INTERIM RESULTS FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2017

This is our story of resilience in the pursuit of shareholder value
1. Our investment case
1.1 OUR INVESTMENT CASE

**Strong quality asset base** with ~40% capacity being new

**Strong quality leadership and senior management team** with combined expertise of more than 100 years

**Well developed footprint in Africa** with strong presence in southern & East Africa

**Market leader** in more than 80% of markets we operate in

**De-leveraged Balance Sheet**

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Well positioned to deliver long term sustainable shareholder value

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**POSITION • ASSETS • MANAGEMENT**
2. Corporate Action
2.1 CORPORATE ACTION

Fairfax Partial Offer and AfriSam Merger

• On 25 August 2017 the company notified the market of the firm intention letter delivered by Fairfax.
• Fairfax expressed a firm intention to make a partial offer to acquire shares of between R1 - 2 billion at an offer price of R5.75 per share.
• The partial offer was conditional upon, amongst other things, the recommendation by the Independent Board of PPC.
• The Independent Board appointed Investec Bank Limited as its independent expert.
• The Independent Board yesterday published a SENS announcement confirming that, having completed its process of considering the terms and conditions of the Partial Offer, it has resolved not to recommend its acceptance to Shareholders.
• The Independent Board has also advised Fairfax that it will not be recommending the Partial Offer, and that PPC will not convene a general meeting of Shareholders for purposes of approving the Proposed Merger with AfriSam.
• Based on the conditionality of the Fairfax partial offer, this should bring the matter to an end.
• PPC will keep shareholders informed of any further developments.

LafargeHolcim (LH) and CRH

• PPC is continuing its engagements with LH and CRH regarding their respective non-binding expressions of interest, in accordance with the Independent Board processes described in the announcement.
• Shareholders should note that the engagements with LH and CRH may or may not lead to the submission of firm intention letters.
3. STRATEGIC PRIORITIES AND EXECUTION

3.1 FOH – FOUR Strategic priorities (Group)
3.2 Progress on key priorities
3.3 Result highlights

OVER THE PAST FIVE MONTHS WE HAVE REFOCUSED OUR TACTICS
3.1 FOH – FOUR STRATEGIC PRIORITIES FOR THE NEXT 12 TO 18 MONTHS

**FINANCIAL**
1. Optimal capital structure
2. Liquidity
3. Financial discipline
4. BEE III

**OPERATIONS**
1. Southern Africa Cement – R50/tonne improvement to profitability
2. Rest of Africa Cement – operationalise businesses with key focus on ramp up and route to market (RTM)
3. Materials – maintain cash generation and entrench value chain
4. Adopt value based management principles

**HUMAN CAPITAL**
1. HR solutions
2. Talent management
3. High performing organisation
4. Organisational culture

DETERMINE VALUES TO ENSURE SUSTAINABLE SHAREHOLDER VALUE

INTERIM RESULTS FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2017
### 3.2 KEY PRIORITIES | FOH – FOUR FOR VALUE CREATION

<table>
<thead>
<tr>
<th>Financial</th>
<th>Operational</th>
<th>Human Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Optimal Capital Structure</strong></td>
<td><strong>SA Cement</strong></td>
<td><strong>HR Solutions</strong></td>
</tr>
<tr>
<td>• Optimal mix of long and short-term debt relative to equity</td>
<td>• Up to R50/tonne improvement to profitability</td>
<td>• Improve systems and resources</td>
</tr>
<tr>
<td>• Compliance to covenants</td>
<td>• Revenue enhancement</td>
<td>• Harmonising policies across Group</td>
</tr>
<tr>
<td>• Optimising cost of capital (ROIC vs WACC)</td>
<td>• Variable delivered costs – improve efficiencies</td>
<td></td>
</tr>
<tr>
<td><strong>Liquidity</strong></td>
<td><strong>Rest of Africa</strong></td>
<td><strong>Talent</strong></td>
</tr>
<tr>
<td>• Lengthening and smoothing maturity profile of debt</td>
<td>• Optimise RTM</td>
<td>• Focus on development of leadership and young talent</td>
</tr>
<tr>
<td>• DRC debt restructuring to optimise cash requirements</td>
<td>• Raw material and energy optimisation</td>
<td>• Entrench succession planning</td>
</tr>
<tr>
<td>• Managing liquidity and working capital across the Group</td>
<td>• Plant efficiencies</td>
<td></td>
</tr>
<tr>
<td><strong>Financial discipline</strong></td>
<td><strong>Materials</strong></td>
<td><strong>High Performing Organization</strong></td>
</tr>
<tr>
<td>• Entrenching standardised models and procedures</td>
<td>• Improve cash generation</td>
<td>• Recognition of performance</td>
</tr>
<tr>
<td>• Optimising ERP systems</td>
<td>• Entrench the value chain</td>
<td>• Focus on the well-being of employees</td>
</tr>
<tr>
<td>• Managing tax risk</td>
<td>• Integration of businesses and improve efficiencies</td>
<td>• Fit for purpose</td>
</tr>
<tr>
<td>• Proactive funding and liquidity management through governance structures</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>BEE III</strong></td>
<td><strong>Adopt Value Based Management</strong></td>
<td><strong>Organisation Culture</strong></td>
</tr>
<tr>
<td>• Implementation of BEE III in line with MPRDA requirement (top up transaction)</td>
<td>• Align business and operations to create value</td>
<td>• Leadership to set the tone at the top</td>
</tr>
<tr>
<td></td>
<td>• Target is to deliver sustainable returns above cost of capital</td>
<td>• Ensure that the behaviour of employees resonate with the ethos of PPC</td>
</tr>
</tbody>
</table>
### 3.2 PROGRESS ON KEY PRIORITIES | WHAT WE HAVE ACHIEVED

<table>
<thead>
<tr>
<th>What we said</th>
<th>What we achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial</strong></td>
<td><strong>Operational</strong></td>
</tr>
<tr>
<td><strong>Optimal Capital Structure</strong></td>
<td><em>Significant progress made with Group debt funding package</em>&lt;br&gt;<em>Term sheet received and commercial term being evaluated</em>&lt;br&gt;<em>Group net debt to EBITDA at 2.1x – balance sheet de-leveraged</em></td>
</tr>
<tr>
<td><strong>Liquidity</strong></td>
<td><em>Significant progress with re-structuring of DRC funding, term sheet being evaluated</em>&lt;br&gt;<em>Negotiation with EPC contractor progressing well</em>&lt;br&gt;<em>Significant progress in lengthening and smoothing maturity profile</em></td>
</tr>
<tr>
<td><strong>Financial discipline</strong></td>
<td><em>Developed tax risk matrix across Group</em>&lt;br&gt;<em>Developed funding and liquidity framework</em></td>
</tr>
<tr>
<td><strong>BEE III</strong></td>
<td><em>Significant progress on BEE III structure</em>&lt;br&gt;<em>On track to announce terms structure before March 2018</em></td>
</tr>
</tbody>
</table>

**ALIGNING OUR HR OPTIMISATION TO ENSURE DELIVERY**

INTERIM RESULTS FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2017
### 3.3 RESULTS HIGHLIGHTS | SIGNIFICANT IMPROVEMENT IN PROFITABILITY AND LIQUIDITY

#### SOLID GROUP FINANCIAL PERFORMANCE IN A CHALLENGING ENVIRONMENT
- Revenue up 1% to R5 188m
- EBITDA up 4% at R1 193m
- Attributable net profit +188%
- Net debt improved by R1.0bn
- Strong cash generation from operations of R1.3bn
- EPS +54% to 20c
- HEPS +36% to 19c

#### STRONG PERFORMANCE FROM REST OF AFRICA CEMENT
- RoA revenue up 9% to R1 259m
- EBITDA growth of 25% to R422m
- EBITDA margin achieved 34%
- Contribution to Group EBITDA 35%

#### MAINTAINED POSITION AS MARKET LEADER IN SOUTHERN AFRICA
- SA revenue marginal decline to R2 893m
- EBITDA maintained at R740m
- EBITDA margin improved to 25.6% in a challenging environment

#### DELIVERING LONG TERM SUSTAINABLE SHAREHOLDER VALUE
- Improved profitability
- Improved debt and liquidity position
- Leveraged target confirmed
- Improved in cash generation
- Delivered on key priorities

#### DIVERSIFIED PORTFOLIO IS PAYING OFF

**Volumes**
- Group cement
  - 1H18: 3002
  - 1H17: 2965.0
  - Increase: +1.2%
- Lime (kt)
  - 1H18: 426
  - 1H17: 453
  - Decrease: -5.8%
- Aggregates (kt)
  - 1H18: 1498
  - 1H17: 1639
  - Decrease: -8.6%
- Readymix ('000 m3)
  - 1H18: 344
  - 1H17: 288
  - Increase: +19.4%

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INTERIM RESULTS FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2017
4. Group Results

4.1 Income Statement
4.2 Balance Sheet
4.3 Cash Flow Statement
4.4 Options available for DRC
4.5 FOH – FOUR strategic priorities (Group Finance)

RESILIENT PERFORMANCE IN A TOUGH OPERATING ENVIRONMENT
4.1 INCOME STATEMENT

<table>
<thead>
<tr>
<th></th>
<th>Six months ended 30 September 2017</th>
<th>Six months ended 30 September 2016</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>5 188</td>
<td>5 156</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>3 859</td>
<td>3 838</td>
<td>(1%)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>1 329</td>
<td>1 318</td>
<td>1%</td>
</tr>
<tr>
<td>Administrative and other operating expenditure</td>
<td>549</td>
<td>577</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Operating profit before item listed below:</strong></td>
<td>780</td>
<td>741</td>
<td>5%</td>
</tr>
<tr>
<td>Empowerment transactions IFRS 2 charges</td>
<td>17</td>
<td>17</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>763</td>
<td>724</td>
<td>5%</td>
</tr>
<tr>
<td>Foreign exchange loss</td>
<td>1</td>
<td>87</td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td>285</td>
<td>509</td>
<td>44%</td>
</tr>
<tr>
<td>Investment income</td>
<td>20</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td><strong>Profit before equity-accounted earnings</strong></td>
<td>497</td>
<td>134</td>
<td>271%</td>
</tr>
<tr>
<td>Earnings from equity accounted investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impairments</td>
<td>-</td>
<td>(10)</td>
<td></td>
</tr>
<tr>
<td><strong>Profit before taxation</strong></td>
<td>497</td>
<td>124</td>
<td>301%</td>
</tr>
<tr>
<td>Taxation</td>
<td>193</td>
<td>66</td>
<td>-192%</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>304</td>
<td>58</td>
<td>424%</td>
</tr>
<tr>
<td>Attributable to:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders of PPC Ltd</td>
<td>294</td>
<td>102</td>
<td>188%</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>10</td>
<td>10</td>
<td>(44)%</td>
</tr>
<tr>
<td>EPS</td>
<td>20</td>
<td>13</td>
<td>54%</td>
</tr>
<tr>
<td>HEPS</td>
<td>19</td>
<td>14</td>
<td>36%</td>
</tr>
</tbody>
</table>

1. **REVENUE**

Revenue is up 1% due to volume and price increases in Zimbabwe, volume in Rwanda and price increases in southern Africa cement operations.

2. **COST OF SALES**

South Africa and Zimbabwe variable costs increased by 3 – 5% on a per tonne basis. Rwanda cost of production decreased by 8% due to more efficient energy mix being used in operations. This despite inflationary increases.

3. **OVERHEADS**

Adjusted overheads down ~10% if non-recurring costs are excluded. Well controlled with evidence of contribution from PIP program. RoA contributed to the positive performance and controlled costs.

4. **FINANCE COSTS**

In the current period non-recurring liquidity and guarantee facility fees (LAGFA) excluded. The balance sheet was recapitalised with R4bn in September 2016.

5. **TAXATION**

Group effective taxation rate of 39%. RSA effective taxation rate of 33.9% (due to non-deductible expenses). Zimbabwe 50% due to prior year tax of US$3m.

6. **EPS AND HEPS**

Weighted average number of shares increased from 757m shares in the prior period to 1 510m.
## 4.1.1 Diversified Quality Portfolio of Assets

### Revenue (Rm)

<table>
<thead>
<tr>
<th>Region</th>
<th>1H18</th>
<th>1H17</th>
<th>% Change</th>
<th>Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Africa</td>
<td>2 893</td>
<td>2 946</td>
<td>(2%)</td>
<td></td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>1 259</td>
<td>1 152</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Rwanda</td>
<td>433</td>
<td>372</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>DRC</td>
<td>-</td>
<td>25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>820</td>
<td>752</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>3</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td><strong>Materials</strong></td>
<td>1 036</td>
<td>1 058</td>
<td>(2%)</td>
<td></td>
</tr>
<tr>
<td><strong>Group Services</strong></td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td>5 188</td>
<td>5 156</td>
<td>1%</td>
<td></td>
</tr>
</tbody>
</table>

### EBITDA (Rm)

<table>
<thead>
<tr>
<th>Region</th>
<th>1H18</th>
<th>1H17</th>
<th>% Change</th>
<th>Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Africa</td>
<td>740</td>
<td>742</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>422</td>
<td>339</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Rwanda</td>
<td>168</td>
<td>126</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>DRC</td>
<td>8</td>
<td>(15)</td>
<td>153%</td>
<td></td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>247</td>
<td>230</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(1)</td>
<td>(2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Materials</strong></td>
<td>108</td>
<td>199</td>
<td>(46%)</td>
<td></td>
</tr>
<tr>
<td><strong>Group Services</strong></td>
<td>(77)</td>
<td>(134)</td>
<td>43%</td>
<td></td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td>1 193</td>
<td>1 146</td>
<td>4%</td>
<td></td>
</tr>
</tbody>
</table>

### Net Interest (Rm)

<table>
<thead>
<tr>
<th>Region</th>
<th>1H18</th>
<th>1H17</th>
<th>% Change</th>
<th>Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Africa</td>
<td>123</td>
<td>99</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>101</td>
<td>78</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Rwanda</td>
<td>58</td>
<td>73</td>
<td>(21%)</td>
<td></td>
</tr>
<tr>
<td>DRC</td>
<td>3</td>
<td>3</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>40</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Materials</strong></td>
<td>4</td>
<td>7</td>
<td>(43%)</td>
<td></td>
</tr>
<tr>
<td><strong>Group Services</strong></td>
<td>57</td>
<td>325</td>
<td>(82%)</td>
<td></td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td>285</td>
<td>509</td>
<td>(44%)</td>
<td></td>
</tr>
</tbody>
</table>

### Att. Net Profit (Rm)

<table>
<thead>
<tr>
<th>Region</th>
<th>1H18</th>
<th>1H17</th>
<th>% Change</th>
<th>Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Africa</td>
<td>317</td>
<td>336</td>
<td>(6%)</td>
<td></td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>73</td>
<td>53</td>
<td>37%</td>
<td></td>
</tr>
<tr>
<td>Rwanda</td>
<td>17</td>
<td>(28)</td>
<td>162%</td>
<td></td>
</tr>
<tr>
<td>DRC</td>
<td>(1)</td>
<td>(47)</td>
<td>77%</td>
<td></td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>69</td>
<td>128</td>
<td>(46%)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(2)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Materials</strong></td>
<td>45</td>
<td>102</td>
<td>(56%)</td>
<td></td>
</tr>
<tr>
<td><strong>Group Services</strong></td>
<td>(141)</td>
<td>(389)</td>
<td>64%</td>
<td></td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td>294</td>
<td>102</td>
<td>188%</td>
<td></td>
</tr>
</tbody>
</table>
4.1.2 REVENUE CONTRIBUTION PER SEGMENT

Revenue contribution 1H18

Southern Africa cement 56%
RoA cement 24%
Materials 20%

Revenue contribution 1H17

Southern Africa cement 57%
RoA cement 22%
Materials 21%

RESILIENT PERFORMANCE IN A TOUGH OPERATING ENVIRONMENT

REVENUE

- Southern Africa cement volumes down 1% - 4% with selling prices up 2%
- Rest of Africa cement growth key driver of Group revenue
- Rwanda volumes up 32%, with realised pricing marginally down 1% - 2%
- Zimbabwe volumes up 28% and 4% price increase in US$
- R:($) strengthened by ~9% in the reporting period
- Materials division, below last year due to tough market conditions
4.1.3 EBITDA CONTRIBUTIONS & MARGINS PER SEGMENT

**EBITDA CONTRIBUTIONS**
- Growth driven by RoA
- SA flat
- Cost of sales and overheads well controlled
- Operational leverage in RoA business as route to market is embedded
- Product mix in Rwanda and Zimbabwe (introduction of bulk and SURECAST respectively)
- Rwanda’s cost of production was down 8% due to thermal energy mix

**EBITDA MARGINS**
- Diversified portfolio paying off
- RoA margin within guidance
- SA margins improvement despite tough environment
- Price increase in South Africa played a significant role
- Materials division impacted negatively

**ROA IMPROVEMENT IN EBITDA MARGINS DUE TO OPERATIONAL LEVERAGE**
4.1.4 ADJUSTED EBITDA INCREASED BY 12%

**EBITDA Bridge (Rm)**

- **EBITDA margin 22%**
- **EBITDA margin 23%**
- **EBITDA margin 25%**

**1H17 EBITDA**

**1H18 EBITDA growth**

**1H18 EBITDA**

**Forex impact**

**Corporate action**

**Project costs & other**

**Adjusted EBITDA**

- GOOD PERFORMANCE DESPITE TOUGH ENVIRONMENT
- DIVERSIFIED PORTFOLIO PAYING OFF
4.1.5 TAX RATE RECONCILIATION

**Group effective tax rate**  
1H18

<table>
<thead>
<tr>
<th>Category</th>
<th>1H18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Standard Reporting Rate</td>
<td>28.0%</td>
</tr>
<tr>
<td>RSA permanent differences</td>
<td>5.9%</td>
</tr>
<tr>
<td>RSA effective tax rate</td>
<td>33.9%</td>
</tr>
<tr>
<td>RoA permanent differences</td>
<td>4.9%</td>
</tr>
</tbody>
</table>

**Group effective tax rate**  
38.8%

* Reconciliation expressed as % of Group Profit Before Tax

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**Country-by-country effective tax rate**

- Rwanda effect of in-country non-deductibles;
- DRC impacted by VAT mark-to-mark revaluation, DRC tax holiday (NB assessed losses carried-forward);
- Botswana in-country adjustments & effect of blended rate of 15% (manufacturing enterprises ) and 22% (non-manufacturing) ; and
- Zimbabwe additional assessments US$3m paid

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*Standard rate is a blend between manufacturing 15% and non-manufacturing 22%  
** Additional US$3m tax paid

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**Group effective tax rate**

- South Africa reconciliation:
  - Restructuring, corporate action (capital nature); and
  - Excludes Botswana
- RoA reconciliation
  - Additional assessments US$3m paid, relates to pre-2012 (Zimbabwe).
## 4.2 BALANCE SHEET

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>30 September 2017</th>
<th>31 March 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rm</td>
<td>Rm</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>14 357</td>
<td>14 192</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>12 714</td>
<td>12 531</td>
</tr>
<tr>
<td>Goodwill</td>
<td>236</td>
<td>237</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>638</td>
<td>677</td>
</tr>
<tr>
<td>Equity-accounted investments</td>
<td>271</td>
<td>225</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>312</td>
<td>380</td>
</tr>
<tr>
<td>Deferred taxation assets</td>
<td>186</td>
<td>142</td>
</tr>
<tr>
<td>Non-current assets held for sale</td>
<td>39</td>
<td>38</td>
</tr>
<tr>
<td>Current assets</td>
<td>3 662</td>
<td>3 805</td>
</tr>
<tr>
<td>Inventories</td>
<td>1 174</td>
<td>1 163</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>1 485</td>
<td>1 652</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1 003</td>
<td>990</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>18 058</strong></td>
<td><strong>18 035</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EQUITY AND LIABILITIES</th>
<th>30 September 2017</th>
<th>31 March 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity attributable to shareholders of PPC Ltd</td>
<td>8 422</td>
<td>8 051</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>344</td>
<td>334</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td><strong>8 766</strong></td>
<td><strong>8 385</strong></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>5 277</td>
<td>5 626</td>
</tr>
<tr>
<td>Provisions</td>
<td>554</td>
<td>545</td>
</tr>
<tr>
<td>Deferred taxation liabilities</td>
<td>1 114</td>
<td>1 073</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>3 165</td>
<td>3 555</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>444</td>
<td>453</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td><strong>4 015</strong></td>
<td><strong>4 024</strong></td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>2 267</td>
<td>2 181</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>1 748</td>
<td>1 843</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>18 058</strong></td>
<td><strong>18 035</strong></td>
</tr>
</tbody>
</table>

1. **CASH AND CASH EQUIVALENTS**
   - Cash and cash equivalents increased to R1.0bn
   - Restricted cash of R540m in Zimbabwe

2. **GROSS DEBT**
   - Gross debt reduced from R5.7bn to R5.4bn
   - Significant progress on improving liquidity and maturity profile
   - De-leveraged balance sheet
4.2.1 INVESTMENT IN A DIVERSIFIED PORTFOLIO OF QUALITY ASSETS

**Capex & PPE (Rm)**

- Actual capex & PPE
- Lower range
- High range

**Capex guidance**

**CAPACITY BUILD-UP 2015 – 2018 (MTPA)**

- Rest of Africa capacity increased to 4.4mtpa

**Capex guidance (Rm)**

<table>
<thead>
<tr>
<th>FY</th>
<th>1H18</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Africa</td>
<td>230</td>
<td>450 - 600</td>
<td>650 - 800</td>
<td>800 - 1000</td>
</tr>
<tr>
<td>ROA</td>
<td>288</td>
<td>200 - 400</td>
<td>100 - 200</td>
<td>100 - 200</td>
</tr>
</tbody>
</table>

- **PPC HAS INVESTED > $750M SINCE 2014 IN A QUALITY ASSET PORTFOLIO**
- **PEAK CAPEX IN FY16**
## Key Opportunity to Deliver Returns Above Cost of Capital

### Sept 2011

| Countries | 3 |
| Capacity (mtpa) | 8.0 |
| Total Assets | R6.4bn |
| Total equity | R0.96bn |
| Rest of Africa (RoA) EBITDA contribution | 17% |

### Sept 2017

| Countries | 6 (Doubled) |
| Capacity (mtpa) | 11.4 (+33%) |
| Total Assets | R18bn (~2.8X) |
| Total equity | R8.4bn (~8.8X) |
| Rest of Africa (RoA) EBITDA contribution | 35% (~2.1X) |

6 Years

---

4.2.2 WELL POSITIONED TO DELIVER SUSTAINABLE RETURNS

KEY OPPORTUNITY TO DELIVER RETURNS ABOVE COST OF CAPITAL
4.2.3 DE-LEVERAGED BALANCE SHEET AND IMPROVED MATURITY PROFILE

**Group debt profile (Rm)**

**Current debt maturity profile (Rm)**

**Post re-structure debt maturity profile (Rm)**

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
</tr>
</thead>
<tbody>
<tr>
<td>RSA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Debt** | **EBITDA** | **Ratio**
----------|-------------|--------
PPC centre | 1 746       | 1 380  | 1.3   |
Covenant Group | 2 344       | 1 835  | 1.3   |
Group | 5 432       | 2 112  | 2.6   |

TERMS SHEETS RECEIVED AND BEING REVIEWED

INTERIM RESULTS FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2017
4.2.4 GROUP DEBT PER REGION AND CURRENCY

Gross debt by region 1H18

- RSA: 33.8% RoA: 66.2%

Gross debt by region FY17

- RSA: 35.8% RoA: 64.2%

Gross debt by currency 1H18

- ZAR: 33.8% USD: 58.6% RWF: 7.6%

Gross debt by currency FY17

- ZAR: 35.8% USD: 56.7% RWF: 7.6%

INCREASE IN ROA DEBT DUE TO DRC
4.2.5 CONTRIBUTION TO CASH BALANCE BY COUNTRY

Cash by country 1H18

- Zimbabwe: 56%
- Rwanda: 23%
- DRC: 4%
- Southern Africa: 16%
- Other: 1%

Cash by country FY17

- Zimbabwe: 34%
- Rwanda: 18%
- DRC: 9%
- Southern Africa: 38%
- Other: 1%
4.3 CASH FLOW STATEMENT

### 1. OPERATING CASH FLOW

- Increase in operating cash flow before working capital due to good operational performance
- Finance costs paid reduced due to non-recurring LAGFA fees
- Positive working capital movement due to favourable movement in receivables

### 2. INVESTING ACTIVITIES

- Outflow from investing activities reduced by R518m due to the reduction in capex spend

### 3. FINANCING ACTIVITIES

- Debt repayment of R323m is mainly Rwanda, DRC and Zimbabwe
- Previous year was exceptional as bonds became due and payable as a result of the S&P downgrade
- Cash and equivalents of R1.0bn is due to good operational performance
- ~50% of cash is attributable to Zimbabwe

<table>
<thead>
<tr>
<th>Operating cash flows before movements in working capital</th>
<th>Six months ended 30 September 2017 (Rm)</th>
<th>Six months ended 30 September 2016 (Rm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flows before movements in working capital</td>
<td>1 211</td>
<td>1 145</td>
</tr>
<tr>
<td>Working capital movements</td>
<td>59</td>
<td>141</td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>1 270</td>
<td>1 286</td>
</tr>
<tr>
<td>Finance costs paid</td>
<td>(248)</td>
<td>(513)</td>
</tr>
<tr>
<td>Investment income received</td>
<td>20</td>
<td>6</td>
</tr>
<tr>
<td>Taxation paid</td>
<td>(172)</td>
<td>(196)</td>
</tr>
<tr>
<td>Cash available from operations</td>
<td>870</td>
<td>583</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of additional shares in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>equity-accounted investment</td>
<td>(40)</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition of additional shares in subsidiary</td>
<td>-</td>
<td>(18)</td>
</tr>
<tr>
<td>Investments in intangible assets</td>
<td>(4)</td>
<td>(10)</td>
</tr>
<tr>
<td>Investments in property, plant and equipment</td>
<td>(518)</td>
<td>(1 035)</td>
</tr>
<tr>
<td>Movements in other investing activities</td>
<td>13</td>
<td>(4)</td>
</tr>
<tr>
<td>Net cash outflow from investing activities</td>
<td>(549)</td>
<td>(1 067)</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net borrowings repaid before repayment of the notes</td>
<td>(323)</td>
<td>(1 453)</td>
</tr>
<tr>
<td>Proceeds from the issuance of shares following rights issue</td>
<td>-</td>
<td>3 706</td>
</tr>
<tr>
<td>Proceeds from the sale of nil paid letters by consolidated BBBEE entities</td>
<td>-</td>
<td>137</td>
</tr>
<tr>
<td>Purchase of PPC Ltd shares in terms of the FSP share incentive scheme</td>
<td>-</td>
<td>(74)</td>
</tr>
<tr>
<td>Repayment of notes</td>
<td>-</td>
<td>(1 614)</td>
</tr>
<tr>
<td>Net cash (outflow)/inflow from financing activities</td>
<td>(323)</td>
<td>702</td>
</tr>
<tr>
<td>Net movement in cash and cash equivalents</td>
<td>(2)</td>
<td>218</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the period</td>
<td>1 003</td>
<td>648</td>
</tr>
</tbody>
</table>
26

INTERIM RESULTS FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2017

4.4 OPTIONS AVAILABLE FOR DRC | IMPACT ON BALANCE SHEET

<table>
<thead>
<tr>
<th>Att. Net profit (Rm)</th>
<th>1H18</th>
<th>1H17</th>
</tr>
</thead>
<tbody>
<tr>
<td>RoA</td>
<td>73</td>
<td>53</td>
</tr>
<tr>
<td>DRC</td>
<td>(11)</td>
<td>(47)</td>
</tr>
<tr>
<td>RoA (excluding DRC)</td>
<td>82</td>
<td>100</td>
</tr>
</tbody>
</table>

**REST OF AFRICA DEBT EXCLUDING DRC (RM)**

- **ROA DEBT**: R3.6bn
- **DRC DEBT**: R2.2bn**
- **ROA DEBT (ex DRC)**: R1.4bn

**UPDATE ON OPTIONS**

1. Negotiation with funders with regard to debt restructuring progressing well

2. Negotiation with EPC contractor progressing well
   1) 18 - 24 month extension of US$24m EPC contract retention fee or
   2) Conversion of US$24m into equity subject to due diligence

3. Joint venture with another cement producer currently not actively being pursued

**SIGNIFICANT PROGRESS REGARDING DEBT RESTRUCTURING**

- Rest of Africa debt as at March 2017 excluding DRC debt was R1.4bn
- DRC debt ~R2.2bn (US$162m) as at September 2017
- ~60% of RoA debt is DRC

**PPC as first sponsor in the DRC:**
- No financial close
- Project financing shortfalls to date of US$31.5m have been settled from cash reserves ~US$17m was capital & interest
- Restructuring of debt will reduce additional cash requirements in FY18 from US$23 - US$27m to US$10 - US$15m
PPC entered into a Put Option agreement in relation to an equity investment with the IFC of ~US$11m in August 2015, which comprises 2 parts

**Policy Put Option**

**Mechanics**

- Put Option period started in August 2015 and ends in 2026
- The IFC can put its shares in PPC Barnet to PPC Ltd at a Put Price
- The Put Price is determined by a pre-determined formula and based on an acceptable return to the IFC based on their initial investment
- Liability in PPC Ltd AFS not based on Policy Put Option

**Trigger**

- Contingent on pre-defined breach clauses
- Based on behaviour compliance

**Commercial Put Option**

**Mechanics**

- Put Option period starts in 2021 and ends in 2026
- The IFC can put its shares in the PPC Barnet to PPC Ltd at a Put Price
- The Put Price is determined by an Independent Valuer with an EV/EBITDA methodology used for the valuation
- The Put Option liability is currently valued at R424m in the PPC balance sheet under other non-current liabilities

**Trigger**

- IFC exiting their investment in PPC Barnet from 2021
- They cannot put prior to 2021
- This is an exit mechanism for the IFC

N.B. THE PUT OPTION IS NOT LINKED TO THE OUTSTANDING DEBT IN THE DRC
4.5 FOH – FOUR STRATEGIC PRIORITIES FOR THE NEXT 12 TO 18 MONTHS

FINANCIAL
1. Optimal capital structure – long term gearing target, maturity profile, liquidity
2. Financial portfolio optimisation – cost of capital & hurdle rates vs returns, capital allocation priorities, dividend framework
3. Free cash flow generation

OPERATIONS
Financial disciplines and processes which include:
1. Embedding ERP systems across the Group
2. Entrenching governance structures
3. Entrenching standardised policies and procedures

HUMAN CAPITAL
1. Implementing BEE III
2. Developing centres of excellence across the Group
3. Performance culture geared towards shareholder value

GROWING SUSTAINABLE SHAREHOLDER VALUE THROUGH EFFECTIVE AND EFFICIENT FINANCIAL STRATEGY
5.1 OPERATIONAL REVIEW

OPTIMISATION OF RTM AND PLANT EFFICIENCIES
IMPROVING COST REDUCTION ACROSS OUR OPERATIONS
DELIVER ON ROA BUSINESS PLANS
5.1 PERFORMANCE AGAINST KEY SUSTAINABILITY METRICS

**NATURAL CAPITAL**

- R300 million spent over last 5 years on environmental upgrades at existing operations
- All new plants equipped with the latest design filter technology

**HUMAN CAPITAL**

- Nearly 80% of our operations had no LTI in the period
- 8 operations have had no LTI in the past 3 years, with in excess of 15 million LTI free hours
- 7 sites now have more than 1 000 000 LTI free hours
- Number of injuries across the Group dropped by 40%

---

**De Hoek, in response to the drought, reduced water consumption by 40%**

**LTIFR reduced to 0.33 at the end of September 2017 due to the successful implementation of the Snakes & Hazards**

---

**PYTHON:** DEVELOPING HAZARD

**COBRA:** KNOWN HAZARD

**ADDER:** HIDDEN HAZARD
5.2 SOUTHERN AFRICA

5.2.1 Price recovery in a difficult trading environment
5.2.2 Operational overview
5.2.3 Imports declined
5.2.4 Supply and demand
5.2.5 Slurry kiln 9
5.2.6 Access to the regional markets
5.2.7 Cost breakdown
5.2.8 Operational efficiencies
5.2.9 FOH – FOUR Outlook (southern Africa)
5.2.1 PRICE RECOVERY IN A DIFFICULT TRADING ENVIRONMENT

Average Selling Price (ASP) Trends

Source: PPC Research

ASP indexed from January 2015
5.2.2 OPERATIONAL REVIEW | PRICING BOTTOMED IN SOUTHERN AFRICA

SOUTH AFRICA

• Realised cement pricing up 2% in this period
  • Price increases in February and August 2017

• Cement volumes
  • PPC volumes declined 1.0% - 4.0% in line with the industry
  • Inland volumes contracted due to a competitive market and weaker demand
  • Coastal showed resilience with positive growth
  • Portfolio effect of PPC’s national footprint

BOTSWANA

• Realised cement pricing up 4.0% in this period

• Cement volumes
  • Down between 4% - 6%
  • The Botswana economy is slowly recovering from the 2015 diamond trade slowdown
  • The Economic Stimulus Plan which is supposed to stimulate the non-mining sector of the economy has been slow to get going
  • Infrastructure spend by Government is expected to accelerate in 2018

PRICING IS AN IMPORTANT FACTOR IN STABILISING MARKETS
5.2.3 IMPORTS DECLINED BY 28% IN Q2 2017 FROM Q2 2016

- Imports in 1st half of 2017 have increased marginally year-on-year
- Q2 2017 imports have declined by 28% from 137k tonnes to 98k tonnes quarter on quarter
- Western Cape imports declined for the same period
- Over the past 12 months the bulk of the imports have been from China
- Shipping rates increased and the R/$ exchange rate has strengthened since June 2016
- Imports from Pakistan in October 2017 in KwaZulu-Natal
5.2.4 PPC WILL HAVE THE NEWEST KILN COMING ONLINE IN 2018

- SK9 PROVIDES PPC WITH NEWEST TECHNOLOGY IN THE DOMESTIC INDUSTRY
- IN 2020 AN ESTIMATED 3.0MTPA OF INDUSTRY CAPACITY WILL NOT MEET EMISSIONS REGULATIONS
- AFTER 2020 THE INDUSTRY WILL BE RUNNING AT HIGH CAPACITY SUGGESTING ADDITIONAL CAPACITY WILL BE REQUIRED

### Annual cementitous supply and demand in South Africa, Botswana, Lesotho & Swaziland

<table>
<thead>
<tr>
<th>Year</th>
<th>Industry demand</th>
<th>Industry demand locally produced</th>
<th>Industry Capacity (with SK9)</th>
<th>Annual % change in demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>14,000</td>
<td>11,000</td>
<td>15,000</td>
<td>0.0%</td>
</tr>
<tr>
<td>1997</td>
<td>15,000</td>
<td>12,000</td>
<td>16,000</td>
<td>-5.2%</td>
</tr>
<tr>
<td>1998</td>
<td>13,000</td>
<td>10,000</td>
<td>14,000</td>
<td>6.2%</td>
</tr>
<tr>
<td>1999</td>
<td>12,000</td>
<td>9,000</td>
<td>13,000</td>
<td>-7.7%</td>
</tr>
<tr>
<td>2000</td>
<td>11,000</td>
<td>8,000</td>
<td>12,000</td>
<td>2.7%</td>
</tr>
<tr>
<td>2001</td>
<td>10,000</td>
<td>7,000</td>
<td>11,000</td>
<td>-1.9%</td>
</tr>
<tr>
<td>2002</td>
<td>9,000</td>
<td>6,000</td>
<td>10,000</td>
<td>2.7%</td>
</tr>
<tr>
<td>2003</td>
<td>8,000</td>
<td>5,000</td>
<td>9,000</td>
<td>-1.9%</td>
</tr>
<tr>
<td>2004</td>
<td>7,000</td>
<td>4,000</td>
<td>8,000</td>
<td>2.7%</td>
</tr>
<tr>
<td>2005</td>
<td>6,000</td>
<td>3,000</td>
<td>7,000</td>
<td>-1.9%</td>
</tr>
<tr>
<td>2006</td>
<td>5,000</td>
<td>2,000</td>
<td>6,000</td>
<td>2.7%</td>
</tr>
<tr>
<td>2007</td>
<td>4,000</td>
<td>1,000</td>
<td>5,000</td>
<td>-1.9%</td>
</tr>
<tr>
<td>2008</td>
<td>3,000</td>
<td></td>
<td>4,000</td>
<td>-1.9%</td>
</tr>
<tr>
<td>2009</td>
<td>2,000</td>
<td></td>
<td>3,000</td>
<td>2.7%</td>
</tr>
<tr>
<td>2010</td>
<td>1,000</td>
<td></td>
<td>2,000</td>
<td>-1.9%</td>
</tr>
<tr>
<td>2011</td>
<td>0</td>
<td></td>
<td>1,000</td>
<td>-1.9%</td>
</tr>
<tr>
<td>2012</td>
<td>0</td>
<td></td>
<td>0</td>
<td>-1.9%</td>
</tr>
<tr>
<td>2013</td>
<td>0</td>
<td></td>
<td>0</td>
<td>-1.9%</td>
</tr>
<tr>
<td>2014</td>
<td>0</td>
<td></td>
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<td>-1.9%</td>
</tr>
<tr>
<td>2015</td>
<td>0</td>
<td></td>
<td>0</td>
<td>-1.9%</td>
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<td>2016</td>
<td>0</td>
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<td>-1.9%</td>
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<td>2017</td>
<td>0</td>
<td></td>
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<td>-1.9%</td>
</tr>
<tr>
<td>2018</td>
<td>0</td>
<td></td>
<td>0</td>
<td>-1.9%</td>
</tr>
<tr>
<td>2019</td>
<td>0</td>
<td></td>
<td>0</td>
<td>-1.9%</td>
</tr>
<tr>
<td>2020</td>
<td>0</td>
<td></td>
<td>0</td>
<td>-1.9%</td>
</tr>
<tr>
<td>2021</td>
<td>0</td>
<td></td>
<td>0</td>
<td>-1.9%</td>
</tr>
<tr>
<td>2022</td>
<td>0</td>
<td></td>
<td>0</td>
<td>-1.9%</td>
</tr>
</tbody>
</table>

**Notes:**
- 1996-2017: Data represents the actual demand and supply of cementitious materials.
- PPC SK9 is expected to start operations in 2018, enhancing the capacity and meeting emission standards.
- New entrants Dwaalboom and PPC SK9 are projected to expand the market supply in 2019.

---

**Graph Key:**
- **Red Line:** Industry demand
- **Grey Line:** Industry demand locally produced
- **Black Dotted Line:** Industry Capacity (with SK9)
- **Black Dashed Line:** Annual % change in demand

**Legend:**
- PPC - Dwaalboom
- New entrant
- PPC SK9
5.2.5 SLURRY KILN 9 | PROJECT UPDATE

THE SK9 PROJECT, THE NEW KILN BEING BUILT IN SOUTH AFRICA’S NORTH WEST PROVINCE TO INCREASE PRODUCTION CAPACITY IS 80% COMPLETE AND SCHEDULED FOR COMMISSIONING IN THE FIRST HALF OF 2018

SK9 WILL ENHANCE PPC’S COMPETITIVE POSITION THROUGH COST, TECHNICAL AND ENVIRONMENTAL EFFICIENCIES
5.2.6 ACCESS TO THE REGIONAL MARKETS

**PPC footprint enables:**
- Integrated plants and depots to serve key markets
- Portfolio effect delivering profitability
- Ability to deliver at lowest cost through optimal sourcing

Key
- PPC
- AfriSam
- Sephaku
- NPC
- Mamba
- Lafarge
- * Grinding plant only

**WESTERN CAPE 1mtpa**
- Well positioned for alternative fuel
- Favourable proximity to market

**SLURRY 2mtpa**
- SK9 newest technology
- Increased optimal sourcing opportunities, increased competitiveness

**DWAALBOOM 2mtpa**
- Pioneered six stage pre-heater technology in South Africa
- Modernised plant
- Waste product substitution
- Increased energy efficiency

* cement capacity

**PPC HAS THE MOST DESIRABLE CEMENT DELIVERY FOOTPRINT IN SOUTH AFRICA**
5.2.7 COST BREAKDOWN

Cost breakdown

- Distribution: 23%
- Other*: 8%
- Salaries: 8%
- Electricity: 5%
- Depreciation: 8%
- Material consumables: 11%
- Maintenance: 11%
- Coal: 11%
- Packaging: 4%

OTHER*

Other includes explosives, spares, drill bits, lubricants, vehicle hire and pallet costs
5.2.8 WE CONTINUE TO DRIVE OPERATIONAL EFFICIENCIES

- PIP phase I exceeded R650m
- Improvements in operational efficiency were mainly due to:
  - Restructuring the business to meet operational requirements
  - Multi-skilling and training of employees
  - Optimising outbound logistics
  - Improving energy efficiency
5.2.9 FOH – FOUR STRATEGIC PRIORITIES FOR THE NEXT 12 TO 18 MONTHS

**Southern Africa**

**Financial**
1. R50/tonne improvement in profitability
2. Realise SK9 benefits
3. Financial discipline
4. Implement value based management principles

**Operations**
1. Supply chain optimisation
2. Optimise RTM
3. Alternative fuel and plant efficiency
4. Safika Cement integration

**Human Capital**
1. Structure optimisation
2. Talent management
3. Organisation culture

**Cost Optimisation to Deliver Margin Improvement**
5.3 Rest of Africa

5.3.1 Overview
5.3.2 Rest of Africa key drivers
5.3.3 Progress on key priorities
5.3.4 Rwanda operational review
5.3.5 Zimbabwe operational review
5.3.6 DRC operational review
5.3.7 Ethiopia operational review
5.3.8 FOH – FOUR Outlook (Rest of Africa)

STRONG PRESENCE IN GROWING URBAN CENTRES OF THE CONTINENT
### 5.3.1 OVERVIEW OF REST OF AFRICA CEMENT

<table>
<thead>
<tr>
<th>Region</th>
<th>Annualised capacity utilisation</th>
<th>EBITDA margin at steady state</th>
<th>Average retail pricing US$/tonne</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zimbabwe</td>
<td>1.4mtpa 40% - 60%</td>
<td>30% - 35%</td>
<td>170 - 255</td>
</tr>
<tr>
<td>Rwanda</td>
<td>0.6mtpa 60% - 70%</td>
<td>30% - 35%</td>
<td>205 - 235</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>1.4mtpa Ramp - up</td>
<td>30% - 35%</td>
<td>80 - 100</td>
</tr>
<tr>
<td>DRC</td>
<td>1mtpa Ramp - up</td>
<td>30% - 35%</td>
<td>150 - 200</td>
</tr>
</tbody>
</table>

**Well positioned to gain market share in emerging markets**
5.3.2 REST OF AFRICA KEY DRIVERS

**Real GDP growth %**

- Strong growth in Ethiopia and Rwanda
- Zimbabwe and DRC recovering

**Net FDI % of GDP**

- Strong FDI flows in Ethiopia and Rwanda
- Zimbabwe and DRC stabilising

Source: NKC
5.3.3 PROGRESS MADE ON KEY PRIORITIES

**Zimbabwe**

1. Liquidity management
   - Identified export opportunities to neighbouring countries
   - Local sourcing of key input materials in progress
   - Packaging material and consumables
2. Operational efficiencies
   - Entrenched RTM strategy in the North of Zimbabwe to support volume growth (>40%)
   - Diversifying product mix with SURECAST representing 10% - 15% of volumes, none in the previous year

**Ethiopia**

1. RTM strategy
   - In place to gain market share and grow volumes
   - Export strategy developed to gain forex
2. Operational efficiencies
   - Identified thermal energy options to be sourced locally and preserve forex
   - Implementing business architecture to support growth in volumes
   - Identified alternative extender to optimise product mix

**Rwanda**

1. Raw material optimisation
   - Identified 4 potential deposits to extend limestone reserves from 11.5 to approx. 16 years. Drilling is in progress to quantify
   - Also identified larger deposits in the eastern DRC, with ongoing engagements
2. Operational efficiencies
   - Localising raw material inputs progressing well with, diversified sources for gypsum and coal
   - Project to localise thermal energy costs, with methane gas, is in progress

**DRC**

1. RTM strategy
   - Entrenching strategy with market share > 20%
2. Operational efficiencies
   - Renegotiating electricity tariff structure
   - Power planning to reduce maximum demand charge
   - Multi-skilling and job rotation to increase productivity
   - Right sizing at all levels
3. Funding
   - Renegotiation of funding agreements progressing well with additional capital holiday eminent

DE L I V E R I N G  O N  O U R  P R O M I S E S
5.3.4 RWANDA OPERATIONAL REVIEW

Rwanda domestic market share

Operational Update

- Cement volumes increased by ~32% compared to previous year due to:
  - Successful route to market strategy
  - Export volumes volume increased by more than 150%
  - Excellent service delivery
  - Product consistency and technical support
- Launched bulk cement supply to grow volumes in the construction and Concrete Product Manufacturer’s (CPM) sector
- Cost of production reduced by 8% due to optimisation of thermal energy mix and improved fixed cost absorption
- Retail cement pricing remained fairly stable
- EBITDA up by 59% compared to previous year

Cost breakdown

RTM STRATEGIES PAYING OFF
INCREASED MARKET SHARE DUE TO COMPETITIVE ADVANTAGE IN DELIVERING CUSTOMER SOLUTIONS

INTERIM RESULTS FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2017

45
5.3.5 ZIMBABWE OPERATIONAL REVIEW

Zimbabwe domestic market share

- Overall domestic cement volumes increased by 28% compared to previous year due to:
  - Growth in the North between 30 - 40% following commissioning of Harare milling plant
  - Enhanced product portfolio following launch of SURECAST in March 2017
  - Excellent service delivery
  - Product consistency and technical support

- Net realised selling price up between 2% - 4% due to Harare plant commissioning
- Delivered cost reduced ~15% - 20% following commissioning of Harare mill
- EBITDA in USD is up between 15% - 20% compared to the previous year

OPERATIONAL UPDATE

R T M S T R A T E G I E S P A Y I N G O F F
G A I N I N G M A R K E T S H A R E I N K E Y M A R K E T S
5.3.6 DRC OPERATIONAL REVIEW

The DRC operation commenced with sales in April 2017. Though ramp is slow, volumes have increased month-on-month. Proven route to market strategy implemented to grow volumes with key focus on:

- Building strategic partnerships
- Technical support to customers
- Enhance service delivery
- Excellent product quality
- Focus on construction and CPM segments

Alignment of fixed cost to plant ramp up completed.

Key focus is for DRC to generate positive cash flow.

OPERATIONAL UPDATE

- The DRC operation commenced with sales in April 2017
- Though ramp is slow, volumes have increased month-on-month
- Proven route to market strategy implemented to grow volumes with key focus on:
  - Building strategic partnerships
  - Technical support to customers
  - Enhance service delivery
  - Excellent product quality
  - Focus on construction and CPM segments
- Alignment of fixed cost to plant ramp up completed
- Key focus is for DRC to generate positive cash flow

GAINING MARKET SHARE IN A CHALLENGING MARKET
5.3.7 ETHIOPIA OPERATIONAL REVIEW

OPERATIONAL UPDATE

- Production commenced in June 2017 and presold over 100kt
- Delivered 65% of cement order book by end September 2017
- Retail selling price reduced end September due to devaluation of Ethiopian BIRR against the USD
- The recent unrest in Ethiopia has impacted the cement market in Oromia region
  - Consequently, delaying completion of Habesha’s plant performance testing
- The provisional acceptance certificate (PAC) is still planned FY18
- Technical agreement between PPC and Habesha being established to support ongoing operations
- Full ramp-up of Habesha will be in 12 - 18 months as compared with normal PPC operations of 24 - 36 months
- Included in PPC Group accounts
5.3.8 FOH – FOUR STRATEGIC PRIORITIES FOR THE NEXT 12 TO 18 MONTHS

Rest of Africa

FINANCIAL
1. Renegotiation of funding agreements
2. Value based management principles
3. Improve liquidity to meet foreign payment obligations
4. Financial discipline to align to the Group

OPERATIONS
1. Operational efficiencies in all markets
2. Optimise RTM strategy in all markets
3. Energy mix optimisation in Rwanda, DRC & Ethiopia
4. Optimise raw materials sourcing (coal, gypsum & packaging)

HUMAN CAPITAL
1. Structure optimisation across all regions
2. Skills development and talent management in the local market
3. Embed organisational culture inline with Group, incorporating local requirements

Leveraging growing African markets with lower per capita cement consumption
5.4 Materials

5.4.1 Lime, Aggregate & Readymix
5.4.2 FOH FOUR Outlook (Materials)
5.4.1 LIME, AGGREGATES & READY MIX OPERATIONAL REVIEW

Aggregates & Readymix

- Pricing
  - Under pressure due to a competitive market
- Reduction in volumes due to
  - Significant reduction in construction projects in Gauteng
  - Aggregates exposure to the readymix market

Lime

- Pricing
  - At similar levels to the previous period
- Volumes declined marginally due to
  - Lime significantly exposed to the domestic steel industry
  - Major client shutdowns during the period
  - Non-extension of milk of lime contract
5.4.2 FOH – FOUR STRATEGIC PRIORITIES FOR THE NEXT 12 TO 18 MONTHS

FINANCIAL
1. Financial discipline through integration
2. Value based management principles
3. Focus on cash generation and working capital management

OPERATIONS
1. Improve operational efficiencies through integration
2. Entrench the value chain through cement pull-through

HUMAN CAPITAL
1. Structure optimisation
2. Skills development and talent management
3. Organisation culture in line with Group

Materials

• CAPITALISING ON OPPORTUNITIES IN ZONES OF NATURAL ADVANTAGE
• GOOD PLATFORM FOR CEMENT VALUE CHAIN
• OPPORTUNITIES TO REPLICATE MODEL IN ROA

INTERIM RESULTS FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2017
6. Outlook

OPTIMISING OUR CAPITAL INVESTMENTS TO DELIVER LONG TERM SUSTAINABLE SHAREHOLDER VALUE
6.1 FOH – FOUR STRATEGIC PRIORITIES FOR THE NEXT 12 TO 18 MONTHS

Group

1. Finalise debt re-structuring to lengthen and smooth Group maturity profile
2. Finalise DRC debt restructuring
3. BEE III implemented
4. Implement R50/tonne improvement to profitability (PIP Phase II)
5. Optimise RTM, raw materials and plant efficiencies in RoA
6. Grow and develop globally competent teams (fit for purpose)
7. Ensure value based management philosophy will create long term sustainable success
Questions
Appendix
In executing its strategy, the Board and management of PPC takes into account its social responsibility.

We comply with the rules.
We plan for sustainability.
We act within our risk appetite.
We promote ethical leadership.
We support socio-economic development.
We promote ethical leadership.

What we build will build us!
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