



### Divestment of Lafarge Africa Plc from Lafarge South Africa Holdings

Valued Investor,

Lafarge Africa Plc ("the Company") yesterday, Wednesday, July 31, 2019, notified The Nigerian Stock Exchange, Securities and Exchange Commission, shareholders and the investing public on the conclusion brought to its divestment from one of its subsidiaries, Lafarge South Africa Holdings ("LSAH"), following the earlier approval by its shareholders on Monday, July 22, 2019 and the transaction closing meeting held on Wednesday, July 31, 2019.

The Company noted that the agreed sale price of USD316,289,060.55 was used to settle the entire intercompany loan of USD293,000,000 owed to Caricement BV (Purchaser and owner of the parent company, Lafarge Holcim), and the accrued interest amount till July 31, 2019 of USD23,289,060.55.

With the above-mentioned set-off, the Company stated that it has successfully settled all the foreign currency debt on its books. Hence, the Company is left with N33.6 billion corporate bonds due for redemption in June 2021 and N16.00 billion from Central Bank of Nigeria (CBN) intervention loans through Bank of Industry (BoI).

#### What this means for Lafarge Africa's Shareholders...

With the significant reduction in the Company's debt, we expect the finance cost to significantly reduce going forward as the finance cost has hitherto been a drag on its profitability. Lafarge Africa Plc's finance cost reduced to **N14.1 billion** on June 30, 2019 from **N23.7 billion** printed on June 30, 2018. Amid expectation of further reduction in its finance cost going forward, we expect Lafarge Africa's profit after tax to improve as profit from operations trickles down to the bottom line. Hence, an increase in its share price might be imminent while we await a rebound in equities market.

Thank you.

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