In pursuit of stakeholder value

INTERIM RESULTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2018
1.1 KEY MESSAGES | OPERATING ENVIRONMENT REMAINS CHALLENGING…

<table>
<thead>
<tr>
<th>COUNTRY/BUSINESS</th>
<th>MUTED GROWTH</th>
<th>RECOVERY</th>
<th>GROWTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Cement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lime</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aggregates</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Ready-mix</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Ash</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PPC Zimbabwe</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Rwanda</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cimerwa</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DRC</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>PPC Barnet</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethiopia</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Habesha</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. **South Africa**
   - Consumer under pressure
   - VAT and fuel increases has put more pressure on consumers
   - Infrastructure spend lagging behind
   - Overcapacity

2. **Zimbabwe**
   - Liquidity challenges
   - In-country cement shortages

3. **Rwanda**
   - High cement demand
   - Increased infrastructure spend

4. **DRC**
   - Political uncertainty impacting growth
   - Overcapacity

5. **Ethiopia**
   - Country in economic reform
   - Increased construction spend

...BUT PORTFOLIO EFFECT BEARING FRUIT
1.2 KEY MESSAGES | OUR RESPONSE TO KEY CHALLENGES

Challenges

SA Cement
- Consumer under pressure
- VAT and fuel increases have put more pressure on consumers
- Infrastructure spend lagging behind
- Overcapacity

DRC
- Political uncertainty impacting growth
- Overcapacity

Zimbabwe
- Liquidity challenges
- In-country cement shortages

Impact on PPC

SA Cement
- Margin squeeze
- Constrained volume growth
- Slower price recovery

DRC
- Deficiency funding from PPC group to support business
- Lower capacity utilisation

Zimbabwe
- Inability to repatriate funds
- Risk to business continuity and sustainability
- Supply constraints

PPC response

SA Cement
- Launched enhanced products
- Embedded R50/tonne profitability initiative
- Started lobbying government to impose tariffs on cement imports

DRC
- Reviewed the capital structure of the DRC
- Reduction in operating costs

Zimbabwe
- Established a solid support base with government
- PPC dividend invested in government bonds
- Increased local procurement and exports
- Clinker imports from South Africa
2. OUR INVESTMENT CASE
2.1 OUR LONG TERM INVESTMENT CASE…

- **Our people**
  - Experienced management team

- **Financial strength**
  - Balance sheet
  - Cash Flow

- **Portfolio effect**
  - RoA delivering good results

- **SSA Footprint**
  - Well developed portfolio in growing markets

- **Asset base**
  - World class asset base, c.70% new capacity

- **Market leader**
  - Leadership position in 80% of markets we operate in

...ALIGNS TO OUR “FOH-FOUR” STRATEGIC PRIORITIES
3. PERFORMANCE HIGHLIGHTS
3.1 RESULTS HIGHLIGHTS | IMPROVED ATTRIBUTABLE PROFIT AND GOOD CASH FLOW GENERATION

**SOLID GROUP FINANCIAL PERFORMANCE IN A CHALLENGING ENVIRONMENT**

- Revenue up 8% to R5.6bn
- Attributable net profit +6%
- EBITDA down 13%
- Positive free cash flow of R202m
- EPS +5% to 21c
- HEPS +11% to 21c
- Net debt to EBITDA 2.3x

**DELIVERING LONG TERM SUSTAINABLE STAKEHOLDER VALUE**

- Strong revenue growth
- Portfolio effect
- EBITDA decline due to SA operations and Cimerwa upgrade
- Maintained positive free cash flows
- Execution of strategic priorities
- Debt and liquidity position within target range

**GROUP CEMENT VOLUMES IMPROVED BY 4.0%**

<table>
<thead>
<tr>
<th></th>
<th>Group Cement (kt)</th>
<th>Lime-burnt product (kt)</th>
<th>Aggregates (kt)</th>
<th>Readymix (‘000 m3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H19</td>
<td>3 129</td>
<td>281</td>
<td>1 545</td>
<td>342</td>
</tr>
<tr>
<td>1H18</td>
<td>2 999</td>
<td>292</td>
<td>1 499</td>
<td>346</td>
</tr>
</tbody>
</table>

-4% -3% -1%
4. GROUP RESULTS
4.1.1 KEY ITEMS IMPACTING THE RESULTS

Cash a Key Focus Area
1. Cash earnings of 38c compared to HEPS of 21c
2. Maintained positive free cash flow momentum, R202m generated
3. Cash on hand up 50% to R1.3bn (R836m: March 2018)

Income Statement
1. Strong revenue growth of 8%, cost of sales up 16%, overheads up 6%
2. Group EBITDA margin 19% (23% : Sept 2017), impacted by SA operations and Cimerwa plant upgrade
3. Finance costs up 18% due to DRC inclusion, like for like reduced by 31%
4. Taxation substantially reduced, credit of R9m due to incentives

Balance Sheet & Liquidity Position
1. Group net debt position increased to R4.0bn (R3.8bn: March 2018), currency fluctuations caused debt to increase by R588m
2. RoA reduced total debt to US$221m (US$233m: March 2018)
3. Net debt to EBITDA of 2.3x (2.0x : March 2018)
4. NAV per share increased by 13% to 580c (513c : March 2018)

Continue to Drive Operational Performance
1. Diversified portfolio continues to deliver - underpinned by RoA growth
2. SA Cement volume growth recovering and price increases implemented – SURERANGE successful launch
3. Zimbabwe delivered robust performance, Rwanda is catching up in a strong demand environment
4. DRC delivered revenue of R240m, EBITDA of R60m, EBITDA margin 25%
4.1.2 EARNINGS PER SHARE COMPARISON

- EPS & HEPS benefited from improved RoA performance and tax credit
- Like for like EPS and HEPS was 14 cents per share
- Cash earnings impacted by negative working capital movement and higher interest charge due to DRC
4.1.3 INCOME STATEMENT

<table>
<thead>
<tr>
<th></th>
<th>30 September 2018</th>
<th>30 September 2017</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>5 597</td>
<td>5 188</td>
<td>8%</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(4 494)</td>
<td>(3 859)</td>
<td>16%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>1 103</td>
<td>1 329</td>
<td>(17%)</td>
</tr>
<tr>
<td>Administration and other operating expenditure</td>
<td>(580)</td>
<td>(549)</td>
<td>6%</td>
</tr>
<tr>
<td>Operating profit before item listed below:</td>
<td>523</td>
<td>780</td>
<td>(33%)</td>
</tr>
<tr>
<td>Empowerment transactions IFRS 2 charges</td>
<td>(16)</td>
<td>(17)</td>
<td>(6%)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>507</td>
<td>763</td>
<td>(34%)</td>
</tr>
<tr>
<td>Foreign exchange gain/(loss) on foreign currency monetary it</td>
<td>38</td>
<td>(1)</td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td>(336)</td>
<td>(285)</td>
<td>18%</td>
</tr>
<tr>
<td>Investment income</td>
<td>62</td>
<td>20</td>
<td>210%</td>
</tr>
<tr>
<td>Profit before equity-accounted earnings</td>
<td>271</td>
<td>497</td>
<td>(45%)</td>
</tr>
<tr>
<td>Earnings from equity-accounted investments</td>
<td>(19)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Impairments and other exceptional items</td>
<td>(1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>251</td>
<td>497</td>
<td>(49%)</td>
</tr>
<tr>
<td>Taxation</td>
<td>9</td>
<td>(193)</td>
<td>(105%)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>260</td>
<td>304</td>
<td>(14%)</td>
</tr>
</tbody>
</table>

Attributable to:
- Shareholders of PPC Ltd
  - 312
  - 294
  - 6%
- Non-controlling interests
  - (52)
  - 10
  - 260
  - 304

EPS: 21 20 5%
HEPS: 21 19 11%

1. REVENUE

Revenue increase attributable to RoA and materials

2. COST OF SALES

Cost of sales increase mainly attributable to the DRC plant commissioning which contributed R226m
Cimerwa as a result of clinker imports and maintenance costs incurred during the plant upgrade period. R33m
Klin shutdown and unplanned downtime in South Africa accounted for R26m

3. OVERHEADS

Overheads mainly impacted by the commissioning of the DRC plant

4. FINANCE COSTS

On a like for like basis finance costs reduced by 31%. The restructuring of RSA debt contributed to the decreased like for like interest charge

5. EQUITY-ACCOUNTED INVESTMENTS

Ethiopia incurred a loss of R19m in the period

6. TAXATION

Significantly reduced tax charge due incentives
4.1.4 PORTFOLIO EFFECT

RoA OFFSETS WEAKER SA PERFORMANCE

EBITDA IMPACTED BY SA OPERATIONS AND RWANDA UPGRADE

*Note R4m of Mozambique included in group services
### 4.1.5 Key Drivers Behind The SA Cement Performance

<table>
<thead>
<tr>
<th>Key Driver</th>
<th>% Change</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>-3.0%</td>
<td>• Industry volumes estimated to be down between 5 - 6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Inland market experienced flat volume growth</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Domestic volumes improved from 1Q19 to 2Q19</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Volumes impacted by drought and imports in the Western Cape</td>
</tr>
<tr>
<td>Cost of sales (R/tonne)</td>
<td>+4.0%</td>
<td>• Phasing of kiln shutdowns and unplanned downtime</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Higher mining and logistics costs due to fuel price increases</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Fuel prices increased by 12% YoY compared to the comparable period</td>
</tr>
<tr>
<td>Overheads (R/tonne)</td>
<td>+1.0%</td>
<td>• Restructuring of head office</td>
</tr>
<tr>
<td>R50/tonne profitability initiative</td>
<td></td>
<td>• R50/tonne profitability initiative has realised total savings of R22/tonne</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Enabled the company to restrict costs to below inflation</td>
</tr>
</tbody>
</table>
4.1.6 DIVERSIFIED QUALITY PORTFOLIO OF ASSETS

<table>
<thead>
<tr>
<th>Revenue (Rm)</th>
<th>1H19</th>
<th>1H18</th>
<th>% Change</th>
<th>Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Africa</td>
<td>2 772</td>
<td>2 893</td>
<td>(4%)</td>
<td>[]</td>
</tr>
<tr>
<td>Materials</td>
<td>1 107</td>
<td>1 036</td>
<td>7%</td>
<td>[]</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>1 718</td>
<td>1 259</td>
<td>36%</td>
<td>[]</td>
</tr>
<tr>
<td>Rwanda</td>
<td>402</td>
<td>433</td>
<td>(7%)</td>
<td>[]</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>1 077</td>
<td>820</td>
<td>31%</td>
<td>[]</td>
</tr>
<tr>
<td>DRC</td>
<td>240</td>
<td>-</td>
<td>n/a</td>
<td>[]</td>
</tr>
<tr>
<td>Mozambique</td>
<td>6</td>
<td></td>
<td></td>
<td>[]</td>
</tr>
<tr>
<td>Group</td>
<td>5 597</td>
<td>5 188</td>
<td>8%</td>
<td>[]</td>
</tr>
</tbody>
</table>

- Southern Africa cement revenue impacted by volume declines and SK9 commissioning
- Robust contribution from RoA driven by Zimbabwe and DRC
- Rwanda lower due to volume loss during plant upgrade
- Materials - good growth in lime and aggregates

**REVENUE CONTRIBUTION 1H 2019**

**REVENUE CONTRIBUTION 1H 2018**
### 4.1.7 DIVERSIFIED PORTFOLIO OF QUALITY ASSETS

#### EBITDA (Rm)

<table>
<thead>
<tr>
<th></th>
<th>1H19</th>
<th>1H18</th>
<th>% Change</th>
<th>Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Africa</td>
<td>481</td>
<td>740</td>
<td>(35%)</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>100</td>
<td>108</td>
<td>(7%)</td>
<td></td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>499</td>
<td>422</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Rwanda</td>
<td>92</td>
<td>168</td>
<td>(45%)</td>
<td></td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>352</td>
<td>247</td>
<td>42%</td>
<td></td>
</tr>
<tr>
<td>DRC</td>
<td>60</td>
<td>8</td>
<td>650%</td>
<td></td>
</tr>
<tr>
<td>Mozambique</td>
<td>(5)</td>
<td>(1)</td>
<td>(400%)</td>
<td></td>
</tr>
<tr>
<td>Group Services &amp; other</td>
<td>(41)</td>
<td>(77)</td>
<td>47%</td>
<td></td>
</tr>
<tr>
<td>Group</td>
<td>1 039</td>
<td>1 193</td>
<td>(13%)</td>
<td></td>
</tr>
</tbody>
</table>

#### EBITDA CONTRIBUTION

<table>
<thead>
<tr>
<th></th>
<th>1H19</th>
<th>1H18</th>
<th>% Change</th>
<th>Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Africa</td>
<td>46.3%</td>
<td>62.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RoA cement</td>
<td>35.4%</td>
<td>48.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>10.0%</td>
<td>9.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group services &amp; other</td>
<td>-4.3%</td>
<td>-6.4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### EBITDA MARGINS

- Southern Africa cement 17.4%
- RoA cement 25.6%
- Materials 33.5% (10.4%)
- PPC Group 23.0%

#### GEOGRAPHIC CONTRIBUTION 1H19

- Southern Africa 48%
- RoA 52%

#### GEOGRAPHIC CONTRIBUTION 1H18

- Southern Africa 35%
- RoA 65%

---

- Southern Africa impacted by combination of revenue contraction and higher input costs.
- RoA continued good growth in Zimbabwe.
- DRC contribution of R60m.
- Rwanda impacted by plant upgrade.
- Materials lower due to lime and readymix.
### 4.1.8 DIVERSIFIED PORTFOLIO OF QUALITY ASSETS (CONT.)

<table>
<thead>
<tr>
<th>Finance costs (Rm)</th>
<th>1H19</th>
<th>1H18</th>
<th>% Change</th>
<th>Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Africa</td>
<td>109</td>
<td>123</td>
<td>(11%)</td>
<td>Green</td>
</tr>
<tr>
<td>Materials</td>
<td>28</td>
<td>4</td>
<td>575%</td>
<td>Red</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>225</td>
<td>101</td>
<td>122%</td>
<td>Red</td>
</tr>
<tr>
<td>Rwanda</td>
<td>56</td>
<td>58</td>
<td>(3%)</td>
<td>Green</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>26</td>
<td>40</td>
<td>(35%)</td>
<td>Green</td>
</tr>
<tr>
<td>DRC</td>
<td>143</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group Services &amp; other</td>
<td>(26)</td>
<td>57</td>
<td>(146%)</td>
<td>Green</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Att. Net Profit (Rm)</th>
<th>1H19</th>
<th>1H18</th>
<th>% Change</th>
<th>Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Africa</td>
<td>261</td>
<td>317</td>
<td>(18%)</td>
<td>Red</td>
</tr>
<tr>
<td>Materials</td>
<td>21</td>
<td>45</td>
<td>(53%)</td>
<td>Red</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>111</td>
<td>73</td>
<td>52%</td>
<td>Red</td>
</tr>
<tr>
<td>Rwanda</td>
<td>(15)</td>
<td>17</td>
<td>(188%)</td>
<td>Red</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>240</td>
<td>69</td>
<td>248%</td>
<td>Green</td>
</tr>
<tr>
<td>DRC</td>
<td>(111)</td>
<td>(11)</td>
<td></td>
<td>Green</td>
</tr>
<tr>
<td>Mozambique</td>
<td>(3)</td>
<td>(2)</td>
<td></td>
<td>Green</td>
</tr>
<tr>
<td>Group Services &amp; other</td>
<td>(81)</td>
<td>(141)</td>
<td>43%</td>
<td>Green</td>
</tr>
</tbody>
</table>

| Group                | 312  | 294  | 6%       | Green    |

- Finance costs for the group was 18% higher
- On a like for like basis excluding the impact of the inclusion of the DRC in 1H19, interest costs reduced by 31%

- Attributable net profit improved by 6% benefiting from Zimbabwe profit improvement
4.1.9 OVERHEADS – COST LEADERSHIP

- Head office restructuring, R12/tonne in as part of R50/tonne profitability initiatives
- RoA impacted by the full inclusion of DRC and marketing costs in Zimbabwe of ~US$1.5m
4.1.10 RSA REDUCED BORROWING COSTS

**FINANCE CHARGES (Rm)**

- **RSA**: 184 (1H19) - 184 (1H18), -40%
- **RoA**: 225 (1H19) - 101 (1H18), +123%
- **Group**: 336 (1H19) - 285 (1H18), +18%

RoA includes R143m for DRC in 1H19

**RSA WEIGHTED AVERAGE INTEREST RATES**

- **1H19**: 9.5%
- **1H18**: 11.8%

**RoA WEIGHTED AVERAGE INTEREST RATES**

- **Rwanda**: 12.9% (1H19) - 11.8% (1H18), +123%
- **DRC**: 12.2% (1H19) - 8.5% (1H18), +40%
- **Zimbabwe**: 9.6% (1H19) - 8.3% (1H18), +17.5%

RoA includes R143m for DRC in 1H19.
4.1.11 TAX RATE RECONCILIATION

<table>
<thead>
<tr>
<th>Group effective tax rate</th>
<th>1H19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Standard Reporting Rate</td>
<td>28.0%</td>
</tr>
<tr>
<td>RSA permanent differences</td>
<td>(66.4%)</td>
</tr>
<tr>
<td>RSA effective tax rate</td>
<td>(38.4%)</td>
</tr>
<tr>
<td>RoA permanent differences</td>
<td>35.3%</td>
</tr>
</tbody>
</table>

Group effective tax rate (3.1%)

* Reconciliation expressed as % of Group Profit Before Tax

Reasons for variance with in Country statutory tax rate

- South Africa lower effective tax rate as a result of tax incentives
- Botswana is driven by In-country non-deductible expenditure and non recognition of a deferred tax asset
- Rwanda effect of in-country non-deductibles
- Zimbabwe reversal of US$3m interest previously assessed by ZIMRA
- DRC effect of the impairment, non-deductible VAT and deferred tax asset not recognised
4.2 BALANCE SHEET

<table>
<thead>
<tr>
<th></th>
<th>30 September 2018</th>
<th>31 March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>12 403</td>
<td>11 393</td>
</tr>
<tr>
<td>Goodwill</td>
<td>236</td>
<td>230</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>566</td>
<td>557</td>
</tr>
<tr>
<td>Equity-accounted investments</td>
<td>196</td>
<td>182</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>323</td>
<td>303</td>
</tr>
<tr>
<td>Deferred taxation assets</td>
<td>276</td>
<td>245</td>
</tr>
<tr>
<td>Non-current assets held for sale</td>
<td>41</td>
<td>34</td>
</tr>
<tr>
<td>Current assets</td>
<td>3 917</td>
<td>3 262</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>17 958</td>
<td>16 206</td>
</tr>
</tbody>
</table>

| **EQUITY AND LIABILITIES** |               |               |
| Equity attributable to shareholders of PPC Ltd | 8 782 | 7 768          |
| Non-controlling interests | 162 | 120            |
| **Total equity**          | 8 944            | 7 888          |
| **Non-current liabilities** |               |               |
| Provisions                | 533              | 526            |
| Deferred taxation liabilities | 1 149   | 1 042          |
| Long-term borrowings      | 4 595            | 4 079          |
| Other non-current liabilities | 275    | 262            |
| **Current liabilities**   | 2 462            | 2 409          |
| Short-term borrowings     | 641              | 603            |
| Trade and other payables | 1 821            | 1 806          |
| **Total equity and liabilities** | 17 958 | 16 206       |

1. CASH AND CASH EQUIVALENTS
Cash and cash equivalents increased to R1.3bn due to Zimbabwe

2. GROSS DEBT
Increased from R4.7bn in March 2018 to R5.2bn
Forex impact increased gross debt by R588m

Ratios within targeted levels
4.2.1 CAPEX CYCLE PEAKED IN 2016 | CAPEX WELL WITHIN GUIDED RANGE

Capex guidance (Rm)

<table>
<thead>
<tr>
<th>FY</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Africa</td>
<td>650 - 950</td>
<td>800 - 900</td>
<td>600 - 800</td>
</tr>
<tr>
<td>RoA</td>
<td>100 - 200</td>
<td>100 - 200</td>
<td>100 - 200</td>
</tr>
</tbody>
</table>

Capex reduced by 27% to R377m in 1H19

PPC HAS INVESTED > $750M SINCE 2014 IN A QUALITY ASSET PORTFOLIO
4.2.2 GROSS DEBT PER REGION AND CURRENCY

GROSS DEBT BY REGION 1H 2019

- RSA: 33%
- RoA: 67%

GROSS DEBT BY REGION 1H 2018

- RSA: 32%
- RoA: 68%

GROSS DEBT BY CURRENCY 1H19

- ZAR: 35%
- USD: 57%
- RWF: 8%

GROSS DEBT BY CURRENCY 1H18

- ZAR: 32%
- USD: 60%
- RWF: 8%

DRC ACCOUNTS FOR 38% OF GROSS DEBT
4.2.3 CONTRIBUTION TO CASH BALANCE BY COUNTRY

RoA OPERATIONS CONTINUE TO IMPROVE CASH GENERATION
The group has made significant progress in improving its liquidity.

RSA debt restructured to a maturity profile of between three and four years, coupled with reduced effective interest rate 9.5% (Sept 2017: 11.8%)

The two-year capital holiday negotiated with lenders for the DRC project funding debt, is progress towards achieving an optimal capital structure.
4.2.5 STRONG BALANCE SHEET POSITION

- PPC upgraded by S&P Global ratings for SA long-term South African national scale rating to “zaA-” from “zaBBB”
- Gross debt has increased during the period due to a weaker R/US$ exchange rate
- The Rand has depreciated by 20% from R11.82 in March 2018 to R14.15 in September 2018 against the US$
- Gross debt decreased on a constant currency basis since March 2018
4.3 CASH FLOW STATEMENT

### 1. OPERATING CASH FLOW

- Working capital absorption due to timing of debtor collections
- Higher finance costs as a result of the DRC

<table>
<thead>
<tr>
<th></th>
<th>30 September 2018</th>
<th>30 September 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flows before movements in working capital</td>
<td>1 069 Rm</td>
<td>1 211 Rm</td>
</tr>
<tr>
<td>Working capital movements</td>
<td>(110)</td>
<td>59 Rm</td>
</tr>
<tr>
<td><strong>Cash generated from operations</strong></td>
<td>959 Rm</td>
<td>1 270 Rm</td>
</tr>
<tr>
<td>Finance costs paid</td>
<td>(312)</td>
<td>(248)</td>
</tr>
<tr>
<td>Investment income received</td>
<td>22 Rm</td>
<td>20 Rm</td>
</tr>
<tr>
<td>Taxation paid</td>
<td>(88)</td>
<td>(172)</td>
</tr>
<tr>
<td><strong>Cash available from operations</strong></td>
<td>581 Rm</td>
<td>870 Rm</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td>581 Rm</td>
<td>870 Rm</td>
</tr>
</tbody>
</table>

### 2. INVESTING ACTIVITIES

- Significant reduction in capex within guidance

<table>
<thead>
<tr>
<th></th>
<th>30 September 2018</th>
<th>30 September 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of additional shares in equity-accounted investment</td>
<td>-</td>
<td>(40)</td>
</tr>
<tr>
<td>Acquisition of additional shares in subsidiary</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments in intangible assets</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>Investments in property, plant and equipment</td>
<td>(377)</td>
<td>(518)</td>
</tr>
<tr>
<td>Proceeds from disposal of property, plant and equipment</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Other investing activities</td>
<td>15</td>
<td>(13)</td>
</tr>
<tr>
<td><strong>Net cash outflow from investing activities</strong></td>
<td>(364)</td>
<td>(549)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>30 September 2018</th>
<th>30 September 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net borrowings repaid before repayment of the notes</td>
<td>48</td>
<td>(323)</td>
</tr>
<tr>
<td>Proceeds from sale of shares held by consolidated BEE entities</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash (outflow)/inflow from financing activities</strong></td>
<td>55</td>
<td>(323)</td>
</tr>
<tr>
<td><strong>Net movement in cash and cash equivalents</strong></td>
<td>272</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the period</strong></td>
<td>1 257</td>
<td>1 003</td>
</tr>
</tbody>
</table>
4.3.1 FREE CASH FLOW BRIDGE

FREE CASH FLOW (Rm)

Operating cash flow 1,069
Working capital (110)
Cash tax (88)
Net finance costs (290)
Net capex (379)
Free cash flow 202

POSITIVE FREE CASH FLOW GENERATION A KEY INDICATOR OF FINANCIAL STABILITY
### 4.4 BEE III UPDATE | COMPLIANCE WITH THE NEW MINING CHARTER

<table>
<thead>
<tr>
<th>Existing Mining Rights</th>
<th>Pending Mining Right Applications</th>
<th>New Mining Right Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Achieved and maintained 26% shareholding - shall be recognised for the duration of the mining right</td>
<td>• Pending applications shall be processed and granted in terms of the requirements of the of the 2010 Mining Charter with a minimum of 26% shareholding</td>
<td>• New applications must meet the requirements of the 2018 mining charter</td>
</tr>
<tr>
<td>• Achieved a minimum of 26% and whose BEE partner has exited – shall be recognised for the duration of the mining right, such recognition will not be applicable on renewal</td>
<td>• A right holder of a pending mining right must supplement the BEE shareholding to a minimum of 30% within 5 years from the effective date of such mining right</td>
<td>• A minimum of 30% BEE shareholding with prescribed participants</td>
</tr>
</tbody>
</table>

**WE ARE CURRENTLY ENGAGING THE DMR POST THE RELEASE OF THE GAZETTED MINING CHARTER ON THE 27 SEPTEMBER 2018**
5.1 OPERATIONAL REVIEW
5.2 SOUTHERN AFRICA
5.2.1 SA CEMENT HAS EXPERIENCED HEADWINDS IN 1H19

### Cement Market
- Demand under pressure due to:
  - Weak consumer demand (Independent House Builders)
  - Construction industry in distress
  - Western Cape lower demand due to drought and imports
  - Improving inland demand
  - PPC exposed more to private sector investment

### Volumes
- Estimate that the domestic industry declined by 5.0% - 6.0%
- PPC Southern Africa (including Botswana) down 3.0%
- Launch of new SURERANGE in August 2018 well received by the market

### Pricing
- Southern Africa up 2.0%
- Inland pricing up 3.0%
- Further price increases implemented in October 2018

### Costs
- Variable cost of sales up 4.0%
- Fixed cost of sales higher due to:
  - SK9 depreciation, Safika integration costs, timing of maintenance activities
  - Higher outbound logistics costs due to fuel increases

---

**CEMENT IMPORTED BY PORT OF ENTRY (CALENDAR YEAR)**

- Total imports have increased by ~191kt YoY
- Cape imports increased ~26kt YoY
- The bulk of the imports have come from China, Vietnam and Pakistan
- The major ports of entry have been Durban and PE and to a lesser extent Cape Town

---

**MUTED DEMAND IN THE WESTERN CAPE COUPLED WITH RISING INPUT COSTS HAS IMPACTED SA CEMENT PROFITABILITY**
5.2.2 PPC STRATEGIC RESPONSES TO MARKET FACTORS

SOUTH AFRICA CEMENT DEMAND AND CAPACITY (2018e)*

INDUSTRY CAPACITY
- LOCALLY PRODUCED: 18Mt
- IMPORTS: 1.6Mt
- BLENDERS: 1.0Mt

INDUSTRY DEMAND: 14Mt

~36% excess capacity gap

1. MARKET FACTORS
- Cement imports
- Growth of third party blenders leading to
  - Erosion of quality
  - Detraction from market related pricing
  - Value destruction for stakeholders

2. PPC RESPONSE
- Lobbying government to impose tariffs on cement imports
- Driving efficiencies through cost leadership and optimal sourcing
- Continued innovation in alternative building technologies
- Enhanced product portfolio and route to market strategy implementation

ENGAGING GOVERNMENT AND REGULATORY BODIES

*Estimated data from market and industry sources
5.2.3 NEW SURE RANGE OF PRODUCTS LAUNCHED

Masonry cement designed for plaster & mortar

Early strength cement designed for concrete, mortar, plaster & bricks

Premium multipurpose cement for general building & civil

High early strength cement designed for precast products

Superior high strength specialist cement

Cement for Road stabilisation

FIT FOR PURPOSE RANGE OF CEMENT PRODUCTS TO CATER TO ALL CUSTOMER NEEDS
5.2.4 KEY COST DRIVERS | DISTRIBUTION IS THE LARGEST COST DRIVER

Higher fuel costs

*Other includes explosives, spares, drill bits, lubricants, vehicle hire and pallet costs
5.2.5 SA CEMENT | WE ACHIEVED R22/TONNE IN SAVINGS IN YEAR 1

<table>
<thead>
<tr>
<th>Metrics</th>
<th>Target saving based on R50/tonne</th>
<th>We achieved R22/tonne in cost savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic cost reduction</td>
<td>40% - 60%</td>
<td>• Completed integration of Safika Cement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Organisational restructure of Head Office and Operations – ongoing</td>
</tr>
<tr>
<td>Cost efficiencies</td>
<td>20% - 40%</td>
<td>• Embedded tyre burning initiative in the Western Cape – second kiln commissioned on tyres</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Optimisation of logistics – new TMS technology introduced</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• SK9 performing at expected efficiency</td>
</tr>
</tbody>
</table>

Increased profitability target to R70/tonne in the next 12 – 18 months

- Drive plant efficiencies to reflect operations requirements
- Integration of material businesses into SA Cement to ensure optimal structure
- Extract value from strategic partnerships and combine offering from integrated businesses
- Slurry kiln 9 complex benefit realisation
- Embed the 3 mega plant strategy
- PE kiln 4 mothballed
- Implementation of alternative fuels targeted to all mega plants with special focus on Western Cape
- Implement optimised sourcing

Baseline: October 2017

Identify areas of savings

Progress monitoring and feedback

Achieve optimum margin (2-3 years)

Further 1% - 2% improvement in EBITDA margin over the next 2-3 years
5.2.6 SA CEMENT OUTLOOK | NAVIGATING THROUGH A CHALLENGING OPERATING CLIMATE

The South African landscape remains economically challenging

Focus on executing and realising R70/tonne savings benefits

Muted GDP growth projected over the next 12 months

Real pricing growth to achieve returns in excess of cost of capital, growing EBITDA margin, and driving operational efficiencies

The business will continue to defend and maintain its leading position and competitive advantage

Muted GDP growth projected over the next 12 months
5.3 MATERIALS
### 5.3.1 MATERIALS | LIME, AGGREGATES, READY_MIX & FLYASH

#### Materials
1. Revenue 7% higher, benefiting from growth in lime and ash
2. EBITDA lower due to lime and ready mix, aggregates and ash made improved contributions

#### Lime
1. The product suite showed a decline in volumes – burnt lime, burnt dolomite and stone
2. Revenue was up 5.0% - benefited from improved pricing
3. Significant exposure to the domestic steel industry and solid progress in other environmental applications e.g. flue gas desulphurisation
4. EBITDA impacted by increased variable costs, coal and maintenance

#### Aggregates
1. Revenue marginally lower than the previous year
2. Reduced volumes, due to lower sales to ready mix and CPM segments
3. Pricing was marginally higher for the period
4. Both variable and fixed costs were well controlled

#### Ready mix and Ash
1. Readymix market remained competitive, pricing and volumes remained under pressure
   - Input costs impacted by higher fuel costs
2. Flyash business continues to produce pleasing results
   - Achieved an EBITDA margin of more than 20%
5.4 REST OF AFRICA
### Zimbabwe
- Volumes 28% higher than last year
  - Disposable income boosted by good crop harvests
  - Major construction projects e.g. Gwayi Shangani Dam and housing has also supported demand
- Pricing marginally higher than last year in US$ due to product mix
- Market share has increased
- Exports have also increased compared with the prior year

### Rwanda
- Volumes 7% below last year due to planned upgrade
- Pricing at similar levels to last year
- Market share has been maintained
- Subsequent to the 1st phase of de-bottlenecking, record sales achieved in September 2018

### DRC
- Business has been rightsized
- Other cost saving initiatives are progressing well
- Continuing to deliver on the route to market initiatives
- Market share between 25% - 30%
- Market remains extremely competitive in terms of pricing

### Ethiopia
- The market demand remains positive
- Optimisation of the route to market initiatives progressing well
- Ramp-up slower versus the plan due to:
  - Political instability in 1Q18
  - Excessive rainfall in 1Q18

**CONTINUE TO GAIN MARKET SHARE IN REGIONS WHERE WE OPERATE**
### 5.4.2 DRC DE-RISKING INITIATIVES TO MAXIMISE ASSET VALUE

#### WHAT HAS BEEN ACHIEVED

1. Negotiation with funders with regard to debt restructuring completed

2. Negotiation with EPC contractor progressing well
   - 18 - 24 month extension of US$24m EPC contract retention fee

3. Exploring various options with regard to de-risking the DRC asset

#### DRC IMPACT ON THE GROUP

- Reduced DRC fixed costs to align with ramp-up volumes
- The business is producing positive EBITDA
- Interest partially being serviced by PPC Group
- Total long term debt outstanding US$152m

**PPC CONTINUES TO LOOK FOR OPPORTUNITIES TO DE-RISK THE DRC ASSET**
5.4.3 ZIMBABWE LIQUIDITY | INITIATIVES TO MINIMISE BUSINESS IMPACT

WHAT HAS BEEN ACHIEVED

1. Managing input costs
   - > 90% of input costs localised
   - 100% Localised work force
   - Grew exports volumes
   - Balance of input costs supported by government

2. Capital allocation
   - Secured strategic raw materials
   - Accelerated capex funded from local cash resources
   - Investment into distribution channels

PROGRESS REGARDING LIQUIDITY MITIGATION

- Investigating investment opportunities in local downstream businesses
- Ability to repatriate funds
   - Continuous engagement with the relevant government authorities
- All export proceeds are accessible in country
- Repayment of debt obligations
   - All interest payments funded in country

PPC ZIMBABWE IS WELL POSITIONED DESPITE LIQUIDITY CHALLENGES
5.4.4 REST OF AFRICA CEMENT OUTLOOK

Zimbabwe
- The political landscape has improved in Zimbabwe post elections, GDP growth forecast at > 4.0%
- Government is seeking external funding to assist with liquidity constraints
- PPC Zimbabwe is well positioned to benefit from improved growth prospects

Rwanda
- The Cimerwa plant has been upgraded to achieve ~80% capacity utilisation
- Finalising phase 2 of debottlenecking to achieve full capacity utilisation
- Rwandan GDP revised upwards to 7.1% for 2018, supported by the agriculture sector

DRC
- In DRC, elections are scheduled for December 2018. We continue to ramp up in that country, despite being constrained by overcapacity and muted demand
- GDP growth is forecast to grow from 3.7% in 2017 to 4.1%, supported by mining demand

Ethiopia
- In Ethiopia, the political landscape is expected to improve, with strong projected growth in GDP of 7 - 8% supporting cement demand in the country

WE REMAIN WELL POSITIONED TO GAIN MARKET SHARE IN EMERGING MARKETS
6. OUTLOOK
## 6.1 PROGRESS ON FOH-FOUR STRATEGIC PILLARS

### Financial
- Restructured RSA debt and smoothed liquidity profile
- Restructured funding agreements in Rwanda
- Implemented capital allocation priorities framework
- Maintained positive free cashflow

### Operational
- Realised R22/tonne profit contribution in SA cement
- Completed 1st phase of Cimerwa debottlenecking
- Entrenched route to market strategies in DRC leading to increased market share
- Captured organic growth in Zimbabwe

### Human Capital
- Completed 1st phase of head office restructuring
- Strengthened key leadership with focused executive committee
- Implemented employee value proposition
- Rolled out internal branding in SA businesses

### Customers
- Rebranded Surerange and launched new products in SA
- Focused on our brand image continuously – “Strength Beyond”
- Focused our value added technical support in particular SMME’s
- Implemented new technology in transport management system
6.2 OUTLOOK – WHERE TO FROM HERE…

SA Cement Industry
- Slower than expected recovery in economic growth
- The industry is not achieving its cost of capital
- To sustain the industry through the cycle real selling price increases is imperative
- Lobby government to impose tariffs on cement imports

SA
- Drive all components of the profitability equation
- Increased profitability initiative target from R50/tonne to R70/tonne
- Embed the integration of the SA business portfolio
- Embed simplified and focused management structure

RoA
- Strong market demand
- Solid demand in Zimbabwe, Rwanda and Ethiopia
- Continue to optimise Rwanda and Ethiopia plants to full potential
- Challenging environment in DRC expected to continue

GROUP
- Continue to focus on optimised capital structure and free cashflow
- Continue to focus on capital allocation priorities
- Evaluate options to re-patriate funds in Zimbabwe
- Realise maximum value from the RoA portfolio

WE CONTINUE TO EXECUTE ON OUR FOH-FOUR STRATEGIC PRIORITIES TO REALISE VALUE
7. Governance and Leadership
7.1 GOVERNANCE AND LEADERSHIP

**Governance and board**

- Board changes
- Board composition
- Subcommittees and composition
- Strategy review

**Leadership**

- Revised executive committee structure
- CEO and other succession planning
QUESTIONS
<table>
<thead>
<tr>
<th>2018 Mining Charter</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transaction size and entity</strong></td>
</tr>
<tr>
<td>• 30% BEE shareholding</td>
</tr>
<tr>
<td>• BEE shareholding may be concluded at holding company level, mining right level, on units of production, shares or asset</td>
</tr>
</tbody>
</table>

| **Prescribed Participants** |
| • Qualifying Employees: minimum 5% free carry |
| • Host Communities: minimum 5% free carry |
| • Black entrepreneurs: minimum 20% |

| **Tenure** |
| • For the duration of a mining right |
| • Minimum period equivalent to a third of the duration of the mining right for BEE Entrepreneurs (new mining rights) |
| • Not clear for communities and employees |

| **Funding** |
| • Free carried interests of 5% communities and 5% employees |
| • Funding from dividends/cash flows |

| **Vesting** |
| • Prescribed vesting periods for BEE Entrepreneurs only |
| • Interests held by communities and employees appear to be non-vesting |

| **Dividends** |
| • No specifications |
INVESTOR CONTACTS

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Investor Relations

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📞 +27 11 386 9000
🌐 www.ppc.co.za
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