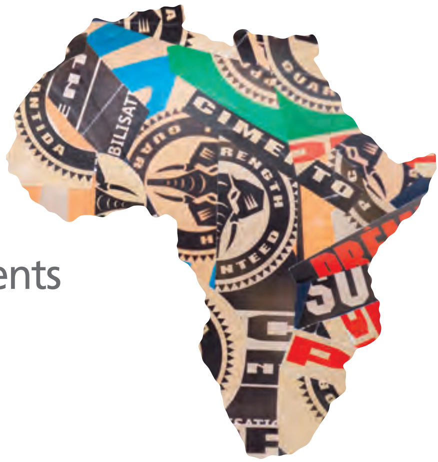
- Construction of new cement plants underway in Rwanda, the Democratic Republic of the Congo, Zimbabwe and Ethiopia
- Successful completion of the Safika Cement acquisition
- Normalised earnings increased by 4% despite additional expansion costs
- Interim dividend of 38 cents per share



Unaudited interim report

for the half year ended 31 March 2014

Commentary

Ketso Gordhan, CEO, said: *"PPC's group cement sales ended 2% higher during this reporting period. Improvements in export sales and the consolidation of sales from our Rwanda operation and newly acquired Safika Cement business were partly offset by declining sales volumes in South Africa and Botswana. Our rest of Africa expansion strategy is progressing well."*

PPC's total cement sales volumes improved by 2% for the period under review. Group revenue increased by 9% to R4 157 million (2013: R3 812 million) on the back of increased export volumes, the consolidation of sales from Safika Cement and CIMERWA, improved cement pricing and the favourable impact of the devaluation of the rand against both the US dollar and Botswana pula. Group revenue was further supported by a 9% and 22% growth in revenue for the lime and aggregates divisions respectively.

Cost of sales of R2 793 million was 9% higher (2013: R2 569 million) in line with revenue growth, resulting in gross profit increasing by 10% to R1 364 million (2013: R1 243 million).

Administration and other operating expenditure increased by 26% to R480 million (2013: R381 million). Over half of the growth in administration and other operating expenditure can be attributed to new businesses and currency movements; particularly, the additional costs incurred in executing our African expansion strategy as well as the consolidation of Safika Cement and CIMERWA overhead costs.

EBITDA increased by 5% to R1 174 million (2013: R1 123 million) and operating profit excluding the impact of BBBEE IFRS 2 charges and Zimbabwe indigenisation costs was up 3% when compared to the previous reporting period at R884 million (2013: R862 million). During the review period both group EBITDA and operating margins contracted; recording 28% (2013: 30%) and 21% (2013: 23%) respectively.

Cash generated from operations amounted to R780 million (2013: R1 070 million), lower due to negative working capital movements, mainly as a result of once-off payments of the interest swaps liability of R113 million and restructuring costs of R64 million, both provided for in the second half of our 2013 financial year. Capital investment during the half amounted to R872 million (2013: R294 million) with R403 million being spent on the new plant in Rwanda. The group's net debt position ended the half at R5 198 million (2013: R3 916 million), up mainly as a result of increased capital expenditure.

Taxation of R155 million (2013: R245 million) was lower than in the previous reporting period following the revenue authority's assessment of prior years' taxation returns.

Headline earnings per share ended 50% higher at 96 cents per share (2013: 64 cents per share). Normalised earnings per share of 86 cents per share, after adjusting for IFRS 2 charges, Zimbabwe indigenisation costs and prior year taxation adjustments, was 4% higher than the prior period.

The company's dividend policy range, of between 1,2 and 1,5 times normalised earnings, is under review in light of PPC's expansion plans. The directors have declared an interim dividend of 38 cents per share (2013: 38 cents per share).

Cement

PPC's South African cement sales volumes decreased by 2% while average selling prices increased by 4%. Industrial action on the platinum belt as well as above-average rainfall in the Inland regions had a severely negative impact on cement sales volumes. Volume growth was, however, experienced in the Limpopo and Eastern Cape regions.

Cement cost of sales rose by 4% on a rand per ton basis for the South African operations, with electricity and outbound logistics rising by 9% and 6% respectively, partly offset by lower coal costs. This pleasing performance is a reflection of the success of our three-large-plant strategy which focuses on clinker production at our most efficient plants. The lower volumes did, however, reduce fixed cost absorption on a rand per ton basis.

On completion of the detailed feasibility study, Slurry kiln 8 will be upgraded to increase capacity and improve thermal efficiency; thereby driving down operating costs.

A slowdown in the Zimbabwean economy has led to muted domestic growth in cement sales. Increased efforts to export product from Zimbabwe to neighbouring countries has boosted cement sales volumes from these operations.

PPC Botswana's cement sales volumes remain under some pressure due to low levels of demand as well as aggressive competitor activity.

Exports to Mozambique ended marginally below last year but favourable growth was realised with additional exports into other African territories.

Cement EBITDA improved 3% to end the half at R1 093 million (2013: R1 065 million).

Lime and aggregates

Revenue in the lime business ended 9% higher on the back of higher burnt product and limestone sales of 5% and 25% respectively. EBITDA consequently rose to R69 million (2013: R61 million).

Aggregates' revenues ended 22% higher than last year at R168 million (2013: R138 million) boosted by increased sales volumes of 15% in South Africa and 14% in Botswana. EBITDA was 33% higher at R12 million (2013: R9 million).

Following a strategic review of the aggregates operations in Botswana and the difficulties being experienced in that market, an impairment charge of R10 million has been included in exceptional items.

Board changes

We welcomed Mr Todd Moyo to the PPC Board as a non-executive director while we said farewell to Mr Andre Lamprecht who decided not to make himself available for re-election at the latest annual general meeting, and we would like to thank him for his many years of service to the group.

Prospects and strategy

We are pleased to note the accelerated progress in the execution of our rest of Africa expansion strategy. Construction is underway in four countries; Rwanda, the Democratic Republic of the Congo, Zimbabwe and Ethiopia. We are particularly pleased with the fact that at the end of calendar 2014, we will begin commissioning our 600 000 ton per annum plant in Rwanda. A positive outcome of a detailed feasibility study into establishing cement operations in Algeria would result in the construction of yet another cement factory in a different African country.

Shareholders recently showed support for our plans to restructure the BBBEE I transaction when they voted in favour of this motion at our recent special general meeting. This will allow us to further align the interests of employees to those of shareholders as our employees will be the main beneficiaries of the transaction and this transaction will also facilitate the restructuring of our balance sheet. Finalisation of the transaction funding arrangements is underway.

PPC remains well supported in the debt capital markets with a further R750 million corporate bond raised in December 2013; being two times oversubscribed.

We remain optimistic that cement sales volumes will improve in our operating geographies.

On behalf of the board

BL Sibiya	**KM Gordhan**	**MMT Ramano**	
Chairman	*Chief executive officer*	*Chief financial officer*	19 May 2014

Dividend announcement

Notice is hereby given that an interim ordinary gross dividend of 38 cents per share has been declared payable to ordinary shareholders in respect of the six months ended 31 March 2014. This dividend will be paid out of profits as determined by the directors.

The local dividends tax rate is 15% and no STC credits have been utilised in this declaration. The dividends tax to be withheld by the company amounts to 5,7 cents per share, giving a net dividend payable to shareholders of 32,3 cents per share where no exemption is applicable. The company's income tax number is 9460015606 and the issued stated capital of the company at the declaration date comprises 605 379 648 shares.

The important dates pertaining to this dividend for shareholder trading on the JSE Limited are as follows:

Declaration date	Monday, 19 May 2014
Last day to trade "cum" dividend	Friday, 6 June 2014
Shares trade "ex" dividend	Monday, 9 June 2014
Record date	Friday, 13 June 2014
Payment date	Tuesday, 17 June 2014

Share certificates may not be dematerialised or rematerialised between Monday, 9 June 2014 and Friday, 13 June 2014, both dates inclusive. Transfers between the South African and Zimbabwean registers may not take place between Monday, 9 June 2014 and Friday, 13 June 2014, both dates inclusive.

Zimbabwe

The important dates pertaining to this dividend for shareholders trading on the Zimbabwe Stock Exchange are as follows:

Shares trade "ex" dividend	Monday, 9 June 2014
Record date	Friday, 13 June 2014
Payment date, on or shortly after	Tuesday, 17 June 2014

The register of members in Zimbabwe will be closed from Monday, 9 June 2014 and Friday, 13 June 2014, both days inclusive, for the purpose of determining those shareholders to whom the dividend will be paid. The dividend payable to shareholders registered in Zimbabwe will be paid in South African rand.

By order of the board

JHDLR Snyman	19 May 2014
Group company secretary	Sandton

Condensed consolidated statement of comprehensive income

	Notes	Six months ended 31 March 2014 Unaudited Rm	31 March 2013 Reviewed Rm	% Change	Year ended 30 Sept 2013 Audited Rm
Revenue	2	**4 157**	3 812	9	8 316
Cost of sales		**2 793**	2 569	9	5 546
Gross profit		**1 364**	1 243	10	2 770
Administration and other operating expenditure		**480**	381	26	853
Operating profit before items listed below:		**884**	862	3	1 917
BBBEE IFRS 2 charges		**19**	29		48
Zimbabwe indigenisation costs		**—**	82		93
Operating profit	2/3	**865**	751	15	1 776
Finance costs (including fair value gains and losses on financial instruments)	4	**231**	184	26	379
Investment income		**21**	10	110	22
Profit before equity accounted earnings and exceptional items		**655**	577	14	1 419
Earnings from equity accounted investments		**6**	5		20
Exceptional items		**(10)**	(12)		(1)
Profit before taxation		**651**	570	14	1 438
Taxation	5	**155**	245	(37)	507
Profit for the period		**496**	325	53	931
Attributable to:					
Ordinary shareholders of PPC Ltd		**494**	325	52	931
Non-controlling interests		**2**	—		—
Other comprehensive income, net of taxation		**79**	79		202
Items that will be reclassified to profit or loss upon derecognition		**79**	79		193
Effect of cash flow hedges		**6**	21		36
Effect of translation of foreign operations		**73**	58		157
Items that will not be reclassified to profit or loss upon derecognition		**—**	—		9
Revaluation of available-for-sale financial investments		**—**	—		11
Taxation on revaluation of available-for-sale financial investments		**—**	—		(2)
Total comprehensive income		**575**	404	42	1 133
Earnings per share (cents)					
Basic		**94**	62	52	178
Diluted		**93**	61	53	175

Condensed consolidated statement of financial position

	Notes	31 March 2014 Unaudited Rm	31 March 2013 Reviewed Rm	30 Sept 2013 Audited Rm
ASSETS				
Non-current assets		**7 446**	5 777	6 411
Property, plant and equipment		**6 229**	5 035	5 522
Goodwill	7	**177**	100	101
Other intangible assets		**475**	241	232
Equity accounted investments	8	**420**	275	410
Non-current financial assets		**145**	126	146
Current assets		**2 840**	2 245	2 465
Inventories		**1 028**	918	923
Trade and other receivables	9	**1 152**	1 063	1 050
Cash and cash equivalents		**660**	264	492
Total assets	2	**10 286**	8 022	8 876
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	10	**(1 173)**	(1 236)	(1 236)
Other reserves		**545**	446	539
Retained profit		**2 116**	1 843	2 257
Equity attributable to ordinary shareholders of PPC Ltd		**1 488**	1 053	1 560
Non-controlling interests		**591**	512	582
Total equity		**2 079**	1 565	2 142
Non-current liabilities		**5 859**	3 827	4 900
Long-term borrowings	11	**4 432**	2 451	3 462
Provisions		**361**	335	348
Other non-current liabilities	12	**145**	53	27
Deferred taxation liabilities		**921**	988	1 063
Current liabilities		**2 348**	2 630	1 834
Short-term borrowings	11	**1 426**	1 729	584
Trade and other payables and short-term provisions	13	**922**	901	1 250
Total equity and liabilities		**10 286**	8 022	8 876
Net asset book value per share (cents)		**284**	202	293

Condensed consolidated statement of changes in equity

	Stated capital Rm	Unrealised surplus on reclassification of plant Rm	Foreign currency translation reserves Rm
Balance at September 2012 (audited)	(1 181)	5	45
Acquired through business combinations	—	—	—
Dividends declared	—	—	—
IFRS 2 charges	—	—	—
Total comprehensive income	—	—	58
Transfers and other movements	—	—	—
Treasury shares held in terms of the FSP share incentive scheme	(55)	—	—
Balance at 31 March 2013 (reviewed)	**(1 236)**	**5**	**103**
Dividends declared	—	—	—
IFRS 2 charges	—	—	—
IFRS 2 charges transferred to non-controlling interests	—	—	—
Non-controlling interest share of foreign currency translation reserve	—	—	—
Sale of shares, treated as treasury shares, by consolidated BBBEE entity	1	—	—
Total comprehensive income	—	—	99
Transfers and other movements	—	(4)	—
Treasury shares held in terms of the FSP share incentive scheme	(1)	—	—
Balance at September 2013 (audited)	**(1 236)**	**1**	**202**
Acquired through business combinations	—	—	—
Dividends declared	—	—	—
IFRS 2 charges	—	—	—
Non-controlling interest share of foreign translation reserve	—	—	—
Put option recognised on acquisition of subsidiary company charged against non-controlling interest^	—	—	—
Reclassification movements	—	—	—
Time value of money adjustments on put options^	—	—	—
Total comprehensive income	—	—	73
Transfer of equity compensation reserve on vesting of certain BBBEE 1 entities	100	—	—
Transfer of equity compensation reserve on vesting of FSP share incentive scheme allocation	16	—	—
Treasury shares held in terms of the FSP share incentive scheme	(53)	—	—
Balance at March 2014 (unaudited)	**(1 173)**	**1**	**275**

^*For details of the put options, refer notes 12 and 15.*

Other reserves						
Available-for-sale financial assets Rm	Hedging reserves Rm	Equity compensation reserves Rm	Retained profit Rm	Equity attributable to ordinary shareholders of PPC Ltd Rm	Non-controlling interests Rm	Total equity Rm
25	(43)	250	2 075	1 176	—	1 176
—	—	—	—	—	512	512
—	—	—	(569)	(569)	—	(569)
—	—	97	—	97	—	97
—	21	—	325	404	—	404
—	—	(12)	12	—	—	—
—	—	—	—	(55)	—	(55)
25	**(22)**	**335**	**1 843**	**1 053**	**512**	**1 565**
—	—	—	(201)	(201)	—	(201)
—	—	42	—	42	—	42
—	—	(62)	—	(62)	62	—
—	—	—	—	—	5	5
—	—	(1)	—	—	—	—
9	15	—	606	729	—	729
3	—	(8)	9	—	3	3
—	—	—	—	(1)	—	(1)
37	**(7)**	**306**	**2 257**	**1 560**	**582**	**2 142**
—	—	—	—	—	140	140
—	—	—	(636)	(636)	—	(636)
—	—	36	—	36	—	36
—	—	—	—	—	18	18
—	—	—	—	—	(137)	(137)
—	—	7	1	8	(8)	—
—	—	—	—	—	(6)	(6)
—	6	—	494	573	2	575
—	—	(100)	—	—	—	—
—	—	(16)	—	—	—	—
—	—	—	—	(53)	—	(53)
37	**(1)**	**233**	**2 116**	**1 488**	**591**	**2 079**

Condensed consolidated statement of cash flows

	Notes	Six months ended 31 March 2014 Unaudited Rm	Six months ended 31 March 2013 Reviewed Rm	Year ended 30 Sept 2013 Audited Rm
Cash flow from operating activities				
Operating cash flows before movements in working capital		**1 214**	1 074	2 486
Working capital movements		**(434)**	(4)	399
Cash generated from operations		**780**	1 070	2 885
Finance costs paid		**(214)**	(113)	(269)
Investment income received		**21**	9	22
Taxation paid		**(325)**	(230)	(525)
Cash available from operations		**262**	736	2 113
Dividends paid		**(636)**	(569)	(770)
Net cash (outflow)/inflow from operating activities		**(374)**	167	1 343
Investments in property, plant and equipment and intangible assets	14	**(872)**	(294)	(970)
Acquisitions of subsidiary companies	15	**(377)**	(140)	(140)
Acquisitions of equity accounted investments	8	**(3)**	—	(126)
Other investing movements		**(34)**	(26)	17
Net cash outflow from investing activities		**(1 286)**	(460)	(1 219)
Proceeds from the issuance of bonds	11	**750**	650	650
Purchase of shares in terms of the FSP share incentive scheme		**(53)**	(55)	(56)
Net borrowings raised/(repaid)		**1 039**	(302)	(500)
Net cash inflow from financing activities		**1 736**	293	94
Net increase in cash and cash equivalents		**76**	—	218
Cash and cash equivalents at beginning of the period		**492**	248	248
Cash and cash equivalents acquired on acquisitions of subsidiary companies	15	**84**	6	6
Impact of exchange rate differences on opening cash and cash equivalents		**8**	10	20
Cash and cash equivalents at end of the period		**660**	264	492
Cash earnings per share (cents)*		**50**	142	404

**Cash earnings per share is calculated using cash available from operations divided by the total weighted average number of shares in issue for the period.*

Notes to the condensed consolidated interim results

1. Basis of preparation

The results have been prepared in accordance with International Financial Reporting Standards, IAS 34 – Interim Financial Reporting, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, financial reporting pronouncements as issued by the Financial Reporting Standards Council, JSE Listings Requirements and the requirements of the South African Companies Act. The group's external auditors have not reviewed or reported on these results.

The accounting policies are prepared in accordance with International Financial Reporting Standards and are consistent with those used in the preparation of annual financial statements for the year ended 30 September 2013, except for the following revised accounting standards and interpretations that were adopted during the period, and which did not have a material impact on the reported results:

IFRS 1 (amendment) – Government Loans
IFRS 7 (amendment) – Offsetting Financial Assets and Financial Liabilities
IFRS 11 – Joint Arrangements
IFRS 10 – Consolidated Financial Statements
IFRS 12 – Disclosures of Interests in Other Entities
IFRS 13 – Fair Value Measurements
IAS 19 (amendment) – Employees Benefits
IAS 27 – Separate Financial Statements
IAS 28 – Investments in Associates and Joint Ventures
IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

	31 March 2014 Unaudited Rm	31 March 2013 Reviewed Rm	30 Sept 2013 Audited Rm
2. Segment analysis			
Revenue			
Cement	**3 610**	3 329	7 219
Lime	**397**	365	798
Aggregates	**168**	138	335
	4 175	3 832	8 352
Inter-segment revenue	**(18)**	(20)	(36)
Total revenue	**4 157**	3 812	8 316
South Africa	**3 060**	2 959	6 356
Rest of Africa	**1 097**	853	1 960
EBITDA			
Cement	**1 093**	1 065	2 312
Lime	**69**	61	162
Aggregates	**12**	9	46
BBBEE trusts and trust funding SPVs	**—**	(12)	(16)
EBITDA before restructuring costs	**1 174**	1 123	2 504
Restructuring costs	**—**	—	(64)
EBITDA	**1 174**	1 123	2 440
South Africa	**903**	900	2 102
Rest of Africa	**271**	223	338
Operating profit			
Cement	**839**	834	1 846
Lime	**46**	41	126
Aggregates	**(1)**	(1)	25
BBBEE trusts and trust funding SPVs	**—**	(12)	(16)
Operating profit before items listed below:	**884**	862	1 981
BBBEE IFRS 2 charges	**(19)**	(29)	(48)
Restructuring costs	**—**	—	(64)
Zimbabwe indigenisation costs	**—**	(82)	(93)
Operating profit	**865**	751	1 776

Notes to the condensed consolidated interim results *(continued)*

	31 March 2014 Unaudited Rm	31 March 2013 Reviewed Rm	30 Sept 2013 Audited Rm
2. Segment analysis *(continued)*			
Assets			
Cement	**9 503**	7 289	8 101
Lime	**524**	463	487
Aggregates	**257**	268	283
BBBEE trusts and trust funding SPVs	**2**	2	5
Total assets	**10 286**	8 022	8 876
South Africa	**7 176**	6 046	6 378
Rest of Africa	**3 110**	1 976	2 498

The group has four main reporting segments that comprise the structure used by the group executive committee to make key operating decisions and assess performance. The group's reportable segments are operating segments that are differentiated by the activities that each undertakes and the products they manufacture and market.

	31 March 2014 Unaudited Rm	31 March 2013 Reviewed Rm	30 Sept 2013 Audited Rm
3. Operating profit			
Included in operating profit:			
Amortisation of intangible assets	**30**	17	34
Consultation fees incurred on empowerment transactions	**8**	—	4
Depreciation	**260**	244	488
Donation made in terms of Zimbabwe indigenisation transaction	**—**	27	27
Restructuring costs	**—**	—	64
IFRS 2 charges:			
BBBEE IFRS 2 charges	**19**	29	48
Cash settled IFRS 2 charges	**2**	2	(3)
Equity settled IFRS 2 charges	**17**	13	29
Zimbabwe indigenisation costs	**—**	55	62
4. Finance costs (including fair value gains and losses on financial instruments)			
Bank and other borrowings	**49**	36	70
Bonds	**39**	—	11
Long-term loans	**82**	82	172
BBBEE funding transaction	**59**	65	133
Dividends on redeemable preference shares	**27**	29	57
Long-term borrowings	**32**	36	76
Finance lease interest	**—**	1	1
Fair value gains on financial assets	**(1)**	(9)	(25)
Time value of money adjustments	**14**	10	21
	242	185	383
Capitalised to plant and equipment and intangibles	**(11)**	(1)	(4)
	231	184	379

	31 March 2014 Unaudited %	31 March 2013 Reviewed %	30 Sept 2013 Audited %
5. Taxation			
A reconciliation of the standard South African normal taxation rate is shown below:			
Taxation as a percentage of profit before exceptional items	**23,8**	41,6	35,3
Empowerment transactions and IFRS 2 charges not tax deductible	**(0,8)**	(5,4)	(2,8)
Preference dividend and interest on BBBEE funding transaction not tax deductible	**(2,5)**	(3,2)	(2,6)
Prior year tax adjustments	**11,0**	—	—
Withholding taxation	**(2,9)**	(2,5)	(1,0)
Other non-deductible costs	**(0,6)**	(2,5)	(0,9)
South African normal taxation rate	**28,0**	28,0	28,0

	Cents	Cents	Cents
6. Earnings and headline earnings per share			
Earnings per share			
Basic	**94**	62	178
Diluted	**93**	61	175
Basic (normalised)^	**86**	83	214
Diluted (normalised)^	**85**	82	211
Headline earnings per share			
Basic	**96**	64	179
Diluted	**95**	63	176
Determination of headline earnings per share			
Earnings per share	**94**	62	178
Adjusted for:			
Impairment of property, plant and equipment and intangible assets	**2**	2	2
Profit on disposal of property, plant and equipment and intangible assets (net of taxation)	**—**	—	(1)
Headline earnings per share	**96**	64	179

	Rm	Rm	Rm
Normalised earnings			
Profit for the period	**496**	325	931
Normalisation adjustments^	**(55)**	111	188
	441	436	1 119
Normalised earnings attributable to:			
Ordinary shareholders of PPC Ltd	**439**	436	1 119
Non-controlling interests	**2**	—	—
	441	436	1 119
Headline earnings			
Profit for the period	**496**	325	931
Impairment losses on financial assets	**—**	—	1
Impairment losses on property, plant and equipment and intangible assets (net of taxation)	**8**	11	12
Profit on disposal of property, plant and equipment and intangible assets (net of taxation)	**—**	—	(9)
Headline earnings	**504**	336	935
Headline earnings attributable to:			
Ordinary shareholders of PPC Ltd	**502**	336	935
Non-controlling interests	**2**	—	—
	504	336	935

^*Normalised earnings adjusts the reported earnings for the effects of BBBEE IFRS 2 and Zimbabwe indigenisation charges, restructuring costs and prior year taxation adjustments.*

The difference between earnings and diluted earnings per share is due to shares held under the forfeitable share incentive scheme that have not vested, together with the dilution impact of the group's various empowerment transactions.

For the weighted average number of shares used in the calculation, refer note 10.

Notes to the condensed consolidated interim results *(continued)*

	31 March 2014 Unaudited Rm	31 March 2013 Reviewed Rm	30 Sept 2013 Audited Rm
7. Goodwill			
Balance at beginning of the period	**101**	6	6
Acquisitions of subsidiary companies	**75**	100	100
Impairment loss for the period	**—**	(6)	(6)
Translation differences	**1**	—	1
Balance at end of the period	**177**	100	101
Goodwill is allocated to the following subsidiary companies:			
CIMERWA Ltd	**102**	100	101
Safika Cement Holdings (Pty) Ltd	**75**	—	—
	177	100	101

Goodwill acquired through business combinations is allocated to the subsidiary company or individual cash-generating units of the subsidiary company. Following the goodwill impairment assessment review, the recoverable amounts of the cash-generating units to which goodwill had been allocated was calculated to be higher that the carrying amount, which resulted in an impairment loss of Rnil (March 2013: R6 million; September 2013: R6 million).

	31 March 2014 Unaudited Rm	31 March 2013 Reviewed Rm	30 Sept 2013 Audited Rm
8. Equity accounted investments			
Investments at cost at beginning of the period	**305**	179	179
Investments made during the period	**3**	—	126
Pronto Holdings (Pty) Ltd^	**—**	—	110
Habesha Cement Share Company*	**3**	—	16
Investments at cost at end of the period	**308**	179	305
Loans advanced	**49**	52	46
Share of retained profit	**63**	44	59
Balance at end of the period	**420**	275	410

^ In June 2013, PPC acquired a further 25% equity stake in Pronto Holdings (Pty) Ltd, for R110 million. The purchase consideration was determined using an EBITDA multiple less net debt and increased PPC's total equity stake in Pronto to 50%. The final tranche for the remaining 50% will be paid in May 2014 and Pronto will be consolidated into the group from June 2014.

**In February 2014, PPC acquired an additional equity stake in Habesha Cement Share Company, for a purchase consideration of R3 million (March 2013: Rnil; September 2013: R16 million), marginally increasing PPC's shareholding in the company.*

	31 March 2014 Unaudited Rm	31 March 2013 Reviewed Rm	30 Sept 2013 Audited Rm
9. Trade and other receivables			
Trade receivables	**983**	844	835
Impairment of trade receivables	**(21)**	(26)	(19)
Net trade receivables	**962**	818	816
Other financial receivables	**69**	71	58
Prepayments	**121**	174	133
Taxation prepaid	**—**	—	43
	1 152	1 063	1 050

	31 March 2014 Unaudited Shares (000)	31 March 2013 Reviewed Shares (000)	30 Sept 2013 Audited Shares (000)
10. Stated capital			
Number of shares and weighted average number of shares			
Number of shares			
Total shares in issue at beginning of the period	**605 380**	566 030	566 030
Shares issued in terms of the second BBBEE transaction[&]	**—**	39 350	39 350
Total shares in issue at end of the period	**605 380**	605 380	605 380
Shares issued in terms of the second BBBEE transaction treated as treasury shares[&]	**(39 350)**	(39 350)	(39 350)
Shares held by consolidated BBBEE trusts and trust funding SPVs treated as treasury shares[*]	**(34 764)**	(37 972)	(37 967)
Shares held by consolidated Porthold Trust (Private) Limited treated as treasury shares[@]	**(1 285)**	(1 285)	(1 285)
Shares purchased and held in terms of the FSP share incentive scheme treated as treasury shares[~]	**(5 866)**	(4 745)	(4 745)
Total shares in issue (net of treasury shares)	**524 115**	522 028	522 033
Weighted average number of shares			
Used for earnings and headline earnings per share	**525 694**	523 352	522 678
Used for dilutive earnings and headline earnings per share	**530 076**	530 478	530 869
Used for cash earnings per share	**524 115**	522 028	522 678

Shares are weighted for the period in which they are entitled to participate in the net profit of the group.

	Rm	Rm	Rm
Stated capital			
Balance at beginning of the period	**(1 236)**	(1 181)	(1 181)
Sale of shares, treated as treasury shares, by consolidated BBBEE trust[^]	**—**	—	1
Shares purchased in terms of the FSP share incentive scheme treated as treasury shares[~]	**(53)**	(55)	(56)
Vesting of shares held by certain BBBEE 1 entities[*]	**100**	—	—
Vesting of shares on a portion of shares held in terms of the FSP share incentive scheme[~]	**16**	—	—
Balance at end of the period	**(1 173)**	(1 236)	(1 236)

[&]Issued in terms of the second the BBBEE transaction which was facilitated by means of a notional vendor funding (NVF) mechanism. These shares only participate in 20% of the dividends declared by PPC during the NVF period, ending 30 September 2019. The entities participating in this transaction are consolidated into the PPC group during transaction term.
[*]Certain of the BBBEE trusts and trust funding SPVs from PPC's first BBBEE transaction are consolidated, and as a result, shares owned by these entities are carried as treasury shares on consolidation. In December 2013, 3 202 770 shares vested to beneficiaries and are no longer treated as treasury shares.
[@]Shares owned by a Zimbabwean employee trust company treated as treasury shares.
[~]In terms of the forfeitable share incentive scheme, 5 865 851 shares (March 2013: 4 744 733 and September 2013: 4 744 733) are held for participants of this long-term incentive scheme. The shares are treated as treasury shares during the various vesting periods of the awards. In February 2014, 619 457 shares vested and are therefore no longer treated as treasury shares.
[^]During 2013, the Current Team Trust, a trust which was consolidated into the group in terms of the first BBBEE transaction, sold a portion of their PPC shares.

For ease of reporting and understanding, ordinary and other shareholders have been shown together as total shareholders of the parent. There is no impact on the earnings or net asset value per share calculations as both shareholders participate in earnings and dividends equally.

During the period under review, shareholders approved the creation of 20 000 000 preference shares in terms of the restructure of a portion of the company's first BBBEE transaction. No preference shares have been issued post the approval. For an update on the status of the restructure of the first BBBEE transaction, refer to note 18.

Notes to the condensed consolidated interim results *(continued)*

	31 March 2014 Unaudited Rm	31 March 2013 Reviewed Rm	30 Sept 2013 Audited Rm
11. Borrowings			
Bonds$	**1 396**	650	645
Long-term loan*	**1 519**	1 516	1 519
Long-term loans denominated in foreign currencies#	**334**	84	87
Preference shares^	**64**	88	88
	3 313	2 338	2 339
BBBEE funding transaction~	**1 119**	113	1 123
Preference shares	**452**	113	482
Long-term borrowings	**667**	—	641
Long-term borrowings	**4 432**	2 451	3 462
Short-term borrowings and short-term portion of long-term borrowings	**1 426**	1 729	584
Total borrowings	**5 858**	4 180	4 046

$Comprises two unsecured bonds. The first bond of R650 million was issued in March 2013, has a variable coupon rate of three-month JIBAR plus 1.26% p.a. and is repayable in March 2016. The second bond of R750 million was issued in December 2013, has a variable coupon rate of three-month JIBAR plus 1.5% p.a. and is repayable in December 2018. These bonds were issued under the company's R6 billion Domestic Medium Term Note programme, and are recognised net of capitalised transaction costs.

**Comprises a bullet loan, bearing interest at a fixed rate of 10.86% p.a., and is repayable in December 2016, with interest payable semi-annually.*

#The loans are denominated in US dollars and Rwanda francs, with the US dollar variable component of the loan bearing interest at 650 basis points above Libor and the fixed interest rate loan bearing interest at 16% p.a. The Rwanda franc loan bears interest at 16% p.a. The loans are repayable over a 10-year period ending 2024, with payments commencing in 2016. The loans are secured against CIMERWA's land and buildings.

^Redeemable preference shares bearing semi-annual dividends, with variable interest rates averaging 85% of prime and fixed rates between 9.24% and 9.37% p.a. and compulsory annual redemptions ending December 2016.

~Comprises redeemable A preference shares bearing semi-annual dividends, with variable interest rates averaging 85% of prime with compulsory annual redemptions until December 2016, and B preference shares bearing interest at a rate of 78% of prime and B loans bearing interest at a rate of 285 basis points above JIBAR, with interest and capital repayable in December 2016.

In terms of IFRS, these long-term borrowings have been consolidated as PPC has provided guarantees for funding that had an outstanding balance of R1 124 million (March 2013: R1 081 million and September 2013: R1 161 million).

The group is in compliance with its debt covenants and the company's borrowing powers are not restricted by its memorandum of incorporation.

	31 March 2014 Unaudited Rm	31 March 2013 Reviewed Rm	30 Sept 2013 Audited Rm
12. Other non-current liabilities			
Cash-settled share-based payment liability	**2**	27	2
Derivative financial instruments (cash flow hedge)	**—**	3	2
Loan to CIMERWA from non-controlling shareholder	**—**	23	23
Put option liability^	**143**	—	—
	145	53	27

^With the purchase of 69.3% equity stake in Safika Cement Holdings (Pty) Ltd (refer note 15), PPC granted minority shareholders individual put options, with different exercise dates, for the purchase of their remaining shares. As the put option is a contract to purchase the group's own equity instruments, it gives rise to a financial liability for the present value of the estimated redemption amount in accordance with IAS 32 (Financial Instruments: Presentation). The present value of the option was calculated at R137 million and time value of money adjustments of R6 million have been recognised since initial recording of the liability.

	31 March 2014 Unaudited Rm	31 March 2013 Reviewed Rm	30 Sept 2013 Audited Rm
13. Trade and other payables and short-term provisions			
Current taxation and VAT payable	**49**	73	42
Derivative financial instruments^	**1**	109	112
Other financial payables	**59**	37	54
Other non-financial payables*	**228**	86	183
Payroll accruals	**113**	156	260
Restructuring provisions	**—**	—	64
Trade payables and accruals	**472**	440	535
	922	901	1 250

^*Included in derivative financial instruments is the net financial liability payable on the interest rate swaps, and has been netted off in accordance with IAS 32. The financial asset amounts to Rnil million (March 2013: R290 million; September 2013: R325 million), and the financial liability amounts to Rnil million (March 2013: R374 million; September 2013: R429 million). Interest rate swaps liabilities of R113 million were settled in December 2013.*
**Includes R55 million (March 2013: Rnil; September 2013: R85 million) relating to the retention payments for the construction of the cement plant in Rwanda.*

	31 March 2014 Unaudited Rm	31 March 2013 Reviewed Rm	30 Sept 2013 Audited Rm
14. Investments in property, plant and equipment and intangible assets			
Cement	**820**	279	923
Lime	**46**	12	37
Aggregates	**6**	3	10
Investments in property, plant and equipment and intangible assets	**872**	294	970
South Africa	**250**	232	441
Rest of Africa	**622**	62	529
15. Acquisitions of subsidiary companies			
Property, plant and equipment	**63**	432	433
Goodwill	**75**	100	100
Other intangible assets	**237**	119	124
Current assets	**200**	745	749
Cash and cash equivalents	**84**	6	6
Long-term borrowings	**—**	—	(108)
Long-term provisions and deferred taxation	**(72)**	(187)	(75)
Short-term borrowings	**—**	—	(35)
Current liabilities	**(70)**	(74)	(47)
Other	**—**	—	(6)
Non-controlling interests	**(140)**	(512)	(512)
Total consideration	**377**	629	629
Consideration payable for new equity in consolidated company	**—**	(493)	(493)
Consideration payable to external entities	**377**	136	136

Notes to the condensed consolidated interim results *(continued)*

15. Acquisitions of subsidiary companies *(continued)*

Safika Cement Holdings (Pty) Ltd (Safika Cement)

During December 2013, all conditions to the transaction were filled and PPC acquired a 69.3% equity stake in Safika Cement for R377 million and consolidated from the effective date of the transaction. This transaction further enhances PPC´s South African footprint through Safika Cement´s five blending facilities and one milling operation that produce blended 32.5N cement under three brands: IDM Best Build, Castle and the Spar Build-It house brand. The purchase price allocation presented is provisional at the date of this report and is not expected to be materially different when finalised.

Safika Cement favourably impacted group revenue by R219 million and reported operating profit of R10 million, inclusive of amortisation charges of intangible assets recognised in terms of IFRS 3 (Business Combinations). The impact on both earnings and headline earnings per share was 1 cent per share.

CIMERWA Ltd (CIMERWA)

In February 2013 PPC acquired a 51% equity stake in a Rwandan cement company, CIMERWA, for a transaction value of US$69 million (R629 million) with US$15 million (R136 million) being paid to previous shareholders of the company, while a further US$54 million was used to subscribe for shares in CIMERWA of which US$31 million was paid during the 2013 financial year and the balance settled during this reporting period. As the company is consolidated, the equity subscription is payable to CIMERWA and therefore only the US$15 million payable external to the PPC group is reflected as a cash flow outside the consolidated PPC group. The fair values of assets acquired and liabilities have now been finalised, with no material changes to the amounts previously disclosed.

CIMERWA favourably impacted revenue by R104 million (March 2013: R26 million; September 2013: R118 million) and reported an operating loss of R4 million (March 2013: R5 million; September 2013: Rnil million). The transaction impact on both earnings and headline earnings per share was -1 cent per share (March 2013: -1 cent per share; September 2013: nil cents per share).

Aggregate quarries Botswana

In October 2011 all conditions precedent with regards to the transaction to acquire three aggregate quarries and related assets in Botswana were met. The transaction value amounted to R52 million and was to be funded over a two year period. The final payment of R5 million (March 2013: R4 million; September 2013: R4 million) was paid during this reporting period.

	31 March 2014 Unaudited Rm	31 March 2013 Reviewed Rm	30 Sept 2013 Audited Rm
16. Commitments			
Contracted capital commitments	**525**	1 018	752
Approved capital commitments	**341**	164	336
Capital commitments	**866**	1 182	1 088
Operating lease commitments~	**127**	18	195
	993	1 200	1 283

Commitments for capital expenditure are stated in current values which, together with expected price escalations, will be financed from surplus cash generated and borrowing facilities available to the group.

Business combination commitments:

Approved transaction

The final 50% tranche on the acquisition of Pronto Holdings (Pty) Ltd is payable in May 2014. The purchase consideration is to be determined using an EBITDA multiple less net debt.

Transactions subject to final approvals

The company has signed a memorandum of understanding for the construction of a new cement plant in the DRC. The total cost of the project amounts to US$280 million. PPC will have a 70% shareholding in the project. Commercial terms, including funding facilities, are in the final stages of completion.

The company has signed a memorandum of understanding with Hodna Cement Company for the construction of a new cement plant in Algeria, with a project cost of US$350 million. It is estimated that PPC will have a 49% shareholding in the project. Commercial terms are in the process of being finalised.

PPC continues to investigate business opportunities in both South Africa and the rest of Africa.

	Level*	31 March 2014 Unaudited Rm	31 March 2013 Reviewed Rm	30 Sept 2013 Audited Rm
17. Fair value of financial assets and liabilities				
The application of the new standard IFRS 13: Fair Value Measurement during this reporting period has not materially impacted fair value measurements of the group.				
Financial assets				
Available-for-sale				
Unlisted investments at fair value	3	**37**	25	37
Loans and receivables				
Loans advanced	2	**4**	4	4
Loans to equity accounted companies	2	**49**	52	46
Trade and other financial receivables	2	**1 031**	889	874
Cash and cash equivalents	1	**660**	264	492
At fair value through profit and loss				
Unlisted collective investments at fair value (held-for-trading)	1	**110**	101	105
Total financial assets		**1 891**	1 335	1 558
Level 1		**770**	365	597
Level 2		**1 084**	945	924
Level 3		**37**	25	37
Financial liabilities				
At amortised cost				
Long-term borrowings	2	**4 510**	2 500	3 523
Short-term borrowings	1	**1 426**	1 729	584
Trade and other financial payables	2	**531**	477	567
Put option liability	3	**143**	—	—
At fair value through profit and loss				
Cash-settled share-based payment liability	2	**24**	27	22
Derivatives				
Derivative instruments – current (cash flow hedge)	2	**1**	106	112
Derivative instruments – non-current (cash flow hedge)	2	**—**	3	2
Total financial liabilities		**6 635**	4 842	4 810
Level 1		**1 426**	1 729	584
Level 2		**5 066**	3 113	4 226
Level 3		**143**	—	—

Methods and assumptions used by the group in determining fair values:

The estimated fair value of financial instruments is determined, at discrete points in time, by reference to the mid-price in an active market wherever possible. Where no such active market exists for the particular asset or liability, the group uses valuation techniques to arrive at fair value, including the use of prices obtained in recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

The fair value of cash and cash equivalents, trade and other financial receivables and trade and other financial payables approximate their respective carrying amounts of these financial instruments because of the short period to maturity of these instruments.

**Level 1 – financial assets and liabilities that are valued accordingly to unadjusted market prices for similar assets and liabilities. Market prices in this instance are readily available and the price represents regularly occurring transactions which have been concluded on an arm's length transaction.*

**Level 2 – financial assets and liabilities are valued using observable inputs, other than the market prices noted in level 1 methodology. These inputs make reference to pricing of similar assets and liabilities in an active market or by utilising observable prices and market related data.*

**Level 3 – financial assets and liabilities that are valued using unobservable data, and requires management judgement in determining the fair value.*

18. Events after the reporting period

There are no events that occurred after the reporting date that may have a material impact on the group's reported financial position at 31 March 2014.

On 6 May 2014, PPC advised that the proposed restructuring of a component of its first BBBEE transaction, originally expected to be completed by 30 April 2014, has been postponed due to the finalisation of funding arrangements. Shareholders will be advised of the new completion date in due course.

Administration

PPC Ltd
(Incorporated in the Republic of South Africa)
(Company registration number 1892/000667/06)
JSE Code: PPC JSE ISIN: ZAE 000170049
ZSE Code: PPC

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S Mhlarhi, B Modise, T Moyo*, MMT Ramano (Chief financial officer), TDA Ross, J Shibambo *Zimbabwean

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These results and other information is available on the PPC website: www.ppc.co.za

BASTION GRAPHICS

PPC STRENGTH GUARANTEED

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