



## **OAO - Oando Plc - Unaudited results for the period ended 30 September 2011**

Oando Plc

(Incorporated in Nigeria and registered as an external company in South Africa)

Registration number: RC 6474

(External company registration number: 2005/038824/10)

Share Code on the JSE Limited: OAO

Share Code on the Nigerian Stock Exchange: UNTP

ISIN: NGOANDO00002

("Oando" or "the Company" or "the Group")

Unaudited results for the period ended 30 September 2011

### Highlights

- Turnover of US\$2,545.78 million
- Gross profit of US\$322.12 million
- Operating profit of US\$153.73 million
- Profit after tax of US\$65.98 million
- Attributable profit after tax of US\$65.55 million
- Earnings per share of 2.90 cents
- Increased gross margin contribution by the gas and power division
- Operation of the second rig during the period

### Review of results

Oando, which has a primary listing on the Nigerian Stock Exchange ("NSE") and a secondary listing on the Main Board of the JSE Limited ("JSE"), reports unaudited profit after tax ("PAT") for the period ended 30 September 2011 of US\$65.98 million.

Statement of comprehensive income analysis

The Group's turnover and profit before tax increased by 36% and 34% respectively, when compared with the same period in 2010. The following are key highlights of the period's performance:

#### Turnover

Turnover increased by 36% compared to the prior corresponding period in 2010. This was attributable to the following:

- 12.15MW Akute Power Plant being operated for nine months in 2011 compared to seven months during the prior comparative period in 2010;
- Additional customers being connected to Gaslink pipeline network;
- Additional revenue arising from favourable oil prices (approximately 24%); and
- Increased petroleum products imports as a result of seamless operation of the sovereign debt scheme for fuel subsidy.

#### Gross margin

An increase in gross margin by 10% relative to the prior comparative period in 2010, as a result of:

- Significant reduction in payment cycles for products imported on behalf of the Government of Nigeria post the implementation of the

- Sovereign Debt Note of the Government of Nigeria; and
- Increased contribution from the higher margin businesses (Midstream and Upstream).

#### Administrative expenses

Administrative expenses increased by 11% to the prior comparative period in 2010, due to:

- Additional operating costs (including depreciation) incurred on new businesses (rig and independent power plant); and
- Higher inflationary pressures on major cost items including wages.

#### Selling and marketing expenses

Selling and marketing expenses increased by 4% to the prior comparative period in 2010, due to higher volumes of petroleum products transported to upcountry locations during 2011.

#### Finance costs

Finance costs decreased by 14% to the prior comparative period in 2010, due to:

- The reduced debt burden as a result of the pay-down from the proceeds of the 2010 rights issue; and
- The impact of a 400bps reduction of the medium term loan coupon as a result of restructuring the loan.

#### Statement of financial position analysis

##### Property, plant and equipment

Property, plant and equipment increased by 1% to the prior comparative period in 2010 as a result of:

- Additional capital expenditure on Oil Mining Licence ("OML") 90, OML 56, and the refurbishment of the third rig in preparation for operational deployment in 2011; and
- The revaluation surplus arising from the triennial revaluation of property, plant and equipment. The revaluation was carried out in December 2010.

#### Long term receivables

Long term receivable (cost of gas distribution pipeline assets) increased by 32% to the prior comparative period in 2010, due to additional capital expenditure incurred on the East Horizon's Gas pipeline project as well as new customers' connection to the Greater Lagos distribution network.

#### Inventory

Inventory for the period increased by 47% to the prior comparative period in 2010, due to more cargoes of imported petroleum products being received towards the end of September 2011, by the Supply and Trading division.

#### Trade and other receivables

Trade and other receivable increased by 26% to the prior comparative period. This is attributable to additional receivables generated from new businesses (power plant, rig).

#### Prospects

Oando expects that the Federal legislature will pass the Petroleum Industry Bill ("PIB") in the near future. As a local company with a diversified portfolio, the passing of the PIB is expected to influence the availability of viable opportunities. The Group has positioned itself to optimise the additional value to be created by the proposed improvements in the Petroleum Industry's policy framework.

The upstream assets portfolio is undergoing a restructuring to enhance the

portfolio's efficiency and ability to mobilise the required capital for growth. It is expected that these structural changes will be concluded before the end of 2011. The development of OML 90 is ongoing, while additional wells are to be drilled in OML 56 and 125. The strategy to acquire producing or near term assets is still being pursued. The proposed activities are intended to improve the contribution by the upstream business to the Group's profitability in the future.

The Group will continue to connect new customers to the 100 kilometre Greater Lagos gas distribution network until the available capacity is exhausted. Construction work at the Eastern Horizon Company's 128 kilometre pipeline project has been completed and is undergoing quality control testing pending commissioning. The project is expected to commence revenue generation within the next few weeks. The Group is also pursuing captive power plant mandates for which bids had been submitted earlier this year.

The Federal Government of Nigeria has reopened discussions with stakeholders about deregulation of the downstream sector of the petroleum industry. The Marketing and Supply & Trading Divisions have strategically positioned themselves to take advantage of the opportunities associated with deregulation. The Supply & Trading division will continue to consolidate its foray into the West African markets. The Company shall continue to improve and capitalise on operational efficiencies of the downstream marketing businesses.

The Energy Services business will complete ongoing refurbishment of the third rig which is expected to be deployed into operational use before the end of the 2011 financial year.

In light of the above, the Group is poised to deliver enviable returns to the Company's stakeholders.

Condensed consolidated statements of financial position as at 30 September 2011

	30 September 2011	31 December 2010
	US\$`million	US\$`million
<b>ASSETS</b>		
Non-current assets		
Property Plant & Equipment	1,058.93	1,043.92
Intangible Assets	153.83	164.22
Available for sale investment	0.01	0.01
Deferred income tax assets	25.14	75.88
Long Term Receivables	211.13	160.43
	1,449.04	1,444.46
Current assets		
Inventories	221.07	150.54
Trade & Other Receivables	662.08	523.63
Cash & Cash Equivalentents	127.21	81.91
<b>Total assets</b>	<b>2,459.40</b>	<b>2,200.54</b>
<b>Equity</b>		
Capital & Reserves attributable to equity holders		
Share Capital	7.34	6.59
Share Premium	318.25	361.52
Other Reserves	109.58	77.06
Retained Earnings	203.11	180.50
	638.28	625.67
Minority Interest	8.90	6.81
<b>Total equity</b>	<b>647.18</b>	<b>632.48</b>

## Liabilities

### Non-Current Liabilities

Borrowing	620.27	503.11
Deferred income tax liabilities	42.82	104.60
Provisions for liabilities and charges	34.03	21.85
	697.12	629.56
<b>Current Liabilities</b>		
Trade & Other Payables	404.34	423.74
Current Income Tax Liabilities	27.39	37.16
Borrowings	683.37	477.60
Total Liabilities	1,812.22	1,568.06
<b>Total Equity &amp; Liabilities</b>	<b>2,459.40</b>	<b>2,200.54</b>

## Consolidated statement of comprehensive Income for the period ended 30 September 2011

	30 September 2011 US\$`million	30 September 2010 US\$`million
Sales	2,545.78	1,872.63
Cost of Sales	(2,223.65)	(1,578.52)
Gross Profit	322.13	294.11
Selling & Marketing Costs	(36.89)	(35.32)
Administrative Expenses	(179.09)	(161.40)
Other Operating Income	47.59	29.42
Operating Profit	153.73	126.81
Net Finance Costs	(28.05)	(32.69)
Profit Before Taxation	125.68	94.12
Income Tax Expense	(59.70)	(43.08)
Profit After Expense	65.98	51.04
Attributable to:		
Non-Controlling Shareholders	65.55	50.72
Equity Holders of the Company	0.43	0.32

The Group is organised into six main business divisions:

- The Exploration and production of oil and gas business ("E&P") is involved in the exploration for and production of oil and gas through the acquisition of rights in oil blocks on the Nigerian continental shelf and deep offshore. The E&P segment of the business owns several interests in OML 56, OML 90, OML 125 and OML 134 as well as Oil Prospecting Licence ("OPL") 236 and OPL 278, amongst others.
- The Refining and Terminals business is involved in the refinement of crude and storage and logistics for distribution of petroleum products. This business was recently carved out of the downstream marketing business. It has initiated steps towards establishing a refinery at the Lekki Free Trade Zone in Lagos.
- The Gas and power business is involved in the distribution of natural gas through its subsidiaries, Gaslink Nigeria Limited ("GNL") and East Horizon Gas Company Limited ("EHGC"). GNL operates approximately 100 kilometers of Greater Lagos natural gas distribution franchise and has connected over one hundred industrial customers. EHGC is constructing

a 128 kilometers natural gas pipeline network to supply natural gas to United Cement Company ("UNICEM") and other customers at Calabar and Eastern Nigeria. The Gas and power business also incorporated Akute Power Limited that is building an Independent Power Plant to supply electricity to Lagos State Water Corporation ("LSWC").

- The Energy services business is involved in the provision of services such as drilling and completion fluids and solid control waste management; oil-well cementing and other services to upstream companies. The Energy services business presently has five swamp rigs.
- The Marketing business is involved in retail and commercial sales of refined petroleum products with over 600 retail outlets in Nigeria and West African countries.
- The Supply and trading business imports cargoes of petroleum products for sale to marketing companies and other corporate bodies within and outside Nigeria.

Below is the Group performance on a divisional basis for the nine months period ended 30 September 2011:

Exploration	Marketing	Supply & & Production	Refining &	Trading	Terminals
		US\$`million	US\$`million	US\$`million	US\$`million
Gross segment revenue		138.13	892.75	1,661.67	-
Inter-segment revenue		-	(2.32)	(283.17)	-
Revenue		138.13	890.43	1,378.50	-
Operating profit/(loss)		79.66	28.40	15.55	-
Finance costs - net		(15.70)	0.17	(1.04)	-
Profit before income tax		63.95	28.57	14.51	-
Income tax expenses		(42.05)	(9.11)	(1.84)	-
Profit for the period		21.90	19.46	12.67	-
		Gas & power	Energy Services	Corporate & Others	Total

US\$`million	US\$`million	US\$`million	US\$`million	US\$`million	US\$`million
Gross segment revenue	71.95	66.76	44.38		2,875.64
Inter-segment revenue	-	-	(44.38)		(329.87)
Revenue	71.95	66.76	-		2,545.77
Operating profit/(loss)	15.54	20.53	(5.94)		153.73
Finance income/(costs) - net	1.83	(20.90)	7.60		(28.05)
Profit before income tax	17.37	(0.37)	1.66		125.68
Income tax expenses	(5.27)	0.12	(1.54)		(59.70)
Profit for the year	12.10	(0.25)	0.12		65.98

Below is the Group performance on a divisional business basis for the nine months period ended 30 September 2010:

	Exploration & Production	Marketing	Supply & Trading	Refining & Terminals
	US\$`million	US\$`million	US\$`million	US\$`million
Gross segment revenue	98.14	846.79	1,506.94	-
Inter-segment revenue	-	-	(734.28)	-
Revenue	98.14	846.79	772.66	-
Operating profit/(loss)	51.05	28.53	16.64	-
Finance costs - net	(22.58)	(4.90)	10.41	-
Profit before income tax	28.47	23.63	27.05	-
Income tax expenses	(22.82)	(7.55)	(5.23)	-
Profit for the year	5.65	16.08	21.82	-

	Gas & power	Energy Services	Corporate & Others	Total
	US\$`million	US\$`million	US\$`million	US\$`million
Gross segment revenue	85.15	69.89	-	2,606.91
Inter-segment revenue	-	-	-	(734.28)
Revenue	85.15	69.89	-	1,872.63
Operating profit/(loss)	9.74	28.96	(8.11)	126.81
Finance costs - net	2.71	(23.66)	5.33	(32.69)
Profit before income tax	12.45	5.30	(2.78)	94.12
Income tax expenses	(3.40)	(1.73)	(2.00)	(43.08)
Profit for the year	9.05	3.57	(5.13)	51.04

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER`S EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2011

	Share Capital	Share Premium	Other reserves	Cumulative translation adjustment
US\$million	US\$million	US\$million	US\$million	
Balance as at 31 December 2010	6.59	361.52	77.07	-
Retained profit for the period	-	-	-	-
Bonus issue of shares	1.50	-	-	-
Dividend paid	-	-	-	-
Exchange difference	(0.75)	(43.27)	32.51	-
Reversal of revaluation surplus	-	-	-	-
Deferred tax on revaluation surplus	-	-	-	-
Share issue/acquisition Cost	-	-	-	-
Balance as at 30 September 2011	7.34	318.25	109.58	-

Retained	Minority	Total	earnings US\$million	interest US\$million	equity US\$million
Balance as at 31 December 2010			180.50	6.81	632.49
Retained profit for the period			65.55	0.43	65.98
Bonus issue of shares			(1.5)	-	0
Dividend declared/paid			(35.89)	-	(35.89)
Exchange Difference			(5.55)	1.66	(15.40)
Reversal of revaluation surplus			-	-	-
Deferred tax on revaluation surplus			-	-	-
Share Issue/acquisition Cost			-	-	-
Balance as at 30 September 2011			203.11	8.90	647.18

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010

Capital	Premium	Share reserve	Share translation	Revaluation	Cumulative adjustment
		US\$million	US\$million	US\$million	US\$million
Balance as at 31 December 2009		3.54	231.66	39.84	(39.12)
Retained profit for the period		-	-	-	-
Bonus issue of shares		-	-	-	-
Dividend paid		-	-	-	-
Exchange difference		1.5	(33.11)	8.47	39.12
Reversal of revaluation surplus		-	-	-	-
Deferred tax on revaluation surplus		-	-	-	-
Share Issue/acquisition Cost		1.02	130.44	-	(0.13)
Balance as at 30 September 2010		6.06	328.99	48.31	0
			Retained earnings	Minority interest	Total equity
	US\$million	US\$million	US\$million		
Balance as at 31 December 2009			124.56	6.22	366.70
Retained profit for the period			50.72	0.32	51.04
Bonus issue of shares			-	-	-
Dividend paid			(45.02)	-	(45.02)
Exchange Difference			-	0.10	16.08
Reversal of revaluation surplus			-	-	-
Deferred tax on revaluation surplus			-	-	-
Share Issue/acquisition Cost			-	-	131.46
Balance as at 30 September 2010			130.26	6.76	520.39

Notes to reviewed results for the nine months ended 30 September 2011

1. General information

Oando was registered by a special resolution as a result of the acquisition

of the shareholding of Esso Africa Incorporated (principal shareholder of Esso Standard Nigeria Limited) by the Federal Government of Nigeria. The Company was partially privatised in 1991. It was however fully privatised in 2000 consequent to the sale of the Federal Government's 40% shareholding in the Company. 30% was sold to core investors (Ocean and Oil Investments Limited) and the remaining 10% to the Nigerian public. In December 2002, the Company merged with Agip Nigeria Plc following its acquisition of 60% of Agip Petroli's stake of Agip Nigeria Plc in August of the same year. The Company formally changed its name from Unipetrol Nigeria Plc to Oando Plc in December 2003.

The principal activity of the Company locally and internationally is strategic investments in energy companies across West Africa. The Group is involved in the following business activities via its subsidiary companies:

- Marketing of petroleum products, manufacturing and blending of lubricants via Oando Marketing Limited.
- Distribution of natural gas for industrial customers via Gaslink Nigeria Limited.
- Supply and distribution of petroleum products via Oando Supply and Trading, Nigeria and Oando Trading, Bermuda.
- Energy services to upstream companies via Oando Energy Services.
- Exploration and Production via Oando Exploration and Production.

## 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements of Oando have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies.

The Group adopted the IFRS below, which are relevant to its operations. These have been consistently applied in this unaudited financial report for the period ended 30 September 2011.

IAS 1 (amendment January 2010) Presentation of financial statements  
IAS 2 (revised 2003) Inventories  
IAS 7 (issued 2010) Statement of cash flows  
IAS 8 (revised 2003) Accounting Policies, Changes in Accounting Estimates and Errors  
IAS 10 (revised 2003) Events after the Balance Sheet Date  
IAS 16 (revised 2003) Property, Plant and Equipment  
IAS 17 (revised 2003) Leases  
IAS 21 (revised 2003) The Effects of Changes in Foreign Exchange Rates  
IAS 24 (revised 2003) Related Party Disclosures  
IAS 27 (revised 2009) Consolidated and Separate Financial Statements  
IAS 28 (revised 2003) Investments in Associates

- IAS 32 (revised 2003) Financial Instruments: Disclosure and Presentation
- IAS 33 (revised 2003) Earnings per share
- IAS 36 (revised 2004) Impairment of Assets
- IAS 38 (revised 2004 amendment effective 2010) Intangible Assets
- IAS 39 (revised 2003) financial instruments: Recognition and measurement
- IFRS 2 (issued 2004) Share-based payments and amendment effective January 2010
- IFRS 3 (revised 2009) Business Combinations
- IFRS 5 (issued 2004 and amendment effective 2010) Non-current Assets Held for Sale and Discontinued
- IFRIC 9 (revised 2009) Reassessment of Embedded derivatives
- IFRIC 10 (Issued 2006) Interim Financial Reporting and Impairment
- The early adoption of IAS 10 has resulted in a change in the accounting policy for dividends. Proposed dividends, which were previously recognised in the year prior to the declaration, have been adjusted in accordance with IAS 10 and 37 respectively.
  - The application IAS 16 has affected the accounting for fair value reserve relating to revalued land and buildings upon disposal.
  - Under previous Generally Accepted Accounting Principles ("GAAP"), the revaluation surplus included in equity in respect of an item of property, plant and equipment were transferred to income, when the asset is disposed of, to determine profit on disposal. Adjustments have been passed to transfer the related amounts directly to retained earnings in accordance with IAS 16. Also, early adoption of IAS 16 (revised 2004) has necessitated the disclosure of prior year comparatives for all movements in property plant and equipment.
  - IAS 21 (revised 2003) has affected the translation of foreign entities' income statements, on which closing rates were previously applied but now amended and translated at average rates. The functional currency of each of the consolidated entities has also been re-evaluated based on the guidance to the revised standard. All the Group entities have the same functional currency as their presentation currency.
  - IAS 24 (revised 2003) has affected the identification of related parties and some other related-party disclosures.
  - IAS 27 (revised 2004) has affected the consolidation of subsidiaries. Certain subsidiaries, which were not included in the consolidation under GAAP, have now been consolidated.
  - The early adoption of IAS 33 has resulted in a change in the computation of earnings per share. Earnings per share, which were previously computed on the basis of the number of shares in issue at the end of the reporting period, have been adjusted on the basis of the weighted average number of shares in accordance with IAS 33.
  - The early adoption of IAS 39 has resulted in a change in accounting for financial assets and liabilities.
  - The Group obtained approval for its share option scheme from the regulatory authority in February 2009. Accordingly all share-based payment in operation has been subjected to and accounted for under IFRS 2 for the first time in 2008.
  - The early adoption of IFRS 5 has resulted in a change in the accounting for non-current assets held for sale and discontinued operations as qualifying assets have been reclassified accordingly.

- The early adoption of IFRS 3, IAS 36 (revised 2004) and IAS 38 (revised 2004) resulted in a change in the accounting policy for goodwill.

Until 31 December 2002, goodwill was:

- Amortised on a straight line basis over a period ranging from 5 to 20 years; and assessed for an indication of impairment at each balance sheet date.

- In accordance with the provisions of IFRS 3:

- the Group ceased amortisation of goodwill from 1 January 2003; and
- accumulated amortisation as at 31 December 2002 has been eliminated with a corresponding decrease in the cost of goodwill;
- Goodwill was tested for impairment at 1 January 2003, the transition date. Also, from the year ended 31 December 2003 onwards, goodwill is tested annually for impairment, as well as when there are indications of impairment. The Group has also reassessed the useful lives of its intangible assets in accordance with the provisions of IAS 38. No adjustment resulted from this reassessment.

All changes in the accounting policies have been made in accordance with the transition provisions in the respective standards.

The early adoption of IAS 1, 2, 8, 17, 28, and 32 (all revised 2003) did not result in substantial changes to the Group's accounting policies.

In summary:

- IAS 1, 2, 28 and 32 had no material effect on the Group's policies.
- IAS 8 (revised 2004) has resulted in the disclosure of the impact of new standards

## 2.2 Consolidation

### (a) Subsidiaries

Subsidiaries include all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of the acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed and the date of plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. All balances and unrealised surpluses and deficits on transactions between Group companies have been eliminated. Where necessary, accounting policies for subsidiaries have been changed to be consistent with the policies adopted by the Company, Separate disclosure (in equity) is made of minority interests.

### (b) Associates

Associates are all entities over which the Group has significant influence

but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition. The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of the associates are consistent with the policies adopted by the Group. Goodwill included in the carrying amount of an investment is neither amortised nor tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36, Impairment of Assets. Instead, the entire carrying amount of the investment is tested under IAS 36 for impairment.

All subsidiaries and associates have uniform calendar year ends.

### 2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

### 2.4 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Group is the Naira. The consolidated financial statements are presented in US dollars, which is the Company's presentation currency for the purpose of filing outside Nigeria.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

#### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional

currency different from the presentation currency are translated into the presentation currency as follows:

- 1 Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- 2 Income and expenses for each income statement are translated at average exchange rates; and all resulting exchange differences are recognised as a separate component of equity.
- 3 On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. Upon disposal of part or all of the investment, such exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale.

### 3. Earnings Per Share

Basic earnings per share("EPS") are calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of shares in issue during the period.

	30 September 2011	30 September 2010
Profit attributable to equity holders of the Company (US\$`million)	65.55	50.72
Weighted average number of shares in issue (millions)	2,262.71	1,659.32
Basic EPS (cents)	2.90	3.06
Diluted		
Profit attributable to equity holders of the Company (US\$`million)	65.55	3.06
Weighted average number of shares in issue (US\$millions)	2,262.71	1,659.32
Adjustment for bonus issues		
Weighted average number of shares for diluted EPS (US\$millions)	2,262.17	1,659.32
Diluted EPS (cents)	2.90	3.06
Headline Earnings Per Share ("HEPS") (cents)		
Profit attributable to equity holders of the Company (US\$`million)	65.55	50.72
Adjusted for:		
Profit on sale of buildings associated with discontinued operations	0	0
Profit/(Loss) on sale of other assets	0	0
Loss on sales of investment in affiliate companies	0	0
Tax on sales of investment in affiliate companies	0	0
HEPS attributable to earnings basis (cents)	2.90	3.06
HEPS attributable to diluted earnings basis (cents)	2.90	3.06
Net assets per share (cents)	108.71	123.24
Tangible assets per share (cents)	46.77	55.39

4. Independent audit by the auditors

The condensed consolidated unaudited results for the period ended 30 September 2011 has not been reviewed or reported on by the Group`s auditors, PricewaterhouseCoopers.

5. Post balance sheet events

There are no significant post balance sheet events that in the opinion of the directors will have a material impact on the accounts herein presented.

6. Notes

- The average numbers of ordinary shares of 2,274,118,138 include the bonus issue of 452,542,314 ordinary shares which the shareholders approved at the Annual General Meeting ("AGM") on 30 June 2011.

- Certain comparative balances (admin expenses - gratuity) have been restated based on subsequent events after 30 September 2010.

Directorate:

1	HRM. Oba Michael M. Adedotun Aremu Gbadebo, CFR	Chairman
2	Mr. Jubril Adewale Tinubu	Group CEO
3	Mr. Omamofe Boyo	Deputy Group CEO
4	Mr. Mobolaji Osunsanya	Group Exec. Director
5	Mr. Olufemi Adeyemo	Exec. Director
6	Mr. Oghogho Akpata	Director
7	Chief Sena Anthony	Director
8	Ms. Nana Afoah Appiah-Korang	Director

For and on behalf of the Board

Mr J Adewale Tinubu  
Group Chief Executive  
25 October 2011

Company Secretary: Ms. Ayotola Jagun

Registered office: 2, Ajose Adeogun Street, Victoria Island, Lagos, Nigeria

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25 October 2011

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