



UNAUDITED GROUP RESULTS FOR THE SIX MONTHS ENDED 30 JUNE, 2017

Lagos, 31 July 2017: Dangote Sugar Refinery PLC (Bloomberg: DANGSUGA-NL), Nigeria's largest sugar producer, announces unaudited Group results for the six months ended 30 June, 2017.

Financial highlights

- Group revenue increased to ₦118.7billion (2016: ₦70.47bn)
- Gross profit increased to ₦26.89billion (2016: ₦13.92bn)
- EBITDA increased to ₦27.06billion (2016: ₦12.89bn)
- Profit before tax increased 126% to ₦25.25billion (2016: ₦11.16bn)
- Profit after tax increased to ₦17.10billion (2016: ₦7.38bn)
- Proposed Half Year Dividend of N0.50 (2016: N0.00)

Operating highlights

- Group Sugar sales volume 360,416tonnes (2016:434,885tonnes)
- Group production volume 367,519tonnes (2016: 416,209tonnes)
- Apapa Refinery production volume 351,714 tonnes (2016:403,514tonnes)
- Apapa Refinery sales volume 350,855 tones (2016:422,488tonnes)
- Savannah production 15,805tonnes (2016: 12,695 tonnes)
- Savannah sales volume 9,561 tonnes (2016:12,397 tonnes)

Environment

- Terrible road conditions, and access road traffic grid lock in Apapa worsened by the rains
- Reduced production due to trucks unavailability
- Delayed dispatch of products and delivery to customers
- Very bad road conditions upcountry
- Liquidity squeeze and constrained consumer spending, though the inflation rate was contracting
- Relative stability in gas supplies
- Relative calm in the Niger Delta region and stability in the foreign exchange market

Abdullahi Sule, Acting Group Managing Director, said:

"The outlook for the remaining quarters of the year remains promising despite the various economic challenges in the country. Our focus remains increasing our local market share to reinforce Dangote Sugar's position as Nigeria's leading producer, and achieving our backward integration sugar production plans, as Nigeria continues in its quest to achieve self-sufficiency.

Our greater growth strategy "Sugar for Nigeria" continues to gain momentum; the rehabilitation and expansion of Savannah Sugar is well underway, while the MOU for the 60,000ha Tunga Sugar Project have been signed. We have continued towards overcoming every challenge we are being faced with in the realisation of our backward integration plans."

KEY PERFORMANCE INDICATORS

	Group	Group	
	30-06-2017	30-06-2016	% change
Refined Sugar Produced (mt)	367,519	416,209	-12
Refined Sugar Sold (mt)	360,416	434,885	-11
Average Selling Price per bag(N)	16,168	7,939	104
	N' billion	N' billion	
Revenue	118.68	70.47	68
Gross profit	26.89	13.92	93
Gross margin (%)	22.66	19.75	15
EBITDA	27.06	12.89	110
EBITDA margin (%)	22.80	18.29	25
Profit before Tax	25.25	11.16	126
Profit after Tax	17.10	7.38	132
EPS –(Kobo)	285	123	132
Dividend (kobo)	50	-	-

Sugar production at our Apapa Refinery and sales volume were constrained by terrible road conditions, worsened by the rains and the attendant access road traffic grid lock in Apapa, which affected evacuation of products from the refinery. Average selling price for the period ₦16,168/50kg bag (H1 2016: ₦7,939/50kg bag).

Group revenue increased by 68% to ₦118.68billion (2016: ₦70.47billion), reflecting the increase in sales during the period. Gross profit increased by 93% to ₦26.89billion, (2016: ₦13.92billion).

Group profit before tax for the period increased 126% to ₦25.25billion (2016: ₦11.16billion) and Group profit after taxation for the period increased to ₦17.10billion in (2016: ₦7.38billion). Payment of an interim dividend of 50k per ordinary share held in the Company has been declared by the Board of Directors for the period ended 30th June, 2017.

CONFERENCE CALL DETAILS

A conference call for analysts and investors will be held on **Thursday, 3rd August 2017, at 3:00pm** Lagos time.

The dial-in details are as follows:

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Recording Playback details:

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UK: +44 (0) 800 327 7280 / +44 (0) 207 043 4129

Pin code: 913549#

Speakers: Abdullahi Sule, Acting Group Managing Director
Etim Bassey, Acting Chief Financial Officer

Contact details

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ABOUT DANGOTE SUGAR REFINERY PLC

Dangote Sugar is Nigeria's largest producer of household and commercial sugar with 1.44 million tonnes of refining capacity, with the ability to supply most of the country through an extensive network of distributors. Our refinery at Apapa imports raw sugar from Brazil and refines it into white, Vitamin A fortified sugar suitable for direct consumption, and non-fortified for industrial usage. Our core competences are:

- Refining of raw sugar to make high quality Vitamin A fortified and non- fortified granulated white sugar
- Marketing and distribution of our refined sugar grades in 50kg, 1kg, 500g & 250g packages
- Cultivation and milling of sugar cane to finished sugar from our subsidiary, Savannah Sugar Company Limited
- Development of Greenfield projects in line with our "Sugar for Nigeria Project," strategic plan

Our target is to become a global force in sugar production, working within Nigeria's National Sugar Master Plan to end importation and sell more than 1.5 million metric tonnes of locally produced sugar in Nigeria and neighbouring countries. As part of this plan we acquired Savannah Sugar in December 2012 and are currently rehabilitating its facilities, and expanding its sugarcane estate. We intend to augment Savannah's 32,000 hectares in Adamawa state by acquiring and planting a further 150,000 hectares across Nigeria.

Dangote Sugar Refinery was spun out of Dangote Industries in 2006 and was listed on the Nigerian Stock Exchange in March 2007. Dangote Sugar Refinery is QMS, (ISO 9001:2008), FSMS, (ISO 22000:2005), OHSMS, (ISO 18001:2007) and (FSSC 22000) certified.

STRATEGIC INITIATIVE

The "Sugar for Nigeria" Project. Our goal remains the achievement of 1.5 million metric tonnes of refined sugar per annum within the next (now 6years) 10 years, from locally grown sugar cane, across various sites in Nigeria.

THE BACKWARD INTEGRATION PROJECTS.

Our sugar backward integration projects development activities continued during the period under review, with the acquisition of new sites at Tunga in Nasarawa State, community engagement & sensitization campaign, technical evaluation, design and land preparation activities at the identified sites.

SAVANNAH SUGAR COMPANY LTD.

The 2016/2017 crop kicked off on the 7th of November, 2016. The harvest and crushing operations for 2016/2017 crop season ended on 28th May, 2017. During the crop, a total of 20,091.1mt of sugar were produced. Preparations are underway for the take-off of the 2017/2018 crop. Savannah Sugar Company Limited, located near Numan, in Adamawa State has an installed factory capacity of 50,000 tonnes. Covering 32,000 hectares, the Savannah Sugar estate has considerable opportunity for expansion, which is ongoing.

TUNGA, NASARAWA STATE, BACKWARD INTEGRATION PROJECT SITE

The land acquisition process has been concluded and the MOU for the project signed with the State Government. Ridging for the planting of a 50 hectare seed cane farm for the propagation of the sugarcane plantation at the Tunga Sugar Project was concluded, but planting could not commence due to the rains. Activities will resume fully at the location after the rains.

LAU/TAU, TARABA STATE BACKWARD INTEGRATION PROJECT SITE

The replanting of the 20 hectares seed cane farm, could not commence as scheduled due to various issues with the state that affected operations. The situation has been resolved, and our project team have returned to the site. Expansion of the 20hectares to 200hectares and other activities at the site will resume immediately after the rains. As planned, the total 2,000MT cane required to plant the 200 hectares will be supplemented from Savannah Sugar.

OTHER BACKWARD INTEGRATION PROJECTS SITES

There are various challenges with the acquisition of the land at most of these locations. Despite the fact that the company has made huge investments in carrying out the various surveys of the sites and sensitization meetings, we still continue to encounter community and government hurdles.

The Board and Management have continued to engage the States Government and communities at these locations, with a view to resolving the various issues that are being faced with the land acquisition this year.

OUTLOOK

Although the operating environment remains challenging, the Company's balance sheet remains strong with Zero Gearing ratio. The company has capability to generate sufficient cash flow to fund its operations, and will be able to raise any additional fund for the Backward Integration Projects (BIP).

We are optimistic that barring any unforeseen circumstance, the Company will achieve its set goals through the continued review and implementation of its initiatives

to grow sales and market share with focus on the actualization of the set goals for the backward integration projects.

Ends...