Reviewed condensed consolidated financial statements
for the six months ended 30 September 2016

Readymix, fly ash and slag

Cement

2016

Aggregates

Lime

Strength in diversity

Balance sheet de-geared with the group debt to EBITDA ratio **reducing to 2,6 times from 3,8 times** on the back of a successful rights issue

Cash generated from operations **up 58%**

Group cement sales volumes **up 13%**

Group revenue of **R5,2 billion up 15%**

Group EBITDA maintained **at R1,2 billion**

Reduced profit of **R58 million** as a result of a 54% increase in finance costs due to the liquidity event; consequently headline earnings per share down **66% to 14 cents**

Normalised headline earnings per share down **16% to 36 cents**

Harare mill commissioned on time and under budget while Rwanda ramp-up exceeds **50% capacity utilisation**

COMMENTARY

Darryll Castle, CEO, said: *"The successful completion of the rights issue allowed us to significantly reduce debt levels and strengthen our balance sheet against the cyclical nature of our business. PPC's diversified portfolio of businesses delivered a 15% increase in group revenue and a 13% increase in group cement sales. Gross profit improved 6% due to product pricing pressures which persist across the portfolio. CIMERWA, our plant in Rwanda, achieved cement sales volumes of 148 000 tonnes, increasing its contribution to group cement sales volumes to 5% and contributing more than 10% to group EBITDA. The Zimbabwe milling plant in Harare (Msasa) was hot commissioned on time and under budget and has sold its first 1 000 pallets of bagged cement. Our projects in the DRC and Ethiopia are both at advanced stages and will be commissioned in the 2017 calendar year."*

Darryll Castle
Chief executive officer

FINANCIAL REVIEW

PPC group performance compared with six months to March 2016

In line with IFRS requirements and following the recent change in the company's financial year end, financial performance for the six-month period ended September 2016 is compared to the last reported period, being the six months to March 2016. The impact of the seasonality of the reporting periods needs to be borne in mind in fully understanding the performance of the group.

PPC reported revenue of R5,2 billion for the six months reporting period compared to R4,6 billion for the six months ended 31 March 2016. The 15%

COMMENTARY (CONTINUED)

increase is attributable to higher group cement sales volumes, specifically in South Africa where cement volumes were up 13% and Rwanda where volumes were up 19% to 148 000 tonnes.

Revenue in our lime business increased by 6%, while our aggregates and readymix operations, including the recently acquired 3Q Mahuma Concrete (Pty) Ltd (3Q), experienced double digit revenue growth. 3Q contributed R80 million to the revenue of the materials business from July 2016 although making a marginal contribution to EBITDA.

The group's solid cost management continued. Variable delivered cost of sales per tonne in the South African cement business was up 4%, however, group cost of sales of R3 838 million was 18% higher than the previous period (March 2016: R3 261 million), mainly due to increased sales volumes, kiln shutdowns and the consolidation of the 3Q business. The group continues to derive benefits from its profit improvement programme.

Administration and other operating expenditure increased 18% to R577 million (March 2016: R489 million), driven mainly by the acquisition of the 3Q readymix business and the timing of expenses.

Group EBITDA was flat at R1 146 million (March 2016: R1 144 million) while the EBITDA margin of 22,2% (March 2016: 25,4%) was negatively impacted by selling price pressures and the timing of administration and other operating expenses.

EBITDA comparison per segment

	September 2016 Rm	March 2016 Rm	% change
RSA	**754**	793	(4,9)
Cement	**559**	624	
Lime	**96**	96	
Aggregates and readymix	**99**	73	
INTERNATIONAL	**392**	351	11,7
Cement	**388**	348	
Aggregates and readymix	**4**	3	
TOTAL	**1 146**	1 144	0,2

Finance costs were R509 million, up 54% on the previous period's R330 million, following R195 million in costs incurred for the liquidity and guarantee facility as well as other related costs. Foreign exchange loss on foreign currency monetary items of R87 million were recorded, the bulk of which relate to unfavourable currency movements against the US dollar in the DRC and Rwanda.

Taxation was 58% lower at R66 million (March 2016: R156 million) due to the lower profitability realised in this period. However, the effective taxation rate increased to 53% as a result of withholding tax on dividends declared from Zimbabwe and the impact of non-deductible finance costs on the BBBEE transaction.

Due to increased finance costs and revaluation losses on the foreign currency monetary items, together with the non-recurrence of the prior period's exceptional profit on the sale of non-core assets, net profit attributable to PPC shareholders declined by 72% to R102 million (March 2016: R369 million). In line with this, earnings per share was 76% lower at 13 cents per share (March 2016: 54 cents per share) and headline earnings per share declined 66% to 14 cents per share (March 2016: 41 cents per share). Normalised earnings per share ended 16% below those of the prior period at 36 cents per share (March 2016: 43 cents per share) and normalised headline earnings per share ended 16% down at 36 cents per share (March 2016: 43 cents per share) as a result of the higher finance charges and foreign exchange losses.

Capital expenditure was R1 045 million (March 2016: R1 188 million), with R307 million used for the Slurry kiln 9 project in South Africa and the balance mainly on the DRC and Zimbabwe expansion projects. Group debt has reduced to R5 914 million (March 2016: R9 171 million) following the receipt of proceeds from the rights issue, leading to a substantial improvement in the group debt to EBITDA ratio which is now 2,6 times. When project finance debt is excluded, this ratio drops further to 1,3 times reflecting a comfortably geared balance sheet at the centre.

Cash generated from operations was up 58% to R1 286 million (March 2016: R813 million) on the back of improved working capital management. Similarly, the group cash-conversion ratio at 1,1 is above the 0,7 achieved in the previous period.

The company's dividend policy reflects its growth aspirations as well as having regards to the prudency of its capital structure. In line with this, the directors have declared no dividend.

OPERATIONAL REVIEW

Cement

PPC group cement revenue was up 12% to R4 131 million (March 2016: R3 700 million) while EBITDA decreased by 2% to R947 million (March 2016: R972 million). Consequently, the EBITDA margin decreased from 26% to 23%, in this period.

South Africa

PPC's cement sales volumes were 13% higher, reflecting the impact of double-digit volume growth in the coastal regions. The Western and Eastern Cape provinces continue to benefit from lower import activity coupled with sustained growth in local infrastructure projects. Increased competitor activity has also impacted the inland regions, in particular Gauteng, Mpumalanga and the North West. The Limpopo region, although under pressure, showed some resilience with positive volume growth supported by the launch of the P&L house brand which is produced by PPC. Average selling prices declined 2% for the period, consequently EBITDA for RSA cement declined 9%.

Comparing the reporting period to the six-month period ended September 2015, however, volumes were up 7% while selling prices were 4% down. Cost of sales for the respective period was 3% higher than the prior period on a rand per tonne basis.

International

Zimbabwe

Our Zimbabwe operations recorded overall volume increases while selling prices, in US dollars, declined. Authorities have introduced cement import tariffs of US$100 per tonne, effective 1 October 2016. The Reserve Bank of Zimbabwe intends to introduce Zimbabwe bond notes into the monetary system and the impact on the economy is currently uncertain, but will be monitored.

COMMENTARY (CONTINUED)

If, however, we compare the reporting period to the six-month period ended September 2015, volumes were down 5% while local pricing was down 10%.

Botswana

The increased cement capacity and competitiveness in the southern African region continues to affect pricing and volumes. Market leadership was maintained by focusing on brand, operational efficiencies and cost competitiveness, which together with the impact of seasonality of the different reporting periods, resulted in volume increases. EBITDA however dropped in the reporting period.

If a like for like comparison is made to the reporting period to the six-month period ended September 2015, volumes were down 2% while local pricing was down 12%.

Rwanda

All provisional acceptance certificates for the 600 000 tonne per annum plant have been issued and plant optimisation is in progress. As planned, the plant is running at capacity utilisation levels above 50% and sold 148 000 tonnes of cement in this period; increasing its contribution to group cement sales to 5% and contributing more than 10% to group EBITDA. An EBITDA margin in excess of 30% was achieved, which is within the guided range. A national "buy, build and win" competition, aimed at retailers and customers, was launched in September 2016 and will run until December 2016.

Volumes compared to the six month period ended September 2015 were up over 150% while local pricing was down 2%.

MATERIALS BUSINESS

Revenue in the lime business of R406 million was up 6% (March 2016: R383 million) and EBITDA of R96 million was in line with levels achieved in the prior period.

If, however, we compare the reporting period to the six-month period ended September 2015, volumes were down 12% while pricing declined 2%.

In July 2016, PPC successfully concluded the acquisition of 3Q for R135 million via the issue of 17 565 872 PPC shares. 3Q has been successfully integrated into the materials business as part of Pronto Readymix and favourably contributed R80 million and R8 million to revenue and EBITDA, respectively and was earnings enhancing on a per share basis.

Aggregates and readymix revenues were 42% higher at R713 million (March 2016: R503 million) mainly due to the consolidation of 3Q and improved sales volumes in the South African aggregates business. As a result, EBITDA rose 36% to R103 million (March 2016: R76 million).

Readymix volumes were under pressure, however, pricing was maintained. Aggregates volumes up 1% with positive price increases.

PROJECTS UPDATE

Democratic Republic of Congo

The EPC construction contract is complete and the Sinoma erection resources have been demobilised. Village housing is complete and handover to operations is underway. Overall, construction on the project is ~90% complete. Société Nationale d'Electricité (SNEL), the country's utility company, in a public-private partnership with PPC Barnet DRC, is constructing a 13km overhead transmission line to supply power to the cement plant. During the month of October 2016, 28 of 41 towers were completed, with stringing planned to commence mid-November. Delays on the installation, however, mean the bulk power supply will only be available at the end of December 2016. Generators have been deployed to progress cold commissioning, however,

hot commissioning will commence once bulk power is available. Sales of cement produced will commence in February 2017, however, income statement statement benefits will only commence in the new financial year.

Zimbabwe

Construction of the US$82 million Msasa mill in Harare has been completed on time and US$3 million below budget. By the end of October 2016, the project had achieved 1 127 668 lost-time injury free hours. The business has been using own-cash resources thereby limiting debt drawdowns, consequently the project debt is expected to be US$20 million less than the US$75 million initially anticipated. Hot commissioning commenced in August 2016 and to-date 33 bulk tanker loads and 1 000 pallets (2 000 tonnes) of bagged cement have been sold. Official performance testing began in October 2016 and has been successfully completed on the cement milling plant. Performance testing on other equipment such as the rail tippler and packer/palletiser is currently in progress and will be completed during the month of November 2016.

Ethiopia

The US$170 – 180 million, 1,4 million tonne per annum cement Habesha plant is scheduled for commissioning in the second calendar quarter of 2017. Both PPC and South Africa's Industrial Development Corporation followed their rights in the first capital raising, with PPC investing a further US$5,1 million in March 2016, increasing its shareholding to 35%. Plant construction is progressing well, with overall project progress above 80%, civil construction 94% complete, mechanical erection at 66% and 95% of equipment manufactured and delivered to site. The main plant power agreement with the Ethiopian power authorities is in place and the contract for supply and construction of a 14km 132KV transmission line has been awarded. Protracted negotiations over land compensation have resulted in a delay in the installation of a dedicated line. Habesha will therefore make use of the shared line until the dedicated line is available.

Slurry

The new 1 million tonne per annum clinker production line (SK9) at PPC Slurry is on schedule for commissioning and ramp-up in the first quarter of calendar 2018. Plant construction is progressing well with overall project progress at 44% complete, civil construction 25%, mechanical equipment erection at 22% and structural steel erection 6%. Detailed engineering is estimated to be 87% complete with 71% of equipment manufactured and delivered to site. Eskom's appointed contractor for the upgrade of the existing PPC Slurry substation completed their site establishment and commenced with construction works in October 2016. PPC is eligible for a section 12(I) tax allowance for the SK9 project of R350 million which has been promulgated in the government gazette. The section 12(I) tax allowance is available to large manufacturers establishing new or expansion projects which will be energy efficient and will focus on skills development.

GOVERNANCE

Board of directors and subcommittee changes

The board of directors (board) appointed Mr Peter Nelson as the chairman with effect from 20 October 2016. Mr Nelson was appointed to the board as an independent non-executive director on 25 January 2015 and served as the interim chairman since March 2016. He served as CFO of PPC Ltd during the period 2000 to 2003.

Following the company's annual general meeting on 31 October 2016, Ms Bridgette Modise, who retired by rotation, decided not to make herself available for re-election. The board thanks Ms Modise for her dedicated service and valuable contribution during one of the most challenging periods in the company's history.

COMMENTARY (CONTINUED)

As a consequence, Ms Nicky Goldin was elected as the third member of the audit committee joining Mr Todd Moyo and Mr Tim Ross. Ms Goldin was appointed to the board as an independent non-executive director in January 2015 and currently serves on the remuneration and investment subcommittees of the board.

Mr Timothy Leaf-Wright was appointed as chairman of the risk and compliance committee. Mr Leaf-Wright is a chartered secretary and was appointed to the board as an independent non-executive director in January 2015. He currently serves as a member of the risk and compliance, social, ethics and transformation, and investment committees.

2008 BROAD-BASED BLACK ECONOMIC EMPOWERMENT TRANSACTION

The company's 2008 broad-based black economic empowerment (BEE1) transaction matures in December 2016. On 28 October 2016, PPC advised that an agreement had been reached with the strategic black partner (SBP) and community service group (CSG) participants to amend certain terms of the original transaction. Furthermore, a separate transaction has been proposed that will see the issuance of an additional 4 403 439 PPC ordinary shares to the SBPs and CSGs. Details of the proposed transactions are contained in the circular for the shareholders meeting scheduled for 5 December 2016.

The maturity of BEE 1 in December 2016 will see an inflow of R1 076 million into the company as the SBPs and CSGs subscribe for shares in terms of the compulsory subscription. Work to design and implement a new BBBEE (BEE III) transaction has progressed well and will be communicated to shareholders in the first half of the 2017 calendar year.

PROSPECTS

As the domestic cement market remains highly competitive, the immediate focus is on managing cost performance, paying particular attention to costs within management's control and maximising efficiencies. PPC introduced price increases in October and has seen volume losses on the back of revised pricing. While there has been a marked overall decline in imports year-on-year, recent indications are that imports from China are on the increase.

In Zimbabwe, optimising the Harare mill will be a focus area. As our projects in the DRC and Ethiopia near commissioning, the focus will shift from project implementation to operations and achieving maximum ramp-up without disrupting the market.

The recent successful rights issue provides PPC with a significantly improved capital structure that will facilitate the pursuance of its business strategy. The company will continue to optimise its capital structure to ensure the business is cushioned against adverse changes in economic conditions.

On behalf of the board

PG Nelson
Chairman

DJ Castle
Chief executive officer

MMT Ramano
Chief financial officer

15 November 2016

REVIEWED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 September 2016

	Notes	**Six months ended 30 September 2016 Reviewed Rm**	Six months ended 31 March 2016 Audited Rm	% change	Twelve months ended 30 September 2015 Audited Rm
Revenue		**5 156**	4 501	15	9 227
Cost of sales		**3 838**	3 261	18	6 437
Gross profit		**1 318**	1 240	6	2 790
Administrative and other operating expenditure		**577**	489	18	1 130
Operating profit before item listed below:		**741**	751	(1)	1 660
Empowerment transactions IFRS 2 charges		**17**	18		43
Operating profit		**724**	733	(1)	1 617
Foreign exchange loss/(gain) on foreign currency monetary items	2	**87**	20		(22)
Finance costs	3	**509**	330	54	518
Investment income		**6**	12		28
Profit before equity accounted earnings and exceptional adjustments		**134**	395	(66)	1 149
Earnings from equity accounted investments		**–**	–		(16)
Impairments	4	**(10)**	(5)		(81)
Profit on sale of non-core assets	5	**–**	117		–
Profit before taxation		**124**	507	(76)	1 052
Taxation	6	**66**	156	(58)	391
Profit for the period		**58**	351	(83)	661
Attributable to:					
Shareholders of PPC Ltd		**102**	369	(72)	698
Non-controlling interests		**(44)**	(18)		(37)
Other comprehensive (loss)/income, net of taxation					
Items that will be reclassified to profit or loss		**(310)**	177		775
Cash flow hedges		**45**	10		38
Taxation on cash flow hedges		**(13)**	(3)		(11)
Exchange (loss)/gain arising on translation of foreign operations		**(342)**	237		752
Reclassification of profit on sale of available-for-sale financial asset to profit and loss		**–**	(82)		–
Taxation impact on reclassification of profit on sale of available-for-sale financial asset to profit and loss		**–**	15		–
Revaluation of available-for-sale financial asset		**–**	–		(7)
Taxation on revaluation of available-for-sale financial asset		**–**	–		3
Total comprehensive (loss)/income		**(252)**	528		1 436
Attributable to:					
Shareholders of PPC Ltd		**(157)**	520		1 340
Non-controlling interests		**(95)**	8		96
EARNINGS PER SHARE (CENTS)[a]	7				
Basic		**13**	54	(76)	103
Diluted		**13**	53	(75)	101

[a]Following the successful rights issue by the company during September 2016, the prior reporting periods' weighted average number of shares have been adjusted in accordance with IAS 33 *Earnings per Share* and accordingly the earnings per share has been restated. For further details refer note 15.

REVIEWED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2016

	Notes	30 September 2016 Reviewed Rm	31 March 2016 Audited Rm	30 September 2015 Audited Rm
ASSETS				
Non-current assets		**14 052**	13 579	12 202
Property, plant and equipment	8	**12 343**	11 716	10 648
Goodwill	9	**244**	255	254
Other intangible assets	10	**725**	766	772
Equity accounted investments	11	**197**	200	125
Other non-current assets	12	**480**	590	355
Deferred taxation assets	17	**63**	52	48
Non-current assets held for sale	13	**40**	42	76
Current assets		**3 094**	2 768	2 979
Inventories		**956**	1 121	1 029
Trade and other receivables	14	**1 325**	1 157	1 224
Taxation receivable		**165**	30	8
Cash and cash equivalents		**648**	460	718
Total assets		**17 186**	16 389	15 257
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	15	**2 739**	(1 113)	(1 165)
Other reserves		**1 466**	1 558	1 402
Retained profit		**2 678**	2 583	2 406
Equity attributable to shareholders of PPC Ltd		**6 883**	3 028	2 643
Non-controlling interests		**440**	535	521
Total equity		**7 323**	3 563	3 164
Non-current liabilities		**5 462**	6 729	8 813
Provisions	16	**440**	408	400
Deferred taxation liabilities	17	**1 128**	1 178	1 059
Long-term borrowings	18	**3 449**	4 614	6 711
Other non-current liabilities	19	**445**	529	643
Current liabilities		**4 401**	6 097	3 280
Short-term borrowings	20	**2 465**	4 557	1 510
Trade and other payables and short-term provisions	21	**1 901**	1 522	1 658
Taxation payable		**35**	18	112
Total equity and liabilities		**17 186**	16 389	15 257
Net asset book value per share (cents)		**448**	573	503

REVIEWED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 September 2016

	Notes	**Six months ended 30 September 2016 Reviewed Rm**	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
Cash flow from operating activities				
Operating cash flows before movements in working capital		**1 145**	1 137	2 416
Working capital movements		**141**	(324)	300
Cash generated from operations		**1 286**	813	2 716
Finance costs paid		**(513)**	(292)	(408)
Investment income received		**6**	8	28
Taxation paid		**(196)**	(195)	(489)
Cash available from operations		**583**	334	1 847
Dividends paid		**–**	(185)	(559)
Net cash inflow from operating activities		**583**	149	1 288
Cash flow from investing activities				
Acquisition of additional shares in equity accounted investment	11	**–**	(75)	–
Acquisition of additional shares in Safika Cement		**(18)**	–	(108)
Investments in property, plant and equipment		**(1 045)**	(1 188)	(2 892)
Movement in other non-current assets and non-current VAT receivables		**–**	(181)	–
Proceeds on sale of equity accounted investment and available-for-sale financial asset		**–**	153	–
Other investing movements		**(4)**	8	5
Net cash outflow from investing activities		**(1 067)**	(1 283)	(2 995)
Cash flow from financing activities				
Net borrowings (repaid)/raised before repayment of notes	18	**(1 453)**	1 499	1 796
Proceeds from the sale of nil paid letters by consolidated BBBEE entities	18	**137**	–	–
Proceeds from the issue of shares (net of transaction costs capitalised)		**3 706**	–	–
Purchase of shares in terms of the FSP share incentive scheme	15	**(74)**	–	(24)
Repayment of notes	18	**(1 614)**	(650)	–
Net cash inflow from financing activities		**702**	849	1 772
Net movement in cash and cash equivalents		**218**	(285)	65
Cash and cash equivalents at beginning of the period		**460**	718	563
Cash and cash equivalents acquired on acquisition of 3Q Mahuma Concrete	22	**4**	–	–
Exchange rate movements on opening cash and cash equivalents		**(34)**	27	90
Cash and cash equivalents at end of the period		**648**	460	718
Cash earnings per share (cents)[(a)]		**77**	49	272
Cash conversion ratio[(b)]		**1,1**	0,7	1,1

[(a)] 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. Following the successful rights issue by the company during September 2016, the prior reporting periods' weighted average number of shares have been adjusted in accordance with IAS 33 *Earnings per Share* and accordingly the cash earnings per share has been restated. For further details refer note 15.

[(b)] Cash conversion ratio is calculated using cash generated from operations divided by EBITDA.

REVIEWED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2016

		Other
	Stated capital Rm	Foreign currency translation reserve Rm
Balance at 30 September 2014 (audited)	(1 173)	416
Dividends declared	–	–
IFRS 2 charges	–	–
Investment by non-controlling shareholder in PPC Barnet DRC Holdings	–	–
Put option recognised on non-controlling shareholder investment in PPC Barnet DRC Holdings (refer note 19)	–	–
Shares purchased in terms of FSP incentive scheme treated as treasury shares (refer note 15)	(24)	–
Total comprehensive income/(loss)	–	618
Transactions with non-controlling interests recognised directly in equity	–	–
Vesting of FSP incentive scheme awards	23	–
Vesting of shares held by BBBEE 1 entities	9	–
Balance at 30 September 2015 (audited)	(1 165)	1 034
Dividends declared	–	–
IFRS 2 charges	–	–
Issuance of shares to fund additional investment in Safika Cement (refer note 15)	26	–
Total comprehensive income/(loss)	–	211
Transactions with non-controlling shareholders recognised directly in equity	–	–
Vesting of FSP share incentive scheme awards	26	–
Balance at 31 March 2016 (audited)	**(1 113)**	**1 245**
IFRS 2 charges	–	–
Issuance of shares for the acquisition of 3Q (refer note 22)	**135**	–
Issuance of shares in terms of rights issue, net of transaction costs (refer note 15)	**3 791**	–
Proceeds from the sale of nil paid letters by consolidated BBBEE entities (refer note 18)	–	–
Shares purchased in terms of FSP incentive scheme treated as treasury shares (refer note 15)	**(74)**	–
Total comprehensive (loss)/income	–	**(291)**
Transactions with non-controlling shareholders recognised directly in equity	–	–
Balance at 30 September 2016 (reviewed)	**2 739**	**954**

	reserves						
	Available-for-sale financial asset Rm	Hedging reserve Rm	Equity compensation reserve Rm	Retained profit Rm	Equity attributable to shareholders of PPC Ltd Rm	Non-controlling interests Rm	Total equity Rm
	84	–	233	2 255	1 815	603	2 418
	–	–	–	(540)	(540)	(19)	(559)
	–	–	59	–	59	–	59
	–	–	–	–	–	256	256
	–	–	–	–	–	(422)	(422)
	–	–	–	–	(24)	–	(24)
	(3)	27	–	698	1 340	96	1 436
	–	–	–	(7)	(7)	7	–
	–	–	(23)	–	–	–	–
	–	–	(9)	–	–	–	–
	81	27	260	2 406	2 643	521	3 164
	–	–	–	(185)	(185)	–	(185)
	–	–	31	–	31	–	31
	–	–	–	–	26	–	26
	(67)	7	–	369	520	8	528
	–	–	–	(7)	(7)	6	(1)
	–	–	(26)	–	–	–	–
	14	**34**	**265**	**2 583**	**3 028**	**535**	**3 563**
	–	**–**	**30**	**–**	**30**	**–**	**30**
	–	**–**	**–**	**–**	**135**	**–**	**135**
	–	**–**	**–**	**–**	**3 791**	**–**	**3 791**
	–	**–**	**137**	**–**	**137**	**–**	**137**
	–	**–**	**–**	**–**	**(74)**	**–**	**(74)**
	–	**32**	**–**	**102**	**(157)**	**(95)**	**(252)**
	–	**–**	**–**	**(7)**	**(7)**	**–**	**(7)**
	14	**66**	**432**	**2 678**	**6 883**	**440**	**7 323**

SEGMENTAL INFORMATION

for the six months ended 30 September 2016

The group discloses its operating segments according to the business units which are regularly reviewed by the group executive committee and comprise cement, lime, aggregates and readymix and other. There has been no change in reporting segments during the period under review.

Revenue is split between South Africa and the rest of Africa based on where the underlying products are anticipated to be consumed or used by the customer.

No individual customer comprises more than 10% of group revenue.

	Consolidated			Cement[a]		
	30 September 2016 Reviewed Rm	31 March 2016 Audited Rm	30 September 2015 Audited Rm	**30 September 2016 Reviewed Rm**	31 March 2016 Audited Rm	30 September 2015 Audited Rm
Revenue						
South Africa	**3 770**	3 219	6 795	**2 713**	2 386	4 999
Rest of Africa	**1 480**	1 367	2 624	**1 418**	1 314	2 507
	5 250	4 586	9 419	**4 131**	3 700	7 506
Inter-segment revenue[c]	**(94)**	(85)	(192)			
Total revenue	**5 156**	4 501	9 227			
Operating profit before items listed below	**741**	764	1 660	**600**	645	1 422
Empowerment transactions IFRS 2 charges	**17**	18	43	**17**	18	43
Restructuring costs	**–**	13	–	**–**	13	–
Operating profit	**724**	733	1 617	**583**	614	1 379
South Africa	**482**	522	1 120	**342**	404	881
Rest of Africa	**242**	211	497	**241**	210	498
Foreign exchange loss/(gain) on foreign currency monetary items	**87**	20	(22)	**87**	20	(34)
Finance costs	**509**	330	518	**466**	282	382
Investment income	**6**	12	28	**–**	8	19
Profit before exceptional adjustments	**134**	395	1 149	**30**	320	1 050
Earnings from equity accounted investments	**–**	–	(16)	**–**	–	(16)
Impairments and profit on sales of non-core assets	**(10)**	112	(81)	**(10)**	113	(59)
Profit before taxation	**124**	507	1 052	**20**	433	975
Taxation	**66**	156	391	**27**	129	325
Profit/(loss) for the period	**58**	351	661	**(7)**	304	650
Depreciation and amortisation	**405**	393	702	**347**	340	594
EBITDA[d]	**1 146**	1 144	2 362	**947**	972	2 016
South Africa	**754**	793	1 706	**559**	624	1 364
Rest of Africa	**392**	351	656	**388**	348	652
EBITDA margin (%)	**22,2**	25,4	25,6	**22,9**	26,3	26,9
Assets						
Non-current assets	**14 052**	13 579	12 202	**12 973**	12 613	11 251
South Africa	**5 710**	5 205	5 141	**4 682**	4 280	4 231
Rest of Africa	**8 342**	8 374	7 061	**8 291**	8 333	7 020
Non-current assets held for sale	**40**	42	76	**40**	42	76
Current assets	**3 094**	2 768	2 979	**2 583**	2 343	2 536
Total assets	**17 186**	16 389	15 257	**15 596**	14 998	13 863
South Africa	**7 495**	6 753	6 687	**6 014**	5 441	5 376
Rest of Africa	**9 691**	9 636	8 570	**9 582**	9 557	8 487
Liabilities						
Non-current liabilities	**5 462**	6 729	8 813	**5 265**	6 536	7 492
Current liabilities	**4 401**	6 097	3 280	**4 107**	5 038	2 921
Total liabilities	**9 863**	12 826	12 093	**9 372**	11 574	10 413
South Africa	**4 768**	8 148	8 343	**4 301**	6 921	6 692
Rest of Africa	**5 095**	4 678	3 750	**5 071**	4 653	3 721
Capital commitments (refer note 23)	**2 712**	3 283	4 643	**2 702**	3 219	4 588

[a] Includes head office activities.
[b] Comprises BBBEE trusts and trust funding SPVs.
[c] All inter-segmental transactions are done at arm's length.
[d] EBITDA is defined as operating profit before empowerment transactions IFRS 2 charges, depreciation and amortisation.

	Materials business								
	Lime			Aggregates and readymix			Other[b]		
	30 September 2016 Reviewed Rm	31 March 2016 Audited Rm	30 September 2015 Audited Rm	**30 September 2016 Reviewed Rm**	31 March 2016 Audited Rm	30 September 2015 Audited Rm	**30 September 2016 Reviewed Rm**	31 March 2016 Audited Rm	30 September 2015 Audited Rm
	395	378	853	**662**	455	943	**–**	–	–
	11	5	18	**51**	48	99	**–**	–	–
	406	383	871	**713**	503	1 042	**–**	–	–
	74	75	133	**67**	44	105	**–**	–	–
	–	–	–	**–**	–	–	**–**	–	–
	–	–	–	**–**	–	–	**–**	–	–
	74	75	133	**67**	44	105	**–**	–	–
	74	75	133	**66**	43	106	**–**	–	–
	–	–	–	**1**	1	(1)	**–**	–	–
	(1)	–	–	**1**	–	12	**–**	–	–
	–	2	4	**7**	4	29	**36**	42	103
	3	1	1	**3**	3	8	**–**	–	–
	78	74	130	**62**	43	72	**(36)**	(42)	(103)
	–	–	–	**–**	–	–	**–**	–	–
	–	–	–	**–**	(1)	(22)	**–**	–	–
	78	74	130	**62**	42	50	**(36)**	(42)	(103)
	21	21	35	**18**	6	31	**–**	–	–
	57	53	95	**44**	36	19	**(36)**	(42)	(103)
	22	21	45	**36**	32	63	**–**	–	–
	96	96	178	**103**	76	168	**–**	–	–
	96	96	178	**99**	73	164	**–**	–	–
	–	–	–	**4**	3	4	**–**	–	–
	23,6	25,1	20,4	**14,4**	15,1	16,1			
	314	325	310	**765**	641	641	**–**	–	–
	314	325	310	**714**	600	600	**–**	–	–
	–	–	–	**51**	41	41	**–**	–	–
	–	–	–	**–**	–	–	**–**	–	–
	161	187	185	**349**	237	254	**1**	1	4
	475	512	495	**1 114**	878	895	**1**	1	4
	475	512	495	**1 005**	799	812	**1**	1	4
	–	–	–	**109**	79	83	**–**	–	–
	100	103	94	**97**	90	89	**–**	–	1 138
	73	90	105	**220**	125	162	**1**	844	92
	173	193	199	**317**	215	251	**1**	844	1 230
	173	193	199	**293**	190	222	**1**	844	1 230
	–	–	–	**24**	25	29	**–**	–	–
	2	5	28	**8**	59	27	**–**	–	–

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

The reviewed condensed consolidated interim financial statements are prepared in accordance with the provisions of the JSE Limited Listings Requirements for interim reports, and the requirements of the Companies Act applicable to financial statements. The Listings Requirements require interim reports to be prepared in accordance with IAS 34 *Interim Financial Reporting* and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council. The accounting policies applied in the preparation of the condensed consolidated interim financial statements were derived in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated financial statements. These reviewed condensed consolidated financial statements do not include all the information required for the full annual financial statements and should be read in conjunction with the consolidated annual financial statements as at and for the six months ended 31 March 2016.

These reviewed condensed consolidated financial statements have been prepared under the supervision of MMT Ramano CA(SA), chief financial officer, and were approved by the board of directors on 15 November 2016.

The accounting policies and methods of computation used are consistent with those used in the preparation of the financial statements for the period ended 31 March 2016, except for the following revised accounting standards and interpretations that became effective during the current period, and which did not have a material impact on the reported results:

- IAS 1 *Presentation of Financial Statements* (amendment) Disclosure Initiative
- IFRS 14 *Regulatory Deferral Accounts*
- IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture* (amendments) Agriculture: Bearer Plants
- IFRS 11 *Joint Arrangements* (amendment) Accounting for Acquisition of Interests in Joint Operations
- IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* (amendment) Clarification of Acceptable Methods of Depreciation and Amortisation
- IAS 28 *Investment in Associates and Joint Ventures*, IFRS 10 *Consolidated Financial Statements* and IFRS 12 *Disclosure of Interests in Other Entities* (amendments) Investment Entities: Applying the Consolidation Exception
- IAS 27 *Separate Financial Statements* (amendment) Equity Method
- IASB improvements to IFRS 2012 to 2014.

The following revised standards are in issue but are not effective:

- IAS 7 *Statement of Cash Flows*: amendments as a result of the disclosure initiative
- IAS 12 *Income Taxes*: amendment regarding the recognition of deferred tax assets for unrealised losses
- IFRS 7 *Financial Instruments*: additional disclosure resulting from the introduction of the hedger chapter in IFRS 9
- IFRS 9 *Financial Instruments*: classification and measurement
- IFRS 15 *Revenue from Contracts with Customers*
- IFRS 16 *Leases.*

Going concern

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the group can continue in operational existence for the foreseeable future.

The financial performance of the group is dependent upon the wider economic environment in which it operates. Factors exist which are outside the control of management that can have a significant impact on the business, specifically, volatility in the rand/US dollar exchange rate, energy prices and commodity prices, which all impact on the input costs of the business. Despite the operational and cost containment achievements of the group, the declining cement price environment and low macro-growth environment has put the group's cash flows and profitability under pressure.

1. Basis of preparation continued

As communicated in our March 2016 results announcement, PPC embarked upon an expansion strategy in 2010 to extract value from high-growth economies by expanding its footprint into the rest of Africa. The result of this expansion strategy will see an increase in gross production capacity of approximately three million tonnes per annum giving the group a solid foundation for further growth. Given the long lead time required to develop greenfield operations, the group has drawn down on pre-arranged project finance debt without an immediate concomitant increase in earnings and resultant cash flow.

During the same period of our expansion growth on the continent, external factors beyond the group's control have seen a slowing global economy, significant decline in oil and commodity prices which culminated in downward pressures on selling prices in the regions in which the group operates. In addition, South Africa, which is the major contributor to earnings, has seen intensified competition in terms of new entrants and imports into the country despite the economic slowdown, resulting in overcapacity in the market.

The board and executive management reviewed the group's business and capital structure and developed business plans in order to be able to effectively deal with the effects of a continuation of the current low price environment and slowing economic growth.

Key elements of this business plan are the reduction of costs and improvements in efficiencies, through the Profit Improvement Programme (PIP) implemented in 2015, the curtailment of discretionary capital expenditure while preserving the ability of the business to increase production and compete efficiently when cement prices and economies improve.

The board's review of the group's capital structure has resulted in significant steps being taken to strengthen the group's financial position. As announced in September 2016, the rights issue was 5,8 times oversubscribed and the group raised gross proceeds of R4 billion which were utilised to repay borrowings and will assist in funding future operational requirements. At the end of September 2016 the group's debt to EBITDA was 2,6 times (March 2016: 3,8 times), a marked improvement from the prior reporting periods. In December 2016 the company is expected to receive R1,1 billion as the company's 2008 BBBEE transaction matures and the strategic partners are required to subscribe for shares in the company, which will further strengthen the capital structure of the company.

Based on the group's capital structure post the rights issue, the expectation that the existing debt facilities will be successfully restructured, the anticipated cash inflow in terms of 2008 BBBEE transaction, its current trading position and forecasts and facilities in place, the directors believe that the group will be able to comply with its financial covenants and be able to meet its obligations as they fall due and accordingly have formed a judgement that it is appropriate to prepare the financial statements on a going concern basis.

Auditor's review opinion

These condensed consolidated financial statements for the six months ended 30 September 2016 have been reviewed by Deloitte & Touche, who expressed an unmodified review conclusion thereon. A copy of the auditor's review report on the condensed consolidated financial statements is available for inspection at the company's registered office. The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of that report.

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
2. Foreign exchange loss/(gain) on foreign currency monetary items			
Gain on remeasurement of put option liabilities	–	(16)	(14)
Loss on unlisted collective investments	–	–	2
Loss/(gain) on translation of foreign currency-denominated monetary items	87	36	(10)
	87	20	(22)

Included in loss/(gain) on translation of foreign currency-denominated monetary items, is a loss of R48 million relating to the remeasurement of the non-current VAT receivable in the DRC following recent devaluations of the Congolese franc against the US dollar and a remeasurement loss of R12 million recorded against the US dollar denominated project funding in Rwanda.

Details on foreign exchange rates can be found in note 26.

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
3. Finance costs			
Bank and other short-term borrowings	277	49	48
Notes	49	98	189
Long-term loans	288	229	313
	614	376	550
Capitalised to plant and equipment and intangible assets	(159)	(119)	(196)
Finance costs before BBBEE transaction and time value of money adjustments	455	257	354
BBBEE transaction	36	41	116
Dividends on redeemable preference shares	17	19	42
Long-term borrowings	19	22	74
Time value of money adjustments on rehabilitation and decommissioning provisions and put option liabilities	18	32	48
Finance costs	509	330	518
South Africa	427	258	488
Rest of Africa	82	72	30

Included in finance costs, as part of notes, long-term loans and BBBEE transactions are transaction and raising costs of R141 million (March 2016: R10 million, September 2015: R3 million) that were incurred in raising borrowings and are amortised over the respective periods of the borrowings. The liquidity and guarantee facility, as discussed in note 18, incurred raising fees of R128 million which have been amortised to finance costs in full. The raising fee was reduced from the original estimate of R171 million as advised in the results released for the quarter ended 30 June 2016.

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
4. Impairments			
Impairment of goodwill	–	–	(22)
Impairment of financial asset	–	–	(1)
Impairment of loans advanced	–	(1)	(1)
Impairment of property, plant and equipment	**(10)**	(4)	(57)
	(10)	(5)	(81)

Impairment of goodwill

In 2015, the recoverable amount of Pronto was calculated to be lower than its carrying amount, resulting in an impairment of R22 million. Pronto is included under aggregates and readymix in the segmental analysis.

Impairment of property, plant and equipment

- In the current period an impairment of R10 million relating to machinery at CIMERWA that will no longer be utilised in the bagging and packing process.
- Post the group's decision to no longer pursue the Algeria expansion project, it was deemed appropriate that the costs capitalised of R15 million be impaired in 2015.
- An impairment of R14 million relating to the old plant at CIMERWA that would not be used post-commissioning of the new plant was recorded in the period ended September.
- Also in the 2015 financial year, R27 million relating to a limestone quarry in Zimbabwe was impaired due to uncertainty of future prospects.
- Other minor impairments to property, plant and equipment of R4 million and R1 million were processed in March 2016 and September 2015 respectively.

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
5. Profit on sale of non-core assets			
Profit on disposal of investment in Afripack Ltd (refer note 11)	–	34	–
Profit on disposal of investment in Ciments de Bourbon (refer note 12)	–	83	–
	–	117	–

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
6. Taxation			
The taxation charge comprises:			
Current taxation	**74**	74	439
Current period	**74**	67	451
Prior periods	**–**	(14)	(12)
Capital gains taxation	**–**	21	–
Deferred taxation	**(29)**	61	(60)
Current period	**(29)**	61	(41)
Prior periods	**–**	–	(19)
Withholding taxation on dividends	**21**	21	12
	66	156	391
Taxation rate reconciliation	**%**	%	%
A reconciliation of the standard South African normal taxation rate is shown below:			
Profit before taxation (excluding equity accounted investments)	**53,2**	30,8	36,6
Prior years' taxation impact	**–**	2,8	2,7
Profit before taxation, including prior years' taxation adjustment	**53,2**	33,6	39,3
Adjustment due to the inclusion of dividend income	**1,2**	–	0,3
Effective rate of taxation	**54,4**	33,6	39,6
Income taxation effect of:	**(26,4)**	(5,6)	(11,6)
Disallowable charges, permanent differences and exceptional items	**(3,4)**	(1,6)	(8,9)
Empowerment transactions and IFRS 2 charges not taxation deductible	**(3,7)**	(1,0)	(1,1)
Finance costs on BBBEE transaction not taxation deductible	**(9,2)**	(1,8)	(2,1)
Foreign taxation rate differential	**2,8**	0,5	1,6
Capital gains differential on profit on sale of non-core assets	**–**	2,4	–
Profit on sale of BBBEE rights offer shares	**4,0**	–	–
Withholding taxation on dividends	**(16,9)**	(4,1)	(1,1)
South African normal taxation rate	**28,0**	28,0	28,0

7. Earnings and headline earnings

	Six months ended 30 September 2016 Reviewed Cents	Six months ended 31 March 2016 Audited Cents[(a)]	Twelve months ended 30 September 2015 Audited Cents[(a)]
Earnings per share			
Basic	**13**	54	103
Diluted	**13**	53	101
Basic (normalised)[(b)]	**36**	43	114
Diluted (normalised)[(b)]	**36**	42	113
Headline earnings per share			
Basic	**14**	41	112
Diluted	**14**	41	110
Basic (normalised)[(b)]	**36**	43	114
Diluted (normalised)[(b)]	**36**	42	113
Determination of headline earnings per share			
Earnings per share	**13**	54	103
Adjusted for:			
Impairments and profit on sale of non-core assets	**1**	(17)	12
Taxation on impairments and profit on sale of non-core assets	**–**	4	(3)
Headline earnings per share	**14**	41	112

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
7. Earnings and headline earnings continued			
Headline earnings			
Profit for the period	**58**	351	661
Impairments and profit on sale of non-core assets	**10**	(112)	81
Taxation on impairments and profit on sale of non-core assets	**(3)**	24	(15)
Headline earnings	**65**	263	727
Attributable to:			
Shareholders of PPC Ltd	**94**	281	759
Non-controlling interests	**(29)**	(18)	(32)
Normalised earnings			
Profit for the period	**58**	351	661
Normalisation adjustments[b]	**189**	(76)	82
Normalised profit for the period	**247**	275	743
Attributable to:			
Shareholders of PPC Ltd	**261**	293	775
Non-controlling interests	**(14)**	(18)	(32)

[a]Following the successful rights issue by the company during September 2016, the prior reporting period weighted average number of shares have been adjusted in accordance with IAS 33 *Earnings per Share* and accordingly the earnings per share has been restated. For further details refer note 15.

[b]**Normalisation adjustments comprise:**			
Empowerment transactions IFRS 2 charges	**17**	18	43
Foreign exchange loss on the DRC VAT receivable	**48**	–	–
Impairments (refer note 4)	**10**	4	80
Liquidity and guarantee facility raising fees and related costs (refer note 18)	**163**	–	–
Prior period taxation adjustments	–	(14)	(31)
Profit on sale of non-core assets (refer note 5)	–	(117)	–
Restructuring costs	–	14	8
Taxation impact (excluding prior period taxation adjustments)	**(49)**	19	(18)
	189	(76)	82

The difference between earnings and diluted earnings per share relates to shares held under the forfeitable share incentive scheme that have not vested.

For the weighted average number of shares used in the calculation, refer note 15.

8. Property, plant and equipment

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
Net carrying value at beginning of the period	**11 716**	10 648	7 223
Additions	**1 305**	1 122	3 269
Acquisition of subsidiary company (refer note 22)	**83**	–	–
Depreciation	**(361)**	(348)	(612)
Other movements	**34**	(2)	(22)
Impairments (refer note 4)	**(10)**	(4)	(57)
Reallocation to other intangible assets (refer note 10)	–	–	(115)
Transfer to non-current assets held for sale (refer note 13)	–	–	(40)
Translation differences	**(424)**	300	1 002
Balance at end of the period	**12 343**	11 716	10 648
Comprising:			
Freehold and leasehold land, buildings and mineral rights	**737**	800	778
Factory decommissioning and quarry rehabilitation assets	**150**	79	87
Plant, vehicles, furniture and equipment	**11 455**	10 836	9 780
Capitalised leased plant	**1**	1	3
	12 343	11 716	10 648

Included in property, plant equipment is capital work in progress of R4 947 million (March 2016: R4 527 million; September 2015: R3 258 million), relating to the DRC, Zimbabwe and Slurry SK9 expansion projects.

For details on capital commitments, refer note 23.

Assets pledged as security

Property, plant and equipment with a net carrying value of R5 773 million (March 2016: R6 853 million; September 2015: R4 355 million) are encumbered and used as security for borrowings in the DRC, Rwanda and Zimbabwe (refer note 18).

Included in plant, vehicles, furniture and equipment are vehicles with a carrying value of R15 million that have been used as security for finance lease obligations of R8 million that were consolidated into the financial statements with the acquisition of 3Q (refer note 19 and 22).

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
9. Goodwill			
Balance at beginning of the period	**255**	254	268
Impairments (refer note 4)	**–**	–	(22)
Translation differences	**(11)**	1	8
Balance at end of the period	**244**	255	254
Goodwill, net of impairments, is allocated to the following cash-generating units:			
CIMERWA Limited (Cement segment)	**39**	50	49
Safika Cement Holdings (Pty) Ltd (Cement segment)	**78**	78	78
Pronto Holdings (Pty) Ltd (Aggregate and readymix segment)	**127**	127	127
	244	255	254

In September 2015 the recoverable amount of Pronto of R758 million was calculated to be lower than its carrying amount and resulted in an impairment of R22 million.

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
10. Other intangible assets			
Balance at beginning of the period	**766**	772	681
Additions	**10**	12	36
Amortisation	**(44)**	(45)	(90)
Transfers and other movements[(a)]	**–**	–	118
Translation differences	**(7)**	27	27
Balance at end of the period	**725**	766	772
Comprising:			
Right of use of mineral assets	**194**	214	191
ERP development and other software	**108**	140	143
Brand and trademarks	**378**	339	332
Customer relationships – contractual and non-contractual	**45**	73	106
	725	766	772

[(a)] The split between property, plant and equipment (PPE) and intangible assets on the contribution made by a then new shareholder into PPC Barnet DRC Holdings was finalised in 2015 and R115 million was transferred from PPE which represented the value of the mineral reserves and mining rights.

The group does not have any indefinite life intangible assets.

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
11. Equity accounted investments			
Investments at cost	**200**	201	126
Share of retained profit	**–**	(1)	(1)
Translation differences	**(3)**	–	–
Balance at end of the period	**197**	200	125
Comprising:			
Habesha Cement Share Company (Habesha)	**193**	196	121
Other minor equity accounted investments	**4**	4	4
	197	200	125

During the period ended March 2016 an additional investment of R75 million was made towards Habesha as PPC took up its share of a rights offer made by the company. As not all shareholders followed their rights, PPC's shareholding subsequently increased to 35% (March 2016: 35%; September 2015: 32%).

During the 2015 financial year, the board approved the sale of the investment in Afripack. During the first quarter of the 2016 calendar year the sale became effective and the group disposed its full shareholding in Afripack.

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
12. Other non-current assets			
Advance payments for plant and equipment[(a)]	**71**	142	148
Derivative asset	**–**	2	–
Investment in government bonds[(b)]	**8**	8	7
Loans advanced	**–**	–	1
Unlisted collective investment[(c)]	**122**	119	117
Unlisted investment at fair value[(d)]	**–**	–	82
VAT receivable[(e)]	**279**	319	–
	480	590	355

[(a)] In terms of the construction agreements with the suppliers of the new cement plants in Rwanda, DRC and Zimbabwe, a portion of the full contract price is required to be paid in advance of the plant construction. The advance payments will be recycled to property, plant and equipment as the plants are constructed, and are secured by advance payment bonds.

[(b)] Represents government of Zimbabwe treasury bills carried at fair value. The treasury bills were issued in September 2015 in exchange for funds previously expropriated by the government in 2007. The treasury bills have a face value of USD706 831 (R8 million), repayable in three equal annual instalments from June 2017 to June 2019. A discount rate of 12% was applied in determining the fair value on initial recognition. Interest is paid bi-annually at a rate of 5% per annum. Due to current liquidity constraints in Zimbabwe and uncertainty around receipt of the instalments, the full value has been recognised as non-current.

[(c)] Comprises an investment by the PPC Environmental Trust in local unit trusts. These investments are held to fund PPC's South African environmental obligations.

[(d)] During the period ended 31 March 2016, PPC disposed of its 6,75% shareholding in Ciments de Bourbon.

[(e)] The group has incurred VAT during the construction of the plant in the DRC and the amount receivable was classified as non-current effective from the period ended March 2016 in contrast to the 2015 reporting period where the full amount was classified as current. The change follows communication from the local revenue authorities around the delay in refund of VAT receivables. Following the recent decline in the Congolese franc against the US dollar, the reporting currency of PPC Barnet DRC, a loss of R48 million has been recorded under foreign exchange (loss)/gain on foreign currency monetary items in the current reporting period.

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
13. Non-current assets held for sale			
Equity accounted investment[(a)]	–	–	36
Property, plant and equipment[(b)]	**40**	42	40
	40	42	76

[(a)] During the period ended March 2016, the company finalised the sale of its 25% stake in Afripack for R70 million. In 2015, the carrying amount immediately before classification as held for sale was R36 million which was lower than its fair value less costs to sell of R70 million (which represented the estimated selling price per the sales agreement less estimated transaction costs). Afripack was included under the cement segment in segmental analysis.

[(b)] In September 2015, the PPC Zimbabwe board approved the disposal of houses at its Colleen Bawn and Bulawayo factories which was anticipated to be finalised in 12 months. The disposal, initially planned for June 2016, is now planned to be finalised by March 2017. No impairment loss was recognised on the initial reclassification as management concluded that the fair value (estimated based on market prices of similar properties) less costs to sell was higher than the carrying amount. The conclusion by management that no impairment loss should be recognised is still appropriate during the current reporting period. PPC Zimbabwe is included under the cement segment in the segmental analysis.

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
14. Trade and other receivables			
Trade receivables	**1 083**	982	931
Impairment of trade receivables	**(77)**	(77)	(70)
Net trade receivables	**1 006**	905	861
Loan relating to non-current asset held for sale – Afripack (refer to note 11 and 13)	–	–	46
Mark to market cash flow hedge	**3**	48	38
Mark to market fair value hedge	**14**	28	13
Other financial receivables	**82**	111	50
Proceeds receivable from the rights issue on the Zimbabwe Stock Exchange	**85**	–	–
Trade and other financial receivables	**1 190**	1 092	1 008
Prepayments	**134**	65	75
VAT receivable	**1**	–	141
	1 325	1 157	1 224

15. Stated capital

	Six months ended 30 September 2016 Reviewed Shares (000)	Six months ended 31 March 2016 Audited Shares (000)	Twelve months ended 30 September 2015 Audited Shares (000)
Number of shares and weighted average number of shares			
Number of shares			
Total shares in issue at beginning of the period	**607 181**	605 380	605 380
Shares issued for the acquisition of 3Q (refer note 22)	**17 566**	–	–
Shares issued in terms of the rights issue[a]	**1 000 000**	–	–
Shares issued to non-controlling shareholders in Safika Cement on exercise of put option[b]	–	1 801	–
Total shares in issue at the end of the period before adjustments for shares deemed to be treasury shares	**1 624 747**	607 181	605 380
Adjustments for shares deemed to be treasury shares:			
Shares held by consolidated participants of the second BBBEE transaction[c]	**(37 382)**	(37 382)	(37 382)
Shares held by consolidated BBBEE trusts and trust funding SPVs[d]	**(34 477)**	(34 477)	(34 477)
Shares held by consolidated Porthold Trust (Private) Limited[e]	**(1 285)**	(1 285)	(1 285)
Shares purchased in terms of the FSP share incentive scheme[f]	**(14 013)**	(5 563)	(6 343)
Total shares in issue at end of the period (net of shares deemed to treasury shares)	**1 537 590**	528 474	525 893
Weighted average number of shares, used for:[a]			
Earnings and headline earnings per share	**757 943**	680 086	680 016
Dilutive earnings and headline earnings per share	**764 565**	690 377	688 049
Cash earnings per share	**757 943**	680 086	680 016

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

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
15. Stated capital continued			
Balance at beginning of the period	**(1 113)**	(1 165)	(1 173)
Shares issued for the acquisition of 3Q (refer note 22)	**135**	–	–
Issuance of shares from the offer (net of direct transaction costs)[a]	**3 791**	–	–
Shares issued to non-controlling shareholders in Safika Cement on exercise of put option[b]	**–**	26	–
Shares purchased in terms of the FSP share incentive scheme[f]	**(74)**	–	(24)
Vesting of shares held by BBBEE 1 entities[d]	**–**	–	9
Vesting of shares held in terms of the FSP share incentive scheme[e]	**–**	26	23
Balance at end of the period	**2 739**	(1 113)	(1 165)

[a]During September 2016 PPC concluded an oversubscribed rights issue. The weighted average number of shares used for calculating earnings and headline earnings per share, dilutive earnings and headline earnings per share and cash earnings per share for the prior reporting periods have been restated as a result of the rights issue and have been adjusted by a factor of 1,3 in accordance with guidance provided in IAS 33 *Earnings per Share*. For the current reporting period, the opening weighted average number of shares and share movements that occurred prior to the rights issue have also been adjusted by the factor of 1,3, while the share movements post the rights issue have not been adjusted by the factor.

[b]At the AGM held on 25 January 2016, shareholders approved the early settlement of the remaining put option held by management of Safika Cement Holdings Pty Ltd for R44 million, to be settled via cash of R18 million and the issue of new PPC shares of R26 million. The shares were issued in March 2016, while the cash portion was settled during the current reporting period.

[c]Shares issued in terms of the second BBBEE transaction which was facilitated by means of a notional vendor funding (NVF) mechanism, with the transaction period concluding on 30 September 2019. These shares participate in 20% of the dividends declared by PPC during the NVF period. With the exception of the Bafati Investment Trust, entities participating in this transaction are consolidated into the PPC group in terms of IFRS 10 *Consolidated Financial Statements*, during the transaction term.

[d]In terms of IFRS 10, certain 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. During the period nil shares (March 2016: nil; September 2015: 287 361) vested to beneficiaries.

[e]Shares owned by a Zimbabwean employee trust company treated as treasury shares.

[f]In terms of the forfeitable share incentive scheme (FSP), 14 013 429 (March 2016: 5 563 488; September 2015: 6 342 640) shares are held in total for participants of this long-term incentive scheme. The shares are treated as treasury shares during the various vesting periods of the awards. During the period nil (March 2016: 779 152; September 2015: 728 200) shares vested and are therefore no longer treated as treasury shares.

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
16. Long-term provisions			
Balance at beginning of the period	**408**	400	374
Amounts added	**36**	13	3
Amounts reversed/utilised	**–**	(30)	(12)
Other movements	**(11)**	–	(6)
Time value of money adjustments	**9**	21	29
Transfer to short-term provision	**–**	(2)	–
Translation differences	**(2)**	6	12
Balance at end of the period	**440**	408	400
To be incurred:			
Between two and five years	**26**	39	20
More than five years	**414**	369	380
	440	408	400
Comprises:			
Factory decommissioning and quarry rehabilitation	**409**	374	361
Post-retirement healthcare benefits	**31**	34	39
	440	408	400
17. Deferred taxation			
Net liability at end of the period	**1 065**	1 126	1 011
Deferred taxation asset	**63**	52	48
Deferred taxation liability	**1 128**	1 178	1 059
Analysis of deferred taxation			
Property, plant and equipment	**1 309**	1 490	1 019
Other non-current assets	**182**	164	187
Current assets	**(6)**	(2)	3
Non-current liabilities	**(70)**	(89)	(89)
Current liabilities	**(48)**	(38)	(74)
Reserves	**53**	(37)	9
Taxation losses	**(355)**	(362)	(44)
	1 065	1 126	1 011

Included in the net deferred taxation balance is a deferred taxation asset of R355 million (March 2016: R362 million, September 2015: R44 million) relating to CIMERWA's taxation losses. In terms of local legislation, taxation losses need to be utilised within five years from the initial year of assessment. At period end and based on the approved business plans, the company considered it probable that these taxation losses will be offset against future taxable profits. The utilisation of the taxation loss is highly dependent on economic growth in the region and performance of the business.

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Long-term borrowings

	Terms
Notes[a]	Various, refer below
Long-term loan	Interest is payable bi-annually with a bullet capital repayment in December 2016
Long-term loan[b]	Interest is payable quarterly with a bullet capital repayment in September 2017
Long-term loan	Interest is payable monthly with a bullet capital repayable 18 months after notice period
Project funding	
US dollar denominated	US dollar denominated, repayable in monthly instalments over a 10-year period, starting March 2016
Rwandan franc denominated	Rwanda franc denominated, repayable in monthly instalments over a 10-year period, starting March 2016
US dollar denominated	US dollar denominated, interest payable bi-annually. First capital repayment in December 2016; thereafter bi-annual repayments in equal instalments over five years
US dollar denominated	US dollar denominated, capital and interest payable bi-annually starting July 2017 ending January 2025
Long-term borrowings before BBBEE transaction	
BBBEE transaction[c]	
Preference shares	Dividends are payable bi-annually, with annual redemptions ending December 2016
Preference shares	Dividends are payable bi-annually with capital redeemable from surplus funds. Compulsory annual redemptions until December 2016
Preference shares	Capital and dividends repayable by December 2016, with capital capped at R400 million
Long-term borrowings	Capital and interest repayable by December 2016, with capital capped at R700 million
Long-term borrowings	
Less: Short-term portion of long-term borrowings	

Security	Interest rate	**Six months ended 30 September 2016 Reviewed Rm**	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
Unsecured	Various, refer below	**136**	1 747	2 398
Unsecured	Fixed 10,86%	**1 041**	1 417	1 520
Unsecured	Variable rates at 575 basis points above JIBAR	**511**	555	–
Unsecured	Variable rates at 125 basis points above JIBAR	**50**	900	–
		3 660	3 372	2 357
Secured by CIMERWA's property, plant and equipment (refer note 8)	Variable at 725 basis points above six-month US dollar LIBOR	**698**	806	641
Secured by CIMERWA's property, plant and equipment (refer note 8)	Fixed rate of 16%	**490**	474	357
Secured by PPC Zimbabwe's property, plant and equipment (refer note 8)	Six-month US dollar LIBOR plus 700 basis points	**599**	550	421
Secured by PPC Barnet DRC's property, plant and equipment (refer note 8)	Six-month US dollar LIBOR plus 725 basis points	**1 873**	1 542	938
		5 398	7 991	6 275
		–	844	1 227
Secured by guarantee from PPC Ltd	Variable rates at 81,4% of prime and fixed rates of 9,24% to 9,37%	**–**	33	64
Secured by PPC shares held by the SPVs	Variable rates at 86,9% of prime	**–**	16	72
Secured by guarantee from PPC Ltd	Variable rates at 78% of prime	**–**	393	395
Secured by guarantee from PPC Ltd	Variable rates at 285 basis points above JIBAR	**–**	402	696
Long-term borrowings		**5 398**	8 835	7 502
Less: short-term portion of long-term borrowings		**(1 949)**	(4 221)	(791)
		3 449	4 614	6 711

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

		Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
18. Long-term borrowings continued				
Maturity analysis of long-term borrowing obligations:				
One year		**1 949**	4 221	791
Two years		**355**	1 777	2 877
Three years		**392**	394	303
Four years		**497**	393	1 056
Five and more years		**2 205**	2 050	2 475
		5 398	8 835	7 502
[a] Notes Comprise unsecured notes, issued under the company's R6 billion domestic medium-term note programme, and are recognised net of capitalised transaction costs:				
Note number, term and interest rate	**Issue date**			
PPC 001: three years; three-month JIBAR plus 1,26%	March 2013	**–**	–	650
PPC 002: five years; three-month JIBAR plus 1,5%	December 2013	**20**	750	750
PPC 003: five years; three-month JIBAR plus 1,48%	July 2014	**116**	750	750
PPC 004: seven years; 9,86%	July 2014	**–**	250	250
		136	1 750	2 400
Less: Transaction costs capitalised		**–**	(3)	(2)
		136	1 747	2 398
Less: Short-term portion		**–**	(1 747)	(650)
		136	–	1 748

During the period, the liquidity and guarantee facility was concluded and the facility was utilised to settle outstanding notes where noteholders had requested early settlement and R1 611 million was settled on 15 July 2016.

The liquidity and guarantee facility incurred interest at JIBAR plus 10% and was repaid with the proceeds from the rights issue in September 2016. Raising and transaction fees incurred in securing the facility, originally advised of R171 million and later reduced to R128 million, have been amortised in full to finance costs.

[b] In the six months period ended March 2016 the company secured funding of R2 billion expiring September 2017. The funding was partly used to settle the first note repayment of R650 million. The loan is reflected net of transaction costs of R23 million (March 2016: R35 million, September 2015: Rnil) which are being amortised over the 18-month period of the loan.

[c] The funding relating to the BBBEE transaction was settled during the period with the proceeds from the sale of the nil paid letters by the respective BBBEE entities and proceeds from rights issue.

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
19. Other non-current liabilities			
Cash-settled share-based payment liability	**3**	3	5
Finance lease liabilities[a]	**8**	–	–
Liability to non-controlling shareholders in wholly owned subsidiary[b]	**17**	17	17
Put option liabilities	**424**	415	464
Retentions held for plant and equipment[c]	**–**	97	204
	452	532	690
Less: Short-term portion of other non-current liabilities	**(7)**	(3)	(47)
	445	529	643

[a] Finance lease obligations acquired via the acquisition of 3Q and are secured by vehicles (refer note 6). The short-term portion of the finance lease obligations of R4 million, has been reclassified to current liabilities. The remainder of the finance lease liability will be settled within five years.

[b] Relates to interest payable on the initial equity contributions into the DRC group of companies by a non-controlling shareholder. The accruing of interest ceased in September 2015 and the amount payable will be repaid once the external funding has been settled.

[c] Retentions held for the construction of the various cement plants. These retentions will be paid over to the contractors once the plant achieves guaranteed performance targets. As the plants are anticipated to be commissioned during the next 12 months, the retention payments have been reclassified to current liabilities.

Put option liabilities

PPC Barnet DRC

The International Finance Corporation (IFC) was issued a put option in September 2015 in terms of which PPC is required to purchase all or part of the shares held by the IFC in PPC Barnet DRC Holdings. The put option may be exercised after six years from when the IFC subscribed (being September 2015) for the shares but only for a five-year period. The put option value is based on the company's forecast EBITDA applying a forward multiple less net debt. Forecasted EBITDA is based on financial forecasts approved by management, with pricing and margins similar to those currently being achieved by the business unit while selling prices and costs are forecast to increase at local inflation projections and extrapolated using local GDP growth rates ranging between 5% and 9% taking cognisance of the plant production ramp-up and adjusted for the impact of competitor activity. The forward multiple was determined using comparison of publicly available information of other cement businesses operating in similar territories. The present value of the put option was calculated at R424 million (March 2016: R415 million, September 2015: R422 million).

Safika Cement

With the purchase of the initial equity stake in Safika Cement, PPC granted non-controlling shareholders individual put options, with different exercise dates, for the sale of their remaining shares in the company to PPC. As at September 2016 all the put options had been exercised. Following the exercise of the put options, PPC now holds 95% of the equity in Safika Cement, the balance owned by management through a NVF mechanism.

At September 2015, the remaining put option was anticipated to be exercised in the short term at an anticipated value of R42 million. The put option liabilities were calculated using the company's forecast EBITDA applying an earnings multiple dependent on the level of EBITDA achieved less net debt.

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
20. Short-term borrowings			
Short-term loans and bank overdrafts	**516**	336	719
Short-term portion of long-term borrowings (refer note 18)	**1 949**	4 221	791
	2 465	4 557	1 510
21. Trade and other payables and short-term provisions			
Accrued finance costs	**31**	54	49
Cash-settled share-based payment liability (short-term portion) (refer note 19)	**3**	3	5
Capital expenditure payables	**262**	229	147
Derivative financial instruments	**–**	1	1
Finance lease liabilities acquired through the acquisition of 3Q (refer note 19 and 22)	**4**	–	–
Other financial payables	**11**	89	113
Put option liability (refer note 19)	**–**	–	42
Retentions held for plant and equipment	**330**	67	116
Trade payables and accruals	**987**	940	875
Trade and other financial payables	**1 628**	1 383	1 348
Payroll accruals	**273**	139	310
	1 901	1 522	1 658

22. Acquisition of subsidiary company

3Q Mahuma Concrete

On 1 July 2016, all the transaction terms to acquire 100% of 3Q Mahuma Concrete Pty Ltd (3Q) were achieved and 3Q became a wholly owned group subsidiary. The acquisition was settled via the issuance of 17 565 872 new PPC shares. The fair value of the shares for asset acquisition, using the ruling share price of R7,68 on the effective date of the transaction, amounted to R135 million.

The commercial rationale for the transaction is to progress the company's channel management strategy that serves as a complementary platform for cement growth in South Africa. PPC's strategic intention is to be a provider of materials and solutions into the basic services sector. Cementitious distribution channels, including readymix, is increasingly being utilised as conduit to grow and sustain cement sales volumes. The acquisition provides PPC with a further complementary platform to grow its service offering in this market segment. The South African market is evolving towards a concrete delivery model, which requires complementary building materials including cement, aggregates and readymix. Controlling cement distribution channels is vital, with customers and end users requiring integrated solutions.

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
22. Acquisition of subsidiary company continued			
The company is in the process of finalising the fair value of the assets and liabilities as at the acquisition date. Provisional fair values of assets and liabilities is reflected below:			
Non-current assets	**113**		
Current assets, excluding cash and cash equivalents	**104**		
Cash and cash equivalents	**4**		
Non-current liabilities	**(9)**		
Current liabilities	**(77)**		
Net fair value of assets and liabilities acquired	**135**		
Purchase consideration settled via the issue of new PPC shares	**135**		
	–		

3Q contributed R80 million to revenue and R8 million to EBITDA. On an earnings and headline earnings per share basis, 3Q contributed R0,20 for the three months it has been consolidated into the group.

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
23. Commitments			
Contracted capital commitments	**1 411**	2 289	3 594
Approved capital commitments	**1 301**	994	1 049
Capital commitments	**2 712**	3 283	4 643
Operating lease commitments	**115**	124	171
	2 827	3 407	4 814
Capital commitments			
South Africa	**1 155**	1 649	2 409
Rest of Africa	**1 557**	1 634	2 234
	2 712	3 283	4 643
Capital commitments are anticipated to be incurred:			
– within one year	**1 871**	2 731	2 758
– between one and two years	**841**	543	1 518
– greater than two years	**–**	9	367
	2 712	3 283	4 643

Project funding has been secured for the DRC and Zimbabwe projects, amounting to US$168 million and US$75 million respectively. In addition, the IFC subscribed for equity in the DRC project in September 2015 and now holds 10% equity in the project. The one million tons per annum plant in the DRC is expected to be commissioned during PPC's 2017 financial year, while the 700 000 tons per annum mill in Zimbabwe is on track to be commissioned at the end of 2016 calendar year. The one million tons per annum kiln expansion at Slurry is planned to be commissioned during the 2018 financial year.

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Fair values of financial assets and liabilities

The financial assets and liabilities carried at fair value are classified into three categories as reflected below:

	Note	Level*	**Six months ended 30 September 2016 Reviewed Rm**	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
Financial assets					
Available-for-sale					
Unlisted investments at fair value	12	2	**–**	–	82
Loans and receivables					
Investment in government bonds	12	2	**8**	8	7
Derivative asset	12	1	**–**	2	–
Loans advanced	12	2	**–**	–	1
Loans related to non-currents assets held for sale	14	2		–	46
Mark to market hedges	12/14	1	**17**	76	51
Trade and other financial receivables	14	2	**1 173**	1 001	911
Cash and cash equivalents		1	**648**	460	718
At fair value through profit and loss					
Unlisted collective investments at fair value (held for trading)	12	1	**122**	119	117
Total financial assets			**1 968**	1 666	1 933
Level 1			**787**	657	886
Level 2			**1 181**	1 009	1 047
Financial liabilities					
At amortised cost					
Long-term borrowings	18	2	**3 449**	4 614	6 727
Short-term borrowings	20	1/2	**2 465**	4 556	1 510
Trade and other financial payables	21	2	**1 625**	1 476	1 504
At fair value through profit and loss					
Cash-settled share-based payment liability	19/21	2	**3**	3	5
Put option liabilities	19/21	3	**424**	415	464
Derivatives					
Derivative instruments – current (cash flow hedge)	21	2	**–**	1	1
Total financial liabilities			**7 966**	11 065	10 211
Level 1			**785**	2 086	3 906
Level 2			**6 757**	8 564	5 841
Level 3			**424**	415	464

24. Fair values of financial assets and liabilities continued

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

*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 the level 1 methodology, and 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. Refer note 16 for quantitative information and significant assumptions on the unobservable inputs used to determine fair value liabilities.

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 the unlisted investment was valued using the agreed valuation included in the sale agreement. Further details are disclosed in note 12.

The fair value of loans receivable and payable is based on the market rates of the loan and the recoverability.

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.

Put option liabilities have been calculated using EBITDA forecasts prepared by management and discounted to present value. Further details are disclosed in note 19.

The fair value of derivative financial instruments relating to cash-settled share appreciation rights is determined with reference to valuation performed by third-party financial institutions at reporting date, using an actuarial binomial pricing model.

Level 3 sensitivity analysis

Financial instrument	Valuation technique	Main assumptions	Increase/ decrease (Rm)	Carrying value (Rm)
Put option liability	Earnings multiple	EBITDA and net debt	74	424

If the EBITDA multiple applied in the valuation was one multiple higher/lower while all other variables were held constant, carrying amount of the PPC Barnet DRC put option liabilities would decrease/increase by R74 million.

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Fair values of financial assets and liabilities continued

	Six months ended 30 September 2016 Reviewed Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 30 September 2015 Audited Rm
Movements in level 3 financial instruments			
Financial assets			
Balance at beginning and end of the period	**–**	–	95
Remeasurements	**–**	–	(13)
Transfer to level 2	**–**	–	(82)
Balance at end of the period	**–**	–	–
Following the sale of the group's investment in Ciments de Bourbon in January 2016, the group does not have any level 3 financial assets.			
Financial liabilities			
Balance at beginning of the period	**415**	464	145
Exercised during the period	**–**	(42)	(108)
Put options issued	**–**	–	422
Remeasurements (included under fair value adjustments on financial instruments)	**–**	(16)	(14)
Time value of money adjustments	**9**	9	19
Balance at end of the period	**424**	415	464

Remeasurements are recorded in fair value adjustments on financial instruments in the income statement.

25. Events after the reporting date

There are no events that occurred after the reporting date that may have a material impact on the group's reported consolidated financial position at 30 September 2016.

The company advised on the JSE SENS on 28 October 2016 that it is proposing to make amendments to a component of its 2008 BBBEE transaction and also granting additional shares to the strategic black partners and community service groups, both participants of the original transaction. The circular to shareholders, which is available on the company's website, was posted on 4 November 2016 and provides further details of the transaction and includes pro forma financial effects of the proposed transactions. The transaction does not have any impact on the reported results as at 30 September 2016.

26. Currency conversion guide

Approximate value of foreign currencies to the rand:			
Botswana pula	**1,28**	1,36	1,32
Rwanda franc	**0,02**	0,02	0,02
US dollar	**13,90**	14,71	13,82
Approximate value of foreign currencies to the US dollar:			
Congolese franc	**979,00**	928,00	924,00
Rwanda franc	**746,50**	746,00	711,50

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

Directors
Executive: DJ Castle (chief executive officer), MMT Ramano (chief financial officer)
Non-executive: PG Nelson (chairman), S Dakile-Hlongwane, N Goldin, TJ Leaf-Wright, T Mboweni, SK Mhlarhi, T Moyo*, CH Naude, TDA Ross
**Zimbabwean*

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BASTION GRAPHICS

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