GAUTRAIN, JOHANNESBURG
36°52′33″N
75°85′92″W

LAKE KARIBA, ZIMBABWE
16°57′20.343″S
27°58′18.338″E

KIGALI CONVENTION CENTRE, RWANDA
1.9546°S
30.0939°E

MINISTRY OF HEALTH, BOTSWANA
39°21.4956″S
54°29.6082″E

FINAL RESULTS FOR THE PERIOD ENDING 31 MARCH 2017
7 June 2017
Darryll Castle - CEO
Tryphosa Ramano - CFO
AGENDA

- Context (1)
- Operational Overview (3)
- Projects Update (4)
- Group Results (2)
- Outlook & Questions (5)
YEAR END RESULTS FOR THE PERIOD ENDING 31 MARCH 2017

125 YEAR HISTORY

ICONIC
brand established 1892

Revenue
> R9 BILLION

LEADING
provider of material and solutions

3 580 employees

BUILDING OUR communities

Listed on the JSE for over 100 YEARS

PAN AFRICAN player

11.4MTPA cement capacity
(RSA 7mtpa and ROA 4.4mtpa)

373 years of limestone reserves

MATERIALS PROVIDER
READYMIX
AGGREGATES
LIME
FLYASH

Revenue

Infrastructure DEVELOPMENT
Performance synopsis

PROJECTS DELIVERED
Capacity increased
- Habesha
- Zimbabwe
- DRC

NEW BUSINESSES
- CIMERWA
- 3Q Mahuma Concrete

COSTS
- Like for Like COS up 7.0%
- Admin overheads down 2.0%

GROUP EBITDA (Rm)
- ROA cement EBITDA margin 31%
- 2016: 1,825
- 2017: 1,420
- SA -23%
- ROA +19%
- 540 645

BALANCE SHEET
- Group net debt R4.7bn
- Group Net debt/EBITDA 2.3x
- Debt at centre R2.1bn

CASHFLOW
- Cash earnings 75c
- Cash conversion 0.9x

GROUP REVENUE +5.0%
- SA Cement; 57%
- Agg & RMC; 13%
- Lime; 8%

EARNINGS (cents)
- HEPS down to 7
- Normalised HEPS 47

YEAR END RESULTS FOR THE PERIOD ENDING 31 MARCH 2017
YEAR END RESULTS FOR THE PERIOD ENDING 31 MARCH 2017

Group consolidated results summary

**Volumes**

- Cement (kt): Mar-17 5,538, Mar-16 5,451 (+1.6%)
- Lime (kt): Mar-17 890, Mar-16 838 (+3.2%)
- Aggregates (kt): Mar-17 2,860, Mar-16 2,955 (-3.2%)
- Readymix (Km³): Mar-17 703,493

**Balance Sheet (Rm)**

- Gross debt: Mar-17 5,736, Mar-16 4,746 (+17%)
- Net debt: Mar-17 8,711

**Income Statement (Rm)**

- Revenue: Mar-17 9,641, Mar-16 9,187 (+5.0%)
- EBITDA: Mar-17 2,065, Mar-16 2,385 (-13%)
- Operating income: Mar-17 1,233, Mar-16 1,630 (-24%)
- Net profit attributable to shareholders: Mar-17 93, Mar-16 793 (-88%)

**Cash flow statement (Rm)**

- Cash flow generated from operations: Mar-17 1,871, Mar-16 2,389
- Total investments (capex + acquisitions): Mar-17 2,091, Mar-16 3,279
Delivery of projects leads to diversified geographic portfolio

**DEMOCRATIC REPUBLIC OF THE CONGO**
- **1.0mtpa**
  - Limestone reserves 76 Mt; 54 years
  - Project cost: ~US$300 million
  - Commissioned March 2017
  - 69% subsidiary of PPC Ltd

**ZIMBABWE**
- **1.4mtpa**
  - Limestone reserves 43 Mt; 41 years
  - Constructing a 700 000tpa mill for US$82 million
  - Commissioned November 2016
  - 70% subsidiary of PPC Ltd

**SOUTH AFRICA**
- **7mtpa**
  - Limestone reserves 759 Mt; 240 years
  - 7 cement plants
  - Aggregates quarries and Lime factory
  - Subsidiaries: Pronto Readymix, Ulula Ash and Safika Cement

**ETHIOPIA**
- **1.4mtpa**
  - Limestone reserves 27 Mt; 25 years
  - Project cost: US$172 million
  - Commissioned April 2017
  - 38% associate of PPC Ltd

**RWANDA**
- **600 000 tpa**
  - Limestone reserves 7 Mt; 12 years
  - Project cost: US$165 million
  - Commissioned August 2015
  - 51% subsidiary of PPC Ltd

Legend
- Delivered projects
- Current operations

Source: PPC Research
Long term strategic investment cases intact
Rising Urbanisation, Consumption per Capita and Population growth

1. **Population growth**
2. **Consumption per capita**
3. **Urbanisation**

**Countries of operation**

---

**SOUTH AFRICA**
- Population (m): 56.8
- Urbanisation (%): 64.8
- GDP per capita (US$): 5,589
- Real GDP growth (17-20E) (%): -1.7
- Drivers of growth: Mining, Services & Manufacturing
- Cement consumption/capita (kg): 243
- Current national cement production capacity (mtpa): 17
- Imports (tpa): 460,000 (estimate)

**ZIMBABWE**
- Population (m): 16.2
- Urbanisation (%): 32.4
- GDP per capita (US$): 1,027
- Real GDP growth (17-20E) (%): 1.1
- Drivers of growth: Agriculture, Mining (Platinum) & Serv.
- Cement consumption/capita (kg): 59
- Current national cement production capacity (mtpa): 2.5
- Imports (tpa): 47,000 (estimate)

**DEMOCRATIC REPUBLIC OF THE CONGO**
- Population (m): 86.7
- Urbanisation (%): 42.5
- GDP per capita (US$): 474
- Real GDP growth (17-20E) (%): 3.5
- Drivers of growth: Mining (copper and cobalt)
- Cement consumption/capita (kg): 23
- Current national cement production capacity (mtpa): 2.9
- Imports (tpa): 460,000 (estimate)

**BOTSWANA**
- Population (m): 2.3
- Urbanisation (%): 57.4
- GDP per capita (US$): 7,140
- Real GDP growth (17-20E) (%): 4.2
- Drivers of growth: Mining (diamonds) & Services
- Cement consumption/capita (kg): 284
- Current national cement production capacity (mtpa): 0.6
- Imports (tpa): 190,000 (estimate)

**RWANDA**
- Population (m): 11.8
- Urbanisation (%): 28.8
- GDP per capita (US$): 754
- Real GDP growth (17-20E) (%): 6.9
- Drivers of growth: Agriculture (coffee & tea) & Services
- Cement consumption/capita (kg): 45
- Current national cement production capacity (mtpa): 0.7
- Imports (tpa): 264,000 (estimate)

**ETHIOPIA**
- Population (m): 92.7
- Urbanisation (%): 19.5
- GDP per capita (US$): 846
- Real GDP growth (17-20E) (%): 7.5
- Drivers of growth: Agriculture, Construction and Wholesale & Retail Trade
- Cement consumption/capita (kg): 120
- Current national cement production capacity (mtpa): 15
- Imports (tpa): Imports banned

---

**Source**: PPC Research

YEAR END RESULTS FOR THE PERIOD ENDING 31 MARCH 2017
Capacity increased by 33% from 2016 to 2017

Capacity build up 2015 – 2018 (mt)

- Rest of Africa capacity increased to 4.4mt

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity (mt)</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>8.0</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>8.6</td>
<td>+7.5%</td>
</tr>
<tr>
<td>2017</td>
<td>11.4</td>
<td>+32.6%</td>
</tr>
<tr>
<td>2018</td>
<td>12.4</td>
<td>+8.8%</td>
</tr>
</tbody>
</table>

Context Group Results Operational Overview Projects Update Outlook & Questions

YEAR END RESULTS FOR THE PERIOD ENDING 31 MARCH 2017
## PPC has a portfolio of premium brands and products

<table>
<thead>
<tr>
<th>Country</th>
<th>Cement</th>
<th>Ready-mix</th>
<th>Aggregates</th>
<th>Lime</th>
<th>Flyash</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td><img src="image1" alt="Cement" /> <img src="image2" alt="Cement" /> <img src="image3" alt="Cement" /> <img src="image4" alt="Cement" /></td>
<td><img src="image5" alt="Ready-mix" /></td>
<td><img src="image6" alt="Aggregates" /></td>
<td><img src="image7" alt="Lime" /></td>
<td><img src="image8" alt="Flyash" /></td>
</tr>
<tr>
<td>Botswana &amp; Mozambique</td>
<td><img src="image9" alt="Cement" /> <img src="image10" alt="Cement" /> <img src="image11" alt="Cement" /> <img src="image12" alt="Cement" /></td>
<td><img src="image13" alt="Ready-mix" /></td>
<td><img src="image14" alt="Aggregates" /></td>
<td><img src="image15" alt="Lime" /></td>
<td><img src="image16" alt="Flyash" /></td>
</tr>
<tr>
<td>Zimbabwe</td>
<td><img src="image17" alt="Cement" /> <img src="image18" alt="Cement" /> <img src="image19" alt="Cement" /> <img src="image20" alt="Cement" /></td>
<td><img src="image21" alt="Ready-mix" /></td>
<td><img src="image22" alt="Aggregates" /></td>
<td><img src="image23" alt="Lime" /></td>
<td><img src="image24" alt="Flyash" /></td>
</tr>
<tr>
<td>DRC</td>
<td><img src="image25" alt="Cement" /> <img src="image26" alt="Cement" /></td>
<td><img src="image27" alt="Ready-mix" /></td>
<td><img src="image28" alt="Aggregates" /></td>
<td><img src="image29" alt="Lime" /></td>
<td><img src="image30" alt="Flyash" /></td>
</tr>
</tbody>
</table>

Iconic brand across countries and products

Build It Supplier of the year award 2nd place
PPC Botswana wins PMR award for outstanding performer for 2016
SA domestic cementitious market segmentation

Domestic Cementitious Demand* (Est. 14mt)

- Industry segment
  - Million tonnes per annum
  - Segment share

- Retail: 8.6 million tonnes per annum, 61% share
- CPM: 1.7 million tonnes per annum, 12% share
- Readymix: 2.2 million tonnes per annum, 16% share
- Building & Construction: 1.5 million tonnes per annum, 11% share

PPC is well positioned in all market segments
SA cement pricing environment remains challenging

Pricing bottomed in April – June 2016 however since October 2016 prices have started to recover

*Based to 100
PPC funding and capital structure

**Year End Results for the Period Ending 31 March 2017**

<table>
<thead>
<tr>
<th>Country</th>
<th>Debt</th>
<th>EBITDA</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPC Centre</td>
<td>R2.1bn</td>
<td>R1.4bn</td>
<td>1.5x</td>
</tr>
<tr>
<td>Covenant</td>
<td>R2.7bn</td>
<td>R1.9bn</td>
<td>1.4x</td>
</tr>
<tr>
<td>Group</td>
<td>R5.7bn</td>
<td>R2.1bn</td>
<td>2.7x</td>
</tr>
</tbody>
</table>

**Ethiopia (~$172m)**
- Target debt $114m (65%)
- Target equity $61m (35%)
- Two step capital raise & debt funding underway
- In production April 2017

**Rwanda (~$165m)**
- Debt: $88m facility fully drawn down
- Equity $77m: Fully subscribed
- PPC may increase equity stake
- Rwanda has cash for working capital commissioning
- Pays management & technical fees

**Zimbabwe ($82m)**
- Debt: $75m facility with $47m drawn
- Equity $9m: Internally funded
- PPC receives dividends & management & technical fees

**DRC (~$300m)**
- (Previously $280m)
- Debt: $168m facility with $162m drawn
- Equity $112m: Fully subscribed
- Ring-fenced debt
- Debt ring-fenced post financial completion
- In production March 2017

**Debt Profile**
- RSA debt: R1.8bn
- ROA debt: R3.9bn
- Group debt: R5.7bn

**Context**
- Group Results
- Operational Overview
- Projects Update
- Outlook & Questions
DRC deficiency funding requirement

- Project financed on a limited recourse basis to PPC Ltd
- Therefore, any funding shortfalls incurred prior to Project Financial Completion will be for the account of PPC Ltd (as First Sponsor)
- Project Financial Completion occurs when certain working capital and debt ratios have been met for four consecutive quarters (then project becomes fully ring-fenced)
- Maintaining the debt and interest repayment schedule is key, however the full debt accelerates and becomes due only if the project is expropriated or nationalised before Project Financial Completion
- PPC has received confirmation from the Minister of Finance for VAT refund in CDF which will be utilised for local costs
## Risk matrix – shorter term horizon

<table>
<thead>
<tr>
<th>Country</th>
<th>Social/Political</th>
<th>Economic</th>
<th>Regulatory</th>
<th>Industry developments</th>
<th>Impact on PPC</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>• Leadership uncertainty</td>
<td>• Lower forecast GDP</td>
<td>• Policy framework uncertainty</td>
<td>• Intense producer competition</td>
<td>• Volume</td>
</tr>
<tr>
<td></td>
<td>• EODB Ranking 74</td>
<td>• Lower fixed investment</td>
<td></td>
<td>• Lower level of imports</td>
<td>• Price stabilisation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Constrained disposable income</td>
<td></td>
<td></td>
<td>• Benefit from lower level of imports</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>• Leadership uncertainty</td>
<td>• Lower forecast GDP</td>
<td>• Policy framework uncertainty</td>
<td>• Increased imports</td>
<td>• Volume and price pressure</td>
</tr>
<tr>
<td></td>
<td>• EODB Ranking 161</td>
<td>• Liquidity constraints</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rwanda</td>
<td>• Stable government</td>
<td>• Stable GDP</td>
<td>• Policy framework certainty</td>
<td>• Increased competition</td>
<td>• Ramp-up phase</td>
</tr>
<tr>
<td></td>
<td>• EODB Ranking 56</td>
<td></td>
<td></td>
<td></td>
<td>• Satisfactory returns</td>
</tr>
<tr>
<td>DRC</td>
<td>• Leadership uncertainty</td>
<td>• Lower forecast GDP</td>
<td>• Challenging tax environment</td>
<td>• Overcapacity</td>
<td>• Slower volume growth</td>
</tr>
<tr>
<td></td>
<td>• Social instability</td>
<td>• Exchange rate devaluation</td>
<td>• Policy framework uncertainty</td>
<td>• Pressure from imports</td>
<td>• Pricing pressure</td>
</tr>
<tr>
<td></td>
<td>• EODB Ranking 184</td>
<td>• Liquidity constraints</td>
<td></td>
<td></td>
<td>• Possible impairment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Funding requirement</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>• Stable government</td>
<td>• Stable GDP</td>
<td>• Policy framework certainty</td>
<td>• 85% of market demand driven by retail</td>
<td>• Target returns achievable</td>
</tr>
<tr>
<td></td>
<td>• EODB Ranking 159</td>
<td></td>
<td></td>
<td>and construction</td>
<td></td>
</tr>
</tbody>
</table>

*EODB: Ease of doing business ranking

- **High risk**
- **Medium risk**
- **Low risk**

**Context**

- **Group Results**
- **Operational Overview**
- **Projects Update**
- **Outlook & Questions**
PPC portfolio optimisation

Management priorities

- Optimise all businesses
- Growth
- Transitional
- Brownfields Projects

Time in years

PPC business portfolio

Projects → Transitional/Growth → Established → Expansion

Rwanda
Ethiopia
DRC
SK9

Context Group Results Operational Overview Projects Update Outlook & Questions

YEAR END RESULTS FOR THE PERIOD ENDING 31 MARCH 2017
Industry consolidation

Rationale of Afrisam Merger for PPC shareholders

- The creation of a South African cement producer that is financially stronger, operationally more efficient and has deeper technical capability
- The merged entity by virtue of enhanced abilities will invest in future growth opportunities
- The merged entity being significantly empowered given that Phembani Group is a major shareholder of Afrisam and other empowered investors including PPC’s existing B-BBEE shareholders and this will be in addition to PPC’s announced B-BBEE transaction
- The merged entity will be well placed and have the balance sheet capabilities to develop as a major African cement producer given its complementary production assets in six African countries outside South Africa
- Synergies which might arise from a combination of the parties’ operations

Assessment and conditions to pursue the merger

- The parties should be satisfied that on closing of the proposed merger the merged entity will have similar levels of gearing to PPC with sufficient financial liquidity
- Agreement by both parties on merger ratio
- That the merged entity will be significantly empowered, including being satisfied with the potential impact of proposed merger on PPC’s proposed B-BBEE transaction
- Agreement by both parties on any potential competition law considerations
- Both parties satisfied with the results of the due diligence concerning business assets and liabilities of the other
# F2017 – Summary income statement

## Twelve months ended March 2017 R million

<table>
<thead>
<tr>
<th>Description</th>
<th>Twelve months ended March 2017 R million</th>
<th>Twelve months ended March 2016 R million</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of sales</td>
<td>9 641</td>
<td>9 187</td>
<td>5</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration and other operating expenditure</td>
<td>(7 359)</td>
<td>(6 492)</td>
<td>(13)</td>
</tr>
<tr>
<td><strong>Operating profit before item listed below</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empowerment transactions IFRS 2 charges</td>
<td>(1 049)</td>
<td>(1 065)</td>
<td>2</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>1 233</td>
<td>1 630</td>
<td>(24)</td>
</tr>
<tr>
<td>Fair value adjustments</td>
<td>(124)</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td>741</td>
<td>572</td>
<td>30</td>
</tr>
<tr>
<td>Investment income</td>
<td>27</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Earnings from equity-accounted investments</td>
<td>1</td>
<td>(13)</td>
<td></td>
</tr>
<tr>
<td>Impairment</td>
<td>(10)</td>
<td>(43)</td>
<td></td>
</tr>
<tr>
<td>Profit on sale of non-core assets</td>
<td>-</td>
<td>117</td>
<td></td>
</tr>
<tr>
<td><strong>Profit before taxation</strong></td>
<td>180</td>
<td>1 115</td>
<td>(84)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(153)</td>
<td>(384)</td>
<td>(60)</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>27</td>
<td>731</td>
<td>(96)</td>
</tr>
<tr>
<td>Non-controlling interest share of loss</td>
<td>(66)</td>
<td>(62)</td>
<td></td>
</tr>
<tr>
<td><strong>Profit attributable to PPC shareholders</strong></td>
<td>93</td>
<td>793</td>
<td>(88)</td>
</tr>
<tr>
<td>EPS (cents)</td>
<td>8</td>
<td>117</td>
<td>(93)</td>
</tr>
<tr>
<td>HEPS (cents)</td>
<td>7</td>
<td>107</td>
<td>(93)</td>
</tr>
<tr>
<td>Normalised EPS (cents)</td>
<td>47</td>
<td>66</td>
<td>(29)</td>
</tr>
<tr>
<td>Normalised HEPS (cents)</td>
<td>47</td>
<td>66</td>
<td>(29)</td>
</tr>
</tbody>
</table>

## Notes

- The cost of sales increase was mainly from CIMERWA and the acquisition of 3Q.
- Increase of IFRS 2 charges is due to the modification & recapitalisation of B-BBEE.
- Fair value loss on foreign currency monetary items in DRC & Rwanda of R165 million.
Revenue growth supported by ROA, Aggregates and RMC

Revenue per segment contributions (%)

*Southern Africa (SA) is inclusive of Botswana and South Africa

Revenue geographic contribution (%)

March 2017

March 2016
Cost of sales

- Cost of sales up 13%
- Aggregates & RMC increased its contribution due to the inclusion of 3Q
- Like-for-like cost of sales was up 7%

Overheads

- Group overheads have shown downward trend since FY15
- This notwithstanding the introduction of new businesses
- PIP began in FY15
  - Cumulative savings of R78m reported under Strategic Cost Reduction segment

Cost management

COS per segment contributions (%)

Group Overheads Rm

Note FY14 and FY15 are financial year to Sept
EBITDA – Increase in ROA offsets decline in SA

EBITDA per segment contribution (%)

March 2017

SA Cement: 60% (March 2017), 64% (March 2016)
ROA: 31% (March 2017), 23% (March 2016)
Lime: 8% (March 2017), 8% (March 2016)
Agg & RMC: 7% (March 2017), 8% (March 2016)
Group Services: -6% (March 2017), -3% (March 2016)

EBITDA geographic contribution (%)

March 2017

- SA: 31%
- ROA: 69%

March 2016

- SA: 23%
- ROA: 77%
IFRS and B-BBEE III transaction update

<table>
<thead>
<tr>
<th>IFRS 2 charges</th>
<th>March 2017</th>
<th>March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>B-BBEE modification*</td>
<td>R174 million</td>
<td>R-</td>
</tr>
<tr>
<td>B-BBEE 2 and other</td>
<td>R32 million</td>
<td>R36 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>R206 million</strong></td>
<td><strong>R36 million</strong></td>
</tr>
</tbody>
</table>

* Once off due to maturity of B-BBEE 1 and modification

Empowerment transaction update

- South African operations are required by the Mining Charter, based on the then 80%:20% revenue contribution split between the Group's South African and non-South African PPC operations
- As a consequence of the completion of the PPC Rights Offer in September 2016 and following maturity of the components of the 2008 B-BBEE transaction on in December 2016, PPC’s B-BBEE ownership credentials have declined to below the effective 26%
- Accordingly, the Board has approved a framework for a new B-BBEE transaction to ensure that the Company achieves a higher B-BBEE shareholding
- Further information on the B-BBEE transaction will be advised in due course
The movement in finance costs in South Africa largely relates to the Liquidity and Guarantee facility as well as other costs.

The movement in finance costs in the Rest of Africa was driven by the commissioning of Zimbabwe.

<table>
<thead>
<tr>
<th></th>
<th>March 2017</th>
<th>March 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Africa</td>
<td>573</td>
<td>378</td>
<td>195</td>
</tr>
<tr>
<td>ROA</td>
<td>168</td>
<td>194</td>
<td>(26)</td>
</tr>
<tr>
<td>Total</td>
<td>741</td>
<td>572</td>
<td>169</td>
</tr>
</tbody>
</table>
### Tax Recon (%)

<table>
<thead>
<tr>
<th>Description</th>
<th>March 2017</th>
<th>March 2016</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective taxation rate</td>
<td>85</td>
<td>31</td>
<td>Deferred tax</td>
</tr>
<tr>
<td>Prior year taxation</td>
<td>(20.0)</td>
<td>(1.0)</td>
<td></td>
</tr>
<tr>
<td>Finance costs on B-BBEE</td>
<td>(9.0)</td>
<td>-</td>
<td>B-BBEE 1 matured</td>
</tr>
<tr>
<td>Empowerment transactions (IFRS)</td>
<td>(32.0)</td>
<td>-</td>
<td>B-BBEE modification</td>
</tr>
<tr>
<td>Withholding tax</td>
<td>(13.0)</td>
<td>(3.0)</td>
<td>Zimbabwe dividend</td>
</tr>
<tr>
<td>Other</td>
<td>17.0</td>
<td>-</td>
<td>Deferred tax, foreign tax rate differential &amp; forex revaluations</td>
</tr>
<tr>
<td><strong>SA corporate tax</strong></td>
<td><strong>28</strong></td>
<td><strong>28</strong></td>
<td></td>
</tr>
</tbody>
</table>
### Summary of balance sheet

#### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>March 2017 R million</th>
<th>March 2016 R million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>14 192</td>
<td>13 579</td>
</tr>
<tr>
<td>Goodwill</td>
<td>237</td>
<td>255</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>677</td>
<td>766</td>
</tr>
<tr>
<td>Equity accounted investments</td>
<td>225</td>
<td>200</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>380</td>
<td>590</td>
</tr>
<tr>
<td>Deferred taxation assets</td>
<td>142</td>
<td>52</td>
</tr>
<tr>
<td>Non-current assets held for sale</td>
<td>38</td>
<td>42</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>18 035</strong></td>
<td><strong>16 389</strong></td>
</tr>
</tbody>
</table>

**Current assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>March 2017 R million</th>
<th>March 2016 R million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories</td>
<td>1 163</td>
<td>1 121</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>1 652</td>
<td>1 187</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>990</td>
<td>460</td>
</tr>
</tbody>
</table>

**Total equity and liabilities**

<table>
<thead>
<tr>
<th>Description</th>
<th>March 2017 R million</th>
<th>March 2016 R million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital and reserves</td>
<td>8 051</td>
<td>3 028</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>334</td>
<td>535</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred taxation liabilities</td>
<td>1 073</td>
<td>1 178</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>3 555</td>
<td>4 614</td>
</tr>
<tr>
<td>Provisions and other non-current liabilities</td>
<td>998</td>
<td>937</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>18 035</strong></td>
<td><strong>16 389</strong></td>
</tr>
</tbody>
</table>

Additions include capex of R2.2bn, translation differences of R853m and depreciation of R740m.

Rights offer of of R4bn increased capital and reserves.

Total debt from R9.2bn to R5.7bn due to rights issue.

---

YEAR END RESULTS FOR THE PERIOD ENDING 31 MARCH 2017
Improved capital structure – Net debt/EBITDA 2.3x

- Significant de-gearing post successful rights issue coupled with inflows from B-BBEE I transaction
- Group debt peaked in June 2016
- Net debt down 46% to R4.8 billion since March 2016
- The FY2018 SA debt maturity has been refinanced to June 2018

Debt Maturity Profile (Rm)
Contribution to group cash balance

March 2017

- 48% USD
- 4% ZAR
- 5% RWF
- 5% Other

March 2016

- 55% USD
- 8% ZAR
- 27% RWF
- 10% Other

RSA cash balance increased from 10% to 43%
**PPC borrowings**

<table>
<thead>
<tr>
<th>Borrowings</th>
<th>March 2017</th>
<th>March 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>SA</td>
<td>R1.8 billion</td>
<td>R5.8 billion</td>
<td>(R4.0 billion)</td>
</tr>
<tr>
<td>ROA</td>
<td>R3.9 billion</td>
<td>R3.4 billion</td>
<td>R0.5 billion</td>
</tr>
<tr>
<td>Group</td>
<td>R5.7 billion</td>
<td>R9.2 billion</td>
<td>(R3.5 billion)</td>
</tr>
</tbody>
</table>

**Borrowings profile per currency**

March 2017

- 61% ZAR
- 31% USD
- 8% RWF

March 2016

- 62% ZAR
- 33% USD
- 5% RWF
# Capex guidance

<table>
<thead>
<tr>
<th>Capex guidance</th>
<th>F2018</th>
<th>F2019</th>
<th>F2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>RSA</td>
<td>R800m – R900m</td>
<td>R900m – R1bn</td>
<td>R700m – R800m</td>
</tr>
<tr>
<td>ROA</td>
<td>R200m – R300m</td>
<td>R100m – R200m</td>
<td>R100m – R200m</td>
</tr>
<tr>
<td>Total</td>
<td>R1bn – R1.2bn*</td>
<td>R1bn – R1.2bn*</td>
<td>R800m – R1bn*</td>
</tr>
</tbody>
</table>

*Excludes Ethiopia

- Capex came in within guidance of between R1.9bn-R2.5bn
- RSA F2018 – F2019: going forward bulk of capex for Slurry kiln 9
- F2019: other expansion capex will be spent at Dwaalboom and De Hoek (environmental)
- F2018 – F2020: rest of Africa capex mainly for maintenance as projects will be substantively complete

<table>
<thead>
<tr>
<th></th>
<th>Twelve months to March 2017</th>
<th>Twelve months to March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance capex</td>
<td>347</td>
<td>712</td>
</tr>
<tr>
<td>SK9 expansion</td>
<td>764</td>
<td>378</td>
</tr>
<tr>
<td>DRC</td>
<td>807</td>
<td>1 723</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>317</td>
<td>584</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2 235</strong></td>
<td><strong>3 397</strong></td>
</tr>
</tbody>
</table>

*Excludes Ethiopia*
### Cash flow statement summary

<table>
<thead>
<tr>
<th>Source/Use of Funds</th>
<th>Twelve months ended to March 2017 Rm</th>
<th>Twelve months ended to March 2016 Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating cash flows before movement in working capital</td>
<td>2 101</td>
<td>2 382</td>
</tr>
<tr>
<td>Net investment in working capital</td>
<td>(230)</td>
<td>7</td>
</tr>
<tr>
<td><strong>Cash generated from operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance costs paid</td>
<td>(743)</td>
<td>(448)</td>
</tr>
<tr>
<td>Investment income received</td>
<td>21</td>
<td>25</td>
</tr>
<tr>
<td>Taxation paid</td>
<td>(296)</td>
<td>(432)</td>
</tr>
<tr>
<td><strong>Cash available from operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(8)</td>
<td>(321)</td>
</tr>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td>845</td>
<td>1 213</td>
</tr>
<tr>
<td></td>
<td>(2 077)</td>
<td>(3 072)</td>
</tr>
<tr>
<td>Capital investment in PPE and intangible assets</td>
<td>-</td>
<td>(75)</td>
</tr>
<tr>
<td>Acquisition of additional shares in equity accounted investment</td>
<td>(14)</td>
<td>(132)</td>
</tr>
<tr>
<td>Other investing activities</td>
<td>3 722</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from the issuance of shares (net of transaction costs capitalised)</td>
<td>(1 880)</td>
<td>1 989</td>
</tr>
<tr>
<td>Other financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net cash movement for the period</strong></td>
<td>596</td>
<td>(77)</td>
</tr>
</tbody>
</table>
Cash flow generation

- Cash flow generated from operations impacted by higher working capital absorption in FY17
- Cash conversion ratio reduced 0.9x

- PPC cash earnings impacted by higher finance costs and working capital absorption
- Normalised HEPS supported by cash earnings
Attributable net profit reconciliation

Normalised net profit (Rm)

FY17 reported att. net profit
IFRS 2 charge
Forex loss on DRC VAT receivable
Impairments
Liquidity and guarantee facility
Loss on PPE
Proceeds from Insurance claim
Prior tax adjustments
Restructuring costs
Tax impact
FY17 Normalised att. net profit

93
206
112
10
10
163
10
36
9
(27)
(46)
566

Operational Overview
Projects Update
Outlook & Questions
Southern Africa growth – SA recorded negative growth 1Q17

- **South Africa**
  - GDP contracted 0.7% for 1st quarter 2017
  - 0.8% projected for 2017
  - Low growth expected to persist over the forecast period

- **Botswana**
  - Growth expected to average ~4.0% over the forecast period

Real GDP growth forecast %

- **Source:** International Monetary Fund
## Southern Africa operations update

<table>
<thead>
<tr>
<th>Volumes</th>
<th>Pricing</th>
<th>PPC Performance</th>
</tr>
</thead>
</table>
| **South Africa**  
- Low GDP growth of 0.3%  
- Gross fixed capital formation declined by 3.9% in 2016  
- Excessive rainfall in the first two months of 2017 |  
- Competitive landscape  
- Subdued growth  
- Price sensitive market |  
- SA cement volumes up 2%  
- All sectors in the coastal region experienced double digit volume growth |
| **Botswana**  
- Economy is heavily reliant on the commodity cycle  
- Economy is also mainly driven by government  
- Government spending in this period has been subdued |  
- Highly competitive landscape in the Southern African region  
- Prices driven down by exports from South Africa |  
- Flat volumes  
- Selling price down 9% |

**Context**  
**Group Results**  
**Operational Overview**  
**Projects Update**  
**Outlook & Questions**
## South Africa economic outlook

<table>
<thead>
<tr>
<th>Real % growth</th>
<th>2014-2016 Average</th>
<th>2017F</th>
<th>2018F</th>
<th>2019F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household consumption</td>
<td>1.1</td>
<td>1.1</td>
<td>1.5</td>
<td>2.1</td>
</tr>
<tr>
<td>Gross domestic expenditure</td>
<td>0.5</td>
<td>0.6</td>
<td>1.2</td>
<td>1.8</td>
</tr>
<tr>
<td>Gross fixed capital formation</td>
<td>0.1</td>
<td>-2.7</td>
<td>0.0</td>
<td>1.6</td>
</tr>
<tr>
<td>Real GDP growth</td>
<td>1.1</td>
<td>0.6</td>
<td>1.3</td>
<td>1.7</td>
</tr>
<tr>
<td>Consumer Price Index</td>
<td>5.7</td>
<td>5.8</td>
<td>5.5</td>
<td>5.1</td>
</tr>
<tr>
<td>Producer Price Index</td>
<td>6.0</td>
<td>5.3</td>
<td>5.3</td>
<td>4.8</td>
</tr>
</tbody>
</table>

Source: Bureau of Economic Research

- Real GDP growth has disappointed, averaging only 1% over the past three years; with a slight improvement to 2% forecast only in 2019
- Over the past three years, growth in Gross Fixed Capital Formation (GFCF) has been very weak, averaging about 0% - this is forecast to decline even further in medium term
- Consumer confidence has also been muted mainly due to consumers being downbeat on the economic outlook and their personal finances
- Over the past few years, public sector expenditure on infrastructure in the provinces has consistently exceeded the allocated budget, while this has been the opposite in local government and with state owned companies
- 86% of public sector infrastructure spend is executed by provincial government, local government and state owned enterprises

### Public sector infrastructure expenditure budgeted vs. spend

![Graph showing public sector infrastructure expenditure budgeted vs. spend](image_url)

- **Provincial governments**
  - 2013F
  - 2013A
  - 2014F
  - 2014A
  - 2015F
  - 2015A
  - 2016F
  - 2016A

- **Local government**
  - 2013F
  - 2013A
  - 2014F
  - 2014A
  - 2015F
  - 2015A
  - 2016F
  - 2016A

- **State Owned Companies**
  - 2013F
  - 2013A
  - 2014F
  - 2014A
  - 2015F
  - 2015A
  - 2016F
  - 2016A
Rest of Africa growth

Real GDP growth forecast (%)

- Democratic Republic of the Congo
- Ethiopia
- Rwanda
- Zimbabwe

Source: International Monetary Fund

Zimbabwe
- Real GDP is expected to decline in 2018
- Low growth projected upto 2020

DRC
- Growth expected to recover following a decline in 2016

Ethiopia and Rwanda
- Robust growth projected for Ethiopia and Rwanda over the forecast period
## Rest of Africa operations update

<table>
<thead>
<tr>
<th>Volumes</th>
<th>Pricing</th>
<th>PPC Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Zimbabwe</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Liquidity constraints</td>
<td>• Weakening regional currencies against US dollar made Zimbabwe</td>
<td>• Volumes declined by 3%</td>
</tr>
<tr>
<td>• Persistent rainfall in the last quarter of 2017FY</td>
<td>• Made Zimbabwe attractive for imports</td>
<td>• Pricing in US dollars down 10%</td>
</tr>
<tr>
<td></td>
<td>• Introduction of bond notes</td>
<td></td>
</tr>
<tr>
<td><strong>Rwanda</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Strong GDP growth of 5.9% in 2016</td>
<td>• Venturing into new export markets</td>
<td>• 310 000 tonnes sold in FY2017</td>
</tr>
<tr>
<td>• Urbanization expected to rise from 17% to 35% by 2020</td>
<td>• Optimising the route to market strategy</td>
<td>• Over 50% market share in the Rwandan market</td>
</tr>
</tbody>
</table>

Rwanda
- Strong GDP growth of 5.9% in 2016
- Urbanization expected to rise from 17% to 35% by 2020

Zimbabwe
- Liquidity constraints
- Persistent rainfall in the last quarter of 2017FY

- Weakening regional currencies against US dollar made Zimbabwe attractive for imports
- Introduction of bond notes

- Volumes declined by 3%
- Pricing in US dollars down 10%
# Materials division operations review

## Volumes

<table>
<thead>
<tr>
<th>Lime</th>
<th>Pricing</th>
<th>PPC Performance</th>
</tr>
</thead>
</table>
| • Tracks commodity cycle as major customer is the steel industry | • Tough operating environment  
• Heavily reliant on steel producers order books | • Revenue flat  
• Sales volumes affected by the 3 month shut down at one of its major clients Saldhana Steel |

## Aggregates & RMC

| • Heavily reliant on projects in Gauteng | • Highly competitive landscape  
• Concentrated building industry in operating area | • Aggregates and readymix revenue up 23%  
• EBITDA down due to delayed projects and pricing pressure in readymix |
The US$82 million Msasa mill in Harare was completed on time and US$3 million below budget without a single lost time injury

The project debt was initially anticipated to be US$75 million however, the use of own-cash resources reduced debt drawdowns by US$20 million

The mill was inaugurated by the President of Zimbabwe on 16 March 2017

The Harare mill is expected to reduce outbound logistics costs while increasing accessibility to the northern markets

Harare and Bulawayo operations are suitably located to grow exports into neighbouring countries and this will be given priority

Debt is being repaid over five years

The PPC Zimbabwe mill inaugurated by the Honourable President Mugabe
Democratic Republic of the Congo

- The construction of the DRC 1mtpa plant has been completed.
- Hot commissioning commenced in February 2017 due to the delay in the construction and commissioning of the overhead transmission line to supply power to the cement plant.
- The first clinker and cement was produced in March 2017.
- First cement sales commenced in April 2017 and the PPC Barnet brand is well established and recognised in the DRC.
- The trading environment in the DRC continues to be challenging with lower pricing levels due to low-cost imports from neighbouring Angola driven by exchange rate manipulation by traders.
- In addition a new competitor in the DRC has started production in January 2017 and is actively trading in the local market.
- Further measures are expected from government to support the local industry in the near future.

First cement sales despatched in April 2017.
## Anticipated input costs at steady state

### Input cost (ex factory, including overheads)

<table>
<thead>
<tr>
<th>Contribution to total cost of sales</th>
<th>Rwanda</th>
<th>DRC</th>
<th>Zimbabwe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable cost of sales</td>
<td>69%</td>
<td>61%</td>
<td>59%</td>
</tr>
<tr>
<td>Fixed cost of sales</td>
<td>31%</td>
<td>39%</td>
<td>41%</td>
</tr>
</tbody>
</table>

### Key variable cost components as a % of total cost of sales

<table>
<thead>
<tr>
<th></th>
<th>Rwanda</th>
<th>DRC</th>
<th>Zimbabwe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thermal energy (note 1)</td>
<td>23%</td>
<td>31%</td>
<td>5%</td>
</tr>
<tr>
<td>Electricity (note 2)</td>
<td>16%</td>
<td>1%</td>
<td>10%</td>
</tr>
<tr>
<td>Gypsum (note 3)</td>
<td>8%</td>
<td>7%</td>
<td>1%</td>
</tr>
<tr>
<td>Packaging (note 4)</td>
<td>8%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>Maintenance</td>
<td>4%</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Clinker and limestone transport</td>
<td>-</td>
<td>-</td>
<td>18%</td>
</tr>
<tr>
<td>Other</td>
<td>10%</td>
<td>8%</td>
<td>13%</td>
</tr>
</tbody>
</table>

### Key fixed cost components as a % of total cost of sales

<table>
<thead>
<tr>
<th></th>
<th>Rwanda</th>
<th>DRC</th>
<th>Zimbabwe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>13%</td>
<td>16%</td>
<td>14%</td>
</tr>
<tr>
<td>Overheads</td>
<td>11%</td>
<td>6%</td>
<td>10%</td>
</tr>
<tr>
<td>Staff cost (note 5)</td>
<td>7%</td>
<td>10%</td>
<td>17%</td>
</tr>
</tbody>
</table>

### Notes

#### Note 1 Thermal energy
- **Rwanda**: A combination of coal (regional source), peat (local source) and charcoal (local source)
- **DRC**: Coal, sourced from South Africa
- **Zim**: Coal, sourced locally. Significantly lower cost than Rwanda and DRC

#### Note 2 Electricity
- **Rwanda**: Structure different to Zimbabwe and Rwanda, with a higher fixed charge. The total steady state electricity cost per ton cement in Rwanda is higher, whereas the cost in the DRC is the lowest

#### Note 3 Gypsum
- **Rwanda**: Sourced regionally
- **DRC**: Sourced from Spain (Angolan sourcing being investigated at a significantly reduced cost)
- **Zim**: Sourced locally. Significantly lower cost than Rwanda and DRC

#### Note 4 Packaging
- **Rwanda**: Sourced regionally, will change from paper to woven polypropylene bags shortly with a significant cost benefit
- **DRC**: Sourced from South Africa and Saudi Arabia
- **Zim**: Sourced from South Africa

#### Note 5 Staff costs
- **Zimbabwe**: Cost of labour generally higher
Ethiopia

- The US$172 million (previously between US$170-US$180 million), 1.4mtpa plant was commissioned in early February 2017 when the bulk power supply to the plant was completed
- The plant was inaugurated by Prime Minister of the Federal Democratic Republic (FDR) of Ethiopia in April 2017
- First saleable cement planned for June 2017
- Cement demand in Ethiopia matches supply and with imports being banned in the country this is expected to remain unchanged in the short term
- Cement sales for Habesha product are expected to grow in line with the factory ramp up
- Market demand is driven by the retail and construction segments which account for over 85% of the market
- Habesha’s route to market strategy is designed to leverage these market segments through product availability and service innovations

The Habesha Cement plant was inaugurated by the Honourable Prime Minister in April 2017

YEAR END RESULTS FOR THE PERIOD ENDING 31 MARCH 2017
The Slurry SK9 project is progressing well at 62% complete

We have committed 82% of the capex spend and majority of the equipment is complete with the last few shipments related to electrical and instrumentation equipment scheduled for June 2017

Commissioning remains scheduled for the first half of 2018

Eskom has commenced with the extension of the substation and is on schedule for a firm power supply to the project by December 2017

The R1,7 billion Slurry SK9 project includes:

- Construction of a new 3000tpd production line (SK9) using the latest energy efficient technology
- Replacement of SK8’s electrostatic precipitator (ESP) with a bag filter in order to ensure compliance with environmental legislation in 2020
OUTLOOK AND QUESTIONS
Management focus

Key focus areas going forward

- The successful project delivery phase is behind us other than SK9 in South Africa
- Managing the delivery of the new businesses is a key focus
- Rwanda business delivery illustrates PPC’s ability to successfully transition from project to operational phase
- All projects have debt and some deficiency funding is required in the DRC
- Therefore the management of group cash flows is a core management focus
- Execution of the long term strategy is only possible if PPC is successful in executing its current business plans
- The Afrisam transaction continues to decision phase
Disclaimer

This document including, without limitation, those statements concerning the demand outlook, PPC’s expansion projects and its capital resources and expenditure, contain certain forward-looking statements and views. By their nature, forward-looking statements involve risk and uncertainty and although PPC believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment, other government action and business and operational risk management.

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## South Africa costs breakdown

<table>
<thead>
<tr>
<th>Key cost components</th>
<th>March 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution</td>
<td>23%</td>
</tr>
<tr>
<td>Other*</td>
<td>20%</td>
</tr>
<tr>
<td>Salaries</td>
<td>11%</td>
</tr>
<tr>
<td>Electricity</td>
<td>11%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>8%</td>
</tr>
<tr>
<td>Material consumables</td>
<td>8%</td>
</tr>
<tr>
<td>Maintenance</td>
<td>6%</td>
</tr>
<tr>
<td>Coal</td>
<td>9%</td>
</tr>
<tr>
<td>Packaging</td>
<td>4%</td>
</tr>
</tbody>
</table>

*Other includes explosives, spares, drill bits, lubricants, vehicle hire and pallet costs
Investor Contacts

Anashrin Pillay

Vuyo Nombila

Tel. +27 11 386 9000

www.ppc.co.za

Investor Relations – anashrin.pillay@ppc.co.za

Investor Relations – vuyo.nombila@ppc.co.za