 equities 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 available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of fair value reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

Dividends on AFS equity instruments are recognised in the income statement 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.

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.

4.22.3 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 include 'trade and other receivables', 'loans to joint ventures' and 'cash and cash equivalents' in the statement of financial position which are measured at amortised cost using the effective interest method, less any impairment.

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

4.22.4 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 is 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 that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. 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 90 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

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 the income statement.

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.

4.22.5 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 entity. 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.

4.23 Financial liabilities and equity instruments

4.23.1 Classification as debt or equity

Debt and equity instruments issued by the Group 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

4.23.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised as the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

4.23.3 Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

4.23.3.1 Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are initially measured at fair value. Subsequently they are 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 and points 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.

4.23.3.2 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.

4.24 Segment information

The Company and its subsidiary are involved in the manufacture and sale of cement, concrete and related products. There is only one business segment as the risks and returns of the products manufactured and sold are similar. This is reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (the Chief Executive Officer).

5. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 4, the directors are required to make judgements, 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.

5.1 Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

5.1.1 Allowance for doubtful debts/receivables

The concentration of credit risk is limited to a customer base with good credit rating and sales are mainly made on a cash basis. Thus, all receivables are within the Group's allowable credit period of 30 days. The directors believe that all the receivables are recoverable and as a result, no allowance was made for receivables.

5.1.2 Review of the useful live of tangible assets

Based on management judgement, the useful lives of tangible assets remain constant during the reporting period.

5.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the financial 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.

5.2.1 Valuation of financial liabilities

Financial liabilities have been measured at amortised cost in line with the guidiance provisions of IAS 39. The effective interest rate used in determining the amortised cost of the individual liabilty amounts has been estimated using the contractual cashflows on the loans. IAS 39 requires the use of the expected cashflows but also allows for the use of contractual cashflows in instances where the expected cashflows cannot be reliably determined. However, the effective interest rate has been determined to be the rate that effectively discounts all the future contratual cashflows on the loans including processing, management fees and other fees that are incidental to the different loan transactions.

5.2.2 Environmental restoration provision

The determination of the amount of provision for environmental restoration cost was based on the amount incurred in restoring a similar site within the Lafarge Group.

5.2.3 Provision for gratuity

The cost of providing gratuity benefits for the year ended 31 December 2012 was determined using the projected unit credit method , with actuarial valuation being carried out at the end of each reporting period. This involved estimation of key variables such as demographic and financial variables which greatly influenced the amount of provision made for gratuity. In 2012, based on management judgement, the basis for determining the final obligation was changed. With effect from 1 January 2012, service cost will accrue as service is rendered by the employee and on an undiscounted basis. This implies that benefits accruing to employees are not contingent on employees' final salaries but limited to the cumulative annual provison made by the employer.

5.2.4 Certain prior years figures have been restated in these financial statements to conform with current year classification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

		Group		Company	
		2012	2011	2012	2011
		N'000	N'000	N'000	N'000
6	**Revenue**				
	Revenue from sale of goods	87,965,224	62,502,320	87,091,634	62,211,143
		87,965,224	62,502,320	87,091,634	62,211,143
7	**Cost of Sales**				
	Freight	10,492,777	7,316,553	10,416,100	7,304,925
	Depot expenses	672,279	357,439	672,279	357,439
	Fuel	6,089,391	4,193,561	6,089,391	4,193,561
	Power	4,980,226	4,888,128	4,980,226	4,888,128
	Raw materials and consumables	15,331,783	10,139,753	15,090,313	10,010,693
	Clinker used	3,405,675	4,607,706	3,405,675	4,607,706
	Production fixed costs	2,129,829	1,896,038	1,914,727	1,818,239
	Maintenance fixed costs	3,254,855	2,933,487	3,235,883	2,933,487
	General, Social & other fixed costs	4,225,174	2,501,005	4,225,174	2,492,427
	Depreciation - plant	4,817,798	1,477,123	4,755,245	1,472,551
	Cost of other sales	165,854	2,872,793	159,141	2,872,691
		55,565,641	43,183,586	54,944,153	42,951,847
8	**Selling and administrative expenses**				
	Sales and marketing expenses	625,243	455,173	603,541	434,878
	Information technology expenses	266,465	283,699	266,465	283,699
	General and adminstrative expenses	3,605,558	3,854,235	3,491,226	3,803,261
	Depreciation	136,040	628,308	121,342	624,806
	Technical fees	1,610,165	1,081,873	1,610,165	1,081,873
		6,243,471	6,303,288	6,092,739	6,228,517
9	**Other operating (expenses)/income**				
	Rental income	107,416	70,547	107,416	70,547
	Asset written off	(329,125)	-	(329,125)	-
	Gain on disposal of PPE	2,405	5,462	2,405	5,462
	Sale of scrap	174,072	60,792	174,072	60,792
	Other operating expense	(99,512)	-	(99,512)	-
	Release of deferred income from government grant (note 28)	30,104	-	30,104	-
		(114,641)	136,801	(114,641)	136,801
10	**Investment income**				
	Treasury bills	235,964	42,479	235,964	42,479
	Fixed Term deposits	111,943	111,577	111,943	111,577
	Current accounts	268,051	69,334	268,051	69,334
		615,958	223,390	615,958	223,390

F

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

		Group		Company	
		2012 N'000	2011 N'000	2012 N'000	2011 N'000
11	**Finance costs**				
	Interest on loan	4,829,051	1,788,644	4,829,051	1,788,644
	Bank charges	643,353	472,074	642,400	472,074
		5,472,404	2,260,718	5,471,450	2,260,718
	Exchange (gains)/losses	(79,395)	765,646	(79,395)	765,646
		5,393,009	3,026,364	5,392,055	3,026,364

Exchange (gain)/loss relates to all exchange rate differences arising from the revaluation of foreign denominated transaction during the period under review.

12	**Profit before taxation**				
	Profit before taxation is arrived at after charging:				
	Staff costs	6,295,817	5,127,918	6,107,028	5,090,798
	Depreciation	4,900,394	2,089,701	4,830,917	2,081,627
	Amortisation of intangible assets	7,775	2,592	-	-
	Directors' emoluments:				
	- Fees	3,650	3,650	3,650	3,650
	- Other emoluments	70,825	29,223	70,825	29,223
	Auditors' remuneration	30,800	28,266	30,800	28,266
13	**Taxation**				
	Income tax relating to continuing operations:				
	Education tax payable	483,786	287,776	483,786	287,776
	Company Income Tax payable	1,080,576	-	1,080,576	-
	Tax contingencies (a)	315,168	-	315,168	-
	Tax expense in respect of the current period	1,879,530	287,776	1,879,530	287,776
	Deferred tax expense recognised in the period	4,673,215	1,422,110	4,673,215	1,422,110
	Total income tax expense relating to current period	**6,552,744**	**1,709,886**	**6,552,744**	**1,709,886**

a. Tax contingencies relates to tax on dividend paid in 2009 and 2010. Lafarge Cement Wapco Nigeria Plc claimed capital allowances which completely eroded taxable profits. Based on Company Income Tax Act, where a company has no taxable profit in the year that it pays dividend, dividend paid becomes the taxable profit.

The income tax expense for the period can be reconciled to the accounting profit as follows:

Profit before tax from continuing operations (A)	21,264,420	10,349,273	21,164,003	10,364,606
Company income tax payable	1,080,576	-	1,080,576	-
Education tax payable	483,786	287,776	483,786	287,776
Tax contingency	315,168	-	315,168	-
Income tax expense recognised in profit or loss (B)	1,879,530	287,776	1,879,530	287,776
Effective tax rate (B/A)%	9%	3%	9%	3%

The tax rate used for 2012 & 2011 reconciliations above are the 2% for eductation tax and 30% for company income tax of the Companies Income Tax Act CAP 60 LFN 1990.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

14 Plant, property and equipment

14.1 Group

	Leasehold Land and Buildings N'000	Production Plant N'000	Capitalized Spares N'000	Furniture, Equipment & vehicles N'000	Capital work-in -progress N'000	Total N'000
Cost or deemed cost						
At 1 January 2011	1,987,144	39,513,007	-	3,871,503	68,462,757	113,834,411
Reclassification (note 15)	-	(462,444)	446,894	-	-	(15,550)
Additions	16,166	886,828	-	12,645	28,857,484	29,773,123
Transfers	286,735	21,911,808	154,147	236,854	(22,589,544)	-
Disposals				(89,144)		(89,144)
At 31 December 2011	**2,290,045**	**61,849,199**	**601,041**	**4,031,859**	**74,730,697**	**143,502,841**
At 1 January 2012	2,290,045	61,849,199	601,041	4,031,859	74,730,697	143,502,841
Reclassification	-	-	-	5,494	(144,676)	(139,182)
Additions	-	105,045	-	49,244	5,593,888	5,748,177
Transfers	2,062,184	73,768,581	75,352	724,829	(76,630,947)	-
Asset written off (b)	-	(602,389)	-	-	-	(602,389)
Disposals	-	-	-	(81,515)	-	(81,515)
At 31 December 2012	**4,352,229**	**135,120,436**	**676,393**	**4,729,910**	**3,548,962**	**148,427,931**
Depreciation						
At 1 January 2011	559,229	9,751,940	-	3,464,203	-	13,775,372
Reclassification (note 15)	-	(2,592)	-	-	-	(2,592)
Charge for the year	71,925	1,706,707	119,006	192,062	-	2,089,701
On disposals	-	-	-	(88,664)	-	(88,664)
At 31 December 2011	631,154	11,456,055	119,006	3,567,601	-	15,773,816
At 1 January 2012	631,154	11,456,055	119,006	3,567,601	-	15,773,816
Reclassification	1,359	-	-	5,494	-	6,853
Charge for the year	79,547	4,473,072	123,027	224,748	-	4,900,394
Asset written off (b)	-	(273,264)	-	-	-	(273,264)
On disposals	-	-	-	(74,742)	-	(74,742)
At 31 December 2012	712,060	15,655,863	242,033	3,723,101	-	20,333,057
Carrying amount						
At 1 January 2011	1,427,915	29,761,067	-	407,300	68,462,757	100,059,039
At 31 December 2011	1,658,891	50,393,145	482,035	464,257	74,730,697	127,729,024
At 1 January 2012	**1,658,891**	**50,393,145**	**482,035**	**464,257**	**74,730,697**	**127,729,024**
At 31 December 2012	**3,640,169**	**119,464,573**	**434,360**	**1,006,808**	**3,548,962**	**128,094,873**

a. Assets pledged as security
The Group's assets were pledged as security for loans to the tune of the oustanding balance of total borrowings outside the Group as at the reporting date (see note 27).

b. Assets written off
This represents quarry equipment that were irrepairable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

14 Plant, property and equipment (cont'd)

14.2 Company

	Leasehold Land and Buildings N'000	Production Plant N'000	Capitalized Spares N'000	Furniture, Equipment & vehicles N'000	Capital work-in -progress N'000	Total N'000
Cost or deemed cost						
At 1 January 2011	1,987,144	39,513,007	-	3,871,503	68,462,757	113,834,411
Reclassification	-	(446,894)	446,894	-	-	-
Additions	-	544,716	-	-	28,857,484	29,402,200
Transfers	286,735	21,911,808	154,147	236,854	(22,589,544)	-
Disposals	-	-	-	(89,144)	-	(89,144)
At 31 December 2011	**2,273,879**	**61,522,637**	**601,041**	**4,019,214**	**74,730,697**	**143,147,467**
At 1 January 2012	2,273,879	61,522,637	601,041	4,019,214	74,730,697	143,147,467
Reclassification	-			5,494	(129,142)	(123,649)
Additions	-	-	-		5,193,451	5,193,451
Transfers	2,015,776	73,579,423	75,352	715,941	(76,386,491)	-
Assets written down (b)	-	(602,389)	-	-	-	(602,389)
Disposals	-	-	-	(81,515)	-	(81,515)
At 31 December 2012	**4,289,654**	**134,499,670**	**676,393**	**4,659,133**	**3,408,515**	**147,533,365**
Depreciation						
At 1 January 2011	559,229	9,751,940	-	3,464,203	-	13,775,372
Charge for the year	71,925	1,702,468	119,006	188,228	-	2,081,627
On disposals	-	-	-	(88,664)	-	(88,664)
At 31 December 2011	**631,154**	**11,454,407**	**119,006**	**3,563,767**	**-**	**15,768,335**
At 1 January 2012	631,154	11,454,407	119,006	3,563,767	-	15,768,335
Adjustment	1,359	-	-	5,494	-	6,853
Charge for the year	79,095	4,418,516	123,027	210,279	-	4,830,917
Assets written down (b)	-	(273,264)	-	-	-	(273,264)
On disposals	-	-	-	(74,742)	-	(74,742)
At 31 December 2012	**711,608**	**15,599,659**	**242,033**	**3,704,798**	**-**	**20,258,099**
Carrying amount						
At 1 January 2011	**1,427,915**	**29,761,067**	**-**	**407,300**	**68,462,757**	**100,059,039**
At 31 December 2011	**1,642,725**	**50,068,229**	**482,035**	**455,446**	**74,730,697**	**127,379,132**
At 1 January 2012	**1,642,725**	**50,068,229**	**482,035**	**455,446**	**74,730,697**	**127,379,132**
At 31 December 2012	**3,578,046**	**118,900,011**	**434,360**	**954,334**	**3,408,515**	**127,275,266**

15 Intangible asset

	Group 2012 N'000	Group 2011 N'000
Cost		
At 1 January	15,550	15,550
Addition	781	-
	16,331	15,550
Amortization		
At 1 January	2,592	-
Charge for the year	7,775	2,592
	10,367	2,592
NBV	5,964	12,958

The intangible asset represents software which has a useful life of 3 years. It is amortized on a straight line basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

16 Investments

Available for sale financial assets (AFS)

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.

The Group has investments in unlisted shares that are not traded in an active market but that are also classified as AFS financial assets and stated at fair value at the end of each reporting period (because the directors consider that fair value can be reliably measured).

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

	Group			Company	
	Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000	Jan 2011 N'000
Equity investment in Kraft Bags Limited	21,436	21,436	21,436	21,436	21,436
Provision for dimunition in value	(21,436)	(21,436)	(21,436)	(21,436)	(1,230)
	-	-	-	-	20,206
Equity investment in Nigerian Foundries Ltd	40,000	40,000	40,000	40,000	40,000
Investment in subsidiary	-	-	50,000	50,000	-
	40,000	40,000	90,000	90,000	60,206

Nigerian Kraft Bags (NKB) Limited is a private company incorporated in Nigeria and limited by shares. The Group held 56.2% shares in NKB Limited, Odua Investment had 41.7% and 2.1% is held by other investors. NKB Limited operation is moribund and is in the process of being liquidated. The landed properties of NKB Limited were taken over by the company in 2008 under a special arrangement and the legal title has been perfected. The financial statements of NKB Limited are not consolidated in these financial statements as NKB is dormant and full provision has been made for the investment.

Nigerian Foundries Limited (NFL) is also a private company incorporated in Nigeria and limited by shares. The Group holds 11.25% shareholding in NFL.

Lafarge Ready Mix Nigeria Limited is a wholly owned subsidiary of Lafarge cement WAPCO Nigeria Plc incorporated in Nigeria.

	Group			Company	
	Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000	Jan 2011 N'000
17 Long term receivables					
Amount due from Macmahon	-	9,444	-	9,444	66,111
	-	9,444	-	9,444	66,111

This relates to the long term portion of receivable due from Macmahon (see note 45b). The quarry at Ewekoro was outsourced to Macmahon Contractors Nigeria Limited in 2010.

F

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

		Group			Company	
		Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000	Jan 2011 N'000
18	**Inventories**					
	Raw materials	3,860,908	4,053,487	3,826,427	4,022,798	2,556,942
	Work-in-progress	475,853	769,589	475,853	769,589	2,573,424
	Finished and semi-finished goods	3,295,367	505,186	3,295,367	505,186	211,284
	Spare parts	4,476,022	4,855,701	4,460,080	4,805,880	3,912,325
	Other supplies	1,463,030	890,568	1,460,374	937,777	1,092,854
		13,571,180	11,074,530	13,518,101	11,041,230	10,346,829
	Allowance for obsolesence	(637,704)	(758,601)	(637,704)	(758,601)	(618,366)
		12,933,476	10,315,930	12,880,397	10,282,629	9,728,462

The cost of inventories recognised as an expense during the year in respect of continuing operations was N18.74 billion and N18.49 billion (2011_ N14.75 billion and N14.61 billion) respectively for Group and Company.

There was no write down of inventories to net realisable value during the period under review.

No inventory was pledged as security for loans.

		Group			Company	
		Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000	Jan 2011 N'000
19	**Trade receivables**					
	Trade debtors	294,248	446,599	280,678	371,065	433,062
	Deferred rebates	2,379	125,307	2,379	125,307	136,514
		296,627	571,906	283,058	496,372	569,576

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

19.1 Trade receivables

The average credit period on sale of goods is 30 days. No interest is charged on trade receivables. The Group does not recognise an allowance for receivables as all receivables are of good quality.

Of the company trade receivables balance at the end of the period, N310 million (31 December 2011: N145 million) is due from related companies (i.e Atlas Cement, Readymix Nigeria Ltd and AshakaCem), and the Company's largest customer as at 31 December 2012 is Lafarge Readymix. These have been reclassified to related party balances. The balance of N280 million (31 December 2011 - N371 million) is due from customers outside the Group as follows:

	Group		Company		
	Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000	Jan 2011 N'000
Eternit Ltd	122,318	98,329	122,318	98,329	102,635
Nigerite Ltd	84,736	145,838	84,736	145,838	195,846
Emenite Ltd	64,115	95,713	64,115	95,713	144,581
Shoreline Limited	-	10,599	-	10,599	-
Lee Group	-	20,586	-	20,586	-
Trevi Foundation	9,510	-	9,510	-	-
Others	13,570	75,535	-	-	-
	294,248	446,599	280,678	371,064	443,062

Trade receivables disclosed above are not past due at the end of the reporting period and the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Age of receivables that are not past due and not impaired

	Group		Company		
	Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000	Jan 2011 N'000
0 - 30 days	294,248	46,599	280,678	371,065	433,062
Total	294,248	446,599	280,678	371,065	433,062
Average age (days)	30	30	30	30	30

20 Other receivables and prepayments

Prepaid rent	503,260	896,544	430,739	866,389	948,717
Advance payments to suppliers	149,467	82,805	149,467	82,805	112,404
Due from related companies (note 35)	442,094	922,780	1,130,466	1,392,967	566,834
Offshore commitments	464,185	206,656	464,185	206,656	246,340
Staff debtors	52,425	131,567	52,338	88,716	71,051
LEA employee share scheme	38,426	97,849	38,426	97,849	49,788
Accrued interest receivable	21,357	4,187	21,357	4,187	4,754
Receivable from Macmahon (note 22)	14,167	66,112	14,167	66,112	56,667
	1,685,381	2,408,500	2,301,144	2,805,681	2,056,555

LEA employee share scheme relates to loans given to staff to purchase parent company shares.

21 Cash and cash equivalents

Short term deposits	2,133,934	1,054,000	2,133,934	1,054,000	-
Cash in hand and at bank	6,758,379	10,365,833	6,691,819	10,297,526	5,248,241
Overdraft	-	-	-	-	(1,411,535)
	8,892,313	11,419,833	8,825,753	11,351,526	3,836,706

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

F

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

22 Non-cash transactions

The following relates to transactions that do not involve the use of cash and cash equivalents:

Receivable from Macmahon: The Group outsourced its quarry operation at Ewekoro plant to Macmahon Contractors Nigeria Limited effective from March 2010. As part of the agreement, the Group disposed of its quarry equipment to Macmahon for a purchase price of N170million, payable in monthly installments from the contractor's monthly claims over a period of 36 months. The outstanding balance of the receivable as at the end of the reporting period is N14.167 million.

	Group		Company		
	Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000	Jan 2011 N'000
23 Deferred taxation					
Balance as at 1 January	9,911,008	8,532,311	9,911,008	8,532,311	5,183,429
Recognised in profit or loss	4,673,215	1,422,110	4,673,215	1,422,110	3,348,882
Excess dividend tax transferred	(654,647)	-	(654,647)	-	-
Recognised in other comprehensive income	(83,670)	(43,413)	(83,670)	(43,413)	-
Balance as at 31 December	13,845,905	9,911,008	13,845,905	9,911,008	8,532,311
The above is in relation to:					
Profit or loss					
Property. Plant and Equipment	15,291,959	10,824,307	15,291,959	10,824,307	8,767,918
Provisions	(1,429,736)	(1,635,721)	(1,429,736)	(1,635,721)	(235,607
Unrealised exchange differences	26,143	(229,694)	26,143	(229,694)	-
Others - over provision	40,257	994,576	40,257	994,576	-
Revaluation reserve	953	953	953	953	-
	13,929,575	9,954,421	13,929,575	9,954,421	8,532,311
Other Comprehensive Income					
Actuarial valuation	(83,670)	(43,413)	(83,670)	(43,413)	-
	13,845,905	9,911,008	13,845,905	9,911,008	8,532,311
24 Trade payables					
Trade payables	6,766,491	5,330,675	6,721,466	5,294,185	2,113,675
Trade creditors- accruals	9,018,397	6,866,817	8,882,489	6,805,025	1,456,283
Due to related companies					
- Lafarge SA (see below)	1,549,934	1,474,838	1,549,934	1,474,838	357,620
	17,334,821	13,672,330	17,153,889	13,574,048	3,927,578

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

		Group			Company	
		Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000	Jan 2011 N'000
25	**Other payables**					
	Customers' deposits	4,938,998	10,550,086	4,938,998	10,550,086	4,695,234
	Due to related companies					
	- others (note 35)	802,500	803,545	800,827	803,545	507,900
	Withholding tax payable	143,307	417,001	138,131	417,001	134,492
	Value added tax payable	338,569	454,137	344,495	446,749	80,135
	Accrued interest	1,095,624	907,566	1,095,624	907,566	188,686
	Other employee costs	230,979	111,937	209,902	109,463	85,225
	Advance rent received	4,288	5,387	4,288	5,387	6,088
	Professional fees	54,034	26,514	49,034	26,514	14,545
		7,608,298	13,276,172	7,581,298	13,266,310	5,712,304

Due to related companies – Lafarge SA: This represents the outstanding liability on the Industrial Franchise Agreement and Service Agreement with Lafarge SA of France. The terms of the agreements include:

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

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

The guarantee by Lafarge SA of the achievement of raw material reserves and production targets by Lafarge Cement WAPCO Nigeria Plc;

The payment by Lafarge Cement WAPCO Nigeria Plc to Lafarge SA of a fees of 2% of net sales for the Industrial Franchise Agreement;

The fee payable for the Service Agreement is based on a scale of fee depending on the level of service provided.

		Group			Company	
		Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000	Jan 2011 N'000
26	**Provision**					
	Current	552,485	400,109	552,485	400,109	295,000
	Non-current	535,694	262,292	535,694	262,292	-
	The above is further analysed into:					
	Employee benefits (note 26.1)	552,485	400,109	552,485	400,109	275,000
	Site restoration (note 26.2)	535,694	262,292	535,694	262,292	20,000

F

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

26.1 Employee benefits

	Group Employee Profit Share Scheme N'000	Group Productivity Bonus N'000	Group Total N'000	Company Employee Profit Share Scheme N'000	Company Productivity Bonus N'000	Company Total N'000
At January 1, 2011	275,000	-	275,000	275,000	-	275,000
Additions	239,131	153,331	392,462	239,131	153,331	392,462
Payment	(193,604)	(73,749)	(267,353)	(193,604)	(73,749)	(267,353)
At December 31, 2011	320,527	79,582	400,109	320,527	79,582	400,109
Additions	260,825	251,619	512,444	260,825	251,619	512,444
Payment	(220,292)	(139,776)	(360,067)	(220,292)	(139,776)	(360,067)
At 31 December, 2012	361,060	191,425	552,485	361,060	191,425	552,485

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.

26.2 Site restoration

	N'000
At January 1, 2011	**20,000**
Additions	278,500
Payment	(36,208)
At December 31, 2011	**262,292**
Additions	273,402
At 31 December, 2012	**535,694**

The provision for site restoration represents an estimate of the costs involved in restoring production site at the end of the expected life of the quarries. The current provision is an estimate based on physical attributes of rehabilitation in other Lafarge's quarries. Lafarge IPMEA Technical centre and External consultants have been engaged to develop site specific rehabilitation plans for Sagamu and Ewekoro quarries and this is expected to be completed in 2013 financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

		Group		Company		
		Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000	Jan 2011 N'000
27	**Borrowings**					
	Non- current liability	32,921,478	48,701,293	32,921,478	48,701,293	-
	Current liability	4,384,444	4,038,215	4,384,444	4,038,215	45,183,245
	Split into:					
	Bank loans	9,000,000	23,962,689	9,000,000	23,962,689	45,183,245
	Lafarge SA loan	5,410,185	5,442,486	5,410,185	5,442,486	-
	Power Fund	11,210,769	11,691,661	11,210,769	11,691,661	-
	Corporate Bond	11,684,968	11,642,672	11,684,968	11,642,672	-
	Total Debt	37,305,922	52,739,508	37,305,922	52,739,508	45,183,245

i Bank loans: The outstanding balance on the Syndicated medium term bank loan facility as at 31 December, 2012 was NGN9.0 billion. The USD facility of ($27.56million) N4.36billion was fully prepaid during the year and part of the NGN facility of N10.60billion was also prepaid. The Naira Syndicated Loan is subject to interest rate at 90 days NIBOR rate plus 1.5%. Principal and interest are paid quarterly. The loan will be fully repaid by November 2015.

ii Lafarge SA loan: The Lafarge S.A loan is subordinated to the Syndicated Multicurrency Medium Term loan. Hence, repayment will commence only after the syndicated term loan has been fully repaid. The loan was granted at 12 months Libor + 4%

iii Power Fund: Lafarge Cement WAPCO accessed NGN12.46billion from the CBN/BOI Power and Aviation Intervention Fund. Principal and Interest are paid quarterly. Principal repayment commenced in October 2012. The facility has 10 year tenure with a fixed interest rate of 4%.

iv Bond: This is a 3year fixed term Corporate Bond at interest rate of 11.5% per annum. The bond will be repaid in October 2014.

v All the loans are secured by the assets of the Group (see note 14).

27.1 Breach of loan agreement

There was no breach of loan agreement during the reporting period as interest and principal repayments were made as at when due.

		Group		Company		
		Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000	Jan 2011 N'000
28	**Deferred revenue**					
	Deferred income	903,120	903,120	903,120	903,120	-
	Release of deferred income from government grant	(30,104)	-	(30,104)	-	-
		873,016	903,120	873,016	903,120	-
	Current	30,104	-	30,104	-	-
	Non-current	842,912	903,120	842,912	903,120	-
		873,016	903,120	873,016	903,120	-

The deferred revenue arises 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.

F

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

29 Retirement benefit obligations

29.1 Defined contribution plan - Pension

The employees of the Group are members of a state arranged Pension scheme (Pension reform act, 2004) which is 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.

29.2 Gratuity

As at 31 December, 2012 the Group operated an additional defined benefit post-employment gratuity scheme under IAS19 for qualifying employees of the Group. The plan has two components: the "Normal" gratuity for all exiting employees with service of 5 years and above, and the "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. The liability as determined by the actuarial valuations of the present value of the defined benefit obligation as at 31 December 2012 was N3,592,387. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

In January 2012, the Group made an amendment to its gratuity plan. Based on the amendment, benefits due to employees are based on annual current salaries as against the old plan which based benefits on exit salaries. The impact of this amendment was determined by the actuary as giving a cumulative curtailment gain of N1,472,172 as at 31 December, 2012 which has been recognised in the financial statement. The actuarial loss is as disclosed in the statement of other comprehensive income.

	Group		Company		
	Dec 2012 N'000	**Dec 2011 N'000**	**Dec 2012 N'000**	**Dec 2011 N'000**	**Jan 2011 N'000**
At 1 January	4,362,262	3,586,770	4,362,262	3,586,770	2,801,412
Charge for the year	662,180	772,906	662,180	772,906	591,817
Payment during the year	(238,782)	(142,124)	(238,782)	(142,124)	(86,563
Curtailment gain	(1,472,172)	-	(1,472,172)	-	
Actuarial loss	278,899	144,710	278,899	144,710	280,104
	3,592,387	4,362,262	3,592,387	4,362,262	3,586,770

The principal assumptions used for the purpose of the actuarial valuations were as follows:

Financial assumptions

	Dec 2012	**Dec 2011**	**Dec 2012**	**Dec 2011**	**Jan 2011**
	%	%	%	%	%
Discount rate	13	14	13	14	12
Expected rate(s) of salary increases	13	13	13	13	11
Average rate of inflation	10	10	10	10	10

Demograpghic assumptions

Mortality in Service

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

Sample age	Number of deaths in year out of 10,000 lives
25	11
30	12
35	13
40	19
45	33

Withdrawal from Service

Age Band	Rate
≤ 30	2.00%
31 - 39	1.50%
40 - 49	1.00%
50 – 60	0.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

29 Retirement benefit obligations (continued)

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

	Group			Company	
	Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000	Jan 2011 N'000
Current service cost	289,987	346,895	289,987	346,895	261,244
Interest cost	372,193	425,892	372,193	425,892	330,573
	662,180	772,787	662,180	772,787	591,817

Of the expense for the year, N403.93 million has been included in profit or loss in the statement of comprehensive income as cost of sales and N258.25 million has been included in administrative expenses. Actuarial gains and losses were recognised in other comprehensive income in the relevant years.

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

	Group			Company	
	Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000	Jan 2011 N'000
Present value of defined benefit obligations	3,592,387	4,362,262	3,592,387	4,362,262	3,586,770
Fair value of scheme assets	-	-	-	-	-
Deficit in scheme	3,592,387	4,362,262	3,592,387	4,362,262	3,586,770
Past service cost not yet recognised in statement of financial position	-	-	-	-	-
Liability recognised in the statement of financial position	3,592,387	4,362,262	3,592,387	4,362,262	3,586,770

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

	Group			Company	
	Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000	Jan 2011 N'000
At 1 January	4,362,262	3,586,770	4,362,262	3,586,770	2,801,412
Service cost	289,987	346,895	289,987	346,895	261,244
Interest cost	372,193	425,892	372,193	425,892	330,573
Benefits paid	(238,782)	(142,005)	(238,782)	(142,005)	(86,563)
Actuary (gains)/losses - change in assumption	256,560	44,766	256,560	44,766	-
Actuary (gains)/losses - experience adjustment	22,338	99,944	22,338	99,944	280,104
Curtailments	(1,472,172)	-	(1,472,172)	-	-
	3,592,387	4,362,262	3,592,387	4,362,262	3,586,770

30 Current tax payable

Balance as at 1 January	886,672	833,016	886,672	833,016	1,044,480
Payments during the year	(964,943)	(234,120)	(964,943)	(234,120)	(445,584)
Reclassification	454,647	-	454,647	-	-
Charge for the year	1,564,362	287,776	1,564,362	287,776	234,120
Balance as at 31 December	1,940,738	886,672	1,940,738	886,672	833,016

F

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

		Group			Company	
		Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000	Jan 2011 N'000
31	**Share Capital**					
	Authorised					
	4,573,866,672 ordinary shares of 50k each	2,286,933	2,286,933	2,286,933	2,286,933	2,286,933
	Issued and fully paid					
	3,001,600,004 ordinary shares of 50k each	1,500,800	1,500,800	1,500,800	1,500,800	1,500,800
32	**Retained earnings**					
	At 1 January	45,205,871	37,316,884	45,221,204	37,316,884	37,313,708
	Revaluation reserve reclassified	-	-	-	-	3,176
	Dividend paid	(2,251,200)	(750,400)	(2,251,200)	(750,400)	-
	Profit from continuing activities	14,711,676	8,639,387	14,611,259	8,654,720	-
		57,666,346	45,205,871	57,581,263	45,221,204	37,316,884

On 23 May, 2012, a dividend of 75 kobo per ordinary share representing total dividend of N2.251 billion (2011: 25 kobo per ordinary share totalling N750.4 million) was approved by shareholders and subsequently paid during the year net of withholding taxes.

In respect of the current year, the Directors propose that a dividend of 120 kobo per ordinary share will be paid to shareholders. This dividend is subject to approval by shareholders at the Annual General Meeting and deduction of withholding tax at the appropriate rate. Consequently, it has not been included as a liability in these consolidated financial statements. The proposed dividend is payable to all shareholders on the Register of Members on 28th May, 2013. The total estimated dividend payable is N3.602 billion.

		Group			Company	
		Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000	Jan 2011 N'000
33	**Other reserves**					
	At 1 January	(101,297)	-	(101,297)	-	
	Actuarial loss	(278,899)	(144,710)	(278,899)	(144,710)	
	Deferred tax on actuarial loss	83,670	43,413	83,670	43,413	-
		(296,526)	(101,297)	(296,526)	(101,297)	-

34 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	
	Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000	Jan 2011 N'000
Profit for the year attributable to owners of the company	14,711,676	8,639,387	14,611,259	8,654,720	4,881,363
Weighted average number of ordinary shares ('000)	3,001,600	3,001,600	3,001,600	3,001,600	3,001,600
Basic earnings per share	490	288	487	288	163

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	14,711,676	8,639,387	14,611,259	8,654,720	4,881,363
Weighted average number of ordinary shares ('000)	3,001,600	3,001,600	3,001,600	3,001,600	3,001,600
Diluted earnings per share	490	288	487	288	163

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

35 Related party transactions

	Group			Company	
	Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000	Jan 2011 N'000
Due from related companies					
Lafarge Nigeria	-	27,615	-	27,615	-
AshakaCem Plc	149,953	58,529	149,953	58,529	-
Atlas Cement	122,644	116,593	122,644	116,593	25,789
Lafarge Middle East and Africa	-	643,703	-	643,703	471,493
SCB Lafarge, Benin	-	4,896	-	4,896	4,896
United Cement Company of Nigeria	115,110	61,984	115,110	61,984	42,117
Lafarge S.A.	4,632	-	-	-	-
Lafarge ReadyMix Limited	-	-	693,004	470,186	20,661
Lafarge Cementia	4,400	-	4,400	-	-
Lafarge CTC Cairo	45,355	9,460	45,355	9,460	1,878
	442,094	922,780	1,130,466	1,392,967	566,834
Due to related companies					
Lafarge SA	176,917	186,833	176,917	186,833	145,867
Nigeria Kraft Bags Limited	98,849	98,849	98,849	98,849	98,849
Lafarge Corp	163,693	193,089	163,693	193,089	145,832
Lafarge Africa Procurement Service	-	22,816	-	22,816	21,121
Lafarge Cement Pakistan	28,855	10,776	28,855	10,776	-
Atlas Cement Company Limited	1,673	5,891	-	5,891	-
Lafarge ZA (South Africa)	52,968	8,805	52,968	8,805	57,186
Lafarge Middle East and Africa	249,846	-	249,846	-	-
Centre Technique Inter-Unites	16,754	-	16,754	-	-
Lafarge Cementia	-	276,485	-	276,485	16,508
AshakaCem Plc					22,537
Others	12,944		12,944		
	802,500	803,545	800,827	803,545	507,900
Technical fees	1,549,934	1,474,838	1,549,934	1,474,838	357,620
Others	176,917	186,833	176,917	186,833	145,867
Lafarge SA	1,726,851	1,661,671	1,726,851	1,661,671	503,487

The related party transactions were carried out on commercial terms and conditions and hence the Directors are of the opinion that there is no conflict of interests.

i Lafarge SA
Lafarge SA is the parent company to Lafarge Cement Wapco Nigeria Plc. The balance relates to transactions in respect of technical assistance and industrial franchise, information technology infrastructure services and other Lafarge SA employee related expenses.

ii Lafarge Cement Pakistan
Lafarge Cement Pakistan is a related company of Lafarge Cement Wapco Nigeria Plc. The balance relates to expatriate staff cost.

F

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

35 Related party transactions (continued)

iii Lafarge ReadyMix Limited
Lafarge ReadyMix Limited is a wholly owned subsidiary of Lafarge Cement Wapco Nigeria Plc. The balance is in respect of payments made on their behalf by their parent company Lafarge (WAPCO) and monies owed for purchases from Lafarge WAPCO.

iv Lafarge Cementia
Lafarge Cementia is a related company to Lafarge Cement Wapco Nigeria Plc. The balance is in respect of purchase of clinker from them (Cementia) by Lafarge WAPCO.

v United Cement Company of Nigeria
United Cement Company of Nigeria is a related company to Lafarge Cement Wapco Nigeria Plc. The balance is in respect of clinker and bricks transfer.

vi Atlas Cement Company Limited
Atlas Cement Company Limited is a related company to Lafarge Cement Wapco Nigeria Plc. The balance is in respect of cement purchased from Lafarge WAPCO and other employee related costs.

vii Lafarge CTC Cairo
Lafarge CTC Cairo is a related company to Lafarge Cement Wapco Nigeria Plc. The balance is in respect of consultancy services rendered by CTC.

viii AshakaCem Plc
AshakaCem Plc is a related company to Lafarge Cement Wapco Nigeria Plc. The balance is in respect of payments made on their behalf, Inventory transfer and employee related costs/expenses.

ix Lafarge Middle East and Africa
Lafarge Middle East and Africa is a related company to Lafarge Cement Wapco Nigeria Plc. The balance relates to amount due to LMEA in respect of expartriate staff costs and amount due to Lafarge Wapco is in respect of Lafarge Nigeria expenses paid by Lafarge WAPCO on behalf of LMEA. (LMEA provides expatriate staff for Lafarge WAPCO while Lafarge WAPCO makes payment for Lafarge Nigeria operating expenses).

x SCB Lafarge, Benin
SCB Lafarge, Benin is a related company to Lafarge Cement Wapco Nigeria Plc. Balance represents receivables from SCB Lafarge Benin for clinker sold to them by Lafarge WAPCO.

xi Lafarge Africa Procurement Service
Expatriate invoices from Lafarge UK which was reclassified to Lafarge Corporate.

xii Centre Technique Inter-Unites
This amount represents balance due to Lafarge Technical Centre Europe & Africa (a related party to Lafarge WAPCO) in respect of services rendered (Expatriate cost) on Ewekoro II Lakatabu expansion project.

During the year, the company entered into the following trading transactions with related parties that are not members of the group.

	Sale of goods		**Purchase of goods**	
	Dec 2012 N'000	**Dec 2011 N'000**	**Dec 2012 N'000**	**Dec 2011 N'000**
Atlas Cement	1,714,000	1,352,229	-	-
Lafarge Cementia	-	-	15,469	12,203

35.1 Loans to related parties

The Group did not give loans to its key management personnel and there were no share options during the year.

35.2 Loans from related parties

	Group		Company	
	Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000
Loan from Lafarge SA	5,410,185	5,442,486	5,410,185	5,442,486

The loan was granted at 6.725% interest rate (see note 27).

35.3 Compensation of key management

The compensation for directors and other key management personnel during the year are as follows:

Short-term benefits	179,661	145,057	171,106	138,149
Other long-term benefits	53,052	50,394	53,052	50,394
	232,713	195,450	224,158	188,543

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.

35.4 Other employee information

	Number	Number	Number	Number
Management	422	390	407	379
Non-management	659	632	569	587
	1,081	1,022	976	966
	N'000	**N'000**	**N'000**	**N'000**
Total employee expenses	6,295,817	5,127,918	6,107,028	5,090,798

36 Reconciliation of Cashflow changes

Working capital changes				
(Increase)/decrease in inventories	(2,617,546)	(587,467)	(2,597,768)	(554,167)
(Increase)/decrease in trade receivables	275,279	(2,330)	213,314	73,204
(Increase)/decrease in other receivables	732,563	(275,071)	513,981	(722,253)
Increase/(decrease) in trade payables	3,662,491	9,744,752	3,579,841	9,646,470
Increase/(decrease) in other payables	(5,667,875)	7,563,869	(5,685,013)	7,554,007
Changes in operating working capital items	**(3,615,088)**	**16,443,752**	**(3,975,644)**	**15,997,261**
(Increase)/decrease in PPE	(296,200)	(755,519)	(311,736)	(768,477)
(Increase)/decrease in intangible assets	6,994	(12,958)	-	-
Increase/(decrease) in employee benefits	(769,875)	775,492	(769,875)	775,492
Increase/(decrease) in deferred tax	3,934,897	1,378,697	3,934,897	1,378,697
Increase/(decrease) in deferred revenue	(30,104)	903,120	(30,104)	903,120
Increase/(decrease) in tax payable	1,054,066	53,656	1,054,066	53,656
Increase/(decrease) in provisions	425,778	367,401	425,778	367,401
Increase/(decrease) other reserves	216,906	(101,297)	216,906	(101,297)
Others	**4,542,462**	**2,608,592**	**4,519,932**	**2,608,592**

F

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

37 The Group as lessor

37.1 Leasing arrangements

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.

Rental income earned by the Group from its building and direct operating expenses incurred on the building are N107.4 million (2011 - N67.44 million) and N122.7 million (2011 - N115.4 million) respectively.

All rental income was received in advance, hence no lease receivables.

38 Contingent liabilities

As at 31 December 2012, there were contingent liabilities in respect of litigations against the Group amounting to N441 million. 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.

39 Capital commitment

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

	Group		Company	
	Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000
Commitments for the supply of gas	6,060,000	-	6,060,000	-
Commitments for the supply of power	1,653,066	-	1,653,066	-
	7,713,066	-	7,713,066	-

The contract for supply of gas is with Nigeria Gas Corporation for a period of 20 years valued at Euros 300m while the power contract is with Shoreline for 2 years.

40 Events after the reporting period

There were no events after the reporting date that could have had a material effect on the financial statements of the Group that have not been provided for or disclosed in the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

41 Capital Management

The Group manages its capital to ensure that entities will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remained unchanged since 2011.

The capital structure of the Group consists of net debt (which includes the borrowings disclosed in note 27, offset by cash and cash equivalents) and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the relevant notes in the financial statements.

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

The management of the Group reviews the capital structure on a frequent basis to ensure that gearing is within acceptable limit.

Gearing ratio

The gearing ratio at the year end is as follows:

	Group		Company	
	Dec 2012 N'000	**Dec 2011 N'000**	**Dec 2012 N'000**	**Dec 2011 N'000**
Borrowings	37,305,922	52,739,508	37,305,922	52,739,508
Cash and cash equivalents	(8,892,313)	(11,419,833)	(8,825,753)	(11,351,526)
Net debt (i)	28,413,609	41,319,675	28,480,169	41,387,982
Equity (ii)	68,359,368	56,094,121	68,274,284	56,109,454
Net debt to equity ratio	0.42	0.74	0.42	0.74

i. Debt is defined as current- and non current term borrowings (as described in note 27).

ii. Equity includes all capital and reserves of the Group that are managed as capital.

F

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

42 Categories of financial instruments

Group
31/12/2012

	Loans and advances N'000	Available for sale N'000	Non-financial assets N'000	Total N'000
Assets				
Cash and cash equivalents	8,892,313	-	-	8,892,313
Trade receivables	294,248	-	2,379	296,627
Other receivables and prepayments	90,851	-	1,594,529	1,685,381
Investments	-	40,000	-	40,000
Inventories	-	-	12,933,476	12,933,476
Intangible assets	-	-	5,964	5,964
Property, plant and equipment	-	-	128,094,873	128,094,873
	9,277,412	40,000	142,631,221	151,948,633

Group
31/12/2012

	Amortized cost N'000	Non-financial liabilities N'000	Total N'000
Liabilities			
Borrowings	37,305,922	-	37,305,922
Trade payables	17,334,821	-	17,334,821
Other payables	-	7,608,298	7,608,298
Deferred revenue	-	873,016	873,016
Provisions	-	1,088,179	1,088,179
Current tax payable	-	1,940,738	1,940,738
Deferred tax	-	13,845,905	13,845,905
Retirement benefit obligations	-	3,592,387	3,592,387
	54,640,743	28,948,522	83,589,265

Group
31/12/2011

	Loans and advances N'000	Available for sale N'000	Non-financial assets N'000	Total N'000
Assets				
Cash and cash equivalents	11,419,833	-	-	11,419,833
Trade receivables	446,599	-	125,307	571,906
Long term receivables	-	-	9,444	9,444
Other receivables and prepayments	229,416	-	2,062,491	2,291,907
Investments	-	40,000	-	40,000
Inventories	-	-	10,315,930	10,315,930
Intangible assets	-	-	12,958	12,958
Property, plant and equipment	-	-	127,729,024	127,729,024
	12,095,848	40,000	140,255,154	152,391,002

Group
31/12/2011

	Amortized cost N'000	Non-financial liabilities N'000	Total N'000
Liabilities			
Borrowings	52,739,508	-	52,739,508
Trade payables	13,672,330	-	13,672,330
Other payables	-	13,276,172	13,276,172
Deferred revenue	-	903,120	903,120
Provisions	-	662,401	662,401
Current tax payable	-	886,672	886,672
Deferred tax	-	9,911,008	9,911,008
Retirement benefit obligations	-	4,362,262	4,362,262
	66,411,838	30,001,636	96,413,473

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

42 Categories of financial instruments (continued)

Company
31/12/2012

	Loans and advances N'000	Available for sale N'000	Non-financial assets N'000	Total N'000
Assets				
Cash and cash equivalents	8,825,753	-	-	8,825,753
Trade receivables	280,678	-	2,379	283,058
Other receivables and prepayments	90,764	-	2,714,917	2,805,681
Investments	-	90,000	-	90,000
Inventories	-	-	12,880,397	12,880,397
Property, plant and equipment	-	-	127,275,266	127,275,266
	9,197,195	90,000	142,872,960	152,160,155

Company
31/12/2012

	Amortized cost N'000	Non-financial liabilities N'000	Total N'000
Liabilities			
Borrowings	37,305,922	-	37,305,922
Trade payables	17,153,889	-	17,153,889
Other payables	-	7,581,298	7,581,298
Deferred revenue	-	873,016	873,016
Provisions	-	1,088,179	1,088,179
Current tax payable	-	1,940,738	1,940,738
Deferred tax	-	13,845,905	13,845,905
Retirement benefit obligations	-	3,592,387	3,592,387
	54,459,811	28,921,522	83,381,333

Company
31/12/2011

	Loans and advances N'000	Available for sale N'000	Non-financial assets N'000	Total N'000
Assets				
Cash and cash equivalents	11,351,526	-	-	11,351,526
Trade receivables	371,065	-	125,307	496,372
Long term receivables	-	-	9,444	9,444
Other receivables and prepayments	186,565	-	2,474,103	2,660,668
Investments	-	90,000	-	90,000
Inventories	-	-	10,282,629	10,282,629
Property, plant and equipment	-	-	127,379,132	127,379,132
	11,909,156	90,000	140,270,615	152,269,771

Company
31/12/2011

	Amortized cost N'000	Non-financial liabilities N'000	Total N'000
Liabilities			
Borrowings	52,739,508	-	52,739,508
Trade payables	13,574,048	-	13,574,048
Other payables	-	13,266,310	13,266,310
Deferred revenue	-	903,120	903,120
Provisions	-	662,401	662,401
Current tax payable	-	886,672	886,672
Deferred tax	-	9,911,008	9,911,008
Retirement benefit obligations	-	4,362,262	4,362,262
	66,313,556	29,991,774	96,305,330

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

42 Categories of financial instruments (continued)

Company
1/1/2011

	Loans and advances N'000	Available for sale N'000	Non-financial assets N'000	Total N'000
Assets				
Cash and cash equivalents	3,836,706	-	-	3,836,706
Trade receivables	433,062	-	136,514	569,576
Other receivables and prepayments	120,839	-	1,935,716	2,056,555
Long term receivables	-	-	66,111	66,111
Investments	-	60,206	-	60,206
Inventories	-	-	9,728,462	9,728,462
Property, plant and equipment	-	-	100,059,039	100,059,039
	4,390,607	**60,206**	**111,925,842**	**116,376,655**

Company
1/1/2011

	Amortized cost N'000	Non-financial liabilities N'000	Total N'000
Liabilities			
Borrowings	45,183,245	-	45,183,245
Overdrafts	1,411,535	-	1,411,535
Trade payables	3,927,578	-	3,927,578
Other payables	-	5,712,304	5,712,304
Provisions	-	295,000	295,000
Current tax payable	-	833,016	833,016
Deferred tax	-	8,532,311	8,532,311
Retirement benefit obligations	-	3,586,770	3,586,770
	50,522,358	**18,959,401**	**69,481,759**

43 Risk management

Risk management roles and responsibilities are assigned to stake holders in the company at three levels: The board, executive committee and line managers.

The Board oversight is performed by the Board of Directors through the Board Risk and Ethics Committee.

The second level is performed by the Executive Management Committee (EXCOM).

The third level is performed by all line managers under EXCOM and their direct reports. They are required to comply with all risk policies and procedures and to manage risk exposures that arise from daily operations.

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.

The Group and Company monitor and manage financial risks relating to its operations through internal risk report which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

43.1 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.

43.1.1 Interest rate risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market interest rates. The Group is exposed to interest rate risk because it borrows funds denominated in Naira and USD at both fixed and floating interest rates. The sensitivity analyses below have been determined based on the exposure to interest rates for both naira and USD denominated 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 internally to key management personnel and these represent management's assessment of the reasonably possible change in interest rates.

If LIBOR had been 200 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	
	Dec 2012 N'000 Profit/(Loss)	**Dec 2011 N'000 Profit/(Loss)**	**Dec 2012 N'000 Profit/(Loss)**	**Dec 2011 N'000 Profit/(Loss)**
Borrowings (USD)	**5,424**	**9,772**	**5,424**	**9,772**

If NIBOR had been 1500 basis points higher/lower and all other variables were held constant, the Group and Company's profit or loss will be affected as follows:

Borrowings (Naira)	**240,458**	**487,454**	**240,458**	**487,454**

43.1.2 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.

The following table details the Group's sensitivity to a 3%, increase and decrease in Naira against US dollar currency. Management believes that a 3% 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 3% against the US dollar. For a 3% weakening of Naira against the US dollar there would be an equal and opposite impact on profit, and the balances below would be negative.

F

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

43.1.2 Foreign currency risk management (contd)

	Group		Company	
	Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000
Naira strengthens by 3% against the US dollar Profit / (loss)	157,561	286,405	157,561	286,405
Naira weakens by 3% against the US dollar Profit / (loss)	(157,561)	(286,405)	(157,561)	(286,405)

43.2 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Entities. Both the Group and Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group and Company 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 Entities'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.

Trade receivables consist of a number of corporate customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

The carrying value of the Group's financial assets represents its maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

	Group		Company	
	Dec 2012 N'000	Dec 2011 N'000	Dec 2012 N'000	Dec 2011 N'000
Trade Receivables	294,248	446,599	280,678	371,065
Other receivables	90,851	229,416	90,764	186,565
Bank deposits	2,133,934	1,054,000	2,133,934	1,054,000

The maximum exposure to credit risk for trade receivables at the reporting date by type of receivables was:

	Group		Company	
	Dec 2012	Dec 2011	Dec 2012	Dec 2011
Parastatals/Government				
Corporates	-	-	-	-
SMEs	294,248	446,599	280,678	371,065
	294,248	446,599	280,678	371,065

Although no amounts are past due as at 31 December 2012, there was a significant concentration of credit risk in respect of trade receivables (see note 19).

The credit risk on bank deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

43.2.1 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.

43.3 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

43.3.1 Maturity analysis of financial liabilities

The following tables detail the Group remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the balance sheet date. The contractual maturity is based on the earliest date on which the entities may be required to pay.

Group

31/12/2012	**0-3 months N'000**	**3-6 months N'000**	**6-12 months N'000**	**12-24 months N'000**	**Above 24 months N'000**	**Total N'000**
Bank loans (NGN)	-	-	3,134,333	6,000,000	-	9,134,333
Power fund loan	-	-	1,250,111	-	10,139,976	11,390,087
Lafarge SA loan	-	-	-	-	5,708,637	5,708,637
Corporate bond	-	-	-	-	11,995,638	11,995,638
Trade payables	17,334,821	-	-	-	-	17,334,821
	17,334,821	-	4,384,444	6,000,000	27,844,252	55,563,517
31/12/2011						
Bank loans (NGN)	-	-	-	19,742,389	-	19,742,389
Bank loans (USD)	-	-	-	4,381,278	-	4,381,278
Power fund loan	-	-	-	-	11,859,055	11,859,055
Lafarge SA loan	-	-	-	-	5,643,106	5,643,106
Corporate bond	-	-	-	-	12,291,910	12,291,910
Trade payables	13,672,330	-	-	-	-	13,672,330
	13,672,330	-	-	24,123,667	29,794,070	67,590,068

Company

31/12/2012	**0-3 months N'000**	**3-6 months N'000**	**6-12 months N'000**	**12-24 months N'000**	**Above 24 months N'000**	**Total N'000**
Bank loans (NGN)	-	-	3,134,333	6,000,000	-	9,134,333
Power fund loan	-	-	1,250,111	-	10,139,976	11,390,087
Lafarge SA loan	-	-	-	-	5,708,637	5,708,637
Corporate bond	-	-	-	-	11,995,638	11,995,638
Trade payables	17,153,889	-	-	-	-	17,153,889
	17,153,889	-	4,384,444	6,000,000	27,844,252	55,382,585
31/12/2011						
Bank loans (NGN)	-	-	-	19,742,389	-	19,742,389
Bank loans (USD)	-	-	-	4,381,278	-	4,381,278
Power fund loan	-	-	-	-	11,859,055	11,859,055
Lafarge SA loan	-	-	-	-	5,643,106	5,643,106
Corporate bond	-	-	-	-	12,291,910	12,291,910
Trade payables	13,574,048	-	-	-	-	13,574,048
	13,574,048	-	-	24,123,667	29,794,070	67,491,786

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

44 Fair value of financial instruments

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values:

Group

	Book Value			Fair value		
	Dec 2012	**Dec2011**	**Jan 2011**	**Dec 2012**	**Dec 2011**	**Jan 2011**
Financial Asset						
Trade receivables	294,248	446,599	-	294,248	446,599	-
Other receivables	90,851	229,416	-	90,851	229,416	-
Cash and cash equivalents	8,892,313	11,419,833	-	8,892,313	11,419,833	-
Financial Liabilities						
Bank loans (NGN)	9,000,000	23,962,689	-	9,000,000	23,962,689	-
Bank loans (USD)	-	4,362,689	-	-	4,362,689	-
Power fund loan	11,210,769	11,691,661	-	10,220,086	11,341,761	-
Lafarge SA loan	5,410,185	5,442,486	-	5,410,185	5,442,486	-
Corporate bond	11,684,968	11,642,672	-	10,250,770	11,499,102	-
Trade payables	17,334,821	13,672,330	-	17,334,821	13,672,330	-

Company

	Book Value			Fair value		
	Dec 2012	**Dec 2011**	**Jan 2011**	**Dec 2012**	**Dec 2011**	**Jan 2011**
Financial Asset						
Trade receivables	280,678	371,065	433,062	280,678	371,065	433,062
Other receivables	90,764	186,565	120,839	90,764	186,565	120,839
Cash and cash equivalents	8,825,753	11,351,526	3,836,706	8,825,753	11,351,526	3,836,706
Financial Liabilities						
Bank loans (NGN)	9,000,000	23,962,689	27,937,000	9,000,000	23,962,689	27,937,000
Bank loans (USD)	-	4,362,689	17,246,245	-	4,362,689	17,246,245
Power fund loan	11,210,769	11,691,661	-	10,220,086	11,341,761	-
Lafarge SA loan	5,410,185	5,442,486	-	5,410,185	5,442,486	-
Corporate bond	11,684,968	11,642,672	-	10,250,770	11,499,102	-
Trade payables	17,153,889	13,574,048	3,927,578	17,153,889	13,574,048	3,927,578

The book and the fair value of the trade and other receivables is expected to be same as Lafarge WAPCO expects to make 100% recovery of their debtors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

45

a **Write back of accumulated depreciation on freehold land**
Freehold land was depreciated in the NGAAP account and the depreciation charges expensed to profit or loss over time. Under IFRS, freehold land is not subject to depreciation, hence the write back of accumulated depreciation charges to retained earnings.

b **Reclassification of long term receivable from MACMAHON**
The receivable portion due after more than one year from MACMAHON was reclassified from current asset to non-current assets.

c **Reclassification of intangible assets**
Under NGAAP, intangible assets such as computer software are classified under property, plant and equipment. Under IFRS, computer software qualifies for intangible assets in line with IAS 38, hence the reclassification to a separate line item in the statement of financial position.

d **Reclassification of investment income**
Under NGAAP financial statements, investment income was included in other operating income. Investment income is derived from financial assets and not from the normal operating activities of the entity. Thus, this is reclassified to a separate line item to enhance presentation of information in the statement of comprehensive income.

e **Adjustment of upfront fees capitalized**
Under NGAAP, the fees associated with the loans used to finance the construction of its plant were capitalised. Under IFRS, these fees are amortized over the period of the loan and capitalised with the asset. This adjustment is made to back out the unamortized portion of the fees capitalised.

f **Adjustment of government grant on Power Fund**
Under NGAAP, the government grant element embedded in the Power Fund loan that was obtained at below market rate was not accounted for. This adjustment relates to the governement grant which is to be recognised as income over the useful life of the asset financed by the loan.

g **Adjustment for amortized cost measurement of Power Fund**
Under NGAAP, the power fund loan was measured at cost less repayments and interest was accrued using contractual rate. Under IFRS, Power Fund loan is a financial liability measured at amortized cost using effective interest rate method. This adjustment relates to additional cost arising from amortized cost measurement which is capitalised with the asset financed with the loan.

h **Adjustment for recognition of income from government grant**
Under NGAAP, the portion of the government grant was not recognised as income during the reporting period. Under IFRS, government grant is amortised over the useful life of the asset financed by the grant. Thus, this reclassification relates to the portion of government grant recognised as income during the reporting period.

F

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

Appendix
The impact of adopting International Financial Reporting Standards as at 31 December 2011 is shown in the reconciliation below:

		Group			Company		
		NGAAP	Reclass/	IFRS	NGAAP	Reclass/	IFRS
		31-Dec-11	Adjustment	31-Dec-11	31-Dec-11	Adjustment	31-Dec-11
	Note	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Assets							
Non-current assets	45						
Property plant and equipment		127,904,659	(175,635)	127,729,024	127,541,809	(162,677)	127,379,132
Adjustment of unamortised portion of prepaid upfront fees capitalised (NGN loan)-2011	e		(102,427)			(102,427)	
Adjustment of unamortised portion of prepaid upfront fees capitalised (Bond)-2011	e		(195,032)			(195,032)	
Adjustment for amortised cost of power fund-2011	g		134,781			134,781	
Reclassification of intangible assets	c		(12,958)			-	
Intangible assets			12,958	12,958	-		-
Reclassification of intangible assets	c		12,958				
Long term investment		40,000	-	40,000	40,000	-	90,000
Long term receivables		-	9,444	9,444	-	9,444	9,444
Reclassification of long term receivable from MACMAHON	b		9,444			9,444	
Total non-current assets		**127,944,659**	**(153,233)**	**127,791,426**	**127,631,809**	**(153,233)**	**127,478,576**
Current assets							
Inventories		10,315,930	-	10,315,930	10,282,629	-	10,282,629
Trade debtors		688,499	(116,593)	571,906	641,384	(145,012)	496,372
Reclassification of due from related companies			(116,593)			(145,012)	
Other debtors and prepayments		1,495,164	913,336	2,408,500	1,422,158	1,383,522	2,805,681
Reclassification of due from related companies			116,593			145,012	
Reclassification of due from related companies **			806,187			1,247,954	
Reclassification to long term receivable from (MACMAHON)	b		(9,444)			(9,444)	
Due from related companies		806,187	(806,187)		1,247,954	(1,247,954)	
Reclassification of due from related companies **			(806,187)			(1,247,954)	
Short term investment		1,054,000	(1,054,000)	-	1,054,000	(1,054,000)	-
Reclassification of short term investment **			(1,054,000)		-	(1,054,000)	
Cash and cash equivalents		10,365,833	1,054,000	11,419,833	10,297,526	1,054,000	11,351,526
Reclassification of short term investment **			1,054,000	-		1,054,000	-
Total current assets		**24,725,612**	**(9,444)**	**24,716,168**	**24,945,651**	**(9,444)**	**24,936,208**
Total assets		**152,670,271**	**(162,677)**	**152,507,594**	**152,577,460**	**(162,677)**	**152,414,784**
Equity and Liabilities							
Capital and reserves							
Share capital		1,500,800	-	1,500,800	1,500,800	-	1,500,800
Share premium		9,488,747	-	9,488,747	9,488,747	-	9,488,747
Revaluation reserve		3,176	(3,176)	-	3,176	(3,176)	-
Reclassification of revaluation reserve			(3,176)			(3,176)	
Retained earnings		45,057,985	147,886	45,205,871	45,073,318	147,886	45,221,204
Other comprehensive income			144,710			144,710	
Reclassification of revaluation reserve			3,176			3,176	
Other reserves		-	(101,297)	(101,297)	-	(101,297)	(101,297)
Other comprehensive income			(144,710)			(144,710)	
Other comprehensive income			43,413			43,413	
Total equity		**56,050,708**	**43,413**	**56,094,121**	**56,066,041**	**43,413**	**56,109,454**

Appendix

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

The impact of adopting International Financial Reporting Standards as at 31 December 2011 is shown in the reconciliation below:

		Group			Company		
		NGAAP	Reclass/	IFRS	NGAAP	Reclass/	IFRS
		31-Dec-11	Adjustment	31-Dec-11	31-Dec-11	Adjustment	31-Dec-11
	Note	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Non-current liabilities							
Retirement benefit obligation		4,362,262	-	4,362,262	4,362,262	-	4,362,262
Deferred tax liabilities		9,954,421	(43,413)	9,911,008	9,954,421	(43,413)	9,911,008
Other comprehensive income			(43,413)			(43,413)	
Provisions			262,292	262,292		262,292	262,292
Reclassification of long term provisions			262,292			262,292	
Term loans - non current		49,706,960	(1,005,667)	48,701,293	49,706,960	(1,005,667)	48,701,293
Adjustment of unamortised portion of prepaid upfront fees capitalised (Bond)-2011	e		(237,328)			(237,328)	
Adjustment of government grant on power fund-2011	f		(903,120)			(903,120)	
Adjustment for amortised cost of power fund-2011	g		134,781			134,781	
Deferred income		-	903,120	903,120		903,120	903,120
Adjustment of government grant on power fund-2011	f		903,120			903,120	
Total non-current liabilities		**64,023,643**	**116,332**	**64,139,975**	**64,023,643**	**116,332**	**64,139,975**
Current liabilities							
Trade creditors		5,330,675	8,341,655	13,672,330	5,294,185	8,279,863	13,574,048
Reclassification of amounts due to related parties			1,474,838			1,474,838	
Reclassification of accruals			6,866,817			6,805,025	
Other creditors and accruals		19,399,575	(6,123,403)	13,276,172	19,327,921	(6,061,611)	13,266,310
Reclassification of amounts due to related parties			803,544			803,544	
Reclassification of other creditors and accruals			(6,866,817)			(6,805,025)	
Adjustment of unamortised portion of prepaid upfront fees capitalised (Bond)-2011			237,328			237,328	
Adjustment of unamortised portion of prepaid upfront fees capitalised (Bond)-2012			(195,032)			(195,032)	
Adjustment of unamortised portion of prepaid upfront fees capitalised (NGN loan)-2011	e		(102,427)			(102,427)	
Due to related companies		2,278,382	(2,278,382)	-	2,278,382	(2,278,382)	-
Reclassification of amounts due to related parties			(2,278,382)			(2,278,382)	
Provisions		662,401	(262,292)	400,109	662,401	(262,292)	400,109
Reclassification of long term provisions			(262,292)			(262,292)	
Term loan- current		4,038,215	-	4,038,215	4,038,215	-	4,038,215
Current tax liabilities		886,672	-	886,672	886,672	-	886,672
Total current liabilities		**32,595,920**	**(322,423)**	**32,273,498**	**32,487,776**	**(322,422)**	**32,165,354**
Total liabilities		**96,619,563**	**(206,090)**	**96,413,473**	**96,511,419**	**(206,090)**	**96,305,330**
Total equity and liabilities		**152,670,271**	**(162,677)**	**152,507,594**	**152,577,460**	**(162,677)**	**152,414,784**

** These balances were reclassified in line with current year classification.

F

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

Appendix

Effects of first time adoption of IFRS - Company Financial Position as at 1 January 2011.
The impact of adopting International Financial Reporting Standards is shown in the reconciliation below:

A1 Company

	Note	NGAAP 1-Jan-11 N'000	IFRS reclass/ Adjustments N'000	IFRS 1-Jan-11 N'000
	45			
Property, plant and equipment		100,751,762	**(692,723)**	100,059,039
Write back of accumulated depreciation on Land	a		14,670	
Adjustment of unamortised portion of prepaid upfront fees capitalised (NGN loan)-2010	e		(360,260)	
Adjustment for amortised cost measurement of USD denominated loan-2010	e		(347,133)	
Investments		60,206	-	60,206
Long term receivables Receivables		-	**66,111**	66,111
Reclassification of long term receivable from MACMAHON	b		66,111	
Total non-current assets		**100,811,968**	**(626,612)**	**100,185,356**
Inventories		9,728,462	-	9,728,462
Trade debtors		569,576		569,576
Other debtors and prepayment		1,555,832	**500,723**	2,056,555
Reclassification of due from related companies **			566,834	
Reclassification of long term receivable from MACMAHON	b		(66,111)	
Due from related parties		566,834	**(566,834)**	-
Reclassification of due from related companies **			(566,834)	
Cash and cash equivelent		5,248,241	(1,411,535)	3,836,706
Total current assets		17,668,945	(66,111)	16,191,299
Total assets		**118,480,913**	**(692,723)**	**116,376,655**
Equity and Liabilities				
Capital and reserves				
Share capital		1,500,800		1,500,800
Share premium		9,488,747		9,488,747
Revaluation reserve		3,176	(3,176)	-
Reclassification of revaluation reserve			(3,176)	
Retained earnings		37,299,038	17,846	37,316,884
Write back of accumulated depreciation on Land	a		14,670	
Reclassification of revaluation reserve			3,176	
Total equity		**48,291,761**	**14,670**	**48,306,431**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

Appendix

Effects of first time adoption of IFRS - Company Financial Position as at 1 January 2011.
The impact of adopting International Financial Reporting Standards is shown in the reconciliation below:

	Note	NGAAP 1-Jan-11 N'000	IFRS reclass/ Adjustments N'000	IFRS 1-Jan-11 N'000
Non-current liabilities				
Deferred tax liabilities		8,532,311	-	8,532,311
Employee benefits		3,586,770	-	3,586,770
Total non-current liabilities		**12,119,081**	**-**	**12,119,081**
Current liabilities				
Bank Overdraft		1,411,535	(1,411,535)	-
Trade Creditors		2,113,675	1,813,903	3,927,578
Reclassification of amounts due to related parties **			357,620	
Reclassification of accruals**			1,456,283	
Other creditors		7,368,080	(1,655,776)	5,712,304
Reclassification of amounts due to related parties**			507,900	
Adjustment for amortised cost measurement of USD denominated loan-2010	e		(347,133)	
Adjustment of unamortised portion of prepaid upfront fees capitalised (NGN loan)-2010	e		(360,260)	
Reclassification of accruals **			(2,163,676)	
Provision		295,000	-	295,000
Term loans		45,183,245	-	45,183,245
Due to related companies		865,520	(865,520)	-
Reclassification of amounts due to related parties **			(865,520)	
Taxation		833,016	-	833,016
Total current liabilities		**58,070,071**	**(707,393)**	**55,951,143**
Total liabilities		**70,189,152**	**(707,393)**	**68,070,224**
Total equity and liabilities		**118,480,913**	**(692,723)**	**116,376,655**

** These balances were reclassified in line with current year classification.

F

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

Appendix

The impact of adopting International Financial Reporting Standards on the statement of comprehensive income for the year ended 31 December 2011 is shown in the reconciliation below:

	Note	Group NGAAP 31/12/2011	Group Reclass/ Adjustment	Group IFRS 31/12/2011	Company NGAAP 31/12/2011	Company Reclass/ Adjustment	Company IFRS 31/12/2011
	45						
Revenue		62,502,320		62,502,320	62,211,143	-	62,211,143
Cost of sales		(43,255,742)	72,156	(43,183,586)	(43,024,003)	72,156	(42,951,847)
Restatement of other comprehensive income **			86,826			86,826	
Write back of accumulated depreciation on Land	a		(14,670)			(14,670)	
Gross profit		**19,246,578**	**72,156**	**19,318,734**	**19,187,140**	**72,156**	**19,259,296**
Net finance charge		(2,802,974)	(223,390)	(3,026,364)	(2,802,974)	(223,390)	(3,026,364)
Reclassification of investment income	d		(223,390)			(223,390)	
Other operating income		136,801	-	136,801	136,801	-	136,801
Investment income			223,390	223,390		223,390	223,390
Reclassification of investment income	d		223,390			223,390	
Selling and administrative expenses		(6,361,172)	57,884	(6,303,288)	(6,286,401)	57,884	(6,228,517)
Restatement of other comprehensive income **			57,884			57,884	
Profit before taxation		**10,219,233**	**130,040**	**10,349,273**	**10,234,566**	**130,040**	**10,364,606**
Taxation		(1,709,886)		(1,709,886)	(1,709,886)		(1,709,886)
Profit for the year		**8,509,347**	**130,040**	**8,639,387**	**8,524,680**	**130,040**	**8,654,720**

A.1 Reconciliation of profit or loss

	Group 31/12/2011 N'000	Company 31/12/2011 N'000
Profit or loss from continuing operations under Nigerian GAAP	**8,509,347**	**8,524,680**
Actuarial loss (OCI)	144,710	144,710
Write back on land	(14,670)	(14,670)
Profit or loss for continuing operations under IFRS	**8,639,387**	**8,654,720**

Restatement refers to the impact of the Other Comprehensive Income adjustment in line with IFRS and write back of dep[reciation on land.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

Appendix

A.1 Reconciliation of equity

	Note	Group 31/12/2011 N'000	Company 31/12/2011 N'000
Total equity under Nigerian GAAP		56,050,708	56,066,041
Deferred tax impact on Actuarial loss - Other reserves	33	43,413	43,413
Total equity under IFRSs		56,094,121	56,109,454

A.2 Reconciliation of equity

		Company 1/1/11 N'000
Total equity under Nigerian GAAP	45	48,291,761
Write back of accumulated depreciation on Land	a	14,670
Total equity under IFRSs		**48,306,431**

F

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year 31 December 2012

Appendix

The impact of adopting International Financial Reporting Standards on the statement of cash flow for the period ended 31 December 2011 is shown in the reconciliation below:

	NGAAP 31-Dec-11 N' 000	Group Reclass/ Adjustment N' 000	IFRS 31-Dec-11 N' 000	NGAAP 31-Dec-11 N' 000	Company Reclass/ Adjustment N' 000	IFRS 31-Dec-11 N' 000
NET INCOME	**8,509,347**	**130,040**	**8,639,387**	**8,524,680**	**130,040**	**8,654,720**
Adjustment to reconcile net income to net cash from operating activities:						
Depreciation (See note 45a)	2,075,031	14,670	2,089,701	2,066,957	14,670	2,081,627
(Gains) on disposals of fixed assets	(5,462)		(5,462)	(5,462)		(5,462)
Finance charges/(income) (see note 45 d)	2,037,328	223,390	2,260,718	2,037,328	223,390	2,260,718
Investment income (see note 45 d)	-	(223,390)	(223,390)		(223,390)	(223,390)
Tax expenses	234,120		234,120	234,120		234,120
Others (see note 36)	2,494,306	302,521	2,796,827	2,494,306	302,521	2,796,827
Change in operating working capital items, excluding financial expenses and income taxes (see note 36)	15,697,079	558,437	16,255,516	15,250,589	558,437	15,809,026
Net cash used in operating activities before impacts of financial expenses and tax	31,041,748	1,005,668	32,047,416	30,602,518	1,005,668	31,608,186
Cash payments for financial expenses	(472,074)		(472,074)	(472,074)		(472,074)
Cash payments for tax	(234,120)		(234,120)	(234,120)		(234,120)
NET CASH GENERATED FROM OPERATING ACTIVITES	30,335,555	1,005,668	31,341,223	29,896,324	1,005,668	30,901,992
Capital expenditures	(25,239,611)		(25,239,611)	(24,868,688)		(24,868,688)
Interest income	223,390		223,390	223,390		223,390
Disposals	75,556		75,556	75,556		75,556
NET CASH PROVIDED (USED IN) BY INVESTING ACTIVITES	(24,940,665)	-	(24,940,665)	(24,569,742)	-	(24,569,742)
Interest paid	(5,623,293)		(5,623,293)	(5,623,293)		(5,623,293)
Dividend paid	(750,400)		(750,400)	(750,400)		(750,400)
Increase in long term debt	8,561,930	(1,005,668)	7,556,263	8,561,930	(1,005,668)	7,556,263
NET CASH PROVIDED (USED IN) BY FINANCING ACTIVITES	2,188,237	(1,005,668)	1,182,570	2,188,237	(1,005,668)	1,182,570
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,583,127	-	7,583,127	7,514,820	-	7,514,820
Cash and cash equivalents at beginning of year	3,836,706		3,836,706	3,836,706		3,836,706
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	11,419,833	-	11,419,833	11,351,526	-	11,351,526

The reclassification and adjustments relate the net impact of the IFRS restatement of the accounts

CONSOLIDATED STATEMENT OF VALUE ADDED

for the year ended 31 December 2012

	Group				Company			
	2012		2011		2012		2011	
	N'000	%	N'000	%	N'000	%	N'000	%
Revenue	87,965,224		62,502,320		87,091,634		62,211,143	
Other operating income	-		136,801		-		136,801	
Investment income	615,958		223,390		615,958		223,390	
Bought in materials & services								
- imported	(8,973,869)		(4,802,078)		(8,973,869)		(4,802,078)	
- local	(42,317,631)		(38,704,897)		(41,802,724)		(38,443,580)	
	37,289,682	**100**	**19,355,536**	**100**	**36,931,000**	**100**	**19,325,676**	**100**
Applied as follows:								
To pay employees								
Salaries,wages, pension and social benefits	6,295,817	17	5,127,918	27	6,107,028	17	5,090,798	26
To pay providers of capital								
Interest on borrowings	4,829,051	13	1,788,644	9	4,829,051	13	1,788,644	9
To pay government								
Taxation	1,879,530	5	287,776	1	1,879,530	5	287,776	1
To provide for replacement and development:								
Depreciation	4,900,394	13	2,089,701	11	4,830,917	13	2,081,627	11
Deferred tax	4,673,215	13	1,422,110	7	4,673,215	13	1,422,110	7
Retained profit	14,711,676	39	8,639,387	45	14,611,259	40	8,654,720	45
	37,289,682	**100**	**19,355,536**	**100**	**36,931,000**	**100**	**19,325,676**	**100**

F

CONSOLIDATED FINANCIAL SUMMARY

for the year ended 31 December 2012

	IFRS NUMBERS				NIGERIAN GAAP NUMBERS		
	GROUP		COMPANY				
	2012 N'000	2011 N'000	2012 N'000	2011 N'000	2010 N'000	2009 N'000	2008 N'000
ASSETS/LIABILITIES							
Fixed assets	128,094,873	127,729,024	127,275,266	127,379,132	100,059,039	69,680,809	43,121,096
Intangible assets	5,964	12,958	-	-	-	-	-
Long term investments	40,000	40,000	90,000	90,000	60,206	60,206	60,206
Long term receivables	-	9,444	-	9,444	66,111	-	-
Net current (liabilities)/assets	(8,043,093)	(7,557,330)	(7,352,607)	(7,229,146)	(39,759,844)	6,747,778	487,739
	120,097,744	120,234,096	120,012,660	120,249,430	60,425,512	76,488,793	43,669,041
Deferred taxation	(13,845,905)	(9,911,008)	(13,845,905)	(9,911,008)	(8,532,311)	(5,183,429)	(1,454,576)
Provisions	(535,694)	(262,292)	(535,694)	(262,292)	-	-	-
Borrowings	(32,921,478)	(48,701,293)	(32,921,478)	(48,701,293)	-	(24,793,394)	-
Deferred revenue	(842,912)	(903,120)	(842,912)	(903,120)	-	-	-
Retirement benefits obligation	(3,592,387)	(4,362,262)	(3,592,387)	(4,362,262)	(3,586,770)	(2,801,412)	(1,758,345)
	68,359,368	56,094,121	68,274,284	56,109,455	48,306,431	43,710,558	40,456,120
CAPITAL AND RESERVES							
Share capital	1,500,800	1,500,800	1,500,800	1,500,800	1,500,800	1,500,800	1,500,800
Share premium	9,488,747	9,488,747	9,488,747	9,488,747	9,488,747	9,488,747	9,488,747
Revaluation Reserve	-	-	-	-	-	3,176	3,176
Retained Earnings	57,666,346	45,205,871	57,581,263	45,221,204	37,316,884	32,717,835	29,463,397
Other reserves	(296,526)	(101,297)	(296,526)	(101,297)	-	-	-
	68,359,368	56,094,121	68,274,284	56,109,454	48,306,431	43,710,558	40,456,120
TURNOVER AND PROFITS							
Turnover	87,965,224	62,502,320	87,091,634	62,211,143	43,841,325	45,589,798	43,273,809
Profit before taxation	21,264,420	10,349,273	21,164,003	10,364,606	8,464,365	9,237,328	13,033,219
Profit for the year from continuing operations	14,711,676	8,639,387	14,611,259	8,654,720	4,881,363	5,055,398	11,252,030
Proposed dividend	3,602,000	2,251,200	3,602,000	2,251,200	750,400	300,160	1,800,960
Per share data (Kobo)							
Earnings - Basic	490	288	487	288	163	168	375
Dividend (kobo)	120	75	120	75	25	10	60
Dividend cover (times)	4.1	3.8	4.1	3.8	6.5	16.8	6.2
Net assets	2,277	1,869	2,275	1,869	1,609	1,456	1,348

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.

FREE FLOAT ANALYSIS

STRATEGIC SHAREHOLDERS:		
Lafarge Associated Nigeria Limited	705,982,502	
Director's Interest	2,335,311	
Associated International Cement	1,095,025,626	
	1,803,343,439	60.08
FREE FLOAT:	1,198,256,565	39.92
	3,001,600,004	100.00

The Director General, Standards Organisation of Nigeria (SON); Industrial Director Lafarge WAPCO, Mr. Paul Rogers, GM, Industrial Performance, Mr. Lanre Opakunle and Ewekoro Training Manager, Dr. Taiwo Agbede touring the Ewekoro Plant during the DG's visit in August 2012.

Volunteers sign the pledge during the launch of Lafarge Friend of Communities in Lagos in September 2012.

F

SHAREHOLDING INFORMATION

Register Range Analysis As At: 31/ 12/ 2012

Range			No of Holders	Percent	Unit	Percent
1	-	500	17515	28.8841	5001618	0.1666
501	-	5000	33313	54.9366	57365501	1.9112
5001	-	50000	8627	14.2268	120590599	4.0175
50001	-	500000	1018	1.6788	135987062	4.5305
500001	-	5000000	133	0.2193	200685406	6.6859
5000001	-	50000000	25	0.0412	394491060	13.1427
50000001	-	500000000	7	0.0115	1395913095	46.5056
500000001	-	3001600004	1	0.0016	691565663	23.0399
Grand Total			60639	100	3001600004	100

NOTE:

UNCLAIMED DIVIDEND AND SHARE CERTIFICATE

The Company has posted to all shareholders a list of unclaimed dividend. In addition, the list of unclaimed dividend and share certificate as at December 31st, 2012 has also been posted on the Company's website for easy access. The address of the website is www.lafargewapco.com.

The Company Registrars have advised that the total amount outstanding as at December 31st, 2012 is N442,098,580.64. This amount is still being held by the Registrar.

A cross section of shareholders at Lafarge WAPCO's Annual General Meeting held at the Muson Center in May, 2012.

Cross section of participants at the Lafarge WAPCO Shareholders Relations Forum held in May, 2012 in Lagos State.

SHARE CAPITAL HISTORY

HISTORY OF AUTHORISED AND FULLY PAID UP SHARE CAPITAL

	AUTHORISED SHARE CAPITAL		ISSUED AND FULLY PAID		
DATE	SHARE CAPITAL	CUMMULATIVE	INCREASE	CUMMULATIVE	DETAILS
26/07/1959	6,000,000	6,000,000	2,000,000	2,000,000	Cash
11/14/69	1,000,000	7,000,000	Nil	Nil	Pref. Shares
5/2/75	11,000,000	18,000,000	1,000,000	3,000,000	Pref. Shares
4/22/77	18,000,000	36,000,000	27,150,000	30,150,000	Cash
6/23/83	14,725,000	50,725,000	15,075,000	45,225,000	Bonus
9/22/88	9,575,000	60,300,000	15,075,000	60,300,000	Bonus
5/18/92	60,300,000	120,600,000	60,300,000	120,600,000	Bonus
7/7/94	40,200,000	160,800,000	40,200,000	160,800,000	Bonus
7/4/96	53,600,000	214,400,000	53,600,000	214,400,000	Bonus
7/2/98	85,600,000	300,000,000	71,467,000	285,867,000	Bonus
1/18/01	271,733,000	571,733,000	285,867,000	571,733,000	Bonus
7/11/02	1,715,200,002	2,286,933,000	285,866,001	857,600,001	Bonus
8/25/05	Nil	2,286,933,001	643,200,001	1,500,800,002	Rights

BONUS HISTORY

YEAR	NUMBER ISSUED AMOUNT	(N1.00 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

DEPOTS AND ADDRESSES

S/N	Depot	Manager	Telephone Nos	Address	City
1	Abeokuta	Olufunmilola Ige	08083134506	1, Adigbe Rd	Abeokuta
2	Abuja	Olasunkanmi Aluko	08121722084	Dawaki District, after Gilmor Engineering Yard, Opposite Gwarinpa Estate, Kubwa Expressway,	Abuja
3	Abule-Egba	Lydia Bala-Gbogbo	08024792528	434/436, Abeokuta Express Way, U-Turn,	Abule Egba
4	Ajah	Sheila Dafe-David	08085838639	Km 45, Lekki Epe Express Way, Olokonla Bus Stop	Ajah
5	Akure	Ayodele Adelusi	08083134548	Km 2, Ondo Road, Opposite Banjo Medical Centre	Akure
6	Badagry	Sunday Iyanda	08083134542	Beside Ajara Secondary School, Ajara	Badagry
7	Benin	Dolapo Oke	08085859526	269,Muritala Muhammed Way, Opp. Igbenedion Education Centre	Benin City
8	Eleyele	Gabriel Okunola	08083134549	Plot A1 & A2 Eleyele Road, Opp Army Barracks	Eleyele
9	Epe	Saheed Lawal	08086828408	Km 6 Ijebu Ode/ Epe Expressway, Beside AP Filling Station, Eredo LGA	Epe
10	Ijebu Ode	Samuel Sofayo	08083134553	Beside Adeola Odutola Secondary School,	Ijebu Ode
11	Ikorodu	Moses Elufisan	08083134484	No. 1 Cele Bus Stop, Ijede Road, Ikorodu	Lagos
12	Ikotun	Olalekan Alabi	08083134595	25A Morphy John Street, Adexson Bus Stop, Lasu Ojo Road	Lasu Ojo
13	Ilorin	Bolarinwa Agboola	08079600190	Haji Camp Road, Beside Lubcon, Olorunsogo,	Ilorin
14	Iseyin	David Dirisu	08028269818	Barracks Area, Oyo Road,	Iseyin
15	Lokoja	Ahmed Hamidu	08086632781	Beside E Division Police Station, Lokongoma Phase II, Okene-Kabba Road,	Lokoja
16	Monatan	Tajudeen Ayandare	08024781980	No 3, Olubodun Street, Academy Monatan, Iwo Road	Monatan
17	Oregun	Hakeem Salami	08085838568	Plot 38, Kudirat Abiola Way, Oregun Industrial Estate,	Oregun
18	Osogbo	Tokunbo Akingbola	08024339428	NRC Terminus	Osogbo
19	Owerri	Ebenezer Olajide	08088462584	No 36/67 Orlu Road, Beside NNPC Maga Station, Amakohia,	Owerri
20	Warri	Muyiwa Sokefun	08085859538	Km 3 Refinery Road, Former Halliburton Yard, Effurun,	Warri

MANDATE FOR E-DIVIDEND PAYMENT

TO:
The Registrar
City Securities (Registrars) Ltd
17A Primrose Tower, 2nd Floor
Tinubu Square, Lagos
P. O. Box 9117, Lagos
Nigeria

I hereby request that from now on all dividend warrants due to me from my holding in Lafarge Cement WAPCO Nigeria Plc be paid directly to my/our Bank Account with details below:

SHAREHOLDER'S FULL NAME: ____________________
(Surname First)

____

ADDRESS: ____________________

SIGNATURE: ____________________

GSM NUMBERS: ____________________

NAME OF BANK: ____________________

BANK BRANCH: ____________________

BRANCH ADDRESS: ____________________

ACCOUNT NUMBER: ____________________

SORT CODE: ____________________

____
Authorised Signature and Stamp of Bank

Note: Please be informed that by filling and sending this form to our Registrar, City Securities Limited, for processing, you have applied for the e-dividend; thereby authorising Lafarge Cement WAPCO Nigeria Plc to credit your account (in respect of dividends) electronically.

TO:
The Registrar
City Securities (Registrars) Ltd
17A Primrose Tower, 2nd Floor
Tinubu Square, Lagos
P. O. Box 9117, Lagos
Nigeria

PROXY FORM

The 54th Annual General Meeting of Lafarge Cement WAPCO Nigeria Plc will be held at the City Hall, Catholic Mission Street, Lagos Island on Tuesday, 28th May 2013 at 11.00am.

I/We* ______________________________

being a member/members of Lafarge Cement WAPCO Nigeria 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 Tuesday, 28th May 2013 and at any Adjournment thereof.

Dated this ______ day of ___________ 2013

____
Shareholder's Signature

Resolutions	For	Against
1. To receive the Audited Financial Statements for the year ended 31st December 2012, the Reports of the Directors, Auditors and Audit Committee thereon.		
2. To declare a dividend		
3. a. To re-elect Directors: Asiwaju Ademola Awosanya Mr. Mobolaji Balogun Mrs. Oludewa Edodo-Thorpe Mr. Adebayo Jimoh		
b. To elect Directors: Mrs. Sylvie Rochier Mr. Adebode Adefioye		
4. To authorise the Directors to fix the remuneration of the External Auditors		
5. To elect members of the Audit Committee		
6. To approve the Remuneration of Directors		

Please indicate 'X' in the appropriate space how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

NOTES:
Please sign this form and post it to reach the address overleaf not later than 48 hours before the time of holding the meeting. If executed by a corporation, this form should be sealed with its common seal.

- Shareholder's name to be inserted in BLOCK LETTERS please. In case of joint shareholders, any one of such may complete this form, but the names of all joint holders must be inserted.
- Following the normal practice, the Chairman of the meeting has been entered on the form to ensure that someone will be at the Meeting to act as your proxy, but you may insert in the blank space the name of any person, whether a member of the Company or not, who will attend the meeting and vote on your behalf instead.

LAFARGE CEMENT WAPCO NIGERIA PLC

THE 54TH ANNUAL GENERAL MEETING
SHAREHOLDER'S 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 City Hall, Catholic Mission Street, Lagos Island on Tuesday, 28th May 2013 at 11 a.m.

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 Registrar
City Securities Limited
17A Primrose Tower, 2nd Floor
Tinubu Square, Lagos
P. O. Box 9117, Lagos
Nigeria