

# Building CONNECTIONS Creating POSSIBILITIES

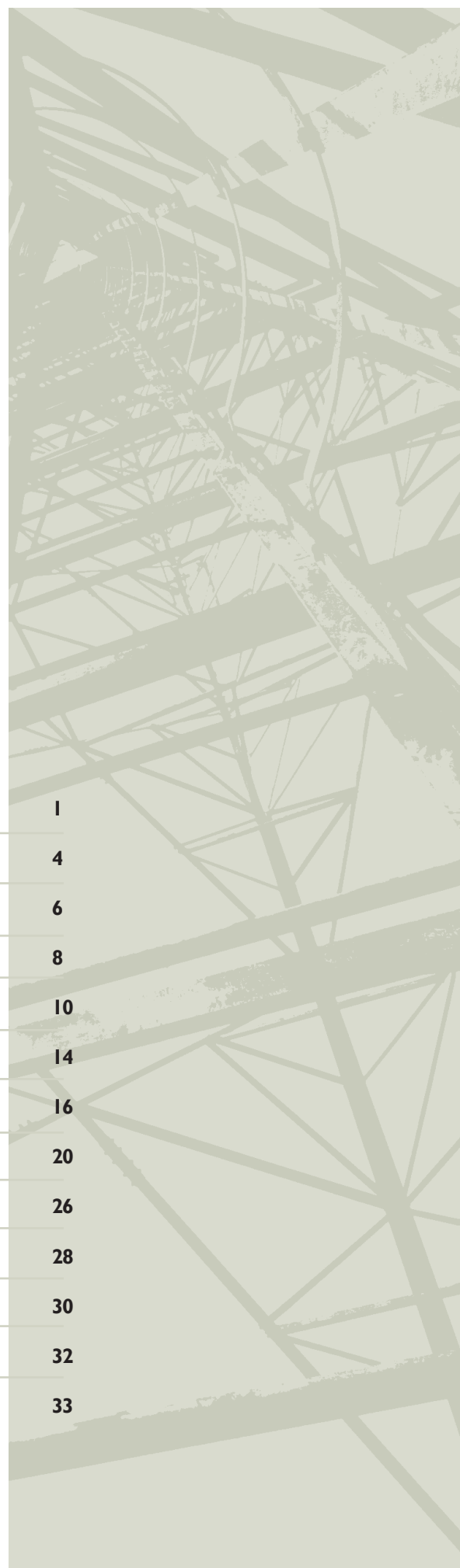
A n n u a l R e p o r t    2 0 0 9

**ihs** IHS Nigeria Plc





<i>Contents</i>	<b>I</b>
<i>Directors, Advisers and Registered Address</i>	<b>4</b>
<i>Locations / Other Addresses</i>	<b>6</b>
<i>Subsidiaries</i>	<b>8</b>
<i>The Chairman's Statement</i>	<b>10</b>
<i>The Board of Directors</i>	<b>14</b>
<i>The Managing Directors Remarks</i>	<b>16</b>
<i>Products and Services</i>	<b>20</b>
<i>Social Responsibility and Corporate Governance</i>	<b>26</b>
<i>Enviromental Issues</i>	<b>28</b>
<i>Highlights and Awards</i>	<b>30</b>
<i>Going Forward...</i>	<b>32</b>
<i>The Accounts</i>	<b>33</b>







*"If speaking is silver, then listening is gold."*

**Building Connections, Creating Possibilities.**

*The need to keep in touch is inherent in us all, and has now become an integral part of living in today's world. Connectivity, and the ability to reach each other quickly, is no longer a luxury, as the telecoms sector continues to shrink the world and facilitate the creation of relationships.*

*The sector in Africa is presently riding a new wave of growth and IHS has positioned itself to be the foremost telecommunications support company. As we follow market developments, we at IHS take an anticipatory and analytical approach so as to proffer solutions to expected issues, even before they present themselves.*

*Listening to the feedback from our clients helps us create possibilities so that they can focus on running their core business;*

**this is the value we add...**



ihs

[www.ihsnigeria.com](http://www.ihsnigeria.com)



*Directors, Advisers and Registered Address***Directors**

Bashir Ahmad El Rufai	- <i>Chairman</i>
William Saad	- <i>Managing Director</i>
Issam Darwish	- <i>Executive Director</i>
Mustapha Aminu	- <i>Executive Director</i>
Olugbenga Onakomaiya	- <i>Executive Director</i>

**Registered Office**

19 Bishop Aboyade Cole Street  
Victoria Island  
Lagos

**Registered Number**

R.C 407609

**Company Secretary & General Counsel****Jimoh Umoru**

19 Bishop Aboyade Cole Street  
Victoria Island  
Lagos

**Auditors****PricewaterhouseCoopers**

Chartered Accountants  
252E Muri Okunola Street  
Victoria Island  
Lagos

**Principal Bankers****Bank PHB PLC**

Plot 707, Adeola Hopewell Street  
Victoria Island  
Lagos

**United Bank for Africa PLC**

172, Awolowo Road  
Falomo, Ikoyi  
Lagos

**Skye Bank PLC**

3 Akin Adesola Street,  
Victoria Island,  
Lagos

**Solicitors****Olaniwun Ajayi LP**

The Adunola,  
Plot L2, Banana Island, Ikoyi  
Lagos

*Results at a Glance*

**N11.3**  
billion

**Revenue**

Total turnover for Group

**N1.04**  
billion

**Profit**

Total profit for Group after tax

**N0.21**

**Earnings Per Share**

Total EPS for Group



*Locations / Other Addresses****IHS Lagos***

19 Bishop Aboyade Cole,  
Victoria Island,  
Lagos, Nigeria  
Tel: 01-2800890; Fax: 01-2800791

***IHS Abuja***

68 Abidjan Street,  
Wuse, Zone 3,  
Abuja, Nigeria

***IHS Port Harcourt***

7A Gordon Bizimo, Bozgomoro Estate,  
Abuloma Road, Trans Amadi,  
Port Harcourt, Nigeria

***IHS Ghana***

32 Senchi Street,  
Airport Residential Area,  
Airport Accra, Ghana  
Tel: +233 21 768 019; Fax: +233 21 768021

***IHS Sudan***

Square 15, Jazzar Street,  
Al-Riyad Area, Khartoum,  
Sudan  
Tel: +249 15 5125551; Fax: +249 15 4988555

***IHS Tanzania***

Harbour View Towers,  
Dar Es Salam, Tanzania,  
Tel: +255 782981666

***Web Site***

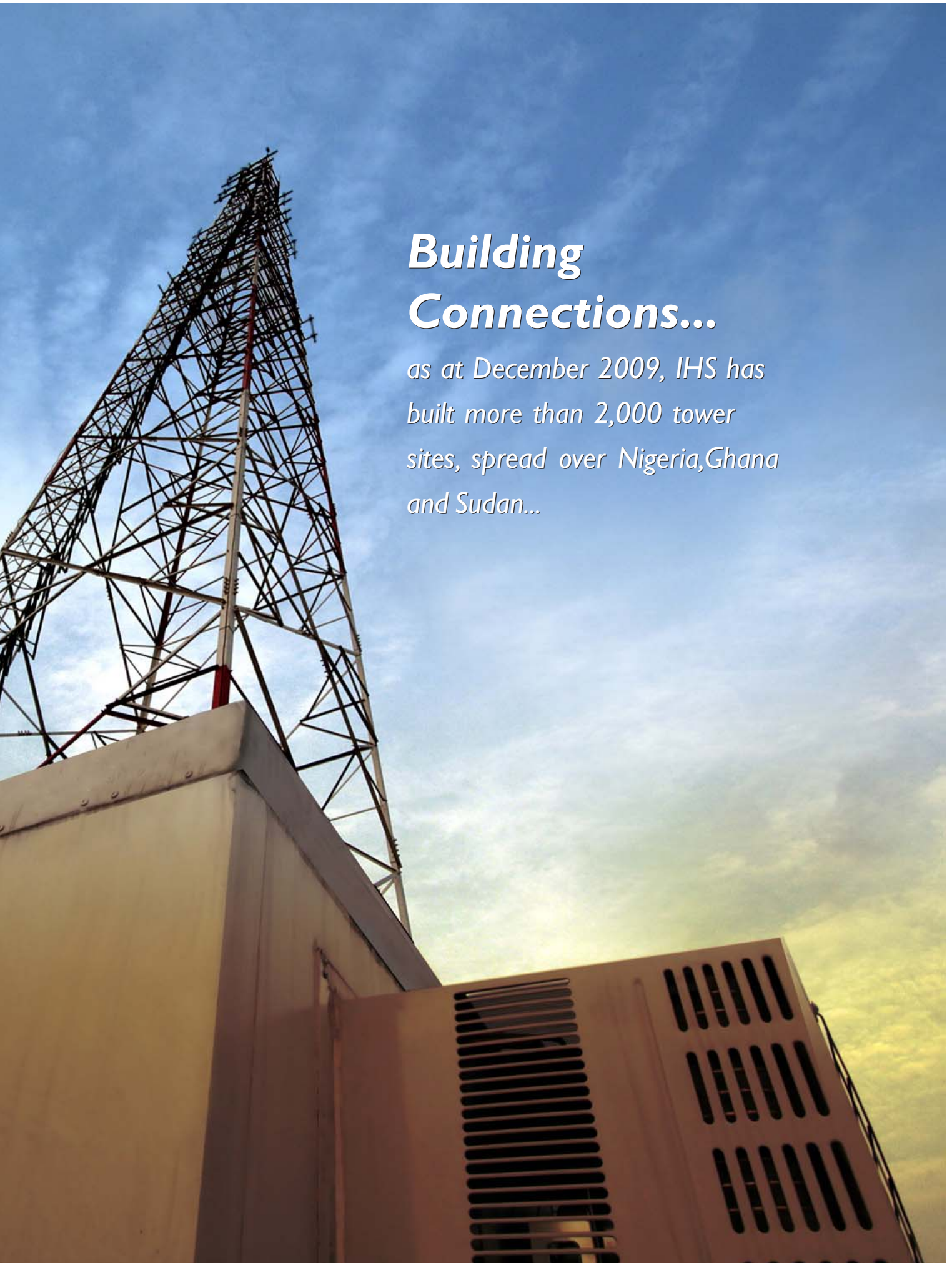
**[www.ihsnigeria.com](http://www.ihsnigeria.com)**





# ***Building Connections...***

*as at December 2009, IHS has  
built more than 2,000 tower  
sites, spread over Nigeria, Ghana  
and Sudan...*



## Subsidiaries

***IHS Nigeria Plc** has grown from being just a player in the service industry that supports Nigerian telecommunications, to being a key infrastructure provider in Africa. Part of this growth can be attributed to the work done by our subsidiaries in providing an increasingly needed service.*

**Infratech FZC** operating in Ghana under  
**Infratech Ghana Limited:**

With over 100 personnel, they administer a 3-year maintenance contract with a prominent GSM operator, in addition to meeting demands for the construction of new sites.



**Power Communications  
and Technologies Co. Limited:**  
operating in Sudan

Employs over 80 personnel, providing Managed Services and Deployment to 2 out of the 3 active GSM Operators in the country. They have also established a strong presence all over Sudan, including southern Sudan and Darfur.



**IHS (Tanzania) Limited:**

Relatively new to the IHS family is IHS (Tanzania) Limited. Currently in discussions with various operators and vendors, they are aggressively pursuing the introduction of the Sharing and Leasing Model into Tanzania. One of our greatest strengths lie in the work we do in Infrastructure Management, and as such our Tanzania office is engaged in bidding for various Managed Services Contracts as well.



## Subsidiaries

*“ IHS intends to expand its presence in Africa to cover North, East, and Southern Africa through medium to long range plans...”*





## The Chairman's Statement

*Distinguished Shareholders, I have the pleasure and honor of welcoming you to the Annual General Meeting (AGM), the first since our quotation at the Nigerian Stock Exchange.*

It is your continuing support that has allowed IHS to reach this very renowned position in the Telecommunication Infrastructure Industry. We hope that IHS has and will continue to strengthen your belief in the sound concept of our business, and the steady strides we have been taking towards our natural position as the main African player in the Telecommunications Infrastructure Market.

This year has witnessed the transformation of your company from a medium size player in the Telecommunications Services Provision Industry in Nigeria to a large player in Africa. We have been able to transform the company to a publicly quoted company listed on the Nigerian Stock Exchange. We were successful in expanding our existing core business which is the provision of infrastructure management and deployment activities, to becoming a dominant player in the field with presence in three African countries. We were able to penetrate and become the de-facto player in the site leasing and sharing business (collocation), by procuring a license from the Nigerian Communications Commission and building hundreds of collocation sites. We are currently engaged in the building of self owned sites, and have entered Master Lease Agreements with the majority of the Nigerian Telecommunications Operators. We were also able to successfully expand into Ghana, Sudan, and recently Tanzania, where we continue to make our mark.

I am delighted to present to you the highlights of the major developments that have shaped your company's operations during its first financial year

as a publically quoted company, which ended on the 30th of April 2009. Whilst we continue to work towards our mission to become the largest and most efficient pan-African Telecommunications Service Provider and Site Leasing Operator, we are also striving to provide the most environmentally friendly and technically innovative solutions for the continent.

### Operating Results

Despite the global economic problems our company has recorded a turnover of N11.340 billion representing an increase of 56% and simultaneously, the pre-tax profit rose to N1.426 billion representing an increase of 42% over last year.

Our company's balance sheet has risen to N23.511 billion from N5.426 billion in 2008, with shareholders funds rising to N9.492 billion. This is an increase of 533%.

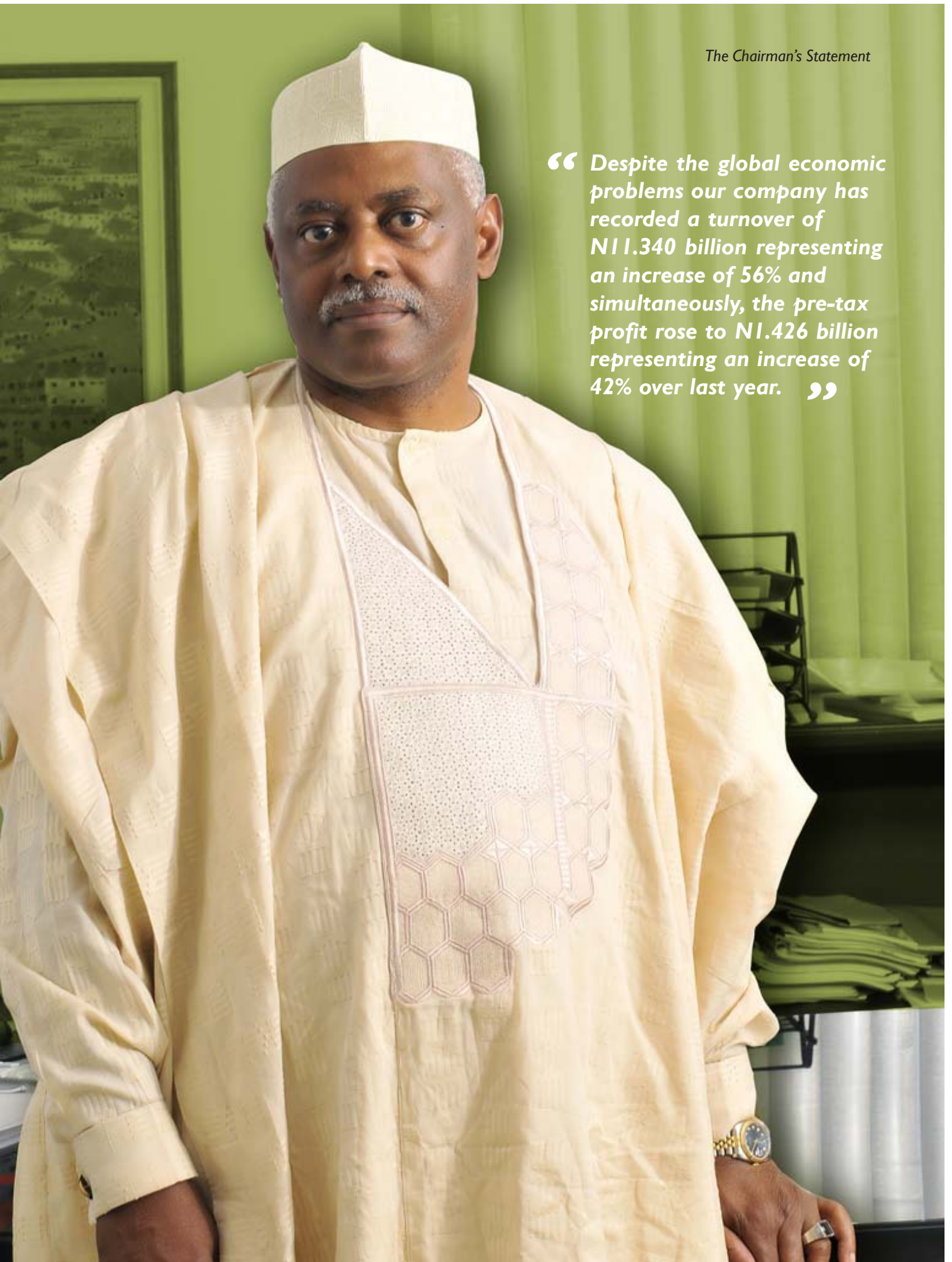
In view of this impressive performance, the company is recommending a dividend payment of 5 kobo per share, which the AGM is being kindly requested to approve.

### Corporate Social Responsibility

IHS has a strong commitment in all the societies and communities we are operating. We have been able to be involved in all our host communities, largely through recruitments, development of entrepreneurship skills through training and development and the appointments of subcontractors and vendors. In addition to these we have been involved in direct communities development projects and undertook the payment of N25,089,619 against the above.

*The Chairman's Statement*

**“ Despite the global economic problems our company has recorded a turnover of N11.340 billion representing an increase of 56% and simultaneously, the pre-tax profit rose to N1.426 billion representing an increase of 42% over last year. ”**



## *The Chairman's Statement*

### **Human Capital Development**

Our company invests highly in people because they are our most valuable asset. The staffs are always aware of the advances in the technology and we constantly advance their skills. This is done through a series of yearly trainings that take place in house, on the field, or through external programs. We believe in their competence and we provide them with future career plans that allow the good performers to take higher and better positions in our organization. This explains why IHS is the best provider of choice to most telecommunications companies.

### **The Economic Outlook**

During 2008 and parts of this year, the world and our beloved continent witnessed a huge economic setback which started with the hasty collapse of the US mortgage market, and rapidly evolved to a crisis affecting global financial markets, and passing through the recent banking sanitization in Nigeria. Despite the global economic crisis, your company was able to do well, largely because of strategic management decisions to introduce new products and services, as well as diversity to other markets in Sudan and Ghana. I am glad to advise you that the new markets have contributed 20% and 27% respectively to the group's turnover and 16% and 18% respectively to the group's profitability.

### **The Environment and Renewable Energy**

This past year has also witnessed our decision to invest and cater to environmentally friendly solutions. We want to use our position to work towards the reduction of carbon emissions and the generation of more environmentally efficient processes. We have also started the use of solar and wind turbines so we reduce the dependence on generators and eventually carbon emissions.

### **Conclusion**

I would like to extend my gratitude to our esteemed shareholders for their continuous support and confidence placed in the management and the board, and I assure you that we would continuously strive to keep our company on the path of growth. I would also like to use this opportunity to express my appreciation to our customers for the confidence placed in our company and their belief that we can do what is expected of us. I promise that we will keep on doing our best to meet and even exceed our customers' expectations. Likewise my sincere gratitude goes to my colleagues on the board, for their unalloyed support and unwavering interest towards the growth of this company. My greatest appreciation goes to our employees for their renewed commitment and enthusiasm, demonstrated in the affairs of our Company. I would like to tell them that it is their hard work that enabled us to achieve a leadership position and become the best provider of choice in the industry in Nigeria and Africa today.

**Mallam Bashir Ahmad El-Rufai**

*Chairman*





*The Chairman's Statement*A photograph of an office environment with three staff members. In the foreground, a man in a brown shirt and green lanyard sits at a desk, looking down. In the background, two other men are seated at desks with computers, working. The office has wooden floors and large windows with blinds.

*To remain relevant IHS ensures that staff are trained and kept abreast of innovations and new practices. The impact of this investment is far reaching; the company is better able to understand client needs and as such, proffer and provide the best solutions for their businesses.*

## The Board of Directors

### **Mallam Bashir Ahmad El-Rufai – Chairman:**

Mallam El-Rufai graduated with combined honours from the School of Basic Studies, Ahmadu Bello University Zaria. Having worked in Food Processing and Marketing, his vast experience in the telecommunications sector spans his time as the Chief Commercial Officer for the Northern District of the Nigerian External Telecommunications Ltd (NET), and at the Nigerian Telecommunications Ltd (NITEL), where he held positions such as General Manager Lagos zone, Territorial Manager Lagos zone and Deputy General Manager/Deputy Director. He is also the Co-founder and President of the first indigenous private telecom operator in Nigeria - Intercellular Nigeria Ltd, and is the Vice Chairman/Corporate Advisor of Intercellular/Sudatel (Nigeria) Limited.

A pioneer in the telecommunications sector in Nigeria, Mallam El-Rufai is also a Director on the Board of First Securities Discount House Limited.

### **Engr. William Saad – Managing Director:**

A pure telecoms man, Engr. Saad brings his experience in the Middle East, to bear in Nigeria. He was Earth Stations Manager in MCI, and was employed as a Network Operations Manager for LibanCell (a.k.a. Telefonica Finland), the first GSM operator in the Middle East. At Motophone Nigeria Limited, the company which performed the first GSM call in Nigeria, he was Operations Director before joining IHS Nigeria PLC in 2001 as Managing Director.

### **Gbenga Onakomaiya – Executive Director:**

Mr. Onakomaiya's background is in Business Administration and Resource Management. He has consulted for various Nigerian companies on Information Technology and Tax matters, and brings to IHS his experience in Statutory Tax Auditing, Computing and Programming, Data Compilation, Audit Reporting, Audit Monitoring, and Staff Welfare Administration.

### **Engr. Issam Darwish – Executive Director:**

A Certified Engineer from SONERA, Mobilcom, Austria, Engr. Darwish has also been trained by Motorola and Siemens. He was the Satellite System Manager at MCI Overseas, Vice Chairman and Director of Projects at Lintel, which had telecom projects in EMEA. He was the Deputy Managing Director, Motophone Nigeria Limited before joining IHS.

### **Engr. Mostafa Aminu – Executive Director:**

Engr. Aminu is a Building Technology Engineer and worked at the Kwara State Broadcasting Corporation. He was also the North-West Zone Project Supervisor - Federal Ministry of Housing in Kaduna and Head, Work & Property Department at the Nigerian External Telecommunications (NET) in Kaduna.

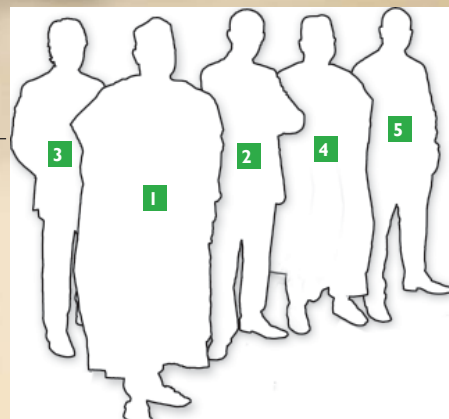




*The Board of Directors*



1. Bashir Ahmad El Rufai
2. William Saad
3. Issam Darwish
4. Mustapha Aminu
5. Gbenga Onakomaiya





*The Managing Director's Remarks*

***“ IHS witnessed considerable growth by all standards despite the global financial crisis and its implications... ”***

*Our company has a proven record of excellence and performance in the domain of telecommunication infrastructure, and is fast becoming a principal player in Africa. With its headquarters in Nigeria, IHS is now a listed entity on the Nigerian Stock Exchange, and regulated by the Nigerian Securities and Exchange Commission. We became ISO 9001:2008 certified in 2006, and are fully licensed by the Nigerian Communications Commission, the Nigerian regulatory body for the telecommunications industry, to provide various services to the public. IHS manages all aspects of telecommunications network implementation, including telecom deployment, management, and collocation.*

The accomplishments of our company during the 2009 financial year are noteworthy:

- Private Placement of company shares was concluded successfully, which paved the way for its successful listing on the Nigerian Stock Exchange.
- Share prices were maintained at around N4.47k as at the end of November 2009; a time when the majority of company stocks and shares had witnessed considerable losses in value.
- IHS remains ISO 9001:2008 certified which means that our internal procedures and processes continue to be efficient and effective.
- Our successful expansion into Ghana, Sudan and now, Tanzania has elevated our status from a Nigerian to an African provider of telecommunications infrastructure.
- As our business has grown so has the number of staff, almost tripling from 250 to over 700.



- Our present portfolio boasts of 2,000 successfully deployed base stations and about 2,500 base stations are currently managed by IHS.
- Long-term Master Lease Agreements have been signed with many operators, and we have since embarked on the business of sharing and leasing sites.

IHS witnessed considerable growth by all standards, despite the global financial crisis and its implications, particularly in Nigeria and Africa in general. In order to appreciate our performance, it is important to do a short review of the telecommunications sector in Nigeria, and the environment in which we operate.

- Revenues in the telecommunications sector grew 23% in 2008 to US \$8 billion, and were mainly attributable to mobile communications.
- The number of mobile subscribers grew from 40,000 in 2000 with a 0.1% penetration level,

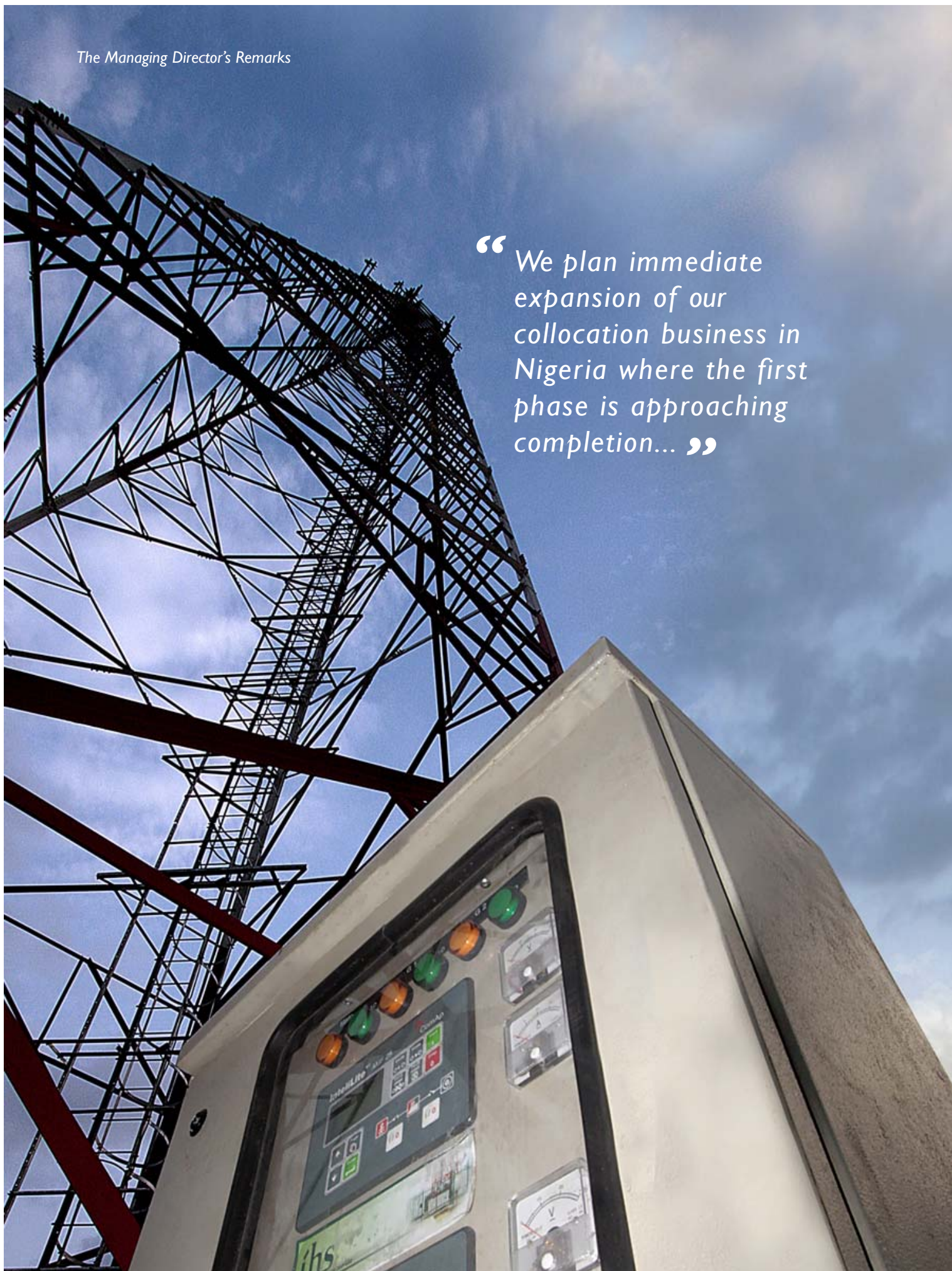
to approximately 65 million users in 2009 with a 44% penetration level, of which a third is active. Expectations by the Business Monitor International report in April 2009 are that penetration levels will reach 94% in 2012.

- The number of GSM base stations is estimated to rise to 40,000 by 2011 and CDMA's to 10,000. This means more than 25,000 additional base stations to build and share.
- US\$ 10 billion is estimated to be needed for telecommunication infrastructure over the next 8 years, in addition to the US\$ 6 billion spent in the past five years.
- Continued expansion growth, capacity upgrades, new market entrants, and double digit subscriber growth, together with a shortage of tall buildings in Nigeria, are key drivers of tower site growth and the demand for additional towers in Nigeria.
- Less than half the population has a mobile phone and Nigeria is the largest mobile market in Africa, larger than South Africa.



*The Managing Director's Remarks*

*“ We plan immediate expansion of our collocation business in Nigeria where the first phase is approaching completion... ”*





*The Managing Director's Remarks*

There have been a variety of statements and discussions which conclude that five years from its commencement, the telecommunications boom in Nigeria would come to an end. We have seen this notion not come to fruition, and is far from the reality we live in today. What we find is that operators may have slowed down their roll out plans due to the global financial crisis, the addition of new customer segments may have resulted in increased competition, with downward pressure being exerted on the average revenue per user and subsequently, profit margins.

Operators are now rethinking their business models, and their likely focus is that of reducing some of their operational costs. This is an area where they can benefit from IHS's expertise. What we offer operators is a total solution package that allows them focus on their purpose, whilst IHS handles the physical and legal aspects of site acquisitions, supply, logistics, construction, installations, testing, operations etc, and just as importantly, maintenance and management of the sites.

For operators who are looking to free up their balance sheets and generate some cash, we offer the option of buying their sites and leasing it back to them and others at competitive rates. For those who want to reduce their operating expenses, we can take over complete management of their sites at a lucrative discount in return for granting us the exclusive right to market these sites to other interested parties. As stated before, the high number of regional operators, rapid market growth and declining average revenue per user within the industry are further evidences that the timing and environment is right for tower sharing. Backed by the recommendations of the Nigerian Communications Commission we have taken this a step further by providing leasing services to the various mobile and data operators, as well as the private and public sectors.

Over the next few years, and counting on our seasoned experience in infrastructure deployment and managed services, IHS plans to expand the infrastructure leasing and sharing arm of the business, by building and, or, by acquisitions of existing sites in order to surpass the present 2,000 site mark.

To achieve this goal, we will continue to develop our existing markets and move into new markets across Africa.

- IHS plans immediate expansion of its collocation business in Nigeria, with the first phase nearing completion.
- IHS plans to replicate its collocation experience in Nigeria to the other countries it operates in and beyond, through the opportunities that exist of buying sites or managing and leasing other operator's sites.
- IHS intends to expand its African presence to cover North, East, and Southern Africa through medium to long range plans.

Our company plans to continue expanding its core engineering competence of building and managing infrastructure for operators, whilst rapidly evolving into the preferred site leasing and sharing company in Africa.

**Engr. William Saad**

*Managing Director*



*Products and Services*

“ *IHS possesses a collocation and site leasing license, and embarked on its Infrastructure Sharing and Leasing business during 2008...* ”

***Infrastructure Sharing and Leasing***

Infrastructure Lease and Collocation is a model which has proved successful world-wide, and is one where multiple operators can lease and share sites.

Our experience as builders and managers of telecommunications infrastructure all over Nigeria, lends itself to the intricacies of this model, which we believe has and will continue to play a significant role in the bid to reduce the costs of our clients' operations.

IHS possesses a collocation and site leasing license and embarked on its Infrastructure Sharing and leasing business during 2008. This was informed by our previous successes in the areas of Infrastructure Managed Services and Deployment. We have a strong position with the operators, and firmly believe

that Sharing and Leasing is the future of telecommunications infrastructure in Nigeria and across Africa. Rather than have each operator build their own site, IHS builds a bigger site and leases it to more than one operator under a sharing scheme that reduces construction and running costs for the operators. This service has proved successful for companies in other developed countries; American Towers in US, Castle Crown in the UK, and Bharti-MTN in India. It is not offered only to GSM and/or CDMA operators, but to WiMAX operators, internet service providers, and even the public and private sectors.

The Nigerian Communication Commissions (N.C.C) has since endorsed collocation, and strongly encourages sharing and leasing.

IHS plans to build at least 2,000 sites all over Africa.





## Products and Services



### **Main:**

*A prototype model of IHS' standard base stations.*

### **Insert:**

*Each site is self powered with two generators and DC Inverter Systems to make sure that power supply is constant.*

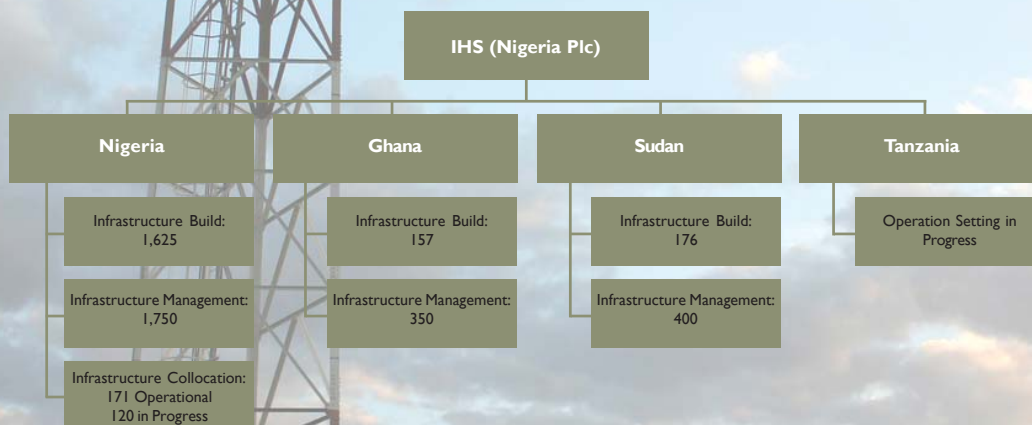


## Products and Services

### Infrastructure Deployment

Since its establishment in 2001, IHS has been involved in the building of telecommunication infrastructure, often referred to as towers or cell sites. Today, we have evolved to be one of the major players in this sector, with a portfolio of about 2,000 sites built over 3 African countries.

IHS handles all aspects of telecommunications network construction; from site acquisition and design, to equipment supply, and from electro-mechanical installation to integration and testing. We offer a comprehensive service thus making us the preferred provider for all major operators and vendors in the region.



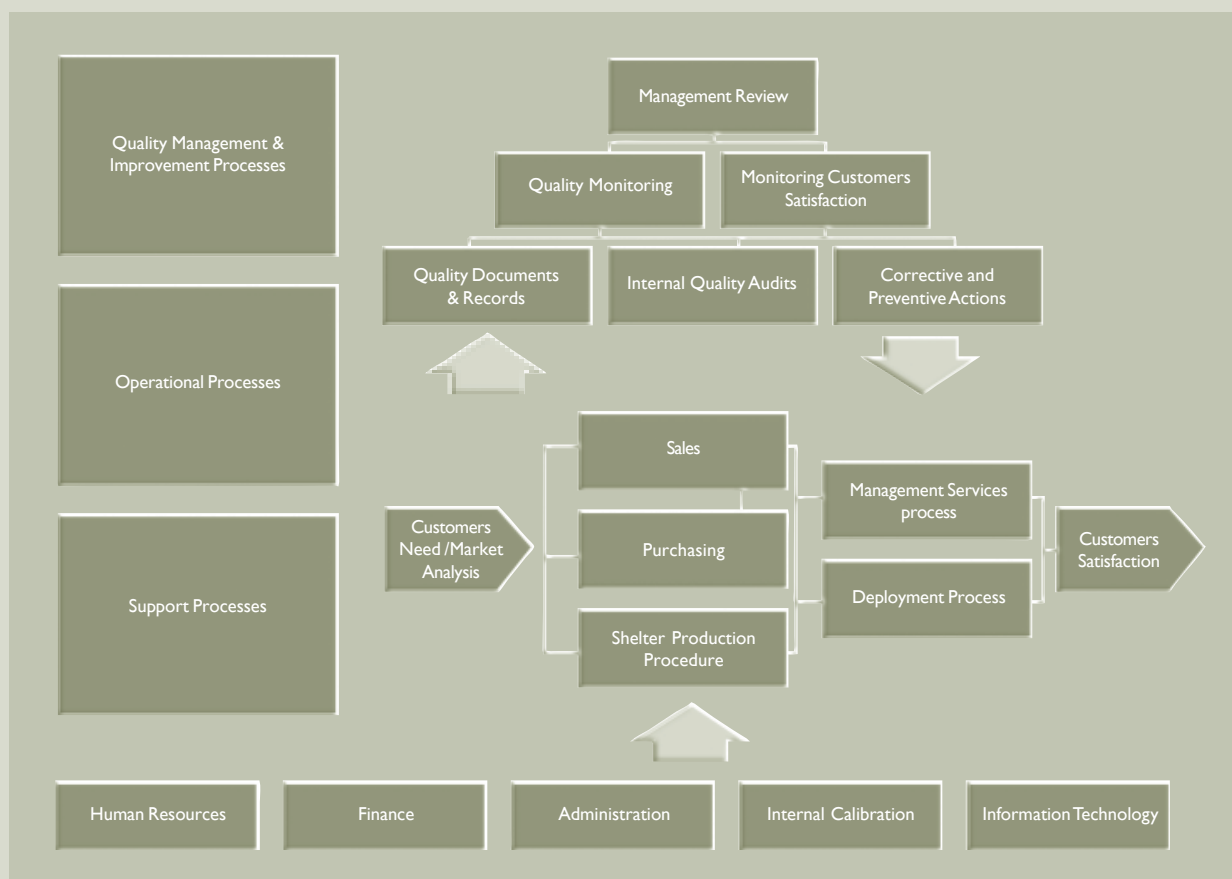
*Products and Services*

ISO 9001:2000

**ISO Certified Quality Management System**

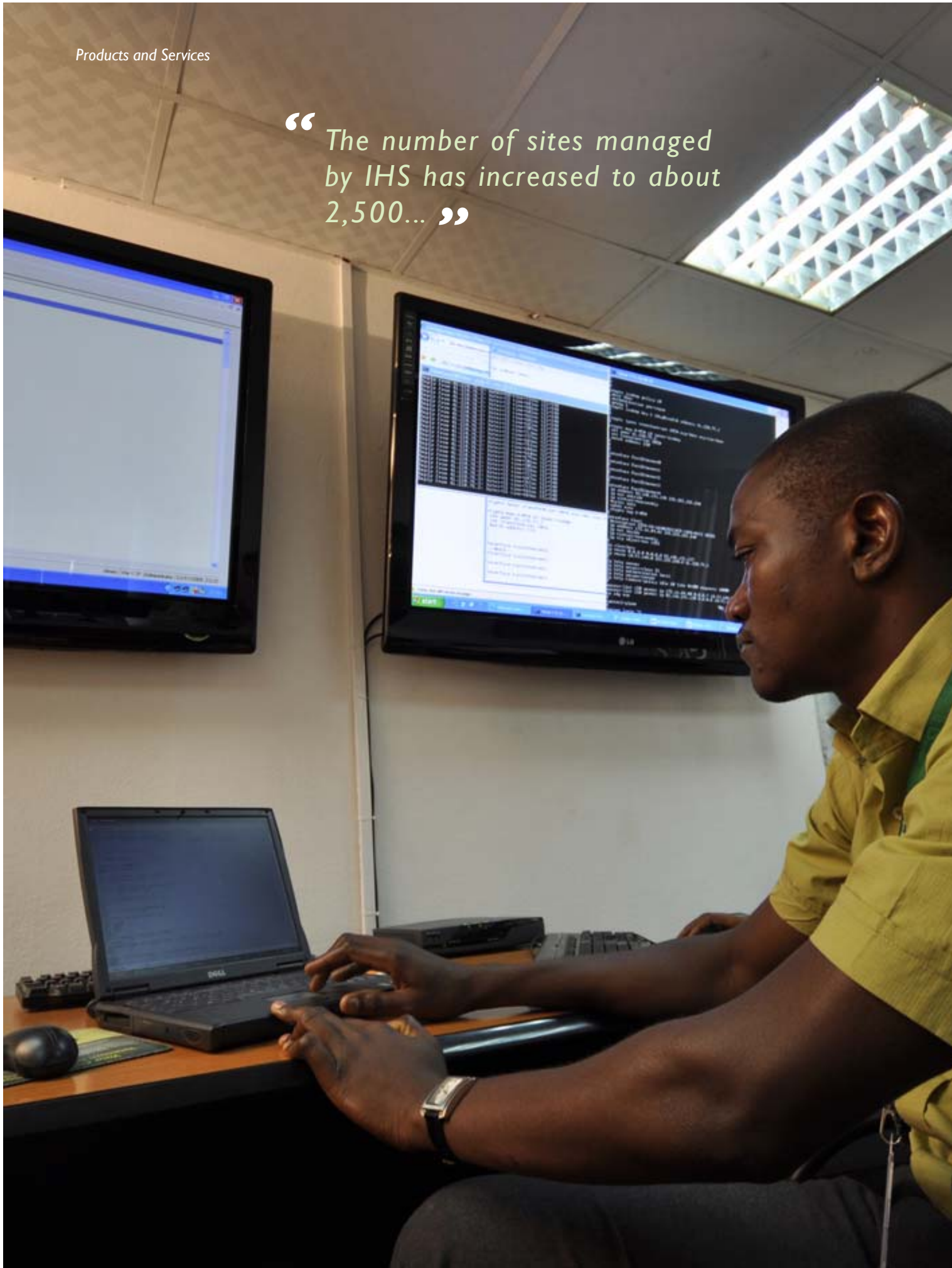
We at IHS are guided by the notion that we are problem-solvers. In order to ensure full customer satisfaction and continuous growth, IHS established, documented, and implemented a Quality Management System conforming to ISO 9001:2008 requirements in 2006. This system which dictates our internal procedures and guides our day to day activities is continuously improved and updated to assure its effectiveness and efficiency.

With an ISO 9001:2008 certified Quality Management System, a large pool of highly qualified staff, and a deep understanding by management of the African market in general and the Nigerian market specifically, IHS's future is indeed bright even as we continue to make the creation of solutions a priority.



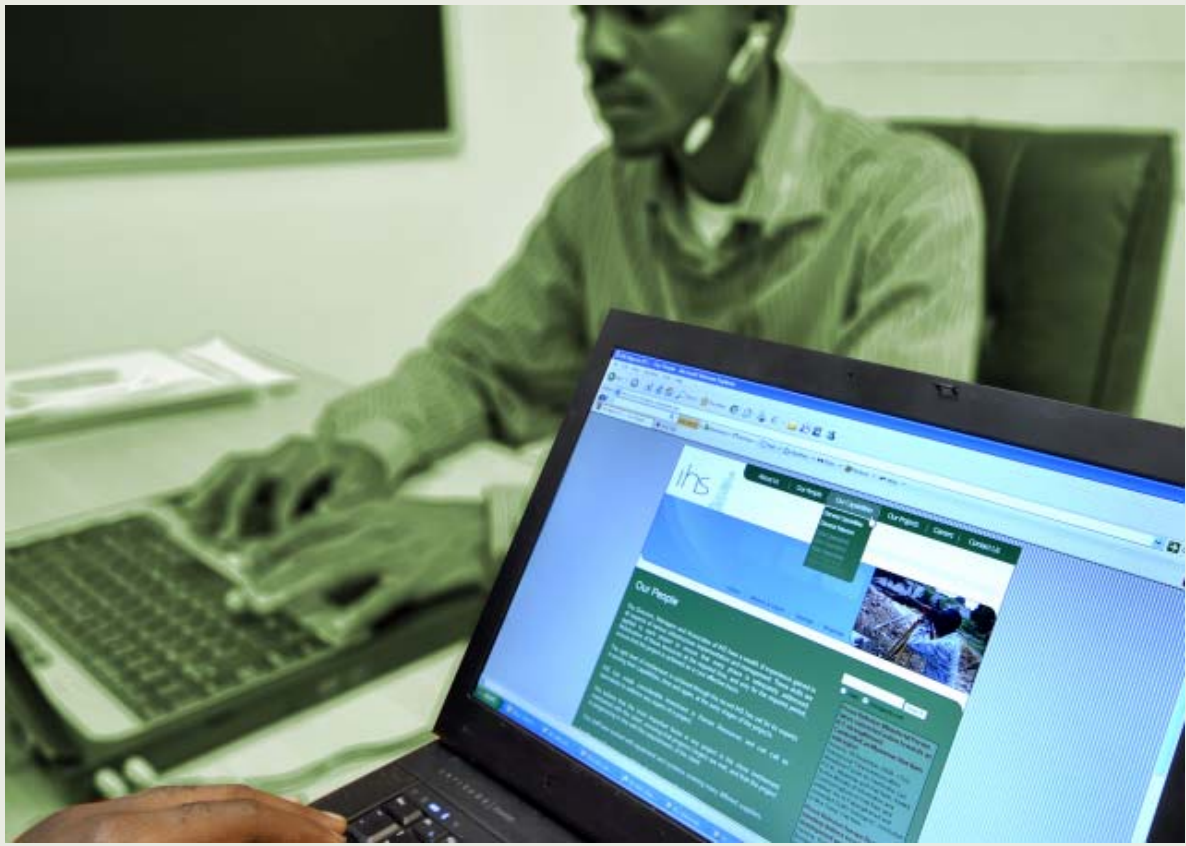
Products and Services

“The number of sites managed by IHS has increased to about 2,500...”





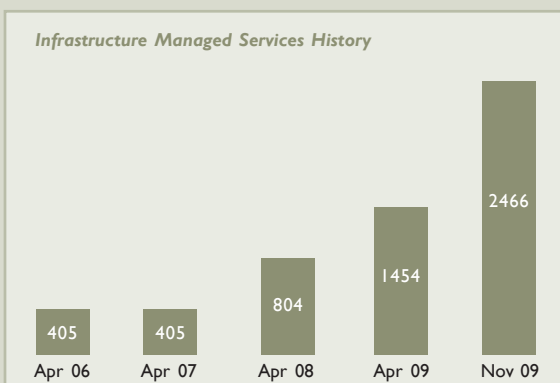
## Products and Services



### Infrastructure Managed Services

Our service does not end with the construction and installation of sites; we embark on a system of continuous network operation maintenance, where preventive and corrective measures are taken to ensure network availability and thereby maximizing connectivity.

A very active unit at IHS, it has always been given full support by management, thus encouraging its development and growth over the years. As at 2009, the number of sites managed by IHS has increased to about 2,500. The diagram below shows the progress of infrastructure management services over the past years.



#### Infrastructure Managed Services components:

##### ■ Secure Inflow

*Inflow from this line of business is monthly and secured over the life of the contract.*

##### ■ 2 Year Renewed Contract

*Managed services contracts are normally for 2 years with possibility of renewal.*

##### ■ Consistent Growth

*Revenue from this line of business constantly grows due to the addition of sites on a continual basis.*

##### ■ Scope of Work

- > Site Security
- > Civil Maintenance
- > DC & AC Maintenance
- > Generator Overhauling
- > Diesel Supply
- > RF, MW, & BTS Maintenance
- > Spare Parts Management

##### ■ Network Analysis and KPI's Calculation

*Weekly generation of key performance indicators where loopholes are identified and solved.*



### *Social Responsibility*

At IHS, we believe that Corporate Social Responsibility is not just about “giving back to the community we work in, because they have given us a lot”. We understand that the stability of our environments and host communities is key to our continued existence; therefore our social investments will be directed at sustainable projects that benefit entire communities. Thus far, our social interventions have been about tangible care and genuine interest in the well-being of our host communities, and as such we have begun to contribute in the areas of Employment and Education.



*“We are aware that our actions, in the course of doing business, impact on our communities and environments, therefore we are committed to playing our part through Corporate Social Responsibility.... ”*

#### **Over the years,**

IHS has actively and consistently created junior management positions for fresh graduates, and provided on-job training and development.

IHS has created positions for young undergraduates, who require a year of Industrial Attachment or Training that is relevant to their chosen course of study, in order to graduate from their respective universities, as well as for those serving the mandatory 1 year service to the nation, under the NYSC scheme.

IHS has assisted individuals to start small businesses.

IHS has placed fresh graduates on the employment ladder by offering permanent jobs.

Other social interventions have involved collaborations with various charitable, educational, and environmental institutions, to impact positively on lives, through change.

We are aware that our actions, in the course of doing business, impact on our communities and environments, therefore we are committed to playing our part through Corporate Social Responsibility. The form this will take is being structured and clearly articulated such that IHS's efforts will continually make a difference in people's lives.



#### **Corporate Governance**

IHS Nigeria Plc was birthed on a solid foundation of the key elements of honesty, trust, and integrity. We pride ourselves on the fact that we are driven by our purpose and the pursuit of same is guided by a clear and specific belief system. A system that demands from each of us individually and collectively:

- Achievement. We have come together as an organisation to achieve certain goals and this remains the focal point for the use of time and resources.
- Ethical conduct. Everything we do and say must be fair and right, every time.
- Accountability. We stand by our actions, remembering that we are responsible to our clients, each other as staff and to our shareholders.
- Respect. Our activities have an impact on our clients, on society at large, on the environment and on the company itself, thus we are committed to ensuring this impact is always positive.

Corporate governance at IHS is being built into the framework of the company's internal procedures practices and activities. This system will put checks and controls in place and ensures that the reputation we have built over the years for performance, transparency efficiency and quality service delivery will remain intact.

Further proof of our commitment to self-regulation is the external governance controls that the board and management submit to, as a way of check and balances and to reinforce transparency at all levels.





*Environmental Issues*

## Going Green...

*At IHS we subscribe to the view that we are all responsible for keeping our planet healthy and alive, and there is much we can do in our immediate surroundings. We continue to seek ways of executing aspects of our operations in a more environmentally sustainable manner.*

One such aspect is in the area of power generation. A number of our sites are located in areas that are not connected to the national grid, or are in areas where the availability of constant power is a challenge; therefore we rely on two diesel generators per site, (which work alternately) to ensure the various networks stay on-line. One of the alternatives being explored is the use of wind turbines and solar energy. With zero emissions, this would be an ideal solution.

Another is a hybrid solution which would reduce reliance on generators and significantly reduce carbon emissions. However we have already been able to reduce our carbon footprint through Site Sharing. This means that more than one operator can use a site, and as such there are fewer sites, carbon emissions are greatly reduced and there's less impact on the environment.



## Environmental Issues

**Main:**

Prototype Solar powered base stations are the type of solutions IHS are currently considering, with a view to integrating them into its present system.

**Insert:**

An example of a wind turbine.





## Highlights and Awards



Left: An article from The Economist reporting on IHS' position as of early 2009.



## IHS, Making Waves...

The successes achieved by IHS have not gone unnoticed by the local and international press. Along with strategic presence at exhibitions and trade shows, we are continually being recognized as the premium Telecoms Support Company.





## Highlights and Awards



*The MD. receiving an award on behalf of the Company during the Nigerian Telecom Awards night.*

Infrastructure of the Year 2008

Infrastructure Provider of the Year 2008

Telecom CEO of the Year 2009

Infrastructure Provider of the Year 2009

**IHS** is also ISO 9001:2008 Certified and is now a fully quoted company on The Nigerian Stock Exchange.

*Over the past few years, we received several awards from Organisations such as Nigerian Telecom News and Nigerian Information Technology Awards (NITTA) for which we are thankful. It was especially gratifying to have our work and the various talents of our people recognized, but more importantly, they have served as incentives for better performance, and reinforced our commitment to quality service.*





## Going Forward...

### *Where is Africa's Telecom Sector Heading?*

It is estimated that African mobile operators have the capacity to add another 300 million to the existing 400 million subscribers by 2013, taking Africa's mobile subscription base to 700 million. This is the equivalent of the total population of Europe.

Average annual growth in this sector is about 8%, and revenues from mobile services in Africa are estimated to hit US \$66 billion by 2013, a significant improvement from US \$44 billion in 2008. With nominal penetration rates in some African markets lower than 40% and in about a dozen others, even lower than 30%, the possibilities are endless for our company, particularly with the on-going execution of our short and long-range plans for expansion into these markets.

### *Where is Nigeria's Telecom Sector Going?*

It is the fastest growing sector in Africa, and according to N.C.C, Nigeria's Telecom Sector has 67 million active subscribers as at March 2009 and growing. It has been reported that Telecoms contributed to the nation's slightly elevated overall GDP, even as far back as 2007, therefore Nigeria's capital expenditure in this sector was unsurprisingly estimated at about \$3 billion in 2008, the next largest market being South Africa. An estimated US\$ 10 billion will be required for telecommunication infrastructure over the next 8 years, in addition to the US\$ 6 billion spent in the past five years on telecommunication infrastructure.

These numbers indicate that there is a huge potential for business for our company IHS, as we provide services that are crucial for this huge subscriber base to remain connected.

### *Where is IHS Going?*

We live in challenging times, and yet **IHS** has been able to survive them, and make a significant impact in the industry in Africa, through the provision of services that help our clients strengthen their own businesses. This is evident in our financials and if we are to maintain growth, we must continue to bring innovations to our services and their delivery. The Telecoms sector operates in a stable and regulated environment which will encourage and accommodate new entrants, however as our industry continues to grow, we must anticipate market changes and movements, so as to be at the forefront of providing solutions. It is important that we continue to listen to our clients such that our products lessen their burdens and challenges.

2009 witnessed consistent revenue growth, from N344 million to N11.5 billion. Total assets grew likewise, from N178 million to N23 billion in the same year, whilst expanding our operations into other parts of Africa, namely Ghana, Sudan and Tanzania.

There is no reason why this should not improve further.



# T h e   A c c o u n t s

Directors' Report	34
Statement of directors' responsibilities	36
Report of the Audit Committee	36
Auditors' report	37
Profit and loss account	38
Balance sheet	39
Statement of cash flows	40
Statement of significant accounting policies	41
Notes to the Accounts	45
Value added statement	53
Five year financial summary - Balance Sheet	54
Five year financial summary - Profit and Loss	55
Notice of Annual General Meeting	56



## Directors' Report

for the year ended 30 April 2009

The Directors are pleased to submit their report together with the audited financial statements for the year ended 30 April 2009 which disclose the state of affairs of the company.

### Principal Activities and Business Review

I H S Nigeria Plc was incorporated in Nigeria as a private limited company in 2001. It however became a public company with the shares quoted on the Nigerian Stock Exchange in January 2009.

The company is a telecom infrastructure service provider engaged in Turnkey Infrastructure Deployment (network construction), Infrastructure Managed Services (network operations and maintenance) and Infrastructure Sharing and Leasing (collocation services).

### Results for the Year Ended 30 April 2009

	Group		Company	
	2009	2008	2009	2008
	N'000	N'000	N'000	N'000
Profit before taxation	1,426,435	1,006,661	797,536	1,006,661
Profit after taxation	1,047,718	758,174	524,720	758,174
Shareholders' funds	9,492,527	1,498,460	9,187,854	1,498,460

### Analysis of Ordinary Shareholders

	2009		2008	
Shareholders	N'million	%	N'million	%
UBC Services Inc (UK)	1,287.00	58.51	27.00	90.00
Fetlock Nig Limited	145.00	6.59	0.00	0.00
Skye Financial Services Limited	109.40	4.97	0.00	0.00
Law Union & Rock Insurance Plc	93.80	4.26	0.00	0.00
Apex IT Technologies Limited	87.45	3.98	0.00	0.00
Tarpul Resources Nigeria Limited	84.63	3.85	0.00	0.00
Skye Stockbrokers Limited	84.50	3.84	0.00	0.00
** Bashir Ahmad El-Rufai	71.50	3.25	1.50	5.00
Gold Water Securities Limited (Nigeria)	71.50	3.25	1.50	5.00
Others	165.00	7.50	0.00	0.00
	2,200	100	30	100

\*\* Bashir Ahmad El-Rufai is the Chairman of the Company

**Directors' Report cont.**  
for the year ended 30 April 2009

### **Employment of Disabled Persons**

The company does not discriminate in its employment policy against disabled persons when there are job vacancies suitable for them.

### **Health, Safety and Welfare**

The company enforces strict health and safety rules and practices at the work environment, which are reviewed and tested regularly.

Fire prevention and fire-fighting equipment are installed in strategic locations within the company's premises. All the company's employees are covered by Workmen's Compensation. Medical costs of employees are borne by the company as considered appropriate.

### **Employee Training and Involvement**

The directors maintain regular communication and consultation with the employees and staff representatives on matters affecting employees and the company.

There is great emphasis on staff development and training through carefully planned training courses and seminars to update the special skills and job requirements of the staff throughout the company.

### **Donations and Gifts**

The company made various donations of amounting to N6million during the period, which include vehicle and other cash donations.

### **Auditors**

In accordance with Section 357(2) of the Companies and Allied Matters Act PricewaterhouseCoopers will continue in office without any resolution being passed. A resolution will however be proposed at the Annual General Meeting authorising the Directors to fix their remuneration.

### **By Order of the Board**



**Jimoh Umoru**  
Company Secretary

17 December 2009



## Statement of Directors' Responsibilities

for the year ended 30 April 2009


The Companies and Allied Matters Act (CAP C20), Laws of the Federation of Nigeria 2004, requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the company at the end of the year and of its profit or loss. The responsibilities include ensuring that the company:

- keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria 2004.
- establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.

"The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with Nigerian Accounting Standards and the requirements of the Companies and Allied Matters Act (CAP C20), Laws of the Federation of Nigeria 2004.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement."



Chairman



Director

17 December 2009

## Report of the Audit Committee

for the year ended 30 April 2009

In accordance with the provision of section 359(6) of the Companies and Allied matters Act (CAP C20) Laws of the Federation of Nigeria, 2004, we have reviewed the audited financial statements of Company for the year ended 30th April 2009 and report as follows :

- The accounting reporting policies of the Company are consistent with legal requirements and agreed ethical practices.
- The scope and planning of the external audit was adequate.
- The Company maintained effective systems of accounting and internal controls during the year.
- The Company's Management have adequately responded to matter covered in the Management report issued by the external auditors.



**Akin Ajayi**  
Chairman Audit Committee

18th December 2009

### Members of the Audit Committee

Mr Akin Ajayi  
Mallam Aminu Mustapha  
Mr Gbenga Onakomaiya  
Mr Abdulkadiri Idris

**Secretary**  
Jimoh Umoru



## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF IHS NIGERIA PLC

### Report on the financial statements

We have audited the accompanying consolidated financial statements of IHS Nigeria Plc (the 'Company') and its subsidiaries (together, the 'Group') which comprise the consolidated balance sheet as of 30 April 2009 and the consolidated profit and loss account and consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

#### *Directors' responsibility for the financial statements*

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with Nigerian Statements of Accounting Standards and with the requirements of the Companies and Allied Matters Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's responsibility*

Our responsibility is to express an independent opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

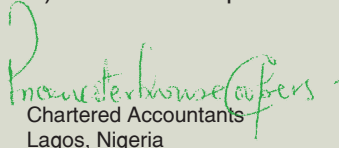
#### *Opinion*

In our opinion the accompanying financial statements give a true and fair view of the state of the financial affairs of the Group and of the Company at 30 April 2009 and of the profit and cash flows of the Group and of the Company for the year ended in accordance with Nigerian Statements of Accounting Standards and the Companies and Allied Matters Act 2004.

### Report on other legal requirements

The Companies and Allied Matters Act 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the Group, so far as appears from our examination of those books;
- iii) the Group's balance sheet and profit and loss account are in agreement with the books of account.



Chartered Accountants  
Lagos, Nigeria



21 December 2009

**Profit and Loss Account**

for the year ended 30 April 2009

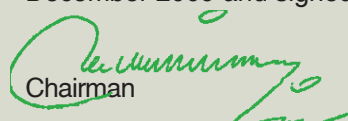
	Note	Group		Company	
		2009 N'000	2008 N'000	2009 N'000	2008 N'000
Turnover	2	11,340,386	7,266,437	8,317,837	7,266,437
Cost of sales		(9,043,661)	(5,618,885)	(7,050,350)	(5,618,885)
Gross profit		2,296,725	1,647,552	1,267,487	1,647,552
Administrative expenses		(958,820)	(383,224)	(559,996)	(383,224)
Operating profit	3	1,337,905	1,264,328	707,491	1,264,328
Net finance income / (cost)	4	12,644	(445,186)	14,159	(445,186)
Other income	5	75,886	187,519	75,886	187,519
Profit before taxation		1,426,435	1,006,661	797,536	1,006,661
Taxation	6	(378,717)	(248,487)	(272,816)	(248,487)
Profit after taxation		1,047,718	758,174	524,720	758,174
Minority Interest		(259,080)	-	-	-
Profit attributable to members	14	788,638	758,174	524,720	758,174
<b>Profit per share (Naira)</b>	19				
Basic earnings per share		0.21	12.64	0.14	12.64

The accounting policies and the notes on pages 45 to 52 form an integral part of these financial statements.

**Balance Sheet**  
 at 30 April 2009

		Group		Company	
		2009	2008	2009	2008
	Note	N'000	N'000	N'000	N'000
<b>ASSETS EMPLOYED</b>					
<b>Non current assets</b>					
Fixed assets	7	5,201,652	405,606	5,138,667	405,606
Long term investment	8	152,108	170,832	2,724,201	170,832
Goodwill	8	2,318,436	-	-	-
Due from related party	15	-	-	368,895	-
		7,672,196	576,438	8,231,763	576,438
<b>Current assets</b>					
Stocks and Work in Progress	9	5,876,043	1,004,818	5,144,862	1,004,818
Trade Receivables		7,036,796	1,620,671	5,358,316	1,620,671
Due from related party	15	5,220	951,090	72,238	951,090
Debtors and prepayments		1,633,434	1,176,533	1,633,434	1,176,533
Short term investment		-	-	-	-
Cash at bank and in hand		1,287,880	96,613	1,034,566	96,613
Total current assets		15,839,373	4,849,725	13,243,416	4,849,725
<b>Current liabilities</b>					
Trade Creditors		2,011,906	291,804	862,310	291,804
Due to related party		-	-	2,579	-
Accruals, provisions and other liabilities		1,189,933	489,174	778,725	489,174
Taxation		441,344	405,037	369,154	405,037
Short term borrowings	10	9,424,606	2,741,688	9,334,871	2,741,688
Total current liabilities		13,067,789	3,927,703	11,347,639	3,927,703
Net current assets		2,771,584	922,022	1,895,777	922,022
Total assets less current liabilities		10,443,780	1,498,460	10,127,540	1,498,460
<b>Non-current liabilities</b>					
Provision for gratuity		49,194	-	49,194	-
Deferred tax liability		188,793	-	177,226	-
Long term borrowings		713,266	-	713,266	-
		951,253	-	939,686	-
Net assets		9,492,527	1,498,460	9,187,854	1,498,460
<b>CAPITAL EMPLOYED</b>					
Share capital	11	2,200,000	30,000	2,200,000	30,000
Share premium	12	6,069,652	-	6,069,652	-
Revaluation reserve	13	316,022	311,400	316,022	311,400
Retained earnings	14	642,684	1,157,060	602,180	1,157,060
Foreign exchange translation reserve		(12,137)	-	-	-
		9,216,221	1,498,460	9,187,854	1,498,460
Minority Interest		276,306	-	-	-
		9,492,527	1,498,460	9,187,854	1,498,460

The financial statements and notes on pages 8 to 19 were approved by the Board of Directors on 17th December 2009 and signed on its behalf by:



Chairman



Managing Director



**Statement of Cash Flows**

for the year ended 30 April 2009

	Note	2009 N'000	2008 N'000	2009 N'000	2008 N'000
<b>Cash flow from operating activities</b>					
Operating Profit		1,337,905	1,264,328	707,491	1,264,328
<b>Adjustment for non-cash items:</b>					
Depreciation (net of Adjustments)	7	80,522	37,209	67,571	37,209
Provision for Gratuity		49,194	-	49,194	-
Adj for IHS Share of Profit Prior to take over date		(223,414)	-	-	-
Prior Year Adjustment	7	13,622	-	13,622	-
(Profit / Loss on Fixed Assets Sold	5	1,185	(244)	1,185	(244)
		1,259,014	1,301,293	839,063	1,301,293
<b>Other Adjustments to reconcile operating profit to cash from operating activities:</b>					
Decrease/(increase) in trade debtors and prepayments		(5,873,026)	(2,245,151)	(4,194,546)	(2,245,151)
Decrease/(increase) in stocks		(4,871,225)	(143,288)	(4,140,044)	(143,288)
(Decrease)/increase in creditors and accruals		2,420,860	241,983	860,057	241,983
Other Income	5	75,886	187,519	75,886	187,519
Income Taxes paid		(153,617)	(8,328)	(131,473)	(8,328)
<b>Net cash inflow from operating activities</b>		(7,142,108)	(665,972)	(6,691,057)	(665,972)
<b>Cash flow from investing activities:</b>					
Purchase of fixed assets	7	(4,873,213)	(53,102)	(4,802,367)	(53,102)
Investments made		18,724	(4,806)	(2,553,369)	(4,806)
Goodwill		(2,318,436)	-	-	-
Sale of Fixed assets		550	300	550	300
Interest received		463,806	40,945	463,806	40,945
<b>Net cash outflow from investing activities</b>		(6,708,569)	(16,663)	(6,891,380)	(16,663)
<b>Cash flow from financing activities</b>					
Proceeds from related party		945,870	-	512,536	-
Loan from banks		7,396,184	1,243,304	7,306,449	1,243,304
Issue of share capital (net of Expenses)		7,151,052	-	7,151,052	-
Interest paid		(451,162)	(486,131)	(449,647)	(486,131)
<b>Net cash outflow from financing activities</b>		15,041,944	757,173	14,520,390	757,173
<b>Cash and cash equivalents</b>					
Increase in cash and cash equivalents		1,191,267	74,538	937,953	74,538
Cash and cash equivalents brought forward		96,613	22,075	96,613	22,075
<b>Cash and cash equivalents carried forward</b>		1,287,880	96,613	1,034,566	96,613
<b>Cash and cash equivalents comprise:</b>					
Cash at bank and in hand		1,287,880	96,613	1,034,566	96,613

The accounting policies and the notes on pages 45 to 52 form an integral part of these financial statements..

## Statement of Significant Accounting Policies

for the year ended 30 April 2009

The following are the significant accounting policies adopted in the preparation of these financial statements.

### Basis of preparation of financial statements

These financial statements are the stand alone and consolidated financial statements of IHS Nigeria Plc. and its subsidiaries (the Group). The financial statements are prepared under the historical cost convention and in compliance with Nigerian Statements of Accounting Standards (SAS) issued by the Nigerian Accounting Standards Board (NASB). The financial statements are presented in the functional currency, Nigerian Naira, rounded to the nearest thousand.

### Basis of Consolidation

Subsidiary undertakings are those companies in which the Group, directly or indirectly, has an interest of more than one-half of the voting rights or over which the Group has power to exercise control. Subsidiary undertakings are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the group.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired of the subsidiary is recorded as goodwill.

All material intercompany transactions and balances between Group companies are eliminated.

### Revenue recognition

Revenue is made up income arising from telecommunications infrastructure deployment, telecommunications infrastructure managed services, telecommunications infrastructure sharing and leasing, and sale of equipment.

The company recognizes revenue on telecommunications infrastructure deployment using the Percentage-of-completion method based on the terms on each of the contracts. Revenue on telecommunications infrastructure managed services, sharing and leasing, and sale of equipment is recognized when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the company's activities as described below.

Interest income is recognized on time-proportion basis using the effective interest method.

When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow.

### Property, plant and equipment

#### (i) Owned assets

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of self-constructed assets includes the cost of materials, direct labor, and an appropriate proportion of overheads. Where significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items.

#### (ii) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

## Statement of Significant Accounting Policies (contd)

for the year ended 30 April 2009

### (iii) Depreciation

Depreciation of fixed assets is calculated on a straight-line basis to write off the cost or valuation of each asset over their estimated useful lives.

Useful lives, depreciation methods and current residual values are reassessed at each balance sheet date.

Depreciation of fixed assets is on a straight-line basis at the following rates calculated to write off the cost or valuation of the assets concerned over their estimated useful lives:

	Percentage
Leasehold land	Over the lease period
Base station sites	4.0
Office complex	2.5
Furniture and fittings	15.0
Office equipment	10.0
Other equipment	25.0
Motor vehicle	25.0

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### Foreign currency and translation

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in naira, which is the functional currency of the parent entity and the presentation currency for the consolidated financial statements.

The assets and liabilities of overseas subsidiaries are translated into naira at the rate of exchange ruling at the balance sheet date. The income statements of overseas subsidiaries are translated using the average monthly exchange rate. The exchange differences arising on retranslation are taken directly to equity. On disposal of a foreign entity, accumulated exchange differences are recognized in the income statement as a component of the gain or loss on disposal.

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All gains and losses arising on retranslation are included in net profit or loss for the period.

### Investments in subsidiaries

Investments in subsidiaries are carried in the company's balance sheet at cost less provisions for impairment losses. Where in the opinion of the Directors, there has been impairment in the value of an investment, the loss is recognized as an expense in the period in which the impairment is identified.

### Segmental reporting

A segment is a distinguishable component of the Group that is engaged in providing services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

### Goodwill

Goodwill is the excess of the cost of an acquisition over the fair value of the share of net assets acquired. Goodwill is tested for impairment annually and whenever there is an indication of impairment. Goodwill is carried at cost less accumulated impairment losses.



## Statement of Significant Accounting Policies (contd)

for the year ended 30 April 2009

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to be prepared for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the income statement of the period in which they are incurred.

### Other investments

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale and are classified as non-current assets, unless they are expected to be realized within twelve months of the balance sheet date.

### Income tax

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax, education tax and deferred income tax.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA).

Education tax is assessed at 2% of the chargeable profits.

Deferred income tax is provided in full on significant temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

### Stock of Materials

Carrying cost of stock of goods are recognized at lower of cost of acquisition or net realizable value.

Work-in-progress comprises cost of goods and labor cost for the implementation of projects and other services in the process of delivery. It reflects the accumulated cost charged to customer order less amounts charged to cost of sales. It includes direct materials, direct labor (with overhead expenses) and other costs directly related to the job for which customer acceptance has not been received.

### Trade receivables

Trade receivables are stated net of bad debt provision. Specific and full provision is made for debts considered to be doubtful of recovery.

### Employees' retirement benefits

The Company in line with the provisions of the Pension Reform Act 2004 has a defined contribution pension scheme for its employees. Contributions to the scheme are funded through payroll deductions while the Company's contribution is charged to the profit and loss account.

The Company operates a gratuity scheme whereby at the time of leaving the service or retirement from the company the employee is paid gratuity. Employees who have completed minimum of 5 years of service are eligible under the scheme. Employees who have completed 5 years of service but less than 10 years of

**Statement of Significant Accounting Policies (contd)**

for the year ended 30 April 2009

service are paid 1 month of salary for each completed year of service, employees who have completed 10 years or more of service are paid 1.25 months of salary for each completed year of service.

**Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the balance sheet. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

**Provisions**

A provision is recognized in the balance sheet when: the group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

**Trade and other payables**

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

**Comparative figures**

Previous year figures have been reclassified and/or regrouped wherever found necessary.

**Notes to the Accounts**  
for the year ended 30 April 2009

## 1 The company

I H S Nigeria Plc was incorporated in Nigeria as a private limited company in 2001. It however became a public company with the shares quoted on the Nigerian Stock Exchange in January 2009.

## 2 Segmental Information

The Group has one business being Telecom Infrastructure deployment, Management Services, and Sharing and Leasing. The Group operates in Nigeria, Sudan, Ghana and United Arab Emirates (UAE). The Financial results are reported in following segments:

	Nigeria		Rest of Africa		Middle East		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Turnover (net of Intercompany sales)	7,915,828	7,266,437	2,144,535	-	1,280,023	-	11,340,386	7,266,437
Depreciation	81,193	37,209	12,425	-	526	-	94,144	37,209
Profit before taxation	797,536	1,006,661	491,016	-	137,883	-	1,426,435	1,006,661
Total assets	20,785,611	5,426,163	1,307,692	-	1,418,270	-	23,511,573	5,426,163
Net assets	8,500,865	1,498,460	871,008	-	120,654	-	9,492,527	1,498,460

## 3 Operating profit

	2009	Group	2009	Company
	N'000	2008	N'000	2008
	N'000	N'000	N'000	N'000

The following items have been charged in arriving at operating profit:

Depreciation on property, plant and equipment (Note.7)	94,144	37,209	81,193	37,209
Staff costs (Note 21)	494,610	54,760	210,542	54,760
Exchange loss/(gain)	(305,879)	77,049	(230,116)	77,049
Auditors' remuneration	17,192	5,000	15,000	5,000

## 4 Finance costs

Interest Income	463,806	40,945	463,806	40,945
Interest Charges	(451,162)	(486,131)	(449,647)	(486,131)
Net finance income / (cost)	12,644	(445,186)	14,159	(445,186)

## 5 Other income

Dividend Income	335	2,319	335	2,319
Insurance claim received	24,205	9,392	24,205	9,392
Profit on sale of investment	-	174,327	-	174,327
Profit on sale of assets	(1,185)	244	(1,185)	244
Other Income	52,531	1,237	52,531	1,237
	75,886	187,519	75,886	187,519



**Notes to the Accounts (contd)**

for the year ended 30 April 2009

**6 Taxation**

	2009 N'000	Group 2008 N'000	2009 N'000	Company 2008 N'000
<b>i) Per profit and loss account</b>				
Prior Years under Provision	-	-	-	-
Deferred Tax	188,794	-	177,226	-
Company income tax	173,981	232,205	79,648	232,205
Education tax	15,942	16,282	15,942	16,282
	378,717	248,487	272,816	248,487

**ii) Per balance sheet**

Opening Balance	405,037	164,877	405,037	164,877
Charged to P&L	189,923	248,487	95,590	248,487
Paid during the year	153,616	8,328	131,473	8,328
Balance as on 30/4/2009	441,344	405,036	369,154	405,036

a) The amount provided as income tax on the results for the year has been computed on the basis of the Company Income Tax rate of 30% in accordance with the provisions of Companies Tax Act of 1979 (as amended).

b) Education tax represents 2% of assessable profit in accordance with the provisions of the Education Tax Act of 1993 as amended.

**7 Fixed assets****Group**

	Leasehold Land N'000	BTS tower equipment N'000	Office Complex N'000	Furniture & Fittings N'000	Office equipment N'000	Other equipment N'000	Motor vehicle N'000	Capital Work in Progress N'000	Total N'000
<b>Cost</b>									
At 1 May 2008	-	-	360,000	55,852	19,242	16,719	54,911	-	506,724
Arising on acquisition of subsidiary	-	-	-	1,716	3,031	915	-	-	5,662
Additions	1,538,659	3,037,792	-	52,640	24,015	39,738	34,168	146,201	4,873,213
Disposals	-	-	-	-	-	-	(2,450)	-	(2,450)
At 30 April 2009	1,538,659	3,037,792	360,000	110,208	46,288	57,372	86,629	146,201	5,383,149
<b>Depreciation</b>									
At 1 May 2008	-	-	13,622	29,831	8,972	13,953	34,740	-	101,118
Adjustment to prior year charge	-	-	(13,622)	-	-	-	-	-	(13,622)
Arising on acquisition of subsidiary	-	-	-	286	172	114	-	-	572
Charge for the year	9,087	36,749	9,000	14,649	5,167	5,976	13,516	-	94,144
Eliminated on disposal	-	-	-	-	-	-	(715)	-	(715)
At 30 April 2009	9,087	36,749	9,000	44,766	14,311	20,043	47,541	-	181,497
<b>Net book amounts</b>									
At 30 April 2009	1,529,572	3,001,043	351,000	65,442	31,977	37,329	39,088	146,201	5,201,652
At 30 April 2008	-	-	346,378	26,021	10,270	2,766	20,171	-	405,606

**Notes to the Accounts (contd)**  
for the year ended 30 April 2009

Company	Leasehold Land N'000	BTS tower equipment N'000	Office Complex N'000	Furniture & Fittings N'000	Office equipment N'000	Other equipment N'000	Motor vehicle N'000	Capital Work in Progress N'000	Total N'000
<b>Cost</b>									
At 1 May 2008	-	-	360,000	55,852	19,242	16,719	54,911	-	506,724
Additions	1,538,659	3,037,792	-	24,390	20,662	609	34,054	146,201	4,802,367
Disposals	-	-	-	-	-	-	(2,450)	-	(2,450)
At 30 April 2009	1,538,659	3,037,792	360,000	80,242	39,904	17,328	86,515	146,201	5,306,641
<b>Depreciation</b>									
At 1 May 2008	-	-	13,622	29,831	8,972	13,953	34,740	-	101,118
Adjustment to prior year charge	-	-	(13,622)	-	-	-	-	-	(13,622)
Charge for the year	9,087	36,749	9,000	7,794	3,426	1,630	13,507	-	81,193
Eliminated on disposal	-	-	-	-	-	-	(715)	-	(715)
At 30 April 2009	9,087	36,749	9,000	37,625	12,398	15,583	47,532	-	167,974
<b>Net book amounts</b>									
At 30 April 2009	1,529,572	3,001,043	351,000	42,617	27,506	1,745	38,983	146,201	5,138,667
At 30 April 2008	-	-	346,378	26,021	10,270	2,766	20,171	-	405,606

On 29th April 2008, the company's office complex at Lekki Phase 1, Lagos was re-valued by a firm of professional valuers using the investment method of valuation. The office complex was valued at N360,000,000 as at the valuation date. Prior year adjustment of N13,622,184 has been recorded to reverse the accumulated depreciation on the office complex as at the valuation date.

## 8 Long term investments

	2009 N'000	Group 2008 N'000	2009 N'000	Company 2008 N'000
i) Investment in Subsidiaries				
Power and Communications Technologies Limited, Sudan	-	-	1,446,355	-
Infratech FZC, UAE	-	-	1,125,738	-
	-	-	2,572,093	-
ii) Marketable Securities	152,108	170,832	152,108	170,832
	152,108	170,832	2,724,201	170,832

IHS Nigeria PLC acquired 51% stake in Power and Communications Technologies Limited, Sudan on November 26, 2008.

IHS Nigeria PLC acquired 50% stake in Infratech FZC, UAE on January 12, 2009.

The previous shareholders of Power and Communications Technologies Limited and Infratech FZC have forfeited their rights to the companies share of profit from the first day of the financial year to the date of acquisition. Therefore the group revenues and group profits attributable to shareholders of N 11.46 billion and N 837.40 million respectively are as though these business combinations effected during the period occurred on the first day of the financial year.

**Notes to the Accounts (contd)**

for the year ended 30 April 2009

Details of the acquisition are as follows:

Carrying amount as at acquisition date	PCT Sudan N'000	Infratech FZC N'000
Net fixed assets	12,241	28,493
Current assets	536,972	1,824,008
Less: Current liabilities	(326,095)	(1,572,767)
<b>Net Tangible assets</b>	<b>223,118</b>	<b>279,734</b>
Attributable to IHS Nigeria PLC	113,790	139,867
Goodwill arising on acquisition	1,332,565	985,871
<b>Consideration paid</b>	<b>1,446,355</b>	<b>1,125,738</b>

**9 Stock and work-in-progress**

	2009 N'000	Group 2008 N'000	2009 N'000	Company 2008 N'000
Stock of materials	3,938,699	78,517	3,938,699	78,517
Work in progress	1,937,344	926,301	1,206,163	926,301
	<b>5,876,043</b>	<b>1,004,818</b>	<b>5,144,862</b>	<b>1,004,818</b>

**10 Short term borrowings**

Short term loan	4,750,254	-	4,660,519	-
Bankers Acceptance	466,785	-	466,785	-
Commercial Paper	3,000,000	-	3,000,000	-
Bank Overdraft	1,207,567	2,741,688	1,207,567	2,741,688
	<b>9,424,606</b>	<b>2,741,688</b>	<b>9,334,871</b>	<b>2,741,688</b>

**11 Share capital****Authorized:**

4.4 billion ordinary shares of 50kobo each	2,200,000	-	2,200,000	-
30 million ordinary shares at N1 each	-	30,000	-	30,000
	<b>2,200,000</b>	<b>30,000</b>	<b>2,200,000</b>	<b>30,000</b>

**Issued and fully paid**

4.4 billion ordinary shares of 50kobo each	2,200,000	-	2,200,000	-
30 million ordinary shares at N1 each	-	30,000	-	30,000
	<b>2,200,000</b>	<b>30,000</b>	<b>2,200,000</b>	<b>30,000</b>

On May 9, 2008 the shareholders approved a share capital increase of N 1,400,000,000 through the issue of 2,800,000,000 ordinary shares from retained earnings. The new shares were delivered to IHS shareholders in the ratio of 140 shares for every 3 existing shares held. The shortfall of N 311,399,960 in the retained earnings as a result of the bonus issue was paid in cash by the shareholders in the ratio of their shareholding.

On July 3, 2008 the Board of Directors approved a share capital increase of N 7,700,000,000 through the issue of 1,540,000,000 new ordinary shares by way of private placement.



**Notes to the Accounts (contd)**  
for the year ended 30 April 2009

## 12 Share premium

Share premium	6,069,652	-	6,069,652	-
---------------	-----------	---	-----------	---

## 13 Revaluation reserve

Balance at opening	311,400	-	311,400	-
Arising on revaluation	-	311,400	-	311,400
Prior year adjustment (note 7)	4,622	-	4,622	-
Revaluation reserve	316,022	311,400	316,022	311,400

## 14 Retained earnings

Balance at opening	1,157,060	398,886	1,157,060	398,886
Prior year adjustment (note 7)	9,000	-	9,000	-
Bonus issue during the year	(1,088,600)	-	(1,088,600)	-
Profit for the year	788,638	758,174	524,720	758,174
IHS Profit share from subsidiaries on takeover date	(223,414)	-	-	-
Balance at 30 April	642,684	1,157,060	602,180	1,157,060

## 15 Related party transactions

The Company has the following related parties:

- i) UBC Services Inc, UK - owns 59% of the Company's shares;
- ii) Power and Communication Technology Limited (PCT) - the company owns 51% of the shares;
- iii) Infratech FZC, United Arab Emirate - the company owns 50% of the shares;
- iv) Infratech Ghana Limited which is 100% owned by Infratech FZC, United Arab Emirates - the company owns 50% of the shares.

Transactions with related parties are recorded in the financial statements and, in the opinion of the directors, were carried out at arms length except for the interest free loans to the subsidiaries. The following transactions were carried out with related party:

	2009 N'000	Group 2008 N'000	2009 N'000	Company 2008 N'000
<b>a) Purchase of the subsidiary</b>				
UBC Services Inc, UK	-	-	2,572,093	-
<b>b) Sale of equipment</b>				
Infratech FZC, United Arab Emirate	-	-	402,009	-
<b>c) Year-end balances arising from sales/purchases of goods and services</b>				
Amount due from related parties				
i) Non-current:				
Infratech FZC, Dubai	-	-	244,617	-
Power Communication Tech. Ltd. SUDAN	-	-	124,278	-
	-	-	368,895	-

**Notes to the Accounts (contd)**

for the year ended 30 April 2009

Loans to Subsidiaries are interest free.

ii) Current:

UBC Services Inc.	5,220	951,090	5,220	951,090
Infratech FZC, Dubai	-	-	67,018	-
	5,220	951,090	72,238	951,090

**16 Subsequent events**

No subsequent event after the balance sheet date came to the notice of the directors, which would materially affect the position shown by the financial statements on the balance sheet date.

**17 Contingent liabilities**

There were no law suits pending against the company and neither are there guarantees given on behalf of staff or other third parties as at the balance sheet date. The directors are of the opinion that all known liabilities and commitments which are relevant in assessing the state of affairs of the company have been taken into consideration in the preparation of these financial statements.

**18 Capital commitments**

Capital commitments as at 30 April 2009 was N592 million.

**19 Earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year

	2009 N'000	Group 2008 N'000	2009 N'000	Company 2008 N'000
Profit for the year attributable to shareholders (N'000)	788,638	758,174	524,720	758,174
Weighted average number of ordinary shares in issue ('000)	3,676,667	60,000	3,676,667	60,000
Basic earnings per share (Naira)	0.21	12.64	0.14	12.64

There were no potentially dilutive shares at year end.

**20 Dividends per share**

On 17 December 2009, the directors proposed a dividend of 5 kobo per share from the general reserve as at 30 April 2009. The dividend will become payable after it has been ratified at the next Annual General Meeting.

Dividend is normally paid to shareholders less withholding tax of 10%.

**Notes to the Accounts (contd)**  
for the year ended 30 April 2009

**21 Directors and employees**

	2009 Number	Group 2008 Number	2009 Number	Company 2008 Number
The average number of persons (excluding directors) employed by the company during the year was:				
Executive	13	6	7	6
Management	28	8	13	8
Senior staff	160	72	97	72
Junior staff	387	142	171	142
	588	228	288	228
Staff costs for the above persons:				
	2009 N'000	Group 2008 N'000	2009 N'000	Company 2008 N'000
Wages and salaries	445,416	54,760	161,348	54,760
Retirement benefit cost	49,194	-	49,194	-
	494,610	54,760	210,542	54,760

The number of employees of the company, other than directors, per their earnings in the year is analyzed as follows:

	2009 Number	Group 2008 Number	2009 Number	Company 2008 Number
0 - 200,000	79	34	19	34
200,001 - 400,000	148	63	63	63
400,001 - 600,000	139	77	107	77
600,001 - 800,000	75	23	47	23
800,001 - 1,000,000	64	12	17	12
1,000,001 - 1,200,000	20	11	10	11
1,200,001 - 1,400,000	16	3	7	3
1,400,001 - 1,600,000	18	2	9	2
1,600,001 - 1,800,000	5	1	1	1
1,800,001 - 2,000,000	8	-	3	-
2,000,001 - 2,200,000	6	1	1	1
2,200,001 - 2,400,000	3	-	1	-
2,400,001 - 2,600,000	2	-	1	-
2,600,001 - 2,800,000	1	-	-	-
2,800,001 - 3,000,000	1	-	-	-
3,000,001 - 3,200,000	1	-	-	-
3,200,001 - 3,400,000	1	-	-	-
3,400,001 - 3,600,000	1	1	1	1
3,600,001 - 3,800,000	1	-	-	-
3,800,001 - 4,000,000	1	-	-	-
4,000,001 - 4,200,000	1	-	-	-
4,200,001 - 4,400,000	1	-	-	-
4,400,001 - 4,600,000	1	-	-	-
4,600,001 - 4,800,000	1	-	-	-
4,800,001 - 5,000,000	1	-	-	-
5,000,001 - 5,200,000	1	-	-	-
5,200,001 - 5,400,000	1	-	-	-
5,400,001 - 5,600,000	1	-	-	-
5,600,001 - 5,800,000	1	-	-	-
5,800,001 - 6,000,000	1	-	-	-
	588	228	288	228



**Notes to the Accounts (contd)**

for the year ended 30 April 2009

**Directors**

The Remuneration paid to the directors of IHS Nigeria Plc was:

	2009 N'000	Group 2008 N'000	2009 N'000	Company 2008 N'000
Fees and sitting allowances	3,000	-	3,000	-
Executive Compensation	29,611	8,008	29,611	8,008
Pension Contribution	219	92	219	92
	32,830	8,100	32,830	8,100

Fees and other Emoluments disclosed above include amounts paid to:

- The Chairman	3,000	-	3,000	-
- The highest paid Director	7,739	3,332	7,739	3,332

The Number of Directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	2009 Number	Group 2008 Number	2009 Number	Company 2008 Number
0 - 500,000	-	3	-	3
2,000,001 - 2,500,000	-	2	-	2
3,000,001 - 3,500,000	1	1	1	1
5,000,001 - 5,500,000	2	-	2	-
7,000,001 - 7,500,000	1	-	1	-
7,500,001 - 8,000,000	1	-	1	-
	5	6	5	6

**Value Added Statement**  
 for the year ended 30 April 2009

	2009 N'000		2008 N'000		%	2009 N'000		2008 N'000		%
Turnover	11,340,386		7,266,437			8,317,837		7,266,437		
Other income	75,886		187,519			75,886		187,519		
Purchase of goods and services										
- Local	(8,058,533)		(5,910,140)			(6,890,150)		(5,910,140)		
- Foreign	(1,355,194)		-			(428,461)		-		
<b>VALUE ADDED</b>	<b>2,002,545</b>	<b>100%</b>	<b>1,543,816</b>	<b>100%</b>		<b>1,075,112</b>	<b>100%</b>	<b>1,543,816</b>	<b>100%</b>	
<b>DISTRIBUTION</b>										
<b>Employees:</b>										
Salaries and benefits	494,610	25%	54,760	4%		210,542	20%	54,760	4%	
<b>Government:</b>										
Tax	378,717	19%	248,487	16%		272,816	25%	248,487	16%	
<b>Providers of funds</b>										
Interest	(12,644)	-1%	445,186	29%		(14,159)	-1%	445,186	29%	
<b>The future:</b>										
Depreciation	94,144	5%	37,209	2%		81,193	8%	37,209	2%	
Retained Profit	1,047,718	52%	758,174	49%		524,720	49%	758,174	49%	
	<b>2,002,545</b>	<b>100%</b>	<b>1,543,816</b>	<b>100%</b>		<b>1,075,112</b>	<b>100%</b>	<b>1,543,816</b>	<b>100%</b>	

This statement represents the distribution of the wealth created through the use of the company's assets through its own and employees' efforts.

**Five Year Financial Summary****Balance Sheet**

<b>Group</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Assets Employed</b>					
Fixed assets	5,201,652	405,606	78,370	85,088	100,648
Long term investment	152,108	170,832	166,026	7,000	3,000
Goodwill	2,318,436	-	-	-	-
Due from related party	5,220	951,090	73,842	265,688	497,319
Stocks and Work in Progress	5,876,043	1,004,818	861,530	466,176	141,356
Trade Receivables	7,036,796	1,620,671	1,220,382	467,151	632,765
Debtors and prepayments	1,633,434	1,176,533	208,920	113,953	20,060
Cash at bank and in hand	1,287,880	96,613	22,073	10,700	9,006
	<b>23,511,569</b>	<b>5,426,163</b>	<b>2,631,143</b>	<b>1,415,756</b>	<b>1,404,154</b>

<b>Financed by</b>					
Share capital	2,200,000	30,000	30,000	30,000	30,000
Share Premium	6,069,652	-	-	-	-
Revaluation Reserve	316,022	311,400	-	-	-
Retained earnings	642,684	1,157,060	398,886	197,075	112,912
Foreign exchange translation reserve	(12,137)	-	-	-	-
Minority Interest	276,306	-	-	-	-
Long term borrowings	713,266	-	-	-	-
Deferred Tax Liability	188,793	-	-	-	-
Provision for Gratuity	49,194	-	-	-	-
Trade Creditors	2,011,906	291,804	429,334	39,209	86,491
Due to related party	-	-	-	148,492	11,971
Accruals, provisions and other liabilities	1,189,933	489,174	109,662	244,683	162,463
Taxation	441,344	405,037	164,877	92,996	34,436
Short term borrowings	9,424,606	2,741,688	1,498,384	663,301	965,881
	<b>23,511,569</b>	<b>5,426,163</b>	<b>2,631,143</b>	<b>1,415,756</b>	<b>1,404,154</b>

**Company**

<b>Assets Employed</b>					
Fixed assets	5,138,667	405,606	78,370	85,088	100,648
Long term investment	2,724,201	170,832	166,026	7,000	3,000
Due from related party	441,133	951,090	73,842	265,688	497,319
Stocks and Work in Progress	5,144,862	1,004,818	861,530	466,176	141,356
Trade Receivables	5,358,316	1,620,671	1,220,382	467,151	632,765
Debtors and prepayments	1,633,434	1,176,533	208,920	113,953	20,060
Cash at bank and in hand	1,034,566	96,613	22,073	10,700	9,006
	<b>21,475,179</b>	<b>5,426,163</b>	<b>2,631,143</b>	<b>1,415,756</b>	<b>1,404,154</b>

<b>Financed by</b>					
Share capital	2,200,000	30,000	30,000	30,000	30,000
Share Premium	6,069,652	-	-	-	-
Revaluation Reserve	316,022	311,400	-	-	-
Retained earnings	602,180	1,157,060	398,886	197,075	112,912
Long term borrowings	713,266	-	-	-	-
Deferred Tax Liability	177,226	-	-	-	-
Provision for Gratuity	49,194	-	-	-	-
Trade Creditors	862,310	291,804	429,334	39,209	86,491
Due to related party	2,579	-	-	148,492	11,971
Accruals, provisions and other liabilities	778,725	489,174	109,662	244,683	162,463
Taxation	369,154	405,037	164,877	92,996	34,436
Short term borrowings	9,334,871	2,741,688	1,498,384	663,301	965,881
	<b>21,475,179</b>	<b>5,426,163</b>	<b>2,631,143</b>	<b>1,415,756</b>	<b>1,404,154</b>



**Five Year Financial Summary**

Profit and Loss

Group	2009 N'000	2008 N'000	2007 N'000	2006 N'000	2005 N'000
Turnover	11,340,386	7,266,437	2,269,191	2,011,843	1,994,726
Cost of sales	(9,043,661)	(5,618,885)	(1,528,813)	(1,567,694)	(1,417,132)
Administrative expenses	(958,820)	(383,224)	(253,616)	(183,416)	(259,773)
Net Finance income / (cost)	12,644	(445,186)	(191,888)	(140,779)	(144,845)
Other income	75,886	187,519	291	3,607	7,054
<b>Profit before taxation</b>	1,426,435	1,006,661	295,165	123,561	180,030
Taxation	(378,717)	(248,487)	(93,354)	(39,397)	(55,354)
<b>Profit after taxation</b>	1,047,718	758,174	201,811	84,164	124,676
<b>Earnings per Share - Naira</b>	0.21	12.64	6.73	2.81	4.16
<b>Company</b>					
Turnover	8,317,837	7,266,437	2,269,191	2,011,843	1,994,726
Cost of sales	(7,050,350)	(5,618,885)	(1,528,813)	(1,567,694)	(1,417,132)
Administrative expenses	(559,996)	(383,224)	(253,616)	(183,416)	(259,773)
Net Finance income / (cost)	14,159	(445,186)	(191,888)	(140,779)	(144,845)
Other income	75,886	187,519	291	3,607	7,054
<b>Profit before taxation</b>	797,536	1,006,661	295,165	123,561	180,030
Taxation	(272,816)	(248,487)	(93,354)	(39,397)	(55,354)
<b>Profit after taxation</b>	524,720	758,174	201,811	84,164	124,676
<b>Earnings per Share - Naira</b>	0.14	12.64	6.73	2.81	4.16

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 1st ANNUAL GENERAL MEETING of IHS Nigeria Plc, will be held at Eko Hotel and Suites, Banquette Hall, on the 5th day of February 2010 at 10:00am to transact the following: **ORDINARY BUSINESS**

1. To receive the Report of the Directors, the Audited Financial Statements for the year ended 31st April, 2009 together with the Reports of the Auditors and the Audit Committee thereon.
2. To declare a dividend.
3. To authorize Directors to fix the remuneration of Auditors.
4. To re-elect / elect Directors.
5. To approve the remuneration of Directors.
6. To elect members of the Audit committee.

### NOTE:

#### 1. PROXY

A member of the company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his / her stead. A proxy need not be a member of the company. An unstamped form of proxy is attached and if it is to be valid for the purpose of the meeting, it must be completed and duly signed and stamped at the stamp duties office by the appointing shareholder and deposited at the Registrar's office, Intercontinental Registrars Ltd at 2nd Floor Kingsway Building, 107/113 Broad Street, Lagos, not less than 48 hours before the time of holding the meeting. A corporate member being a member of the company is entitled to execute a proxy under seal.

#### 2. CLOSURE OF REGISTER AND TRANSFER BOOKS

The Register of Members and Transfer Books of the Company will be closed from 18th to 22nd January 2010, both days inclusive to enable the presentation of an up to date Register.

#### 3. DIVIDEND

**The board recommends for the approval of shareholders a payment of 5 kobo per ordinary share of 50 kobo each, out of the profits declared in the financial year ended 30th April 2009 and which will be subject to withholding tax at the appropriate rate.**

#### 4. DIVIDEND PAYMENT

If the recommendation for dividend is approved, the dividend will be posted on the 12th of February 2010 to all shareholders, whose names appear on the register of the Company at close of business on 15th of January 2010.

#### 5. NOMINATION FOR AUDIT COMMITTEE

In accordance with section 359 (5) of the Companies and Allied Matters Act, CAP C20, LFN 2004, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

### BY ORDER OF THE BOARD



**JIMOH UMORU**

COMPANY SECRETARY / LEGAL ADVISER

DATED THIS 21ST DECEMBER, 2009





w w w . i h s n i g e r i a . c o m