"Welcome..."

Directors, Registered Address and Advisers

Directors

Bashir Ahmad El-Rufai	*- Chairman*
William Saad ■	*- Managing Director*
Olugbenga Onakomaiya	*- Executive Director*
Issam Darwish ■	*- Executive Director*
John Bernas ■	*- Executive Director*
Ola Olabinjo**	*- Non Executive Director*
Segun Akintemi**	*- Non Executive Director*
Akin Ajayi**	*- Non Executive Director*
Hassan Dantata**	*- Non Executive Director*
Mustafa Aminu*	*- Non Executive Director*

■ *Lebanese*
■ *American*
**Resigned 5 February 2010*
***Appointed with effect from 17 December 2010*

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

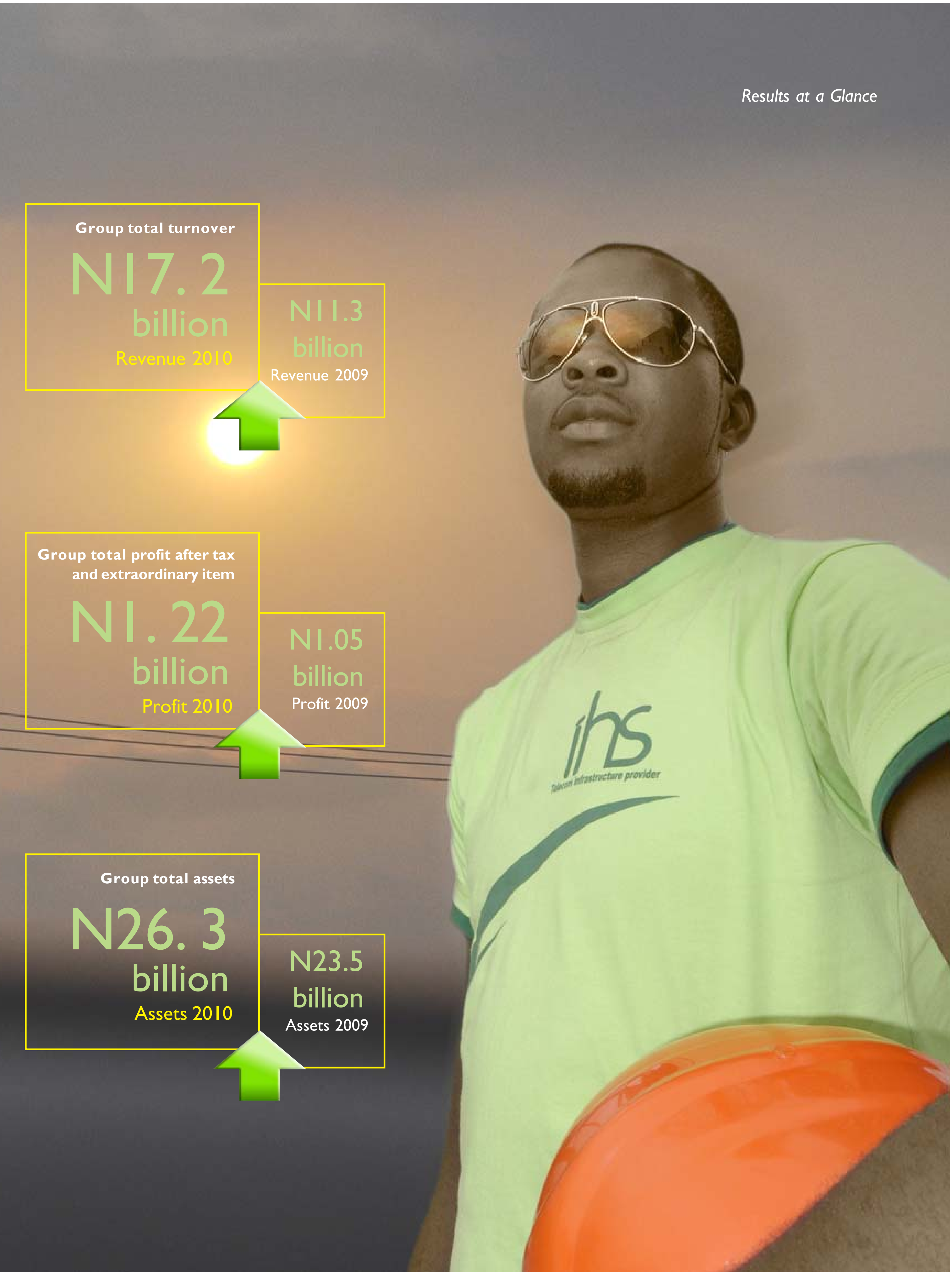
Bank PHB PLC
1, Bank PHB Crescent,
Victoria Island, Lagos.

United Bank for Africa PLC
57 Marina, Lagos.

Solicitors

Aluko & Oyebode
35 Moloney Street,
Marina, Lagos.

Results at a Glance



Group total turnover

N17. 2 billion
Revenue 2010

N11.3 billion
Revenue 2009

Group total profit after tax and extraordinary item

N1. 22 billion
Profit 2010

N1.05 billion
Profit 2009

Group total assets

N26. 3 billion
Assets 2010

N23.5 billion
Assets 2009

Locations / Other Addresses

IHS Nigeria

Lagos:
19 Bishop Aboyade Cole Street,
Victoria Island,
Lagos, Nigeria.
Tel: 01-2800790; Fax: 01-2800791

Abuja:
House 2, 442 Crescent,
Citec Vila, Gwarinpa,
Abuja, Nigeria.

Port Harcourt:
Number 3, Jesus Avenue,
By Mbouba, Port Harcourt,
Nigeria.

Infratech Ghana:

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

Power and Communications Technologies Company Ltd:

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

Infratech FZC:

Fujairah Free Zone,
Fujairah, UAE.

Web Site

www.ihsafrica.com

Subsidiaries

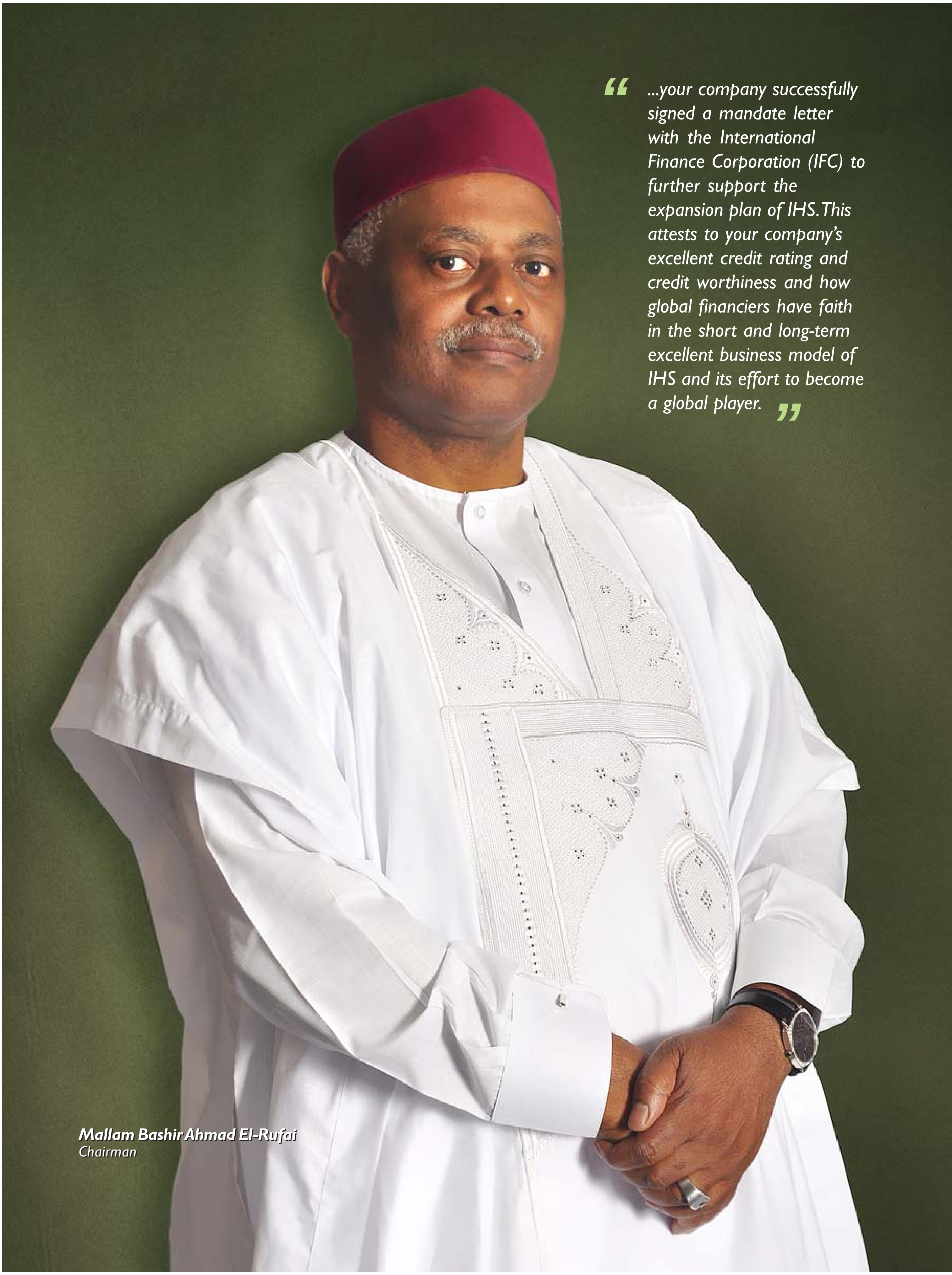
Infratech FZC operating in Ghana under
Infratech Ghana Limited:

With over 250 personnel, Infratech administers a 3-year maintenance contract with a prominent GSM operator, it also impliments various deployment and managed service jobs for various other telecommuication operators.

Power Communications and Technologies Co. Limited:
operating in Sudan

With over 80 personnel, it provides managed services and deployment to 2 out of the 3 major GSM Operators in the country. It has also established a strong presence all over Sudan, including southern Sudan and Darfur.

...The IHS name has proved to be a reliable and trusted brand across Africa and is steadfast in its resolve to remain the foremost telecommunications services provider and infrastructure leasing operator on the continent.



"...your company successfully signed a mandate letter with the International Finance Corporation (IFC) to further support the expansion plan of IHS. This attests to your company's excellent credit rating and credit worthiness and how global financiers have faith in the short and long-term excellent business model of IHS and its effort to become a global player."

Mallam Bashir Ahmad El-Rufai
Chairman

It is with great pleasure that I welcome you, our distinguished shareholders, to another occasion of your Annual General Meeting. We believe that just as is the case with Nigeria, IHS is on the verge of greater things ahead, IHS is on a clear path of growth and becoming a regional player in Africa.

The IHS name has proved to be a reliable and trusted brand across Africa over the past nine years. Your company has been steadfast in its resolve to remain the foremost telecommunications services provider and infrastructure leasing operator in Africa, and we have been able to consolidate on gains in the industry and in our chosen markets, and taken major steps towards the attainment of this goal.

...it is clear what our role is, to enable all our customers keep operational costs and capital expenditure down as they cover new grounds...

We have witnessed a slow rebound in the global economy as well as continued financial reforms in the Nigerian economy; however, the outlook for our industry is brighter than ever. In 2008, it was estimated that there were 375 million telecom subscribers in Africa, up from 280 million in 2007. The industry forecasts that this figure should be doubled in few years. With regard to our country Nigeria, it is the largest mobile market in Africa, with the most GSM (5) and CDMA (6) operators in Africa, yet less than half the population of over 100 million have a mobile phone. Regulators of our industry have played a significant role in ensuring the uptake of tower sharing initiatives, and coupled with market developments such as the launch of 3G licenses, the growing number of CDMA operators in the continent and shrinking capital expenditure budgets, it is clear what our role is, to enable all our customers keep operational costs and capital expenditure down as they cover new grounds, to facilitate quick market entry for new operators as well as facilitate the expansion of coverage (especially into rural areas) and capacity upgrades for existing markets, whilst they continue to improve on the quality of their networks.

IHS is indeed a leading provider of telecommunication infrastructure, with a strong service record and proven models that enable our customers enjoy cost savings and operational efficiencies. IHS has major operational advantages over its competitors and to continue to succeed as such and evolve into a fully integrated African tower infrastructure provider, your company had to raise additional equity and consequently additional debt so as to be adequately positioned to compete and expand its portfolio.
Based on its good credit rating and the solid business model pursuing our multinational goals, your company is able to raise USD 74 million (through a consortium led by Stanbic IBTC and including African Export Import Bank) to refinance our costly loans and expand our collocation business in Nigeria. In continuation of its expansion plan and growth into the telecommunications infrastructure sharing and leasing sector, three international and well known investors (including the IFC, member of World Bank Group) have approached IHS for the equity injection of USD 80 million into your company.

This attests to your company's excellent credit rating and credit worthiness, and how global financiers have faith in the short and long-term excellent business model of IHS and its effort to become a global player.

The Chairman's Statement

On the operational side, the framework within which we operate has also seen a major overhaul. IHS is automating its operations by the implementation of Enterprise Resource Planning systems to streamline our operations, optimise our performance, and reduce our cost/time to do business.

In the search for cleaner sources of energy, combined with the need to provide uninterrupted service whilst remaining respectful of our environment, your company was awarded a USTDA grant on the 1st of February 2010. This grant will enable IHS conduct full-scale research into alternative energy solutions that will reduce our reliance on diesel generators. This year has been replete with a re-engineering of various aspects of our operations. By the using of a sophisticated hybrid power solution on our sites, we have been able to prolong the life cycle of the generators and decrease their levels of pollution, diesel consumption, and operating cost with the use of the back-up system of batteries.

Our experience in the countries we presently operate in has given us first-hand indications of the size and the possibilities that exist for IHS in the African telecom market, thus we are pleased to inform you that your company is considering several opportunities across Africa, especially in Uganda, Kenya, Democratic Republic of Congo (DRC), Tanzania, Morocco, Ethiopia, Tunisia, Cameroon and Mozambique.

> *"Your company's financial standing is strong as we embark on another financial year, eager to roll out our goals of strategic acquisitions and become an independent Tower Infrastructure Company."*

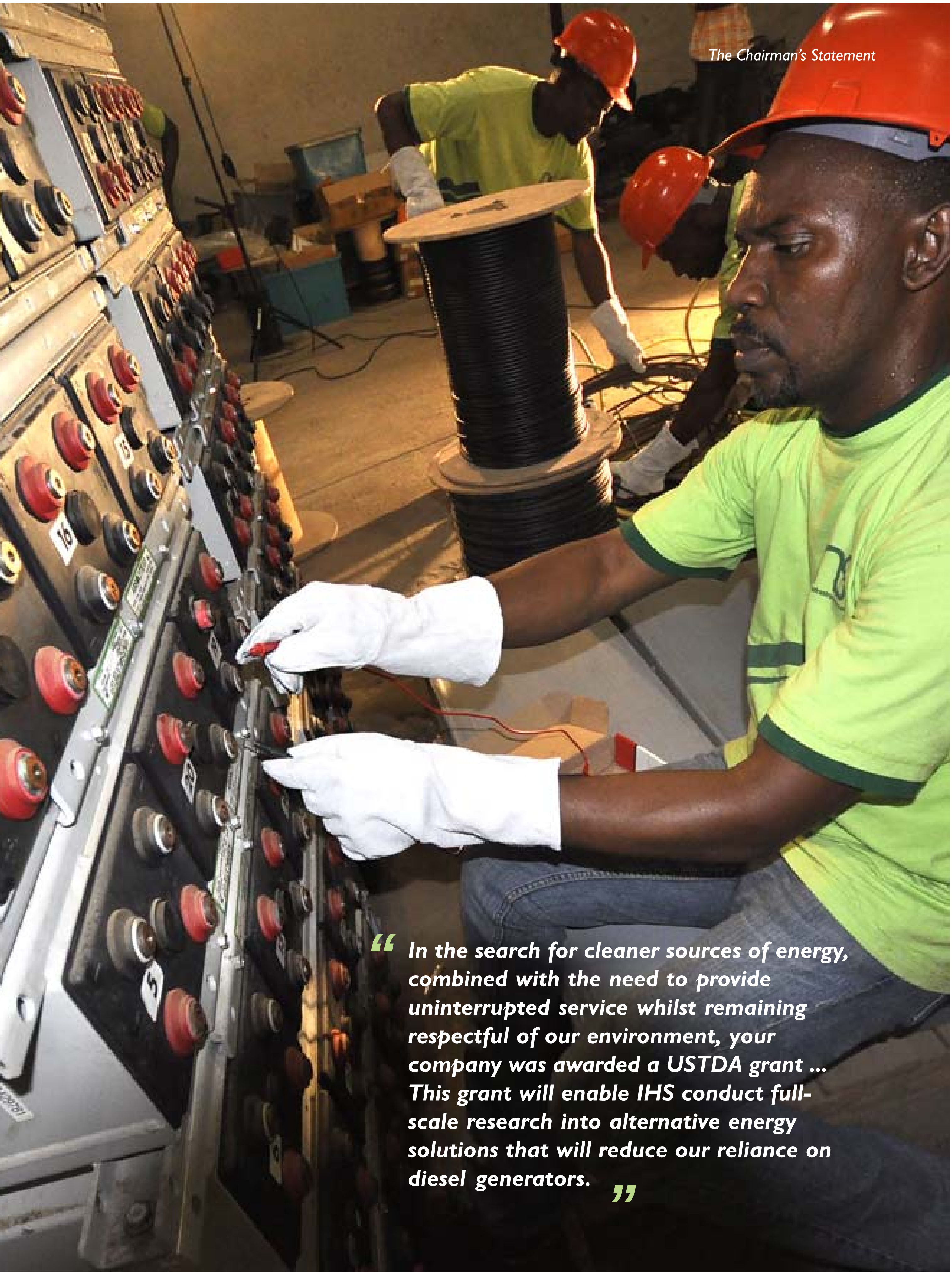
Your company's financial standing is strong as we embark on another financial year, eager to roll out our goals of strategic acquisitions and become an independent Tower Infrastructure Company.

Your company recorded a turnover of 17.2 billion Naira, which is an increase of 52%. As a result of recent changes in our shareholders structure, shareholders funds have risen to 10.5 billon Naira from 9.5 billon Naira, in 2009. Subsequently, the Board is recommending a dividend payment of 6k per share and request that you grant the approval.

In conclusion, I would like to express my greatest happiness and pride to see that the number of our shareholders is increasing and this is an indication of your confidence and of course our performance. Our sincere gratitude goes to you our shareholders, our customers who continue to be loyal to our company and of course to my colleagues on the board, management and staff of the company whose hard work and dedication contribute significantly to this giant stride.

Thank you

Mallam Bashir Ahmad El-Rufai
Chairman



"In the search for cleaner sources of energy, combined with the need to provide uninterrupted service whilst remaining respectful of our environment, your company was awarded a USTDA grant ... This grant will enable IHS conduct full-scale research into alternative energy solutions that will reduce our reliance on diesel generators."

The Board of Directors

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1 *Mallam Bashir Ahmad El-Rufai*

2 *Engr. William Saad*

3 *Akin Ajayi*

4 *Segun Akintemi*

5 *Engr. Issam Darwish*

6 *Ola Olabinjo*

7 *Olugbenga Onakomaiya*

8 *Engr. John Bernas*

9 *Hassan Dantata (insert)*

Q+A

with the Managing Director
Engr. William Saad

Q *What would be IHS' biggest achievements in the past one year?*

2010 witnessed the transformation of IHS from a leading managed services and deployment provider into one of the major collocation players in the African continent. IHS now competes among a league of top class collocation service providers while capitalizing on our operational experience in the tough African terrain and this gives us a competitive edge over our rivals. With the shift of the telecommunication industry in Africa towards a full outsourcing model, it was very important to position IHS to take full advantage of opportunities arising. One of the collocation model's greatest advantage is locking in the customer for a long period of time – minimum 5 years.

This year was crowned with our ability to refinance our existing Nigerian loans with international long term loans from a consortium of Standard Bank/ Stanbic IBTC and Afrexim. This refinancing exercise relieved the company from the burden of huge financial charges. The previous loans were attracting double-digit interest rates, while the new ones are single digit interest rates.

Q *How would you rate the company's performance this year, in comparison to the previous year's results?*

This year's results are a continuation of the growth pattern that the company has been witnessing over the past years. Our Earnings Before Interest Depreciation and Amortization (EBITDA) and net profit has been growing by a Compounded Annual Growth Rate (CAGR) of 70% over the past 5 years. Our revenue crossed the $100 million barrier while maintaining growth in the company's profitability. Our subsidiaries in Ghana and Sudan continued to positively contribute to our growth.

On the operational side, the company continued earning the results of good performance, excellent quality of service, and the trust of its customers enabling IHS to approximately double the number of sites under its managed services portfolio during this year reaching around 2,500 sites and ramp up the tenancy of its collocation sites while adding new sites.

Q *What can these improvements be attributed to?*

promote its infrastructure sharing and leasing models and work closely with all the African operators for all parties to enjoy the benefits of collocation. On top of our last year's portfolio, we continue to build new collocation sites with the anchor tenant already secured and lots of other operators are lined up to be additional tenants on those sites.

Q *What bearing did the state of the telecoms industry and the activities of competitors have on the company's performance this year?*

This year was categorized with a huge pressure exerted to reduce operating margins. Operators' Average Revenue per User (ARPU) kept on declining and thus operators kept driving their operational costs down to cope with this pressure, and we had to resort to better cost saving engineering solutions. Moving towards the use of green solutions was one of the options that we endorsed. We were one of very few operators to shift to what became a trend in the market – Green Power Solutions. We now use hybrid systems to power our sites and thus saving on generator usage time. We were also awarded a grant from the United States Trade and Development Agency (USTDA) to undertake a study to determine a feasible solar energy solution to power our collocation sites. Those solutions will also reduce some of the environmental challenges incurred with the continuous use of diesel generators.

Q+A with the Managing Director

Q What was the rationale for the new source of finance and to which product / service areas would it be going?

We are transforming our organization from a leading Nigerian telecommunications services provider into the premier pan-African collocation operator. We know that IHS has a major operational advantage over its rivals, however the challenge for all parties in our field remains securing cheap and available funding. A first step we took was to refinance our existing short term expensive loans with long term, cheap loans. The expansion will be done through a hybrid mix of building new sites (Self Build) and buying existing sites (BLB).

Q Where is IHS' focus this year, and what can we expect?

We will keep on increasing our managed services portfolio and focus more on collocation. We are currently considering several tower carve-outs across Africa (Tanzania, DRC, Sudan, Uganda, and others..) and we hope to pass the 2,000 tower marker soon. We will also expand our managed services and deployment business units into some of those new countries leveraging on our expertise and taking advantage of economies of scale to reduce our operational cost.

Q How do you rate IHS's contribution in the Nigerian industry and society?

IHS currently has more than 1,000 employees with more than 600 in Nigeria. We believe in the capabilities of the Nigerian work force and in most cases we use our Nigerian human force base to deploy to other countries. Moreover with reverting to green solutions, IHS is trying to play a minor role in preserving the environment while also abiding by the rules and regulations of all regulatory bodies. Added to that, IHS believes in giving back to the society that is hosting its operation primarily by promoting the entrepreneurship skills among them. Our contribution include some donations to non-profit organizations and needing communities, motivating and assisting academic students through their industrial training programs, and promoting many SME through outsourcing work to them.

Q Can you comment on the future outlook of the telecommunications market and the areas of IHS' contributions?

The African telecom market is set for explosive growth, given penetration levels are less than 40% in most African countries, poor network coverage and access to rural areas is low. Subscriber base is forecast to grow by 300 million subscribers by 2013. Given the high cost of capital, declining ARPU, reducing margins and environmental issues; telecom operators are considering outsourcing non-core components of its infrastructure (Active and Passive) to Tower companies and refocusing its efforts on client acquisition and retentions strategies. IHS believes in its technical capabilities its excellent quality of service. Thus coupled with strong financial partners, IHS will be in position to play a major role in any of the tower carve-outs that may take place across Africa. We believe that by re-aligning our Go-To-Market approach, we will be able to address the challenges of poor network coverage, CAPEX and OPEX reduction that telecom operators currently face.

Q+A with the Managing Director

"...We are transforming our organization from a leading Nigerian telecommunications services provider into the premier pan-African collocation operator."

Products and Services

IHS Plc operates out of its largest market, Nigeria. The growth of our managed services portfolio has necessitated the establishment of offices in over 20 states in the country and in an additional 3 countries in Africa. In 2007, managed sites came to 800. This grew to 1,400 sites in 2008 and 2,500 in 2009. As at August 2010, our portfolio was close to 2,700 sites, almost 2,000 additional sites in the last three years.

...We expect this trend to continue as we continually seek to expand our operations.

Products and Services

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 become one of the major players in this sector. 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 have also evolved to offer a more comprehensive service including tower sharing or collocation sites; a product that allows our clients focus on running their core business. Our ability to help our clients help their customers, makes us the preferred provider for major operators and vendors in the region.

Tower sharing began in the US and Europe, with India taking centre-stage recently with multi-billion dollar investments in this area. This trend has caught on in the emerging markets such as the Middle East and Africa, and as markets open and competition heats up, telecom operators have began to realise that their long term competitive advantage lies in the value they give their customers and not just in their networks.

Operators across the world, and particularly in these developing markets, are faced with the challenges of sustaining margins and declining ARPUs. (Average Revenue Per User). They also need to balance the cost of operations in congested and saturated urban areas, with the costs of new network rollouts in other areas.

IHS' ability to offer unbiased collocation to operators is the key feature of IHS's value creation proposition.

IHS' long-term objective is to become the leading Tower Infrastructure Company, providing full outsourced telecom infrastructure services, building on its existing capabilities as an Independent Tower Infrastructure Company (ITIC). Presently the company's business model is based largely on the following approaches:

- ***The Contract Approach;*** where IHS sets up tower sites in line with the requirements of the telecom operators, with the terms of the contract specified beforehand in a Master Service Agreements (MSA's) signed by the two parties.
- ***The Anticipatory Approach or Self Build;*** where IHS identifies and sets up tower infrastructures at locations with demand potential.
- ***The Hybrid Approach*** takes two forms; Manage with License to Lease, (MLL), where IHS negotiates an agreement with telecom operators and/or the Tower Company to lease additional capacity on one operator's tower, to other telecom operators. The latter gets immediate coverage without incurring additional capital expenditure, the tower is owned by the former and is managed by IHS. The other is the Buy and Lease Back, (BLB), where for the smaller telecom operators who are unable to raise sufficient capital to extend their network, or for new entrants facing huge capital constraints, IHS acquires their infrastructure and leases it back to them. The Group has acquired 41 sites to date.

IHS's Market Leadership...

- *Have built more than 2,000 tower sites across Africa.*
- *Manage more than 2,700 tower sites across Africa*
- *Provide uptime availability of 99.99% on our collocation tower sites*

Products and Services

IHS Collocation Models

IHS is a major player in the collocation sector in Nigeria, and actively seeks to replicate this model in other African countries. The model mainly adopted in Nigeria is the site build and lease; however it is pursuing a few other innovative methods that suit client needs.

Site Build and Lease:

In this model, IHS acquires and builds its own sites and makes them available for the purpose of leasing them out to the various telecommunications operators (GSM, CDMA, or WiMAX), internet service providers (ISP), or even the private/public sector.

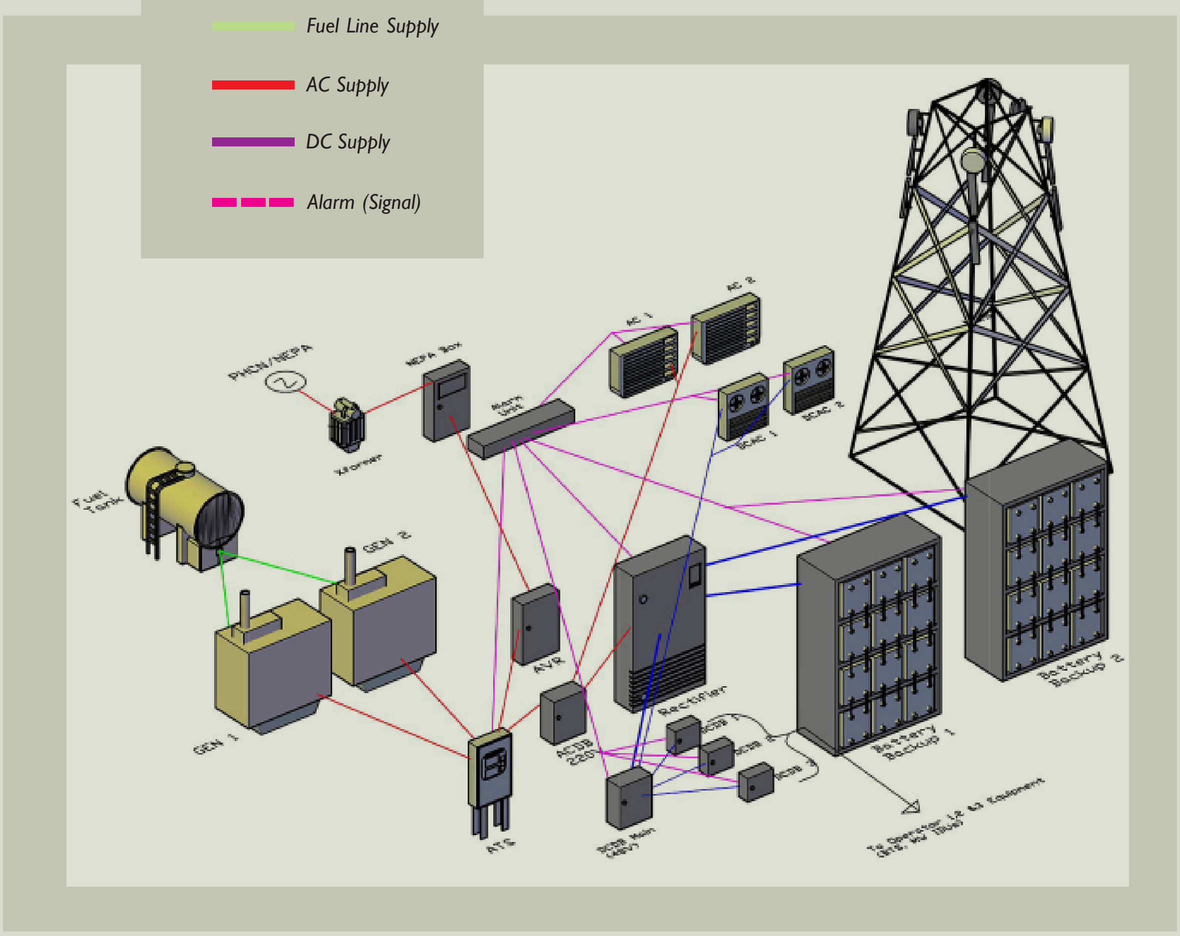
Buy and Lease Back:

Here, IHS proposes outright purchase of sites belonging to the various interested operators, on the condition that the towers can accommodate further tenants. IHS refurbishes them, and immediately leases them back to the seller as well as other interested operators.

Manage and Lease Back:

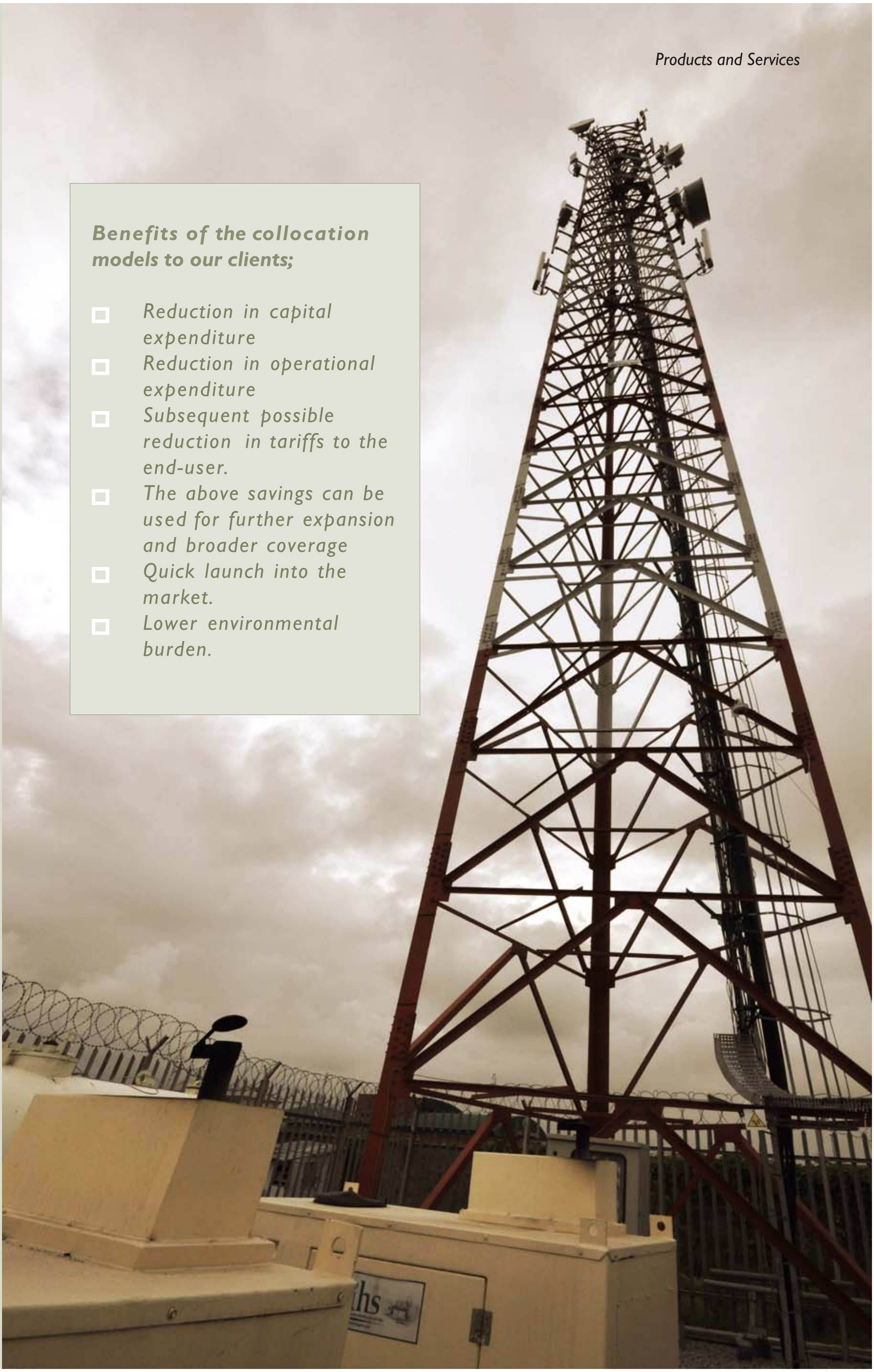
In this model, IHS takes over the management of sites from owner operators, thereby reducing their operational expenses, the operator grants IHS the rights to exclusively market these sites to other interested tenants and revenues generated are either paid to IHS or shared among both parties. IHS currently maintains around 2,500 of such sites across its operations. Sites could be jointly owned with IHS, or the operator retains full ownership

A Typical IHS Site System

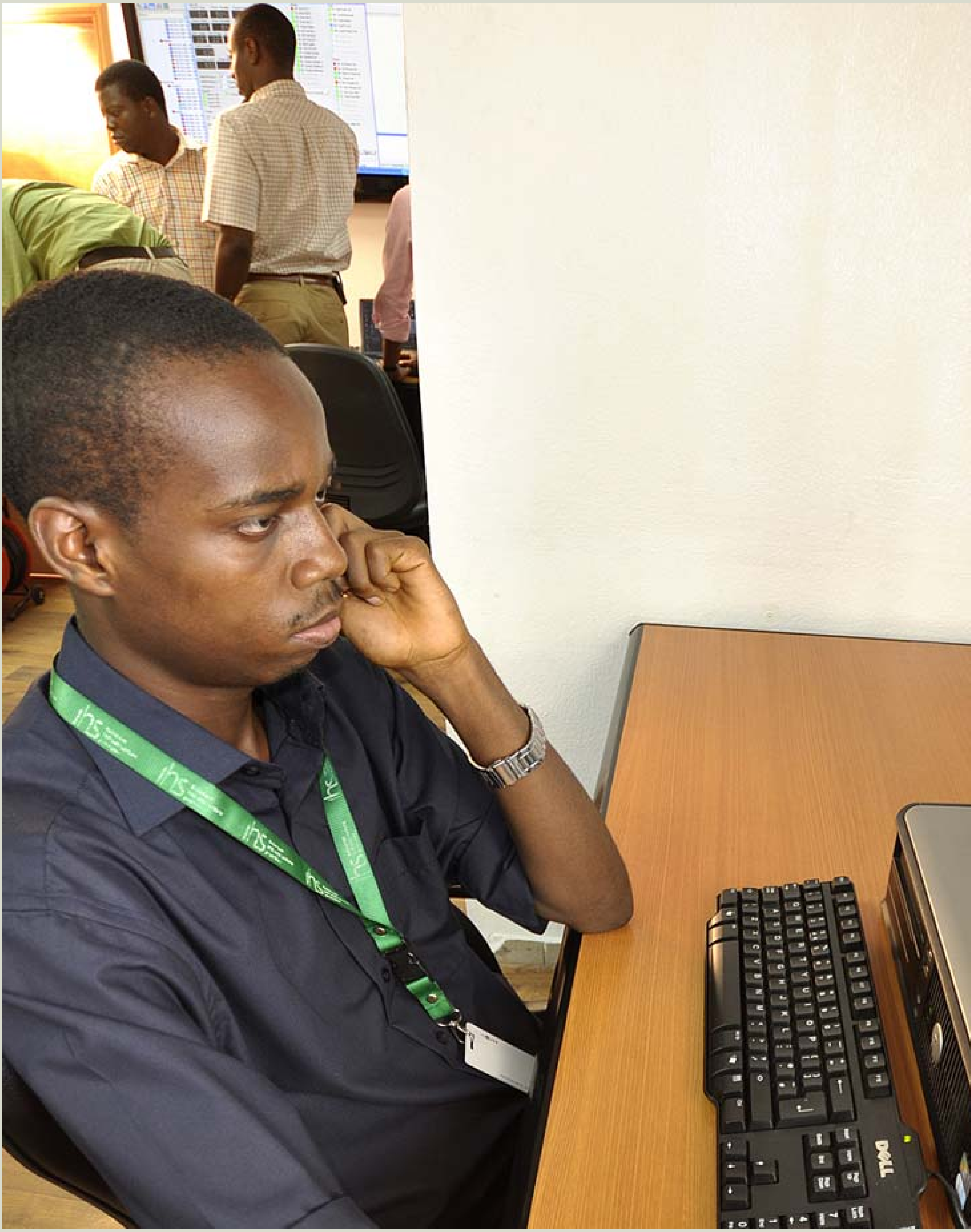


Benefits of the collocation models to our clients;

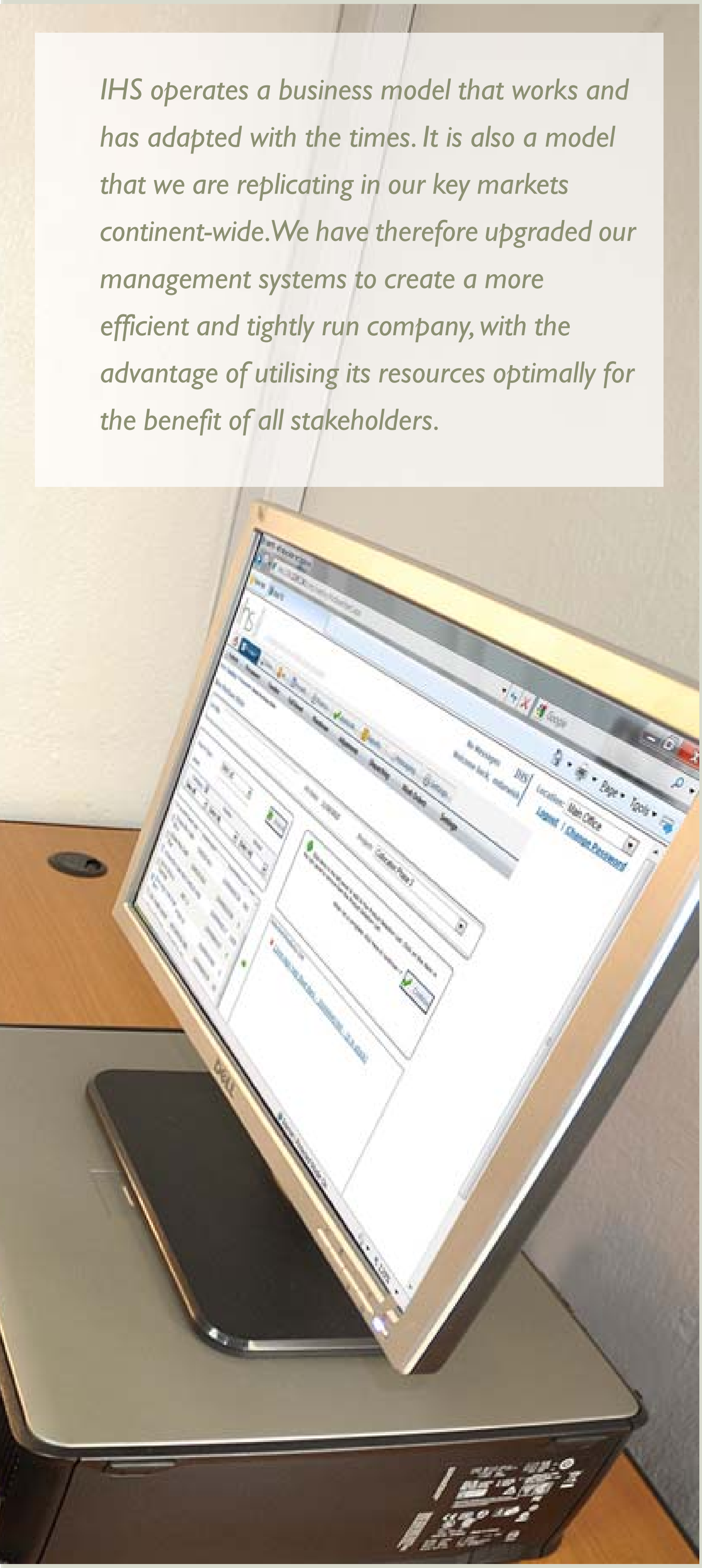
- *Reduction in capital expenditure*
- *Reduction in operational expenditure*
- *Subsequent possible reduction in tariffs to the end-user.*
- *The above savings can be used for further expansion and broader coverage*
- *Quick launch into the market.*
- *Lower environmental burden.*



Enterprise Managment Systems



Enterprise Managment Systems



IHS operates a business model that works and has adapted with the times. It is also a model that we are replicating in our key markets continent-wide. We have therefore upgraded our management systems to create a more efficient and tightly run company, with the advantage of utilising its resources optimally for the benefit of all stakeholders.

IHS has introduced new management systems from a leading US-based software company. They are providers of cost-effective and on-demand Enterprise Resource Planning Solutions for businesses. We believe the new system will empower our business in the following ways:

Control: Procurement, warehousing and inventory control are fully automated, thus omission and errors will be minimised.

Human Resources: The process of reviewing job applications, keeping employee records, internal requests, skills and training materials and assessments, time and attendance tracking, and expenses are made easier. A built-in Employee Self Services (ESS) will empower our staff to manage many of their daily tasks and requests efficiently.

System Generated Reports: This software is capable of generating various type of reports, related to procurement and warehousing, that will give a better and a more accurate info regarding orders and stock levels.

As IHS evolves and our needs change our software and hardware can be re-structured to meet our peculiar needs.

Access: Much needed information can be accessed at any time and place. Once an internet connection is available, permitted individuals can have access to data when needed.

Data Security: Safeguarding the company's data is a top priority, and this system utilises numerous layers of the most advanced security technologies to protect our data. Moreover, our servers are protected at a highly secure data centre which is staffed around the clock.

We are confident this web-based resource planning software will help enhance our performance, by ensuring that resources are used efficiently, costs are reduced and monitored and customers remain satisfied.

Corporate Governace and Social Responsibility

The stability of our environment, host communities, staff and contract partners is crucial to our continued success and as such, IHS continues to invest in lives, systems and resources to this end.

Corporate Governance:

IHS carries on its business knowing that it is answerable to its stakeholders; staff, clients, shareholders and host communities, and as such does not take its responsibilities lightly. We are committed to the welfare of our staff and our contract partners, and we strive to conduct ourselves and our business justly and equitably, whilst ensuring the use of time and resources is to the fullest advantage of all stakeholders.

This is our **A.R.E.A.** It is the IHS system that puts us on the path of

- ***Achievement*** of Goals
- ***Respect*** for the environment
- ***Ethical conduct*** in all relationships
- ***Accountability*** for our actions and decisions.

Our recent acquisition of an automated enterprise resource planing system, in the bid to self-regulate, further attests to our resolve at corporate governance.

Social Responsibility:

We at IHS value all of our people. We believe that we have a role to play in the lives of all our stakeholders; from our staff to our host communities, from our contractors to our site workers.The stability of our environments and host communities is crucial to our continued success and as such, IHS continues to invest in lives.

In the past, our social interventions have covered areas of training, job creations and placements and we have collaborated with other charitable organisations to create positive change in people's lives. Recently we have been privileged to be a part of the transformations happening at the S.O.S Children's Village, where we were able to donate much needed funds for the children at the home.

We are currently packaging an enlightenment programme for our host communities which will amongst other things, involve the provision of literature that will enlighten the community on the safety of the base stations and highlight the results of regular monitoring of the RF emission and noise levels; the main concern of residents. We undertake periodic survey of residents to understand and deal with any concerns they may have regarding operations at the base station and we periodically monitor all sites to ensure that the specified safety radius is maintained. The exploration of other Corporate Social Responsibility (CSR) initiatives is an on-going task as we continue to demonstrate our commitment to our host communities.

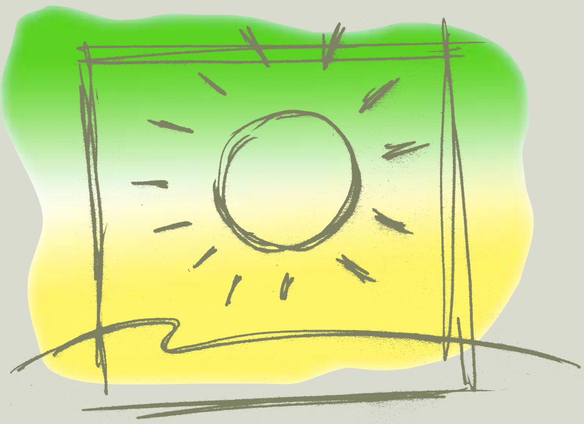
Corporate Governace and Social Responsibility

All site and base station workers including contractors and suppliers who perform activities at the base stations are informed of our Environmental Management Plan (EMP). We provide training in the areas of maintenance, waste management and environmental practice, health, safety and fire prevention and ensure that they understand and follow our policies and practices. For our external suppliers and contractors, this training has contributed to the expansion of capacity and the ultimate growth of their businesses.

Safety is emphasised at every step of our base station and tower operations. All IHS engineers and subcontractors must abide and follow strict safety regulations and procedures, laid down for various aspects of our operations; Rigging, Electrical installations, Building activities and Tower Erection. Usually these regulations involve the use of specialised equipment which is supplied for the work at hand. These include full safety harnesses, climbing mechanisms, ladders fitted with rail guards, hard hats, safety goggles etc.

IHS Executive Director ,Olugbenga Onakomaiya and some members of staff with Administrators and some children of the S.O.S Children's Village.

Enviromental Issues



IHS Nigeria Plc is committed to help in maintaining a healthier environment. It is also commited to developing essentials tools that will assist in reducing the impact of its activities, as well as improving environmental performance and compliance with regulatory requirements.

A recent environmental audit of telecommunication masts and base stations owned and operated by IHS Nigeria Plc provides a clear picture of the environmental status of its base stations. Various areas of concerns which are typical of base stations operations in the country include, the management and handling of waste generated from these stations, site maintenance, and fuel leaks from storage tanks, noise pollution, and emissions of greenhouse gases. Even as a robust Environmental Management System (EMS) is being developed, our current operational procedures are mindful of how we affect our environment. These procedures stem from our Base Station Management Plan (BSMP) which clearly outlines the monitoring and corrective measures to be taken during operations to avoid and control any adverse environmental effects, to acceptable levels at all our base stations. The EMS and BSMP are intended to ensure that all IHS' base stations and current and future installations meet the environmental requirements stipulated by the National Communication Commission (NCC) and also comply with National Environmental Laws and Regulations.

IHS was awarded a USTDA grant on the 1st of February 2010. This grant will enable the company conduct full-scale research into alternative energy solutions that will replace our reliance on diesel generators for powering all sites. Various options such as Solar Panels, Solar Flood Lights and Wind Turbines etc, will be considered and tested to determine the appropriate combinations for our operations and unique environment. IHS has already formed a working relationship with a European company; Scottish Proven Energy, for the supply of Wind Turbines as a replacement for generators, and are in the process of installing one system for testing purposes.

At IHS, our aim is to conduct our business in a responsible manner, with due consideration for the environment in which we work. At the core of our environmental goals is the consistent and periodic monitoring and review of our processes, to sustain improvements in our environmental performance and commitment to reducing impact of our operations on the landscape and in our communities.

Going Green...

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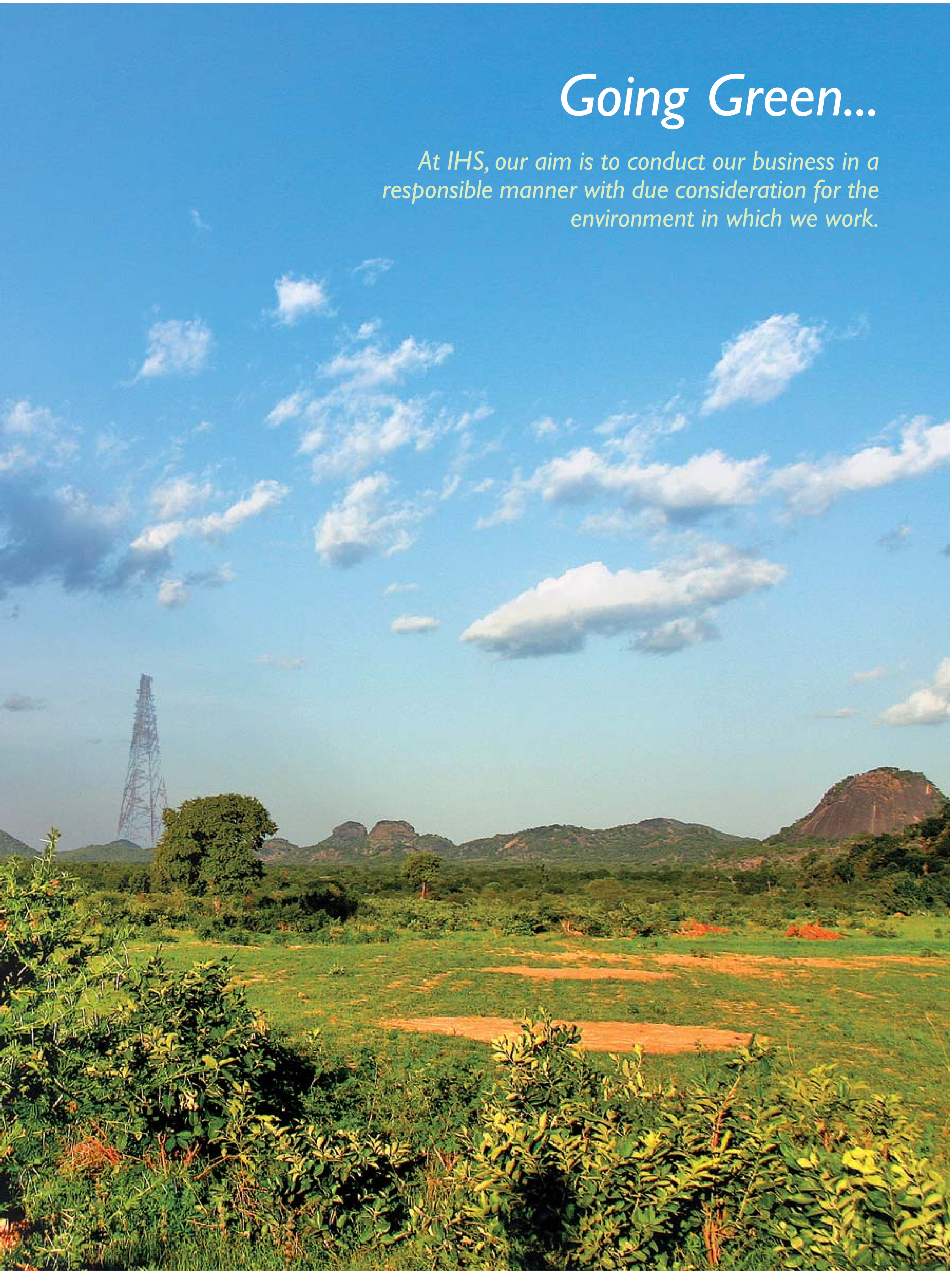

Strategic Managment Team

The combination of Compliance, Accuracy and Team work as demanded by our Legal, Accounts and Human Resource departments, ensures that our business practices remain true to our tenets of A.R.E.A. (Accountability, Respect, Ethical conduct and Achievement)

From Left:

Mr. Anupam Saraogi, Mr. Jimoh Umoru and Mr. Jude Agu.

Highlights and Events

Subsequent to IHS being quoted on the Nigerian Stock Exchange, the company held its first Annual General Meeting at Eko Hotel and Suites Banquet Hall, Lagos on the 5th of February 2010. A landmark event for IHS, it was well attended by enthusiastic shareholders.

Going Forward...

The company has grown from being a site builder of telecom towers, to being a managed services provider of choice. It is in recognition of the potential that exists for an Independent Tower Infrastructure Company (ITIC), i.e. a collocation provider offering holistic telecom services to its clients, that IHS plans to build its capabilities in this area. IHS will take the next natural step towards becoming an ITIC. We intend to erect and buy thousands of towers across Africa over the next couple of years, and we aim to continually increase our portfolio of managed towers through providing service with excellence to our customers. This will be with particular emphasis on strategic acquisitions in key markets; Nigeria, Tanzania, Sudan, Ghana, DRC, Uganda and Kenya.

IHS continues to pursue its strategy on the reduction of carbon emissions and the use of renewable energy. The collocation model lends itself to this as it reduces the number of towers required and subsequently, carbon emissions are reduced. We will also continue to re-invent our business model in line with changing market dynamics so that it remains aligned to the requirements of its market and clients. For instance, the Group is evaluating Active Leasing in the tower sharing models, where interconnectivity between sites will be introduced. This initiative will allow the smaller operators grow their businesses through coverage of areas not previously accessed. The cost benefits here are entirely ascribed to the client as this option is significantly cheaper than putting up new towers.

The Accounts

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NOTICE OF ANNUAL GENERAL MEETING (AGM)
OF
IHS NIGERIA Plc (THE "COMPANY")

NOTICE IS HEREBY GIVEN that the 2nd Annual General Meeting of the Company will be held on the 8th day of April of 2011 at Grand Ball Room, Eko Hotel & Suites, Kuramo Waters, Victoria Island, Lagos, Nigeria, at 10:00AM to transact the following Businesses:

ORDINARY BUSINESS

1. To receive the Report of the Directors, the Audited Financial Statements for the year ended 30th April, 2010 together with the Reports of the Auditors and the Audit Committee thereon;

i. To declare a dividend;
ii. To authorize Directors to fix the remuneration of Auditors;
iii. To re-elect / elect Directors;
iv. To approve the remuneration of Directors;
v. To elect members of the Audit Committee.

SPECIAL BUSINESS

To consider and if thought fit pass the following special resolutions:

a) Special Resolution No.1: Alteration to the Memorandum and Articles of Association

"That each of the proposed amendments to the Articles of Association of the Company set out in the annexure to the notice, which has been delivered to the shareholders of the Company, be and is hereby approved"

b) Special Resolution No.2: Rights attached to preference shares

"Subject to the passing of Special Resolution No.1 presented to the shareholders for approval at this Annual General Meeting that 5,719,951,112 cumulative, redeemable, convertible, preference shares with a par value of NGN0.50 each in the authorized share capital of the Company shall have the rights and benefits set out in Article 7 of the Articles of Association of the Company as amended by Special Resolution No.1 above."

c) Special Resolution No.3: Re-designation of preference shares

"Subject to the passing of Special Resolutions No. 1 and 2 above presented to the shareholders for approval at this Annual General Meeting, that the cumulative, redeemable, convertible, preference shares of NGN0.50 in the authorised share capital of the Company created by Special Resolution No. 1(b) and (c) as set out in the notice to shareholders of an Extraordinary General Meeting held on 14 September 2010 and as approved by the shareholders, be re-designated as follows:

(i) the 4,000,000,000 Preference Shares in the authorized share capital of the Company created by Special Resolution No. 1(b) set out in the notice for an Extraordinary General Meeting held on 14 September 2010 and approved by the shareholders, are re-designated as cumulative, redeemable, convertible preference shares having the rights and benefits set out in Article 7 to the Articles of Association of the Company in accordance with Special Resolution No.3 hereto; and
(ii) a further 1,719,951,112 of the 4,000,000,000 cumulative, redeemable, convertible, preference shares with a par value of NGN0.50 each in the authorised share capital of the Company created by Special Resolution No. 1(c) set out in the notice for an Extraordinary General Meeting held on 14 September 2010 and approved by the shareholders, have the rights and benefits set out in Article 7 to the Articles of Association of the Company in accordance with Special Resolution No.3 hereto,

(collectively, the "New Investor Preference Shares").

d) Special Resolution No.4: Issuance of preference shares

"Subject to the passing of Special Resolutions No. 1,2 and 3 presented to the shareholders for approval at this Annual General Meeting, the New Investor Preference Shares each be and are hereby placed under the control of the directors of the Company to allot and issue such shares as the Directors deem fit.

f) Special Resolution No.5: Authority of directors

That the directors be and are hereby authorized, instructed and empowered to take all such steps and do all such things, sign all such documents and instruments, including authorizing the negotiation and execution of all instruments and documents as may be necessary or desirable to give effect to the above resolutions .

To give effect to the above resolutions, any document of authorization must be signed by at least two directors or a director and the Company secretary."

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 Limited at No 274 Murtala Muhammed Way, Alagomeji, Yaba, 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 21st to 25th day of March, 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 6 kobo per ordinary share of 50 kobo each, out of the profits declared in the financial year ended 30th April 2010 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 15th day of April, 2011 to all shareholders, whose names appear on the register of the Company at close of business on 25th of March 2011.

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.

DATED THIS 11TH DAY OF MARCH, 2011

By Order of the Board

Jimoh Umoru
Company Secretary

Directors' Report
for the year ended **30 April 2010**

The Directors are pleased to submit their report together with the audited consolidated financial statements for the year ended 30 April 2010.

Principal activities and business review

IHS Nigeria Plc was incorporated in Nigeria as a private limited company in 2001. It however became a public company with its 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 and dividend	**Group**		**Company**	
	2010 N'000	**2009 N'000**	**2010 N'000**	**2009 N'000**
Profit before taxation	675,353	1,426,435	86,661	797,536
Profit after taxation before extra ordinary item	553,707	1,047,718	71,133	524,720
Profit after taxation and extra ordinary item	1,215,313	1,047,718	732,739	524,720
Shareholders' funds	10,578,448	9,492,527	9,700,593	9,187,854

The directors proposed a dividend of 6 kobo per share from the General Reserve as at 30 April 2010. The dividend will become payable after it has been approved at the Annual General Meeting.

Fixed assets

Information relating to changes in fixed assets is given in Note 8 to the financial statements. In the opinion of the Directors, the fair value of the Company's fixed assets is not less than the value shown in the financial statements.

Directors

The directors who held office during the year and to the date of this report are set out on page 2.

Directors' shareholding

The direct and indirect interests of directors in the issued share capital of the company as recorded in the Register of Directors' Shareholdings and/or as notified by the directors for the purposes of sections 275 and 276 of the Companies and Allied Matters Act and the Listing Requirements of the Nigerian Stock Exchange are as follows:

	Number of shares held at 30 April 2010 In thousand		**Number of shares held at 30 April 2009** In thousand	
	Direct	Indirect	Direct	Indirect
Directors				
Bashir Ahmad el Rufai	115,400	Nil	143,000	Nil
William Saad*	Nil	1,0181.96	Nil	1,287.00
Olugbenga Onakomaiya	1,046	Nil	1,000	Nil
Issam Darwish*	Nil	1,0181.96	Nil	1,287.00
John Bernas*	Nil	1,0181.96	Nil	1,287.00
Ola Olabinjo**	Nil	604.90	Nil	604.90
Segun Akintemi**	Nil	604.90	Nil	604.90
Akin Ajayi	Nil	20.00	Nil	20.00
Hassan Dantata	Nil	Nil	Nil	Nil
Mustafa Aminu*	Nil	1,0181.96	Nil	1,287.00

** Representing UBC Services Inc. ** Representing SKYE Financial Services Ltd.*

Directors interests in contracts

None of the directors has notified the company for the purpose of section 277 of the Companies and Allied Matters Act of their direct or indirect interest in contracts or proposed contracts with the company during the year.

Record of directors' attendance

In accordance with Section 258 (2) of the Companies and Allied Matters Act, the Record of Directors' attendance at Board meetings during the financial year under review is available for inspection at the Annual General Meeting.

Analysis of Ordinary Shareholders

	2010		2009	
Shareholders	**N'million**	**%**	**N'million**	**%**
UBC Services Inc.	1,181.96	53.73	1,287.00	58.50
Skye Financial Services Limited	432.95	19.68	109.40	4.97
4m Telecomms Limited	100.00	4.55	-	-
Apex IT Technologies Limited	87.45	3.98	87.45	3.98
Skye Stockbrockers Limited	84.50	3.84	84.50	3.84
Goldwater Securities Limited	71.50	3.25	71.50	3.25
Bashir Ahmad el Rufai	57.70	2.62	71.50	3.25
Fetlock Nig Limited	-	-	145.00	6.59
Law Union & Rock Insurance Plc	-	-	93.80	4.26
Tarpul Resources Nigeria Limited	-	-	84.63	3.85
Others	183.94	8.35	165.22	7.51
	2,200.00	100.00	2,200.00	100.00

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.

Directors' Report cont.
for the year ended **30 April 2010**

Donations and gifts

The company made various donations amounting to N8.5 million during the year. Beneficiaries are as follows:

Beneficiary	Donation/gift	Amount N'000
Fastspeed Nursery School	Toyota Hiace Bus	4,400
Ojokoro (Ahmadiya) Community Dev Association	Cash	1,500
Nigeria Telecoms Award	Cash	1,000
Others	Cash	1,591
		8,491

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

21 January, 2011

Statement of Directors' Responsibilities
for the year ended **30 April 2010**

The Companies and Allied Matters Act, 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:

a. 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.

b. establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

c. 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.

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

21 January, 2011

Report of the Audit Committee
for the year ended **30 April 2010**

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 the Company for the year ended 30th April 2010 and report as follows :

a. The accounting reporting policies of the Company are consistent with legal requirements and agreed ethical practices;

b. The scope and planning of the external audit was adequate;

c. The Company maintained effective systems of accounting and internal controls during the year;

d. The Company's Management have adequately responded to matter covered in the Management report issued by the external auditors.

Akin Ajayi
Chairman Audit Committee

Members of the Audit Committee
Mr Akin Ajayi
Mr Abdulkadir Idris
Mr Gbenga Onakomaiya
Mr Samuel Alabi

pwc

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

Report on the consolidated 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 balance sheets as of 30 April 2010 and the consolidated profit and loss account, and consolidated cash flow statements 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 misstatements, 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 these 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 auditors' judgement, including the assessment of the risks 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 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 financial affairs of the Group and the company at 30 April 2010 and of the profit and cash flows of the Group and the company for the year then ended in accordance with Nigerian Statements of Accounting Standards and the requirements of the Companies and Allied Matters Act.

Report on other legal requirements

The Companies and Allied Matters Act 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.

PricewaterhouseCoopers

Chartered Accountants
Lagos, Nigeria

January 25, 2011

Profit and Loss Accounts
for the year ended **30 April 2010**

		Group		Company	
		2010	**2009**	**2010**	**2009**
	Note	**N'000**	**N'000**	**N'000**	**N'000**
Turnover	2	17,247,902	11,340,386	11,456,905	8,317,837
Cost of sales		(13,106,755)	(9,043,661)	(8,799,047)	(7,050,350)
Gross profit		4,141,147	2,296,725	2,657,858	1,267,487
Administrative expenses		(1,986,856)	(906,289)	(1,105,320)	(507,465)
Operating profit	3	2,154,291	1,390,436	1,552,538	760,022
Finance cost	4	(1,397,851)	(451,162)	(1,382,667)	(449,647)
Other income	5	17,927	487,161	15,804	487,161
Provision for impairment on investments	9	(99,014)	-	(99,014)	-
Profit before taxation		675,353	1,426,435	86,661	797,536
Taxation	6	(121,646)	(378,717)	(15,528)	(272,816)
Profit after taxation before extra ordinary item		553,707	1,047,718	71,133	524,720
Extra ordinary Item (net of associated taxes)	7	661,606	-	661,606	-
Profit after taxation and extra ordinary item		1,215,313	1,047,718	732,739	524,720
Non controlling interest	19	(238,926)	(259,080)	-	-
Profit attributable to members	20	976,387	788,638	732,739	524,720
Earnings per share					
Basic earnings per share (N)	26	0.13	0.28	0.02	0.14

The accounting policies and the notes on pages 43 to 55 form an integral part of these financial statements.

Balance Sheets
at 30 April 2010

		Group		Company	
		2010	2009	2010	2009
ASSETS EMPLOYED	Note	N'000	N'000	N'000	N'000
Non current assets					
Fixed assets	8	9,164,486	5,201,652	8,989,774	5,138,667
Long term investment	9	53,094	152,108	2,625,187	2,724,201
Goodwill	9	2,318,436	2,318,436	-	-
Due from related parties	21	-	-	564,856	368,895
		11,536,016	7,672,196	12,179,817	8,231,763
Current assets					
Stocks and work in progress	10	3,762,485	5,876,043	3,588,825	5,144,862
Trade receivables and prepayments	11	9,104,211	8,670,230	6,579,203	6,991,750
Due from related parties	21	5,372	5,220	73,639	72,238
Cash at bank and in hand		1,866,091	1,287,880	691,916	1,034,566
		14,738,159	15,839,373	10,933,583	13,243,416
Current liabilities					
Taxation	6	665,965	441,344	530,121	369,154
Trade and other payables	12	4,400,335	3,201,839	2,656,564	1,641,035
Short term borrowings	13	10,399,164	9,424,606	10,027,830	9,334,871
Due to related parties	21	31,364	-	36,457	2,579
Finance lease		51,850	-	7,708	-
		15,548,678	13,067,789	13,258,680	11,347,639
Net current (liabilities) / assets		(810,519)	2,771,584	(2,325,097)	1,895,777
Total assets less current liabilities		10,725,497	10,443,780	9,854,720	10,127,540
Non-current liabilities					
Long term borrowings	13	-	713,266	-	713,266
Provision for gratuity	14	65,112	49,194	65,112	49,194
Deferred tax liability	15	81,937	188,793	89,015	177,226
		147,049	951,253	154,127	939,686
Net assets		10,578,448	9,492,527	9,700,593	9,187,854
CAPITAL AND RESERVES					
Share capital	16	2,200,000	2,200,000	2,200,000	2,200,000
Share premium	17	6,069,652	6,069,652	6,069,652	6,069,652
Revaluation reserve	18	316,022	316,022	316,022	316,022
Retained earnings	19	1,399,071	642,684	1,114,919	602,180
Foreign exchange translation reserve		17,077	(12,137)	-	-
		10,001,822	9,216,221	9,700,593	9,187,854
Non controlling interest	20	576,626	276,306	-	-
Capital employed		10,578,448	9,492,527	9,700,593	9,187,854

The financial statements and notes on pages 34 to 55 were approved by the Board of Directors and consequently signed on its behalf on 21 January 2011 by:

Bashir Ahmad el Rufai
Chairman

William Saad
Managing Director

The accounting policies and the notes on pages 43 to 55 form an integral part of these financial statements.

Statement of Cash Flows
for the year ended **30 April 2010**

	Note	Group		Company	
		2010	**2009**	**2010**	**2009**
		N'000	**N'000**	**N'000**	**N'000**
Net cash inflow / (outflow) from operating activities	22	5,501,766	(6,908,941)	4,874,307	(6,691,057)
Cash flow from investing activities:					
Purchase of fixed assets	8	(5,778,738)	(4,852,723)	(5,608,906)	(4,802,367)
Proceed from the sale of investments		-	18,724	-	(2,553,369)
Purchase of subsidiary undertakings	9	-	(2,572,093)	-	-
Proceeds from sale of land		2,160,347	550	2,160,347	550
Proceeds from sale of other fixed assets		180	-	180	-
Interest received		20,003	463,806	17,880	463,806
Net cash outflow from investing activities		(3,598,208)	(6,941,736)	(3,430,499)	(6,891,380)
Cash flow from financing activities					
Dividend paid		(220,000)	-	(220,000)	-
Payments from related party		31,212	945,870	(163,484)	512,536
Loan from banks		974,558	7,396,184	692,959	7,306,449
Loan repayment		(713,266)	-	(713,266)	-
Issue of share capital (net of expenses)		-	7,151,052	-	7,151,052
Interest paid		(1,397,851)	(451,162)	(1,382,667)	(449,647)
Net cash (outflow)/inflow from financing activities		(1,325,347)	15,041,944	(1,786,458)	14,520,390
Cash and cash equivalents					
Increase/(decrease) in cash and cash equivalents		578,211	1,191,267	(342,650)	937,953
Cash and cash equivalents brought forward		1,287,880	96,613	1,034,566	96,613
Cash and cash equivalents carried forward		1,866,091	1,287,880	691,916	1,034,566
Cash and cash equivalents comprise:					
Cash at bank and in hand		1,866,091	1,287,880	691,916	1,034,566

The accounting policies and the notes on pages 43 to 55 form an integral part of these financial statements.

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 as modified by the revaluation of certain property, plant and equipment, 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.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

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 are eliminated on consolidation.

Revenue recognition

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

The company recognises 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 recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

Interest income is recognised 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.

Fixed assets

(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, 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 recognised 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 derecognised. 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 (cont'd)
for the year ended **30 April 2010**

(iii) Revaluation

Increases in the carrying amount arising on revaluation are credited to a revaluation surplus reserve in equity. Decreases that offset previous increases of the same asset are charged against the revaluation surplus; all other decreases are charged to the profit and loss account.

(iv) 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 writeoff the cost or valuation of the assets concerned over their estimated useful lives:

	%
Leasehold land	Over the lease period
Base station sites	4.0
Office complex	2.5
Furniture and fittings	15.0
Office equipment	25.0
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.

Accounting for leases

(i) The group as the Lessee

Leases of property, plant and equipment where the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases are capitalised at the inception of the lease at the lower of their fair value and the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in non-current liabilities. The interest element of the finance charge is charged to the profit and loss account over the lease period. Property, plant and equipment acquired under finance leases are depreciated over the estimated useful life of the asset.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the lease period.

(ii) The group as the lessor

Leases in which a significant portion of the risks and rewards of ownership are retained by the group are classified as operating leases. Payments made under operating leases are recognised as revenue in the profit and loss account on a straight-line basis over the lease period.

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 foreign subsidiaries are translated into Naira at the rate of exchange ruling at the balance sheet date. The income statements of foreign 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 recognised in the income statement as a component of the gain or loss on disposal.

Statement of Significant Accounting Policies (cont'd)

for the year ended **30 April 2010**

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All gains and losses arising on translation 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 recognised 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.

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 recognised 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 are classsified as non current assets, unless they are expected to be realised within twelve months of the balance sheet date.

Long term investments are carried 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 recognised as an expense in the period in which the impairment is identified .

Short term investments are investments held temporarily in place of cash and which can be converted into cash when current financing needs make such conversion desirable. Short term investments are valued at lower of cost and market value.

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 computed at 2% of the assessable 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.

Statement of Significant Accounting Policies (cont'd)

for the year ended **30 April 2010**

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 labour 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 labour (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 are 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 in which the employer and the employees contribute 7.5% each, of the qualifying emoluments. 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 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 include 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 recognised 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 recognised as interest expense.

Trade and other payables

Trade and other payables are recognised 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 Financial Statements
for the year ended **30 April 2010**

1 The company

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

The Group is made up of four companies - IHS Nigeria Plc, its two direct subsidiaries and an indirect subsidiary. The subsidiaries and shareholding of IHS are as stated below;

i) Power and Communication Technology Limited (PCT), Sudan - IHS has 51% shareholding;
ii) Infratech FZC, United Arab Emirates - IHS has 50% shareholding;

iii) Infratech Ghana Limited which is a wholly owned subsidiary of Infratech FZC, United Arab Emirates

The Group 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). Infratech FZC, United Arab Emirate is mainly engaged in the sale of telecom equipment.

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 geographical segments:

	Nigeria		Rest of Africa		Middle East		Elimination		Total	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000	2010 N'000	2009 N'000	2010 N'000	2009 N'000	2010 N'000	2009 N'000
Turnover	11,456,905	8,317,837	4,245,158	2,144,535	1,545,839	1,280,023		(402,009)	17,247,902	11,340,386
Depreciation	326,865	81,193	55,970	12,425	2,136	526		384,971	94,144	
Profit before taxation	86,661	797,536	442,428	491,016	146,264	137,883		675,353	1,426,435	
Total assets	23,113,400	21,475,179	2,831,460	1,136,083	2,184,860	1,779,188	(1,855,545)	(878,881)	26,274,175	23,511,569
Net assets	9,700,593	9,187,854	1,014,180	534,004	258,010	165,004	(394,335)	(394,335)	10,578,448	9,492,527

	Group		Company	
	2010 N'000	**2009 N'000**	**2010 N'000**	**2009 N'000**
3 Operating profit				
The following items have been charged in arriving at operating profit:				
Depreciation on fixed assets (note 8)	384,970	94,144	326,865	81,193
Staff costs (note 29)	420,983	307,495	251,219	210,542
Exchange loss / (gain)	15,440	(305,879)	(14,786)	(230,116)
Auditors' remuneration	26,051	17,192	18,000	15,000
4 Finance costs				
Interest charges	(1,397,851)	(451,162)	(1,382,667)	(449,647)
Finance cost	(1,397,851)	(451,162)	(1,382,667)	(449,647)
5 Other income				
Dividend income	-	335	-	335
Insurance claim received	3,448	24,205	3,448	24,205
Profit on sale of assets	(5,524)	(1,185)	(5,524)	(1,185)
Interest income	20,003	463,806	17,880	463,806
	17,927	487,161	15,804	487,161

Notes to the Financial Statements (cont'd)
for the year ended **30 April 2010**

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
6 Taxation				
i) Per profit and loss account				
Deferred tax	(106,857)	188,794	(88,211)	177,226
Company income tax	211,229	173,981	86,465	79,648
Education tax	17,274	15,942	17,274	15,942
	121,646	378,717	15,528	272,816
ii) Per balance sheet				
Balance at beginning of year	441,344	405,037	369,154	405,037
Charged to profit and loss accounts	228,503	189,923	103,739	95,590
Capital gains tax (note 7)	73,511	-	73,511	-
Paid during the year	(77,393)	(153,616)	(16,283)	(131,473)
Balance at year end	665,965	441,344	530,121	369,154

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 Income Tax Act (CITA).

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

7 Extra ordinary item

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Proceeds from sale of land	2,160,347	-	2,160,347	-
Less: Cost of land and other related charges	(1,425,230)	-	(1,425,230)	-
	735,117	-	735,117	-
Less: Capital Gains Tax	(73,511)	-	(73,511)	-
Profit from extra ordinary item (net of associated taxes)	661,606	-	661,606	-

8 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
Cost									
At 1 May 2009	1,538,659	3,037,792	360,000	110,208	46,288	57,372	86,629	146,201	5,383,149
Additions	964,894	4,008,022	-	19,049	26,553	27,850	195,381	536,989	5,778,738
Reclassification	-	146,201	-	-	-	-	-	(146,201)	-
Disposals	(1,314,980)	-	-	-	-	-	(8,580)	(110,250)	(1,433,810)
At 30 April 2010	1,188,573	7,192,015	360,000	129,257	72,841	85,222	273,430	426,739	9,728,077
Depreciation									
At 1 May 2009	9,087	36,749	9,000	44,766	14,311	20,043	47,541	-	181,497
Charge for the year	60,833	203,405	9,000	20,180	17,477	15,251	58,824	-	384,970
Eliminated on disposal	-	-	-	-	-	-	(2,876)	-	(2,876)
At 30 April 2010	69,920	240,154	18,000	64,946	31,788	35,294	103,489	-	563,591
Net book amounts:									
At 30 April 2010	1,118,653	6,951,861	342,000	64,311	41,053	49,928	169,941	426,739	9,164,486
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

Notes to the Financial Statements (cont'd)
for the year ended **30 April 2010**

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
Cost									
At 1 May 2009	1,538,659	3,037,792	360,000	80,242	39,904	17,328	86,515	146,201	5,306,641
Additions	964,894	4,008,022	-	10,137	22,126	7,344	59,394	536,989	5,608,906
Reclassification	-	146,201	-	-	-	-	-	(146,201)	-
Disposals	(1,314,980)	-	-	-	-	-	(8,580)	(110,250)	(1,433,810)
At 30 April 2010	1,188,573	7,192,015	360,000	90,379	62,030	24,672	137,329	426,739	9,481,737
Depreciation									
At 1 May 2009	9,087	36,749	9,000	37,625	12,398	15,583	47,532	-	167,974
Charge for the year	60,833	203,405	9,000	10,853	14,507	1,744	26,523	-	326,865
Eliminated on disposal	-	-	-	-	-	-	(2,876)	-	(2,876)
At 30 April 2010	69,920	240,154	18,000	48,478	26,905	17,327	71,179	-	491,963
Net book amounts:									
At 30 April 2010	1,118,653	6,951,861	342,000	41,901	35,125	7,345	66,150	426,739	8,989,774
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

	Group		Company	
	2010	2009	2010	2009
9 Long term investments	**N'000**	**N'000**	**N'000**	**N'000**
i) Investment in subsidiaries				
Power and Communications Technologies Limited, Sudan	-	-	1,446,355	1,446,355
Infratech FZC, UAE	-	-	1,125,738	1,125,738
	-	-	2,572,093	2,572,093
ii) Marketable securities	53,094	152,108	53,094	152,108
	53,094	152,108	2,625,187	2,724,210
Analysis of marketable securities				
Access Bank Plc	7,823	7,823	7,823	7,823
Fin Bank Plc	3,000	3,000	3,000	3,000
Bank PHB Plc	102,000	102,000	102,000	102,000
Eco Bank Nigeria Plc	1,500	1,500	1,500	1,500
First Bank of Nigeria Plc	37,785	37,785	37,785	37,785
Provision for impairment	(99,014)	-	(99,014)	-
	53,094	152,108	53,094	152,108

iii) Market value of quoted investments	2010		2009	
	Carrying Amount N'000	Market Value N'000	Carrying Amount N'000	Market Value N'000
Access Bank Plc	7,823	4,835	7,823	2,966
Fin Bank Plc	3,000	600	3,000	2,300
Bank PHB Plc	102,000	5,386	102,000	31,380
Eco Bank Nigeria Plc	1,500	4,297	1,500	13,108
First Bank of Nigeria Plc	37,785	18,629	37,785	17,736
	152,108	33,747	152,108	67,490

IHS Nigeria Plc acquired 51% stake in Power and Communications Technologies Limited, Sudan on 12 November 2008.
IHS Nigeria Plc acquired 50% stake in Infratech FZC, UAE on 12 January 2009.

Notes to the Financial Statements (cont'd)

for the year ended **30 April 2010**

Details of the acquisition as at 30 April 2009 are as follows:

Carrying amount as at acquisition date	PCT Sudan N'000	Infratech FZC N'000	Total N'000
Net fixed assets	12,241	28,493	40,734
Current assets	536,972	1,824,008	2,360,980
Less: Current liabilities	(326,095)	(1,572,767)	(1,898,862)
Net tangible assets	223,118	279,734	502,852
Attributable to IHS Nigeria Plc	113,790	139,867	253,657
Goodwill arising on acquisition	1,332,565	985,871	2,318,436
Consideration paid	1,446,355	1,125,738	2,572,093

	Group		Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
10 Stock and work-in-progress				
Stock of materials	2,888,853	3,938,699	2,888,852	3,938,699
Work-in-progress	873,632	1,937,344	699,973	1,206,163
	3,762,485	5,876,043	3,588,825	5,144,862
11 Trade receivables and prepayments				
Trade receivables	5,479,751	7,036,796	3,722,178	5,358,316
Other receivables and prepayments	3,624,460	1,633,434	2,857,025	1,633,434
	9,104,211	8,670,230	6,579,203	6,991,750
12 Trade and other payables				
Trade payables	2,141,051	2,011,906	1,326,922	862,310
Accruals, provisions and other liabilities	1,687,237	865,741	1,000,518	615,728
VAT payable	529,105	200,976	288,291	39,781
Deferred revenue	42,942	123,216	40,833	123,216
	4,400,335	3,201,839	2,656,564	1,641,035

13 Short term borrowings

	Group		Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
Short term loan	10,399,164	4,750,254	10,027,830	4,660,519
Bankers acceptance	-	466,785	-	466,785
Commercial paper	-	3,000,000	-	3,000,000
Bank overdraft	-	1,207,567	-	1,207,567
	10,399,164	9,424,606	10,027,830	9,334,871

Short term borrowings are denominated in Naira and are secured under a debenture over all the fixed and floating assets of the company.

The company also had project/import finance facilities up to a limit of N10.1 billion at the year end. The bank facilities are annual facilities, which were subject to review by the banks at various dates during 2010. The effective interest rate is 22%

	Group		Company	
Long term borrowings	2010 N'000	2009 N'000	2010 N'000	2009 N'000
Long term loan	-	713,266	-	713,266

An amount of N 614,656,500 being long term loan outstanding to Union Bank of Nigeria Plc as at April 30, 2010 has been included in short term loan as the amount was repaid in full in June 2010. The loan was for a period of thirty six months at an interest rate of 13% per annum and secured under a debenture over all the fixed and floating assets of the company.

Notes to the Financial Statements (cont'd)

for the year ended **30 April 2010**

14 Provision for gratuity	**Group 2010 N'000**	**Group 2009 N'000**	**Company 2010 N'000**	**Company 2009 N'000**
Balance at beginning of year	49,194	-	49,194	-
Payment during the year	(2,610)	-	(2,610)	-
Provision for the year	18,528	49,194	18,528	49,194
Balance at end of year	65,112	49,194	65,112	49,194

15 Deferred tax liability

Balance at beginning of year	188,793	-	177,226	-
Charge to profit and loss account for the year	(106,857)	188,793	(88,211)	177,226
Balance at end of year	81,937	188,793	89,015	177,226

16 Share capital

Authorized:				
4.4 billion ordinary shares of 50 kobo each	2,200,000	2,200,000	2,200,000	2,200,000
Issued and fully paid				
Opening balance (60,000,000 ordinary shares)	2,200,000	30,000	2,200,000	30,000
Bonus issue (2,177,200,000 ordinary shares of 50 kobo each)	-	1,088,600	-	1,088,600
Issue of 2,162,800,000 ordinary shares of 50 kobo each	-	1,081,400	-	1081,400
	2,200,000	2,200,000	2,200,000	2,200,000

On 9 May, 2008, the shareholders approved a share capital increase of 2,800,000,000 ordinary share. The new shares were issued to existing shareholders in the ratio of 140 shares for every 3 existing shares. A total number of 2,177,200,000 were issued as bonus shares. The balance of 622,800,000 were issued to existing shareholders at par value.

On 3 July, 2008, the Board of Director approved a further increase in share capital of 1,540,000,000 ordinary shares. These were issued by way of private placement.

17 Share premium	**Group 2010 N'000**	**Group 2009 N'000**	**Company 2010 N'000**	**Company 2009 N'000**
Share premium	6,069,652	6,069,652	6,069,652	6,069,652

18 Revaluation reserve

Balance at beginning of year	316,022	311,400	316,022	311,400
Prior year adjustment	-	4,622	-	4,622
Balance at end of year	316,022	316,022	316,022	316,022

19 Retained earnings

Balance at beginning of year	642,684	1,157,060	602,180	1,157,060
Dividend paid	(220,000)	-	(220,000)	-
Prior year adjustment	-	9,000	-	9,000
Bonus issue during the year (Note 16)	-	(1,088,600)	-	(1,088,600)
Profit for the year	976,387	788,638	732,739	524,720
IHS Profit share from subsidiaries on takeover date	-	(223,414)	-	-
Balance at end of year	1,399,071	642,684	1,114,919	602,180

Notes to the Financial Statements (cont'd)
for the year ended **30 April 2010**

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
20 Non controlling interest				
Share Capital	5,811	5,811	-	-
Share of pre acquisition reserve	33,844	33,844	-	-
Opening post acquisition retained earnings	259,080	-	-	-
Transfer from profit and loss	238,926	259,080	-	-
Share of foreign exchange translation loss / gain	38,965	(22,429)	-	-
	576,626	276,306	-	-

21 Related party transactions

The Company has the following related parties:

i) UBC Services Inc, UK - owns 54% of the company's shares;
ii) Power and Communication Technology Limited (PCT) - the company owns 51% of the shares;
iii) Infratech FZC, United Arab Emirates - 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:

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
a) Purchase of the subsidiary				
UBC Services Inc, UK	-	-	-	2,572,093
b) Sale of equipment				
Infratech FZC, United Arab Emirates	-	-	-	402,009
c) Year-end balances arising from sales/purchases of goods and services				
Amount due from related parties				
i) Non-current:				
Infratech FZC, United Arab Emirates	-	-	471,341	244,617
Power and Communication Technology Limited, Sudan	-	-	93,515	124,278
	-	-	564,856	368,895

Loans to subsidiaries are interest free.

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
ii) Current:				
UBC Services Inc, UK	5,372	5,220	5,372	5,220
Infratech FZC, United Arab Emirates	-	-	68,267	67,018
	5,372	5,220	73,639	72,238

	Group 2010 N'000	Group 2009 N'000	Company 2010 N'000	Company 2009 N'000
Amount due to related parties				
ii) Current:				
UBC Services Inc. ,UK	31,364	-	31,364	-
Infratech Ghana Limited, Accra	-	-	5,093	2,579
	31,364	-	36,457	2,579

Notes to the Financial Statements (cont'd)
for the year ended **30 April 2010**

		Group		Company	
		2010	2009	2010	2009
22 Cash flow from operating activities		N'000	N'000	N'000	N'000
Operating profit		2,154,291	1,390,436	1,552,538	760,022
Adjustments for non-cash items:					
Depreciation of fixed assets	8	384,970	94,144	326,865	81,193
Provision for gratuity		18,528	49,194	18,528	49,194
IHS share of profit prior to take over date		-	(223,414)	-	-
Foreign exchange translation		90,609	-	-	-
		2,648,398	1,310,360	1,897,931	890,409
Other Adjustments to reconcile operating profit to cash from operating activities:					
(Increase) / decrease in trade receivables and prepayments		(433,981)	(4,896,156)	412,547	(4,194,546)
Decrease / (increase) in stocks and work-in-progress		2,113,558	(4,662,236)	1,556,037	(4,140,044)
Increase in trade and other payables		922,217	1,314,002	774,727	867,086
Increase/(decrease) in VAT payable		328,129	154,166	248,510	(7,029)
Dividend income		-	335	-	335
Insurance claim received		3,448	24,205	3,448	24,205
Gratuity paid		(2,610)		(2,610)	
Income taxes paid		(77,393)	(153,617)	(16,283)	(131,473)
Net cash inflow / (outflow) from operating activities		5,501,766	(6,908,941)	4,874,307	(6,691,057)

23 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.

24 Contingent liabilities

There were no law suits pending against the company and neither were 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.

25 Capital commitments

There are no capital commitments as at April 30, 2010 (2009: N 592 million)

26 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.

	Group 2010	Group 2009	Company 2010	Company 2009
Profit for the year attributable to shareholders (N'000)	553,707	1,047,718	71,133	524,720
Weighted average number of ordinary shares in issue ('000)	4,400,000	3,676,667	4,400,000	3,676,667
Basic earnings per share (₦)	0.13	0.28	0.02	0.14

There were no potentially dilutive shares at year end.

27 Dividends per share

On 12 November 2010, the directors proposed a dividend of 6 kobo per share from the general reserve as at 30 April 2010. The dividend will become payable after it has been approved at the next Annual General Meeting.

Dividend is normally paid to shareholders less withholding tax.

Notes to the Financial Statements (cont'd)

for the year ended **30 April 2010**

28 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year. Particularly, the disclosure on purchase consideration of subsidiary undertaking on the statement of cashflow and note 16 on issue of shares in prior year have been appropriately adjusted in line with the recommendation by the Nigerian Accounting Standards Board (NASB).

29 Directors and employees

The average number of persons (excluding directors) employed by the company during the year was:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	Number	**Number**	**Number**	**Number**
Executive	12	12	6	7
Management	40	23	12	13
Senior staff	185	135	83	97
Junior staff	579	362	426	171
	816	532	527	288

Staff costs for the above persons:

	N'000	**N'000**	**N'000**	**N'000**
Wages and salaries	373,021	258,301	215,564	161,348
Retirement benefit cost	47,962	49,194	35,655	49,194
	420,983	307,495	251,219	210,542

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

N		**N**				
0	-	200,000	9	71	9	19
200,001	-	400,000	117	141	104	63
400,001	-	600,000	200	131	171	107
600,001	-	800,000	181	61	142	47
800,001	-	1,000,000	101	52	56	17
1,000,001	-	1,200,000	33	18	13	10
1,200,001	-	1,400,000	16	16	5	7
1,400,001	-	1,600,000	13	16	9	9
1,600,001	-	1,800,000	54	5	6	1
1,800,001	-	2,000,000	17	8	3	3
2,000,001	-	2,200,000	5	6	3	1
2,200,001	-	2,400,000	16	2	2	1
2,400,001	-	2,600,000	3	2	1	1
2,600,001	-	2,800,000	9	-	-	-
2,800,001	-	3,000,000	4	-	1	-
3,000,001	-	3,200,000	2	-	-	-
3,200,001	-	3,400,000	1	-	-	-
3,400,001	-	3,600,000	4	-	-	-
3,600,001	-	3,800,000	7	1	-	1
3,800,001	-	4,000,000	1	1	-	-
4,000,001	-	4,200,000	1	-	-	-
4,200,001	-	4,400,000	2	-	1	-
4,400,001	-	4,600,000	3	-	-	-
4,600,001	-	4,800,000	2	-	-	-
4,800,001	-	5,000,000	1	-	-	-
5,000,001	-	5,200,000	2	-	-	-
5,200,001	-	5,400,000	2	-	-	-
5,600,001	-	5,800,000	3	-	-	-
5,800,001	-	6,000,000	1	1	-	1
Above 6,000,000			6	-	1	-
			816	532	527	288

Directors

The remuneration paid to the Directors of IHS Nigeria Plc was:

Fees and sitting allowances	6,943	3,000	6,943	3,000
Executive compensation	32,063	29,611	32,063	29,611
Pension contributions	475	219	475	219
	39,481	32,830	39,481	32,830

Fees and other emoluments disclosed above include amounts paid to:

- The Chairman	6,743	3,000	6,743	3,000
- The highest paid director	7,800	7,739	7,800	7,739

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

N		N				
0	-	500,000	5	-	5	-
2,500,001	-	3,000,000	1	-	1	-
3,000,001	-	3,500,000	-	1	-	1
5,000,001	-	5,500,000	-	2	-	2
6,500,001	-	7,000,000	1	-	1	-
7,000,001	-	7,500,000	1	1	1	1
7,500,001	-	8,000,000	2	1	2	1
			10	5	10	5

Value Added Statement

for the year ended **30 April 2010**

	Group				Company			
	2010		2009		2010		2009	
	N'000	%	N'000	%	N'000	%	N'000	%
Turnover	17,247,902		11,340,386		11,456,905		8,317,837	
Other income	17,927		75,886		15,804		75,886	
Extra ordinary Item	661,606		-		661,606		-	
Impairment of investments	(99,014)		-		(99,014)		-	
Purchase of goods and services								
- Local	(13,280,813)		(8,245,648)		(9,326,283)		(6,890,150)	
- Foreign	(1,006,845)		(1,355,194)		-		(428,461)	
Value added	3,540,763	100	1,815,430	100	2,709,018	100	1,075,112	100
Distribution								
Employees:								
Salaries and benefits	420,983	12	307,495	17	251,219	9	210,542	20
Government:								
Tax	121,646	3	378,717	21	15,528	1	272,816	25
Providers of funds								
Interest	1,397,851	39	(12,644)	(1)	1,382,667	51	(14,159)	(1)
The future:								
Depreciation	384,970	11	94,144	5	326,865	12	81,193	8
Retained profit	1,215,313	34	1,047,718	58	732,739	27	524,720	49
	3,540,763	100	1,815,430	100	2,709,018	100	1,075,112	100

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

Five Year Financial Summary
Balance Sheets

Group	2010 N'000	2009 N'000	2008 N'000	2007 N'000	2006 N'000
Assets employed					
Fixed assets	9,164,486	5,201,652	405,606	78,370	85,088
Long term investment	53,094	152,108	170,832	166,026	7,000
Goodwill	2,318,436	2,318,436	-	-	-
Due from related parties	5,372	5,220	951,090	73,842	265,688
Stocks and work in progress	3,762,485	5,876,043	1,004,818	861,530	466,176
Trade receivables and prepayments	9,104,211	8,670,230	2,797,204	1,429,302	581,104
Cash at bank and in hand	1,866,091	1,287,880	96,613	22,073	10,700
	26,274,175	23,511,569	5,426,163	2,631,143	1,415,756
Financed by					
Share capital	2,200,000	2,200,000	30,000	30,000	30,000
Share premium	6,069,652	6,069,652	-	-	-
Revaluation reserve	316,022	316,022	311,400	-	-
Retained earnings	1,399,071	642,684	1,157,060	398,886	197,075
Foreign exchange translation reserve	17,077	(12,137)	-	-	-
Minority interest	576,626	276,306	-	-	-
Long term borrowings	-	713,266	-	-	-
Deferred tax liability	81,937	188,793	-	-	-
Provision for gratuity	65,112	49,194	-	-	-
Trade and other payables	4,400,335	3,201,839	780,978	538,996	283,892
Due to related parties	31,364	-	-	-	148,492
Finance lease	51,850				
Taxation	665,965	441,344	405,037	164,877	92,996
Short term borrowings	10,399,164	9,424,606	2,741,688	1,498,384	663,301
	26,274,175	23,511,569	5,426,163	2,631,143	1,415,756

Company	2010 N'000	2009 N'000	2008 N'000	2007 N'000	2006 N'000
Assets employed					
Fixed assets	8,989,774	5,138,667	405,606	78,370	85,088
Long term investment	2,625,187	2,724,201	170,832	166,026	7,000
Due from related parties	638,495	441,133	951,090	73,842	265,688
Stocks and work in progress	3,588,825	5,144,862	1,004,818	861,530	466,176
Trade receivables and prepayments	6,579,203	6,991,750	2,797,204	1,429,302	581,104
Cash at bank and in hand	691,916	1,034,566	96,613	22,073	10,700
	23,113,400	21,475,179	5,426,163	2,631,143	1,415,756
Financed by					
Share capital	2,200,000	2,200,000	30,000	30,000	30,000
Share premium	6,069,652	6,069,652	-	-	-
Revaluation reserve	316,022	316,022	311,400	-	-
Retained earnings	1,114,919	602,180	1,157,060	398,886	197,075
Long term borrowings	0	713,266	-	-	-
Deferred tax liability	89,015	177,226	-	-	-
Provision for gratuity	65,112	49,194	-	-	-
Trade and other payables	2,656,564	1,641,035	780,978	538,996	283,892
Due to related parties	36,457	2,579	-	-	148,492
Finance lease	7,708		- -	-	-
Taxation	530,121	369,154	405,037	164,877	92,996
Short term borrowings	10,027,830	9,334,871	2,741,688	1,498,384	663,301
	23,113,400	21,475,179	5,426,163	2,631,143	1,415,756

FINANCIAL STATEMENTS

For the year ended 30 April 2010

Five Year Financial Summary - Profit and loss accounts

	2010 N'000	2009 N'000	2008 N'000	2007 N'000	2006 N'000
Group					
Turnover	17,247,902	11,340,386	7,266,437	2,269,191	2,011,843
Cost of sales	(13,106,755)	(9,043,661)	(5,618,885)	(1,528,813)	(1,567,694)
Administrative expenses	(1,986,856)	(958,820)	(383,224)	(253,616)	(183,416)
Net Finance (cost) / income	(1,397,851)	12,644	(445,186)	(191,888)	(140,779)
Provision for impairment on investments	(99,014)	-	-	-	-
Other income	17,927	75,886	187,519	291	3,607
Profit before taxation	675,353	1,426,435	1,006,661	295,165	123,561
Taxation	(121,646)	(378,717)	(248,487)	(93,354)	(39,397)
Profit after taxation before extra ordinary item	553,707	1,047,718	758,174	201,811	84,164
Extra ordinary Item (net of associated taxes)	661,606	-	-	-	-
Profit after taxation and extra ordinary item	1,215,313	1,047,718	758,174	201,811	84,164
Earnings per share - Naira	0.13	0.28	12.64	6.73	2.81
Company					
Turnover	11,456,905	8,317,837	7,266,437	2,269,191	2,011,843
Cost of sales	(8,799,047)	(7,050,350)	(5,618,885)	(1,528,813)	(1,567,694)
Administrative expenses	(1,105,320)	(559,996)	(383,224)	(253,616)	(183,416)
Net Finance (cost) / income	(1,382,667)	14,159	(445,186)	(191,888)	(140,779)
Provision for impairment on investments	(99,014)	-	-	-	-
Other income	15,804	75,886	187,519	291	3,607
Profit before taxation	86,661	797,536	1,006,661	295,165	123,561
Taxation	(15,528)	(272,816)	(248,487)	(93,354)	(39,397)
Profit after taxation before extra ordinary item	71,133	524,720	758,174	201,811	84,164
Extra ordinary item (net of associated taxes)	661,606	-	-	-	-
Profit after taxation and extra ordinary item	732,739	524,720	758,174	201,811	84,164
Earnings per share - Naira	0.02	0.14	12.64	6.73	2.81

Company Share Capital History

YEAR	AUTHORRISED (NUMBER)		ISSUED & FULLY PAID (NUMBER)		CONSIDERATION
	Increase	Cumulative	Increase	Cumulative	
10-Apr-01	-	20,000,000	-	5,000,000	Cash
26-Feb-02	10,000,000	30,000,000	25,000,000	30,000,000	Cash
30-Apr-08	-	60,000,000	30,000,000	60,000,000	Stock split
7-May-08	4,340,000,000	4,400,000,000	-	60,000,000	Increase in share capital
9-May-08	-	4,400,000,000	2,800,000,000	2,860,000,000	Bonus shares
3-Jul-08	-	4,400,000,000	1,540,000,000	4,400,000,000	Cash from private placement
8-Oct-10	-	12,647,735,688*	-	4,400,000,000	Increase in share capital

* 8,000,000,000 of these shares are preference shares

IHS NIGERIA PLC

E-DIVIDEND PAYMENT MANDATE & CHANGE OF ADDRESS FORM

telecom infrastructure provider
IHS Nigeria Plc

PERSONAL DETAILS

Shareholder's name(s)*				
	(Surname/Company name)			(Other names)
Full Name(s) of any other holder*				
Shareholders Certificate No.			CSCS A/C No:	
(A separate form should be used where there is more than one certificate)				
Stockbroker's Name		Clearing House No (CHN)		
No of units held		Date of Birth / Incorporation of Company		
Address* (As it appears in the Register of Shareholders):				
Mobile (GSM) Numbers (s)*		Other Numbers		
Email Address		Fax		

BANK MANDATE*

Agreement and Acknowledgment

i- I/We hereby agree that this mandate form in an acceptance and acknowledgement of the receipt of our dividend payment in cash from IHS Nigeria PLC and an authorization to IHS Nigeria PLC to act under item (iii) below.

ii- I/We hereby agree that IHS Nigeria PLC may act and rely on these instructions until IHS Nigeria PLC receives written notification from me/us of the revocation or modification of these instructions.

iii- I/We hereby authorize IHS Nigeria PLC to credit or cause to be credited all dividend payments due to me/us into my/our Bank Account as detailed below, with effect from the date hereof.

Bank*		Branch*	
Shareholder's Bank Account No*			
Bank Sort Code*			

Dated this ______________ day of ____________________ 20 _____

Shareholders' Signature*	Shareholders' Signature**	Authorized Signature & Stamp of Bankers*

CHANGE OF ADDRESS

I/We hereby request that all correspondence relating to my/our holdings to be sent to the address below:

New Address:

Completed forms should be returned to:

- The Company Secretary, IHS Nigeria PLC, 19 Bishop Aboyade Cole, Victoria Island, Lagos
- The Registrar, Intercontinental Registrars Ltd, 274 Murtala Muhammed Way, Alagomeji, Yaba, Lagos

* All field marked are compulsory & must be filled

** In the case of a corporate shareholder, a company seal/stamp must be used