



DANGOTE SUGAR REFINERY PLC RC 613748

RESULTS FOR NINE MONTHS ENDED 30 SEPTEMBER 2008

The Board of Directors of Dangote Sugar Refinery Plc hereby announce the following Results for the nine months ended 30 September, 2008.

	9 months to 30 September 2008 N'000	9 Months to 30 September 2007 N'000
Turnover	64,357,650	62,046,793
Cost of sales	<u>(39,258,271)</u>	<u>(36,765,653)</u>
Gross profit	25,099,379	25,281,140
Distribution and administrative expenses	<u>(2,479,042)</u>	<u>(2,391,893)</u>
	22,620,337	22,889,247
Other income	<u>2,387,326</u>	<u>986,817</u>
Operating profit	25,007,663	23,876,064
Interest Payable and similar charges	<u>(269,354)</u>	<u>(70,166)</u>
Profit on ordinary activities before taxation	24,738,309	23,805,898
Taxation	<u>(6,184,890)</u>	<u>(5,951,474)</u>
Profit after Taxation	18,553,419	17,854,424
Interim Dividend Paid	<u>8,500,000</u>	<u>(8,000,000)</u>
Profit on ordinary activities after taxation and interim dividend transferred to revenue reserve	<u>18,553,419</u>	<u>17,854,424</u>
Earnings per share (kobo) – BASIC (ANNUALIZED)	<u>206</u>	<u>238</u>

Dated this 3rd day of November, 2008

BY ORDER OF THE BOARD
MRS. CHIOMA MADUBUKO
Ag. Company Secretary,
Dangote Sugar Refinery Plc.
Modandola House
42/44, Warehouse Road
Apapa – Lagos

Tariff analysis - for illustrative purposes only

All figures in \$ per Mt

White sugar tariffs **35%** **20%****White sugar – border price calculation**

Raw sugar price – FOB 275 275

Freight costs 60 60

Raw sugar price – CNF 335 335

Raw sugar premium 75 75

Freight differential (due to cargo size) 30 30

Cost vitamin A 20 20

White sugar – CNF 460 460

Financing cost (90d facility at 17% of CNF) 20 20

Handling costs and port charges 23 23

Marketing and distribution costs (3%) 14 14

Losses from handling (2%) 9 9

Sugar development duty (10%) 46 46

Border price (pre-tariffs) – white sugar **572** **572**

Tariffs 161 92

Border price (post tariffs/pre margins) – white sugar **733** **664**

1. There are only two tariffs applicable for finished goods under ECOWAS tariff agreement 20% and 50%

2. Finance charges for trading businesses are an integral part of the cost of sales

3. Includes sales, marketing, storage, haulage & other costs

4. Includes 2% losses sustained through damage and pilferage

* ASSUMES 0% PROFIT MARGIN FOR IMPORTERS

DSR – Cost structure

Raw sugar price **275** **275**

VSOP premium 10 10

Freight 60 60

Duties and other charges 35 35

Raw sugar price – CNF 380 380

Manufacturing costs and overdrafts 103 103

Total costs to process 1 Mt of raw sugar 483 483

Efficiency factor 95% 97%

Total costs to produce 1 Mt of white sugar **509** **498**

EBITDA Margins – assuming sale at border price 38% 25%

1. Includes other banks charges

Current sugar prices

Raw sugar (No. 11) – March future (20/02/08) 300

White sugar (No. 5) – May future (20/02/08) 375

Cash delivery premium for sugar N5 delivery (estimate – Brazil) 25

Total white sugar premium 100

Source: DSR management estimates