

*Unaudited consolidated financial results for Quarter 3 and year to date ended 30 September 2017*

**LAFARGE AFRICA PLC**

## **LAFARGE AFRICA PLC**

**UNAUDITED CONSOLIDATED FINANCIAL RESULTS  
FOR QUARTER 3 AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2017**

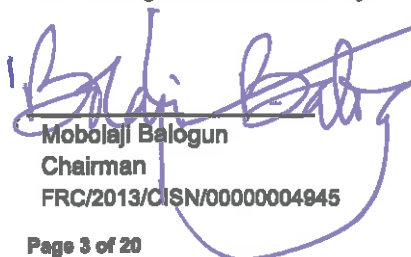
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

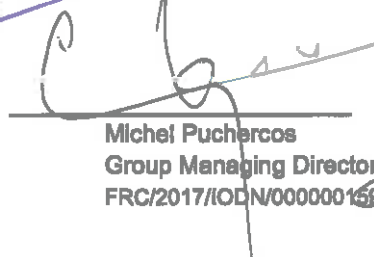
	Notes	GROUP				COMPANY			
		Q3-3 months 30/09/2017 N'000	Q3-3 months 30/09/2016 N'000	YTD 30/09/2017 N'000	YTD 30/09/2016 N'000	Q3-3 months 30/09/2017 N'000	Q3-3 months 30/09/2016 N'000	YTD 30/09/2017 N'000	YTD 30/09/2016 N'000
<b>Continuing operations</b>									
Revenue	6	88,828,650	53,879,083	223,888,593	161,043,882	18,311,853	20,482,066	71,402,332	64,067,839
Cost of sales	7	(55,386,753)	(50,706,591)	(165,757,215)	(142,933,716)	(11,773,752)	(16,001,311)	(41,175,440)	(51,940,015)
Gross income		13,441,897	2,870,492	57,311,379	18,110,164	7,538,101	4,480,756	30,226,892	12,127,824
Selling and marketing expenses	8	(808,161)	(1,916,232)	(2,963,957)	(3,896,907)	(143,950)	(1,108,039)	(821,780)	(2,112,439)
Administrative Expenses	9	(13,038,667)	(6,073,436)	(29,436,421)	(16,307,471)	(2,925,626)	(2,318,836)	(6,083,235)	(6,014,004)
Current operating income		(982,931)	(5,019,176)	26,491,000	(2,995,214)	4,468,525	1,953,881	21,221,877	4,001,381
Net other operating income / (expenses)	10	(9,333,103)	(2,332,016)	(7,068,629)	(30,876,269)	(707,608)	965,809	(2,148,980)	5,776,453
Operating income		(9,716,034)	(7,351,192)	18,492,171	(32,872,483)	3,760,917	2,919,690	19,072,917	9,777,834
Net finance income/ (costs) & Investment income	11	(7,350,813)	(2,835,718)	(17,308,612)	(7,395,142)	1,013,982	301,329	2,689,750	589,592
Share of net income (loss) of associates		-	3,485	-	-	-	-	-	-
Income before tax		(17,066,847)	(10,183,425)	1,083,539	(40,367,625)	4,774,879	2,821,018	21,662,667	10,367,426
Tax credit / (charge)	12	(1,727,638)	3,027,491	(156,654)	2,965,447	(2,167,702)	2,244,309	(6,334,015)	1,241,281
Net income from continuing operations		(18,794,485)	(7,155,934)	937,905	(37,402,178)	2,617,177	4,565,387	15,328,649	11,608,707
<b>NET INCOME</b>		(18,794,485)	(7,155,934)	937,905	(37,402,178)	2,617,177	4,565,387	15,328,649	11,608,707
of which attributable to:									
Owners of the parent Company		(18,953,289)	(7,367,530)	500,269	(37,652,809)	2,617,177	4,565,387	15,328,649	11,608,707
Non- controlling interests (Minority Interest)		158,803	211,595	428,616	250,632	-	-	-	-
<b>NET INCOME</b>		(18,794,485)	(7,155,934)	937,905	(37,402,178)	2,617,177	4,565,387	15,328,649	11,608,707
Other comprehensive income/(losses) that will not reverse to P&L									
Actuarial gains / (losses) on retirement benefit obligation remeasurement		144	-	177,546	-	-	-	-	-
Exchange gain/(loss) on foreign currency translation		(2,344,324)	17,703,156	12,548,366	12,657,852	-	-	-	-
Total comprehensive income for the period		(21,138,569)	10,547,221	13,663,847	(24,744,326)	2,617,177	4,565,387	15,328,649	11,608,707
of which attributable to:									
Owners of the parent Company		(21,287,489)	10,335,626	13,235,231	(24,994,957)	2,617,177	4,565,387	15,328,649	11,608,707
Non- controlling interests (Minority Interest)		158,803	211,595	428,616	250,632	-	-	-	-
Total comprehensive (loss) / income for the period		(21,138,569)	10,547,221	13,663,847	(24,744,326)	2,617,177	4,565,387	15,328,649	11,608,707
<b>EARNINGS PER SHARE (kobo)</b>									
Attributable to the owners of the parent company									
Basic earnings per share		(980)	(182)	10	(827)	50	129	291	328

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		GROUP		COMPANY	
		30/09/2017 N'000	31/12/2016 N'000	30/09/2017 N'000	31/12/2016 N'000
<b>ASSETS</b>					
Property, plant and equipment		388,294,848	390,488,541	111,303,888	114,617,300
Intangible assets		1,849,488	1,583,499	-	-
Investment in subsidiaries		-	-	244,510,126	243,891,263
Investment in joint venture		180,408	89,551	73,133	73,133
Available for sale financial assets	13	9,583	5,928	-	-
Other assets	14	17,877,143	4,182,933	202,608	-
Other financial assets	15	4,203,365	-	221,737,292	91,732,574
Deferred tax asset		47,891,729	7,641,003	-	-
Restricted cash	18	-	175,890	-	-
<b>NON-CURRENT ASSETS</b>		<b>470,008,849</b>	<b>404,147,345</b>	<b>577,827,219</b>	<b>450,314,270</b>
Inventories	16	82,100,787	44,530,832	32,616,320	22,564,828
Trade & other receivables	17	41,081,311	25,801,379	38,891,145	21,451,612
Other assets	14	8,352,598	2,510,371	1,417,679	1,078,113
Other financial assets	15	4,172,081	6,235,902	1,655,485	34,535,538
Cash and cash equivalents	18	23,813,980	19,265,076	13,898,412	7,653,851
<b>CURRENT ASSETS</b>		<b>139,820,797</b>	<b>98,343,560</b>	<b>88,280,621</b>	<b>87,283,942</b>
<b>TOTAL ASSETS</b>		<b>609,827,358</b>	<b>502,490,905</b>	<b>667,107,240</b>	<b>537,598,212</b>
<b>EQUITY</b>					
Share capital		2,745,257	2,740,367	2,745,257	2,740,367
Share premium		218,061,878	217,528,456	218,061,878	217,528,456
Retained earnings		71,771,128	102,842,866	129,389,198	119,825,320
Foreign currency translation reserve		3,887,910	(8,660,486)	-	-
Other reserves arising on business combination		(258,060,740)	(256,899,951)	-	-
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY</b>		<b>38,375,231</b>	<b>57,551,272</b>	<b>380,198,133</b>	<b>340,094,143</b>
Non controlling interest		138,965,848	191,401,276	-	-
<b>TOTAL EQUITY</b>		<b>177,340,879</b>	<b>248,952,548</b>	<b>380,198,133</b>	<b>340,094,143</b>
<b>NON CURRENT LIABILITIES</b>					
Borrowings	19	89,021,098	88,046,853	83,381,768	64,014,218
Deferred tax liabilities		40,333,042	-	23,788,708	18,031,333
Provisions	20	3,154,832	2,448,365	615,871	563,468
Deferred revenue	21	1,084,085	1,554,673	318,092	722,496
Employee benefits obligation	22	5,007,092	3,780,162	1,698,617	1,580,307
Other long-term liabilities	23	2,834,137	1,720,963	-	-
<b>NON-CURRENT LIABILITIES</b>		<b>121,434,287</b>	<b>77,551,018</b>	<b>89,791,962</b>	<b>84,911,822</b>
<b>CURRENT LIABILITIES</b>					
Trade & other payables	24	105,145,340	100,808,366	40,499,641	40,094,240
Borrowings	19	183,325,880	36,487,846	182,295,944	42,366,463
Provisions	20	1,130,301	1,176,910	634,849	841,528
Deferred revenue	21	183,703	234,718	30,104	30,104
Current tax payable		2,825,383	824,627	915,735	363,625
Dividends	25	3,424,868	13,459,412	3,424,898	13,459,412
Bank Overdraft	18	35,018,807	22,995,462	18,348,818	15,436,877
<b>CURRENT LIABILITIES</b>		<b>310,752,181</b>	<b>175,987,341</b>	<b>277,180,985</b>	<b>112,592,247</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>609,827,358</b>	<b>502,490,905</b>	<b>667,107,240</b>	<b>537,598,212</b>

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

  
**Mobolaji Balogun**  
 Chairman  
 FRC/2013/CISN/00000004945

  
**Michel Pucheros**  
 Group Managing Director  
 FRC/2017/ODN/00000015919

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

### **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Group	Share capital	Share premium	Retained earnings	Foreign currency translation reserve	Other reserves arising on business combination	Total	Non-controlling interests	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January, 2016	2,277,461	186,419,968	100,892,758	(10,158,641)	(182,185,111)	117,348,445	58,803,285	176,151,730
Profit for the period 1 January - 30 September 2016			(37,652,809)			(37,652,809)	250,632	(37,402,176)
Exchange differences on translating foreign operations				12,657,852		12,657,852		12,657,852
Share of exchange differences from translation of foreign joint ventures								
Other reserves arising from business combination under common control								
Total comprehensive income for the period net of tax	-	-	(37,652,809)	12,657,852	-	(24,994,957)	250,632	(24,744,325)
Balance at 30 September 2016	<b>2,277,461</b>	<b>186,419,968</b>	<b>63,339,949</b>	<b>2,501,211</b>	<b>(162,185,111)</b>	<b>82,353,488</b>	<b>59,053,917</b>	<b>151,407,404</b>
Profit for the period 1 October - 31 December 2016			54,248,804			54,248,804	52,154	54,300,958
Remeasurement gain of defined benefit obligation, net of tax			158,368			158,368		158,368
Exchange differences on translating foreign operations				(11,161,697)		(11,161,697)		(11,161,697)
Dividends			(14,804,233)			(14,804,233)	(58,920)	(14,863,153)
Issue of shares	214,513	31,861,202				31,875,715		31,875,715
Share issue costs		(304,331)				(304,331)		(304,331)
Bonus shares issued	248,403	(248,403)						
2.51% of Ashaka equity taken over					330,630	330,630	(1,330,490)	(669,860)
50% of ECH equity taken over					(85,045,470)	(85,045,470)	133,884,615	38,839,145
Balance at 31 December 2016	<b>2,740,367</b>	<b>217,828,456</b>	<b>102,842,886</b>	<b>(8,668,486)</b>	<b>(286,858,951)</b>	<b>57,561,272</b>	<b>191,461,276</b>	<b>248,962,548</b>
Profit for the period 1 January - 30 September 2017			508,289			508,289	428,616	936,905
Exchange differences on translating foreign operations				12,548,388		12,548,388		12,548,388
Remeasurement gain of defined benefit obligation, net of tax			177,546			177,546		177,546
Dividend paid			(5,754,771)			(5,754,771)	(41,863)	(5,796,634)
Dividend paid on Quasi Equity loan			(6,866,287)			(6,866,287)		(6,866,287)
FX Impact on repayment of Quasi equity loan			(20,632,179)			(20,632,179)		(20,632,179)
Issue of shares	4,890	523,222				528,112		528,112
2.57% of Ashaka equity taken over			1,378,855		(1,180,788)	198,066	(1,405,632)	(1,208,566)
Quasi equity repayment							(51,416,749)	(51,416,749)
Others			(82,213)			(82,213)		(82,213)
Balance at 30 September 2017	<b>2,745,257</b>	<b>218,051,678</b>	<b>71,771,128</b>	<b>3,887,918</b>	<b>(258,080,740)</b>	<b>38,375,231</b>	<b>138,965,646</b>	<b>177,340,879</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – Cont'd**

Company	Share capital N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
<b>Balance at 1 January, 2016</b>	<b>2,277,451</b>	<b>186,419,988</b>	<b>113,904,430</b>	<b>302,601,869</b>
Profit for the period 1 January - 30 September 2016			11,608,707	11,608,707
Other comprehensive income for the year, net of tax			-	-
<b>Total comprehensive income for the period net of tax</b>	<b>-</b>	<b>-</b>	<b>11,608,707</b>	<b>11,608,707</b>
<b>Balance at 30 September 2016</b>	<b>2,277,451</b>	<b>186,419,988</b>	<b>125,513,137</b>	<b>314,210,576</b>
Profit for the period 1 October - 31 December 2016			9,169,641	9,169,641
Other comprehensive income for the year, net of tax			46,775	46,775
Dividends			(14,904,233)	(14,904,233)
Issue of shares	214,513	31,661,202		31,875,715
Share issue costs		(304,331)		(304,331)
Bonus shares issued	248,403	(248,403)		-
<b>Balance at 31 December 2016</b>	<b>2,740,367</b>	<b>217,528,456</b>	<b>119,825,320</b>	<b>340,094,143</b>
Profit for the period 1 January - 30 September 2017			15,328,649	15,328,649
Other comprehensive income for the year, net of tax			-	-
<b>Total comprehensive income for the period net of tax</b>	<b>-</b>	<b>-</b>	<b>15,328,649</b>	<b>15,328,649</b>
Dividend			(5,754,771)	(5,754,771)
Issue of shares	4,890	523,222		528,112
<b>Balance at 30 September 2017</b>	<b>2,745,257</b>	<b>218,051,678</b>	<b>129,399,198</b>	<b>350,196,133</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

Period ended	Group			Company		
	30/09/2017 N'000	30/09/2016 N'000	31/12/2016 N'000	30/09/2017 N'000	30/09/2016 N'000	31/12/2016 N'000
<b>Profit/(loss) before Tax</b>	<b>1,093,559</b>	<b>(40,367,625)</b>	<b>(22,818,718)</b>	<b>21,662,667</b>	<b>10,367,426</b>	<b>19,888,762</b>
<b>Adjustment to reconcile net income to net cash from operating activities:</b>						
Depreciation & Amortisation charged	16,054,236	12,359,051	15,996,754	4,123,907	4,041,611	5,170,285
Loss/(Gain) on disposals	(2,418,398)	176,328	1,102	(2,368,990)	-	(1,045)
Assets written down	-	(940)	1,025,192	-	(940)	1,025,182
Retirement benefits obligations - Service costs	98,013	-	-	72,578	-	-
Finance cost	18,321,186	8,192,129	15,504,072	16,741,418	3,533,323	6,742,176
Net unrealised exchange loss/(gain)	4,410,348	-	5,997,725	4,661,674	-	659,952
Finance & investment income	(1,012,556)	(798,968)	(3,663,774)	(19,331,168)	(4,122,915)	(7,608,863)
Movement in other current liabilities	1,036,947	-	1,767,514	-	-	(4,160,349)
Operating Longterm receivables	(4,618,437)	-	-	-	-	-
Changes in working capital	(33,461,404)	11,970,518	3,488,633	(28,225,188)	(16,689,383)	(47,725,842)
Other non cash movements	-	17,262,728	-	-	-	-
<b>Net cash used in operating activities before impacts of financial expenses and tax</b>	<b>(496,521)</b>	<b>8,795,204</b>	<b>17,298,500</b>	<b>(2,015,116)</b>	<b>(2,670,676)</b>	<b>(28,009,732)</b>
Cash payments for financial expenses	-	-	-	-	-	-
Employee Benefits paid	(1,039,998)	(203,033)	(5,762,477)	(44,534)	(203,033)	(4,654,067)
Income taxes paid	-	-	(672,608)	-	-	(243,225)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(1,536,517)</b>	<b>8,592,171</b>	<b>16,625,822</b>	<b>(2,059,650)</b>	<b>(3,073,911)</b>	<b>(30,907,024)</b>
Purchase/expenditure of PPE & Intangible Assets	(7,398,122)	(30,404,882)	(41,528,540)	(1,543,215)	(1,189,928)	(2,582,936)
Net cash outflow on acquisition of subsidiaries	-	(112,323)	-	-	(112,323)	-
Net movement in long term receivables / Investment	(8,564,427)	(1,609,180)	-	-	(2,153,969)	-
Investment income	1,614,220	1,417,508	3,676,300	874,627	144,166	7,608,863
Proceed from disposal of assets	3,157,587	2,355	373,325	3,065,320	2,355	2,460
<b>NET CASH PROVIDED (USED IN) BY INVESTING ACTIVITIES</b>	<b>(11,188,742)</b>	<b>(30,708,524)</b>	<b>(37,478,915)</b>	<b>2,398,732</b>	<b>(3,309,699)</b>	<b>5,048,387</b>
Interest paid	(7,918,549)	(4,895,581)	(15,083,590)	(5,048,758)	(857,349)	(5,871,822)
Dividend paid to Equity shareholders of the company	(20,602,529)	(4,060,826)	(1,444,821)	(16,280,825)	(4,060,826)	(1,444,821)
Dividend paid to Non Controlling Interest	(41,863)	(58,920)	(58,920)	-	-	-
Net cash outflow on acquisition of subsidiaries	-	-	(112,323)	-	-	(418,654)
Cash paid for investment in JV	-	-	-	-	-	(73,133)
Unclaimed dividend received	-	626,262	-	-	626,262	-
Transaction cost on shares issued	-	224,028	(304,331)	-	224,028	(304,331)
Loans during the year	127,714,866	88,537,918	13,188,682	120,268,766	60,000,000	85,163,293
Net movements in other financial assets	-	-	9,975,000	(62,500,000)	-	(73,592,803)
Repayment of external borrowings	(106,979,020)	(64,434,183)	-	(14,442,843)	(1,036,333)	-
<b>NET CASH PROVIDED (USED IN) BY FINANCING ACTIVITIES</b>	<b>(6,625,103)</b>	<b>(4,061,308)</b>	<b>6,177,707</b>	<b>1,968,540</b>	<b>(4,106,220)</b>	<b>13,489,929</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(7,472,261)</b>	<b>(26,176,658)</b>	<b>(20,637,993)</b>	<b>2,333,622</b>	<b>(10,489,830)</b>	<b>(12,368,708)</b>
Effect of exchange rate changes on the balance of cash held in foreign currencies	-	-	3,748,637	-	-	573,789
Cash and cash equivalents at beginning of year	(3,730,388)	13,158,971	13,158,970	(7,783,025)	4,041,893	4,041,893
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>(11,202,647)</b>	<b>(13,016,687)</b>	<b>(3,730,388)</b>	<b>(5,449,404)</b>	<b>(6,447,937)</b>	<b>(7,783,028)</b>
Bank Balance	23,813,980	17,537,971	19,265,076	13,899,412	8,282,865	7,653,851
Bank Overdraft	(35,016,607)	(30,554,658)	(22,995,462)	(19,348,816)	(14,730,802)	(15,436,877)
<b>Net</b>	<b>(11,202,647)</b>	<b>(13,016,687)</b>	<b>(3,730,388)</b>	<b>(5,449,404)</b>	<b>(6,447,937)</b>	<b>(7,783,028)</b>

## **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

### **1. Significant accounting policies**

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

### **2. Business description**

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

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

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

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

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

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

*Unaudited consolidated financial results for Quarter 3 and year to date ended 30 September 2017*

- **Lafarge Ready Mix Nigeria Limited** which was incorporated in Nigeria as a fully owned subsidiary of Lafarge Africa PLC on 21 December, 2010, and it is in the business of producing ready mix concrete for the construction industry. Its principal office is located at 38 Kudirat Ablola Way, Oregun, Lagos, Nigeria.
- **Ashaka Cement PLC** was incorporated in Nigeria on 7 August 1974 as a private limited company and was converted to a public company on 7 September 1974. Lafarge Africa PLC owns 86.51% interest in AshakaCem PLC.
- **Atlas Cement Company Limited** was incorporated on 24 September 24 1999 and became a subsidiary of Lafarge Africa PLC on 12 September 2014. Lafarge Africa PLC owns 100% of the equity shareholding of Atlas.
- **Lafarge South Africa Holdings (PTY) Limited (LSAH)** is a holding company through which Lafarge S.A. holds interests in several South African entities with significant scale and a balanced portfolio of assets across cement; aggregates; ready-mix concrete and fly ash. Lafarge Africa PLC owns 100% of LSAH, which represents an indirect average holding of 72.40% in the underlying principal operating companies in South Africa, including Lafarge Industries South Africa; Lafarge Mining South Africa and Ash Resources.
- **United Cement Company Nigeria (Unicem)** was incorporated in Nigeria on 18 September 2002 as a private limited liability company, which has Nigerian Cement Holdings (NCH) as its parent. Following the acquisition on 12, September 2014, Lafarge Africa held a 50% shareholding in Egyptian Cement Holding B.V., a company which owns 100% equity investment in Nigerian Cement holdings (NCH). At this date, Lafarge Africa owned 35% indirect shareholding in Unicem based on the 70% equity stake of NCH in Unicem.

On 7 November, 2014, Lafarge Africa Plc, through NCH concluded an arrangement to acquire indirectly a further 15% of the equity shares of Unicem which was previously held by Flour Mills Nigeria plc (FMN) in two tranches. On 6 January 2015, Lafarge Africa Plc provided NCH with a loan in the sum of USD 50 million valued at N9,823, 500,000 for NCH to purchase the first tranche representing 7.5% of the equity shareholding in Unicem.



*Unaudited consolidated financial results for Quarter 3 and year to date ended 30 September 2017*

On 28th September 2015, Holcim International, joint owner of ECH with Lafarge Africa Plc paid the sum of USD 137 million for the purchase of the remaining 15% equity stake in Unicem which was shared equally between (LAP Plc and Holcim International). With the purchase of the remaining 50% equity stake in Holcibel Limited in June 2016, Lafarge Africa Plc gained 100% ownership of ECH and consequently, NCH and Unicem. At 31 December 2016, Lafarge Africa Plc owned 100% indirect shareholding in Unicem.

- Lafarge Africa Plc which owned 50% of the equity investment in Egyptian Cement Holdings (ECH), an investment jointly owned by Holcim Limited up till June 2016 acquired the remaining 50% shareholding in ECH from Holcibel in June 2016 by the issue of 413,175,709 ordinary shares of 50 kobo each in a share for share exchange involving no cash outflow. The company (ECH) is a private limited liability company, having its statutory seat in Amsterdam and its business seat at Herikerbegweg 238, 1101 CM Amsterdam, the Netherlands. It was incorporated under the laws of the Netherlands on 29 December 2005. This company owns a 100% equity investment in Nigerian Cement Holdings (NCH). NCH is the sole parent of UNICEM.

The Securities & Exchange Commission has given its approval in principle for the Scheme of Merger of United Company of Nigeria Limited (Unicem), Atlas Cement Company Limited (Atlas) and Lafarge Africa Plc (LAP). Subsequent to SEC's approval, the Federal High Court has approved the applications of the merging entities to hold Court Ordered Meetings of their respective shareholders on the 6th of November, 2017 at which the merger resolutions will be voted upon.

The Liquidation of Egyptian Cement Holdings BV (ECH) and Nigerian Cement Holdings BV both wholly owned off-shore subsidiaries of Lafarge Africa through which Unicem is owned will precede the merger of Unicem into Lafarge Africa.

The Board of Directors on the 27th of September 2017 announced the terms of the Rights Issue approved by shareholders at the 58th Annual General Meeting of the Company. Issue size is N131,7 billion at a price of N42,50 per share and a ratio of 5 new shares for 9 shares held by shareholders which will result in the issue of approximately 3,098 million new shares. The Rights Issue application is currently undergoing approval process at the Securities & Exchange Commission and is anticipated to be opened during the second week of November, 2017.

Similarly, the Scheme of Arrangement for the Re-organization of Capital by AshakaCem has been approved by the Security & Exchange Commission. Following this approval the Court has Ordered the meeting of the shareholders of AshakaCem for the 23rd of October, 2017 at which shareholders will vote upon the resolutions proposed in the Scheme. The Scheme offers the remaining minorities the opportunity to exchange their AshakaCem shares for Lafarge Africa shares on similar terms as were for the Mandatory Tender Offer (MTO), Voluntary Tender Offer (VTO) and exit option offered upon the delisting of the company. It is anticipated that the Scheme will be concluded in the first week of November, 2017

### **3. Investment In Joint Venture**

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

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

Under the equity method, investments in JVs are carried in the Group statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of a JV in excess of the Group's interest in that JV (which includes any long-term interests that, in substance, form part of the Group's net investment in the JV) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the JV.

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

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

The Group has a 35% interest in Continental Blue Investment Ghana Limited, a JV which is involved in the business of manufacturing and processing of non-precious minerals and building material in Ghana. The interest in the JV is accounted for using the equity method. The business has not commenced operation.

#### 4. Foreign operations

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

Exchange rates Schedule	NGN<>ZAR
FY December 2015 closing rate	12.88
FY December 2016 closing rate	13.82
Closing rate 9 months 2016	22.53
Average rate YTD September 2016	15.41
Closing rate 9 months 2017	22.57
Average rate YTD September 2017	23.13

## **5. ECH / NCH Not Considered As Foreign Operations**

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

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

**LAFARGE AFRICA PLC**

*Unaudited consolidated financial results for Quarter 3 and year to date ended 30 September 2017*

6	Revenue	Group		Company	
		30/09/2017 N'000	30/09/2016 N'000	30/09/2017 N'000	30/09/2016 N'000
	Cement	177,070,598	125,184,538	89,470,512	83,330,898
	Aggregate and Concrete	42,832,357	33,035,425	-	-
	Others	3,965,638	2,843,919	-	-
	Revenue-Related party	-	-	1,931,820	736,941
	<b>Revenue from Sale of goods</b>	<b>223,868,593</b>	<b>181,043,882</b>	<b>71,402,332</b>	<b>64,067,839</b>
	Nigeria	155,810,627	107,405,986		
	South Africa	68,057,966	53,637,896		
		<b>223,868,593</b>	<b>181,043,882</b>		

7	Cost of sales	Group		Company	
		30/09/2017 N'000	30/09/2016 N'000	30/09/2017 N'000	30/09/2016 N'000
	Variable costs	103,879,753	87,507,931	25,214,236	34,354,151
	Production fixed costs	24,139,920	21,842,540	3,543,481	5,782,078
	Maintenance fixed costs	14,467,545	12,414,893	3,739,253	4,179,733
	Distribution fixed cost	4,102,827	3,144,441	1,006,089	717,564
	Depreciation	15,915,637	12,139,009	4,059,447	3,947,025
	Amortisation of intangible assets	119,558	-	-	-
	Lease	-	-	-	-
	General and social costs	3,131,977	6,085,104	3,612,954	2,959,464
		<b>185,757,215</b>	<b>142,933,718</b>	<b>41,175,440</b>	<b>51,940,015</b>

7.1	Variable cost breakdown	Group		Company	
		30/09/2017 N'000	30/09/2016 N'000	30/09/2017 N'000	30/09/2016 N'000
	Distribution variable cost	41,715,569	32,430,938	9,548,730	11,584,211
	Fuel & power	32,237,629	33,794,086	12,851,879	16,146,808
	Raw materials and Consumables	29,926,555	21,282,907	2,813,827	6,643,334
		<b>103,879,753</b>	<b>87,507,931</b>	<b>25,214,236</b>	<b>34,354,151</b>

8	Selling and marketing expenses	Group		Company	
		30/09/2017 N'000	30/09/2016 N'000	30/09/2017 N'000	30/09/2016 N'000
	Advertising expenses	287,038	189,575	287,038	189,575
	Campaign and Innovation expenses	216,111	99,024	216,111	99,024
	Other selling and marketing expenses	2,480,808	3,610,308	418,631	1,823,840
		<b>2,983,957</b>	<b>3,898,907</b>	<b>921,780</b>	<b>2,112,439</b>

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

**LAFARGE AFRICA PLC**

Unaudited consolidated financial results for Quarter 3 and year to date ended 30 September 2017

9	Administrative expenses	Group		Company	
		30/09/2017 N'000	30/09/2016 N'000	30/09/2017 N'000	30/09/2016 N'000
	Administrative expenses	21,938,045	13,440,083	5,586,798	4,293,319
	Depreciation	138,589	149,182	64,480	85,884
	Technical fee	7,089,965	2,402,518	2,318,373	1,456,422
	COT and other bank charges	289,812	315,680	115,606	178,379
		<b>29,436,421</b>	<b>16,307,471</b>	<b>8,083,235</b>	<b>6,014,004</b>

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

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

10	Net Other operating income / (expenses)	Group		Company	
		30/09/2017 N'000	30/09/2016 N'000	30/09/2017 N'000	30/09/2016 N'000
	Gain on disposal of property plant and equipment	2,416,396	205,858	2,366,990	940
	Scrapped and other miscellaneous income	414,839	386,757	284,753	79,506
	Net foreign exchange gain/ (loss)	(9,921,505)	(31,448,884)	(4,800,703)	5,898,007
	Impairment of other receivables	1,441	-	-	-
		<b>(7,088,829)</b>	<b>(30,876,269)</b>	<b>(2,148,960)</b>	<b>5,776,453</b>

11	Net Finance Income/(costs) & Investment Income	Group		Company	
		30/09/2017 N'000	30/09/2016 N'000	30/09/2017 N'000	30/09/2016 N'000
	<b>Finance Income</b>				
	Interest income on bank accounts	532,022	345,509	174,168	144,166
	Other Finance Income	396,410	42,847	408,404	22,578
	Interest on loan receivable	-	130,532	18,458,541	3,879,183
		<b>928,432</b>	<b>518,888</b>	<b>19,037,113</b>	<b>3,845,927</b>
	<b>Finance cost</b>				
	Interest on borrowings	17,949,630	8,192,127	16,635,783	3,533,323
	Net interest cost on site restoration	69,016	-	26,149	-
	Net interest cost on employees' long service award	124,767	-	79,488	-
	Net interest cost on defined benefit liability	177,754	-	-	-
		<b>18,321,167</b>	<b>8,192,127</b>	<b>16,741,418</b>	<b>3,533,323</b>
	<b>Investment Income</b>				
	Dividends received from subsidiaries	82,458	278,098	294,055	276,988
	Dividend received from unlisted investments	1,685	-	-	-
		<b>84,123</b>	<b>278,098</b>	<b>294,055</b>	<b>276,988</b>
	<b>Net Finance Income/(costs) &amp; Investment Income</b>	<b>(17,388,612)</b>	<b>(7,395,141)</b>	<b>2,589,750</b>	<b>589,592</b>

**LAFARGE AFRICA PLC**

**Unaudited consolidated financial results for Quarter 3 and year to date ended 30 September 2017**

12 Tax credit/ (charge)	Group		Company	
	30/09/2017 N'000	30/09/2016 N'000	30/09/2017 N'000	30/09/2016 N'000
Company income Tax	(2,322,466)	66,831	(596,644)	-
Education tax	(84,850)	(454)	-	-
Capital gains tax	(116,326)	-	(116,326)	-
	<b>(2,523,642)</b>	<b>66,377</b>	<b>(712,970)</b>	<b>-</b>
Deferred tax expense/credit recognised in the period	2,367,988	2,899,070	(5,621,048)	1,241,281
Prior year adjustment on deferred tax	-	-	-	-
Deferred tax charged for the period	<b>2,367,988</b>	<b>2,899,070</b>	<b>(5,621,048)</b>	<b>1,241,281</b>
<b>Total income tax expense relating to current period</b>	<b>(155,654)</b>	<b>2,965,447</b>	<b>(6,334,016)</b>	<b>1,241,281</b>

13 Available for sale financial assets	Group		Company	
	30/09/2017 N'000	31/12/2016 N'000	30/09/2017 N'000	31/12/2016 N'000
Business Partners Limited	9,683	5,749	-	-
Pietersburg Mixed Concrete (Proprietary) Limited	-	138	-	-
Rand Park Golf Club	-	41	-	-
	<b>9,683</b>	<b>5,928</b>	<b>-</b>	<b>-</b>

14 Other Assets	Group		Company	
	30/09/2017 N'000	31/12/2016 N'000	30/09/2017 N'000	31/12/2016 N'000
Non current	17,674,334	4,182,933	202,809	-
Current	<b>8,352,598</b>	<b>2,510,371</b>	<b>1,417,679</b>	<b>1,078,113</b>
	<b>26,026,932</b>	<b>6,693,304</b>	<b>1,620,488</b>	<b>1,078,113</b>
Lucina Hospital	61,471	69,877	-	-
Take or Pay receivable	8,778,077	4,159,640	-	-
Rental lease	708,244	-	-	-
Prepaid Rent	630,863	719,503	519,596	625,747
Prepaid insurance	17,300	16,726	-	-
Prepaid expenses	1,411,119	1,686,825	898,083	-
Advance payments to transporters	10,882,124	-	-	-
Others	3,736,734	40,733	202,809	-
<b>Total Other Assets</b>	<b>26,026,932</b>	<b>6,693,304</b>	<b>1,620,488</b>	<b>625,747</b>

**LAFARGE AFRICA PLC**

*Unaudited consolidated financial results for Quarter 3 and year to date ended 30 September 2017*

	Group		Company	
	30/09/2017 N'000	31/12/2016 N'000	30/09/2017 N'000	31/12/2016 N'000
<b>15 Other financial assets</b>				
Other financial assets - Non current	4,203,355	-	221,737,292	91,732,574
Other financial assets - Currents	4,172,081	6,235,902	1,655,465	34,535,538
	<b>8,375,436</b>	<b>6,235,902</b>	<b>223,392,757</b>	<b>126,268,112</b>
<b>15.1 Other financial assets - Non current</b>				
Loan receivable from related parties/ Shareholder's loan	752,218	-	220,823,249	14,765,549
Staff loans	-	-	-	-
Long term receivables	3,451,137	-	914,043	76,967,025
	<b>4,203,355</b>	<b>-</b>	<b>221,737,292</b>	<b>91,732,574</b>
<b>15.2 Other financial assets - Current</b>				
Fair value change on Non- Deliverable Futures	1,652,272	3,580,378	1,652,272	3,580,378
Loan receivable from related parties	2,289,375	-	-	30,422,266
Staff loans	21,797	17,102	3,193	12,739
Short term receivables	208,626	2,638,422	-	520,155
	<b>4,172,070</b>	<b>6,235,902</b>	<b>1,655,465</b>	<b>34,535,538</b>
<b>16 Inventories</b>				
Raw materials	12,333,296	6,896,112	4,661,859	3,961,719
Work-in-progress	1,620,096	1,749,043	61,593	166,238
Finished goods	18,896,141	13,092,735	8,696,006	4,915,443
Spare parts	26,586,421	18,152,316	17,340,950	11,066,682
Other supplies	2,684,803	4,640,626	1,855,912	2,434,746
	<b>62,100,757</b>	<b>44,530,832</b>	<b>32,616,320</b>	<b>22,564,828</b>



**LAFARGE AFRICA PLC**

*Unaudited consolidated financial results for Quarter 3 and year to date ended 30 September 2017*

17	Trade and other receivables	Group		Company	
		30/09/2017 N'000	31/12/2016 N'000	30/09/2017 N'000	31/12/2016 N'000
17.1	Trade receivables				
	Third party sales	20,582,308	7,872,334	1,248,368	1,024,896
	Related party sales	25,575	-	1,307,539	895,092
	Deferred rebates	-	-	-	-
	Allowance for doubtful trade receivables	(100,510)	(95,548)	(71,860)	(71,860)
		<u>20,507,373</u>	<u>7,576,786</u>	<u>2,484,047</u>	<u>1,848,128</u>
17.2	Other receivables				
	Advance payments to suppliers	7,561,443	9,947,715	1,719,975	2,756,486
	Related companies	806,678	874,251	32,520,439	16,192,680
	Employee share scheme	-	-	-	-
	Accrued interest receivable	215,155	212,181	-	-
	Insurance claim receivable	-	-	-	-
	Unutilised letters of credit	8,370,152	5,607,672	-	-
	Sundry debtors	506,661	473,845	(4,341)	-
	Other current receivables	3,113,849	1,125,284	2,971,025	654,318
	Offshore commitments	-	-	-	-
	Allowance for other doubtful receivables	-	(23,804)	-	-
	LT Receivables	-	7,449	-	-
		<u>20,673,938</u>	<u>18,224,593</u>	<u>37,207,098</u>	<u>19,803,484</u>
	<b>Total trade and other receivables</b>	<u>41,081,311</u>	<u>25,801,379</u>	<u>39,691,145</u>	<u>21,451,612</u>

18	Cash and Bank Balances	Group		Company	
		30/09/2017 N'000	31/12/2016 N'000	30/09/2017 N'000	31/12/2016 N'000
	Restricted cash	-	175,890	-	-
	Cash at banks and on hand	23,813,960	19,265,076	13,899,412	7,653,851

Restricted cash represents deposit with the bank held against hedged loans  
Cash at banks earns interest at floating rates based on daily bank deposit rates.

*For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 30 September*

<b>Cash and bank balances</b>				
Cash at banks and on hand	23,813,960	19,265,076	13,899,412	7,653,851
Bank Overdrafts	(35,016,607)	(22,995,462)	(19,348,816)	(15,436,877)
<b>Total Cash and Cash equivalent</b>	<u>(11,202,647)</u>	<u>(3,730,386)</u>	<u>(5,449,404)</u>	<u>(7,783,026)</u>

**LAFARGE AFRICA PLC**

*Unaudited consolidated financial results for Quarter 3 and year to date ended 30 September 2017*

	Group		Company	
	30/09/2017 N'000	31/12/2016 N'000	30/09/2017 N'000	31/12/2016 N'000
<b>19 Borrowings</b>				
Non-current liability	69,021,098	68,046,853	63,381,768	64,014,218
Current liability	163,325,980	36,487,848	162,295,944	42,366,463
	<b>232,347,078</b>	<b>104,534,699</b>	<b>225,657,710</b>	<b>106,380,681</b>
<b>Split into:</b>				
Power Fund	5,477,684	6,332,944	5,477,684	6,332,944
Bond	59,268,527	59,065,718	59,268,527	59,065,718
Related party loan	131,948,998	27,531,899	127,759,747	33,919,136
Preference share loans	-	1,751,574	-	-
Shareholders' loans	-	197,925	-	197,925
Bank loans/Promissory Note	36,653,869	9,654,639	33,151,752	6,864,958
	<b>232,347,078</b>	<b>104,534,699</b>	<b>225,657,710</b>	<b>106,380,681</b>
<b>20 Provisions</b>				
Non-current	3,154,832	2,448,365	815,871	563,468
Current	1,130,301	1,178,910	834,949	841,526
	<b>4,285,133</b>	<b>3,625,275</b>	<b>1,250,820</b>	<b>1,404,994</b>
<b>Non-current</b>				
Site restoration cost				
At 1 January	2,448,365	2,576,587	(563,468)	792,578
Arising during the year	873,570	423,414	-	151,760
Payment / Utilised	(14,650)	-	-	-
Change in estimate	(247,724)	(775,925)	-	(443,032)
Unwinding of discount and changes in the discount rate	95,271	123,728	(52,403)	62,182
Exchange difference	-	100,581	-	-
At end of period	<b>3,154,832</b>	<b>2,448,365</b>	<b>815,871</b>	<b>563,468</b>

**LAFARGE AFRICA PLC**

**Unaudited consolidated financial results for Quarter 3 and year to date ended 30 September 2017**

	Group		Company	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
	N'000	N'000	N'000	N'000
<b>21 Deferred revenue</b>				
Current	183,703	234,718	30,104	30,104
Non-current	1,084,085	1,554,673	316,092	722,496
	<b>1,267,788</b>	<b>1,789,391</b>	<b>346,196</b>	<b>752,600</b>
Opening balance	1,929,133	2,368,466	752,600	782,704
Reversal of excess amortisation on deferred income	(293,341)	(579,075)	-	(30,104)
Grant released to profit or loss	(368,004)	-	(406,404)	-
	<b>1,267,788</b>	<b>1,789,391</b>	<b>346,196</b>	<b>752,600</b>

	Group		Company	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
	N'000	N'000	N'000	N'000
<b>22 Employee benefit obligations</b>				
Employee Long Service Award Scheme	1,388,499	1,157,953	893,838	741,775
Define Contribution Plan - Pension/ Employee benefit	3,618,593	2,622,209	804,779	838,532
	<b>5,007,092</b>	<b>3,780,162</b>	<b>1,698,617</b>	<b>1,580,307</b>

**Employee Long Service Award Scheme**

The amount arises from the Group's obligations in respect of its employee long service award schemes as follows:

At 1 January	1,152,746	417,772	741,775	417,772
Service cost	110,986	454,401	72,578	55,724
Interest cost	124,767	61,077	79,486	48,927
Plan amendment	-	276,842	-	243,538
<b>Remeasurement losses:</b>				
Remeasurement (gains) / losses – Change in assumptions	-	31,523	-	7,198
Remeasurement (gains) – experience adjustment	-	(58,360)	-	(7,081)
Benefits paid	-	(25,102)	-	(24,303)
	<b>1,388,499</b>	<b>1,157,953</b>	<b>893,838</b>	<b>741,775</b>

	Group		Company	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
	N'000	N'000	N'000	N'000
<b>23 Other long term liabilities</b>				
LG PTY	2,834,137	1,720,963	-	-
	<b>2,834,137</b>	<b>1,720,963</b>	<b>-</b>	<b>-</b>

## Unaudited consolidated financial results for Quarter 3 and year to date ended 30 September 2017

24 Trade and other payables	Group		Company	
	30/09/2017 N'000	31/12/2016 N'000	30/09/2017 N'000	31/12/2016 N'000
<b>Trade payables</b>				
Trade payables	39,326,796	50,471,369	15,868,111	14,225,759
Trade payables- accruals	5,870,209	-	-	-
LafargeHolcim Technical fee (IFF)	13,614,638	9,885,443	6,798,482	5,871,729
Related companies	886,581	-	862,190	-
	<u>59,698,224</u>	<u>60,356,812</u>	<u>23,528,783</u>	<u>20,097,488</u>
<b>Other payables</b>				
Customers' deposits	5,616,943	12,862,579	3,378,693	6,041,157
Related companies	16,091,363	12,300,754	2,938,415	1,827,377
Withholding tax payable	1,001,159	2,337,552	221,484	946,439
Value added tax payable	1,177,245	1,656,297	1,101,094	1,184,889
Accrued interest	72,733	1,185,234	72,733	1,159,031
Other employee costs	999,997	517,903	89,977	268,372
Advance rent received	3,037	1,887	3,037	1,887
Professional fees	277,623	386,625	112,775	106,962
Accruals	16,083,516	7,455,509	6,875,320	8,264,138
Tripartite Guarantee	-	196,500	-	196,500
Sharebased payment	-	74,310	-	-
Other creditors	4,123,501	1,478,404	2,177,321	-
	<u>45,447,117</u>	<u>40,451,554</u>	<u>16,970,848</u>	<u>19,996,752</u>
<b>Trade &amp; Other Payables</b>	<u>105,145,341</u>	<u>100,808,366</u>	<u>40,499,632</u>	<u>40,094,240</u>
<b>25 Dividend</b>				
Dividend payable	<u>3,424,866</u>	<u>13,459,412</u>	<u>3,424,866</u>	<u>13,459,412</u>