

BUILDING A NATION

Dr Lelau Mohuba
Chief Executive Officer
African Mining Investor Dinner
Johannesburg
21 November 2012

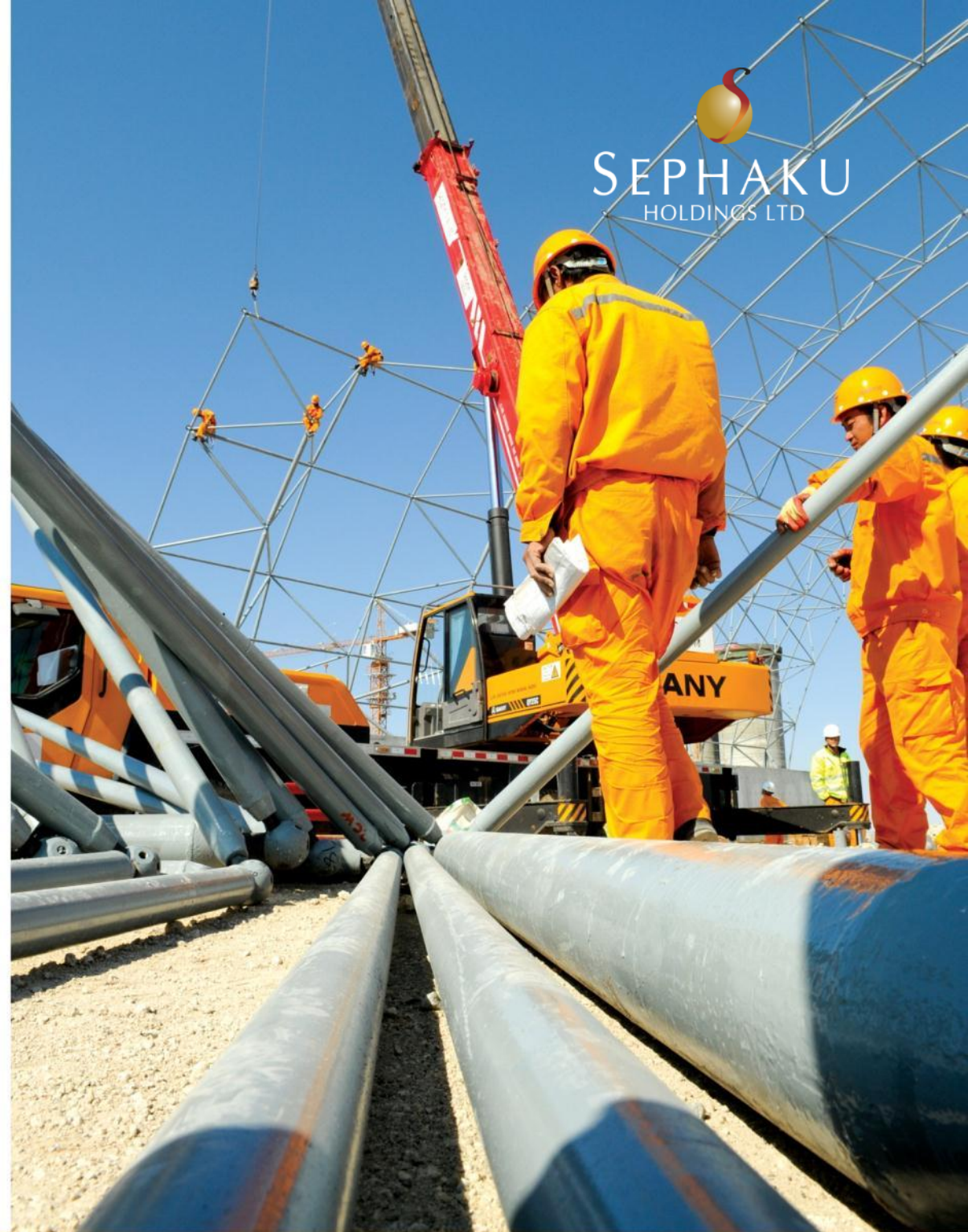


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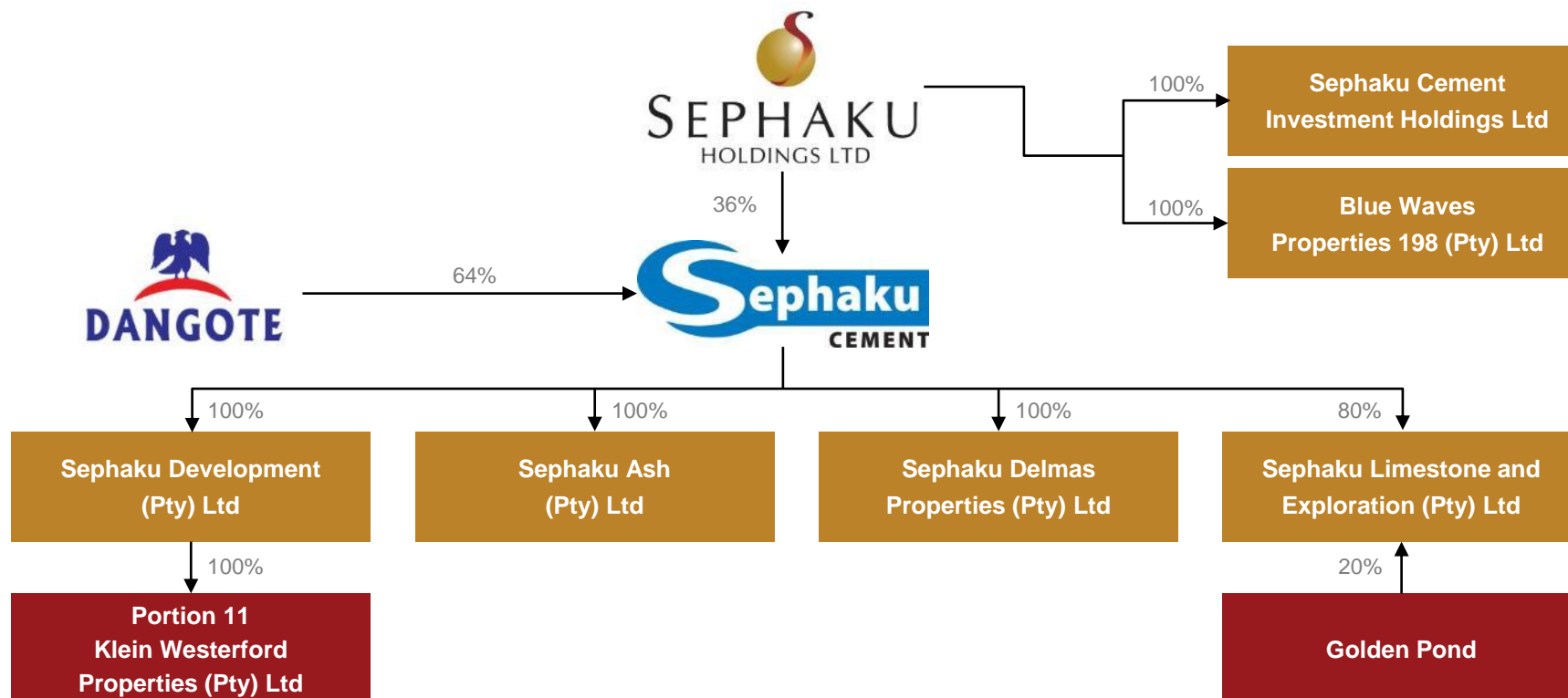
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Introduction

- A cement and cement-related products company, focused on southern Africa
- Strategic focus: cement sector growth through vertical integration
- Key investment: Sephaku Cement (SepCem)
 - flagship Aganang cement manufacturing project in development
- New acquisition: Métier Mixed Concrete
- JSE-listed
- 41% HDSA ownership
- Experienced board and management



Group structure



Location of assets

Operations

- Aganang cement plant
- Delmas milling plant
- Sephaku Ash
- Dwaalboom project
- Cities



Aganang project



Project quantities

Soccer City

Concrete: 80 000m³

Structural steel: 8 000t



Eiffel Tower

Concrete: used in base

Structural steel: 9 441t



Sephaku factories

Concrete: 150 000m³

Structural steel: 17 600t

Sydney Opera House

Concrete: 32 910t in roof



Board of Directors

Neil Crafford-Lazarus

Financial Director

CA (SA); Bcompt (honors), UNISA

25 years' mining finance experience. Currently also CFO of SepFluor; previously CFO of Platmin, FD of Xstrata SA; senior managerial posts in finance, corporate finance, tax at Gencor (BHP Billiton), Anglo American

Pieter Fourie

Non-executive Director

Bcom (accounting); Executive Development Programme (PRISM) for Global Leaders, (Switzerland)

Extensive experience in the cement industry; previously Marketing Director, Blue Circle (subsequently acquired by Lafarge SA), Managing Director of the Lafarge SA cement business unit, Strategic Development Director for Africa

Moses Ngoasheng

Non-Executive Director

BA Hons (Industrial Sociology) MPhil (Development Studies), Sussex

Former ANC activist. Co-founder and executive chairman, Safika Holdings; Chairman, Coega Development Corporation; board member, South African Breweries, Dimension Data plc; former economic adviser to then SA President Thabo Mbeki

Dr David Twist

Non-executive Director

BSc Hons (Geology) PhD (Geology)

Founder member of Platmin Limited, CEO until 2006; subsequently focused on new exploration opportunities with SepHold; previously with Impala Platinum Limited; involved in Bushveld Complex research at University of Pretoria

Rudolph de Bruin

Non-Executive Director

BCom (University of the Free State - cum laude), LLB (Rand Afrikaans University - cum laude)

Practised as an advocate at the Pretoria Bar from 1977 to 1989; subsequently focused on finding, acquiring, developing mineral exploration, mining projects in Africa. Founder member of the Platinum Group and co-founded the Sephaku Group

Modilati Gustav Mahlare

Independent Non-executive Director

Bcom (accounting), Bcompt (honors)

Extensive experience in internal audit, corporate governance, risk management; management consulting; joined SEMA Integrated Risk Solutions May 2007 as director; previous positions with Pricewaterhouse Coopers, National Sorghum Breweries

Brent Williams

Independent non-executive chairman

LLM, Harvard Law School

Extensive experience in South African corporate and commercial law, including mergers and acquisitions and corporate finance; appointed Chief Executive Officer of Cliffe Dekker Hofmeyr, first of top five law firms to appoint a black CEO

Rose 'Shibe' Matjiu

ISD Director

MA Medical Social Work (Pretoria), BA Social Work (University of the North), Certificate in Mining and Minerals (Wits)

Professional social worker; extensive knowledge of, experience in community-related work, corporate social investment, public and private sectors Member of SA Women in Mining, NAFCOC, Business Women's Association

Dr Lelau Mohuba

Chief Executive Officer

MB ChB (Natal)

Retired medical practitioner; co-founder, former Chairman of Sephaku Holdings (SepHold); currently serves as Chairperson of Incubex Minerals, Taung Gold Limited, Sephaku Fluoride Limited (SepFluor), Miranda Mineral Holdings

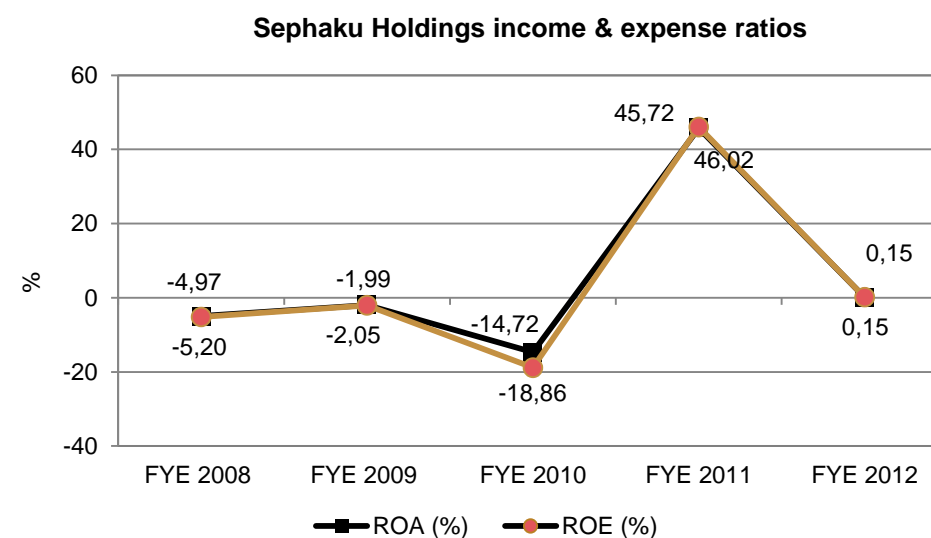
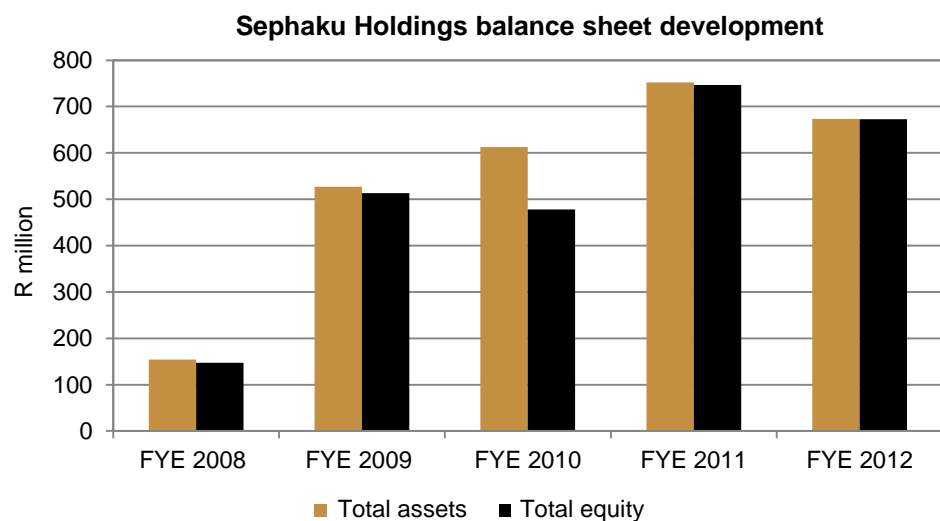


Our value proposition

SEP value analysis: 9 November 2012		JSE
Market cap (million)		R511
Closing price		R2,98
Ordinary shareholders interest (million)		R672,62
Net profit (million)		R13,68
Price to earnings		n/a
Price to book		0,76
Dividend yield		0
Earnings yield		-5,01%

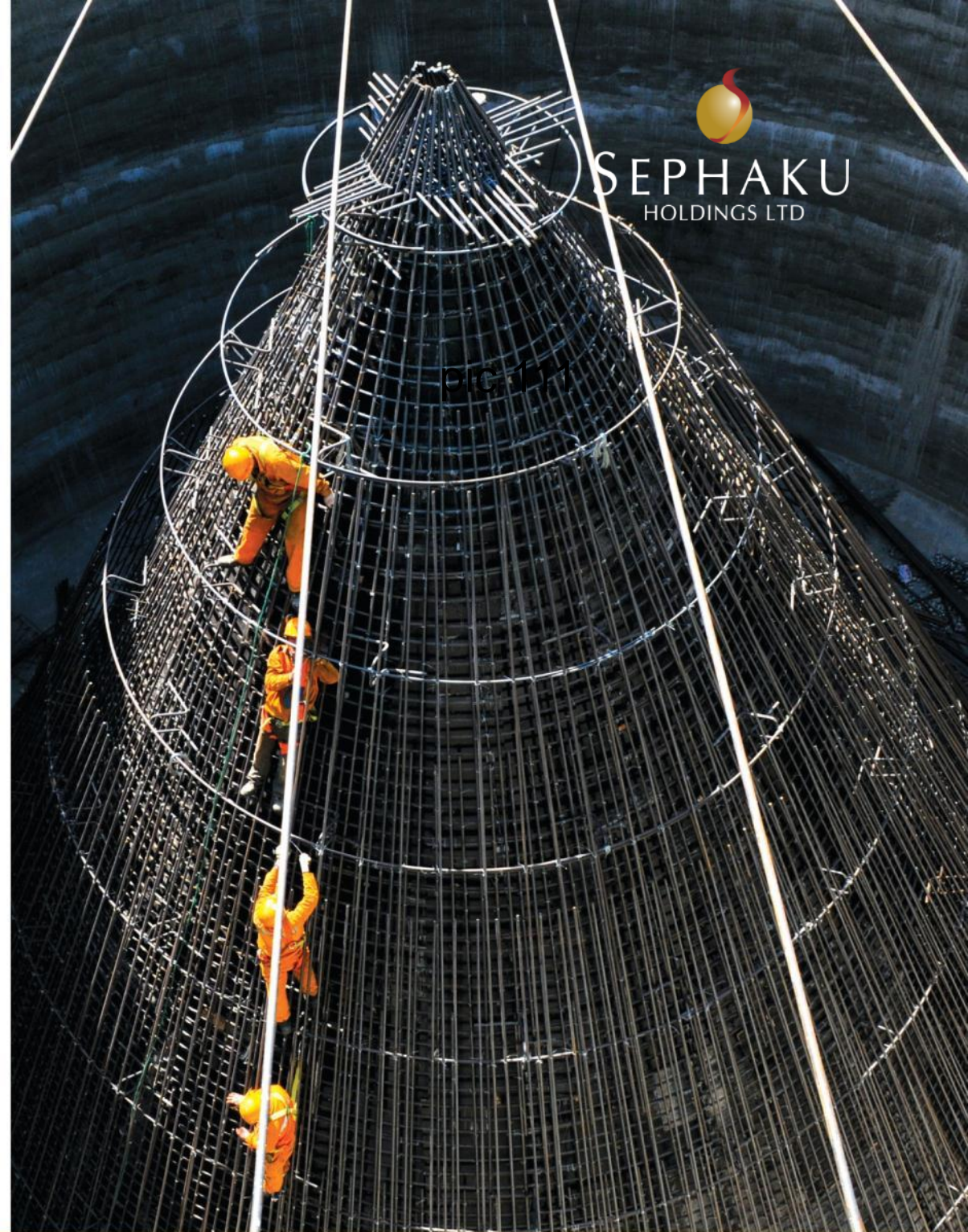
Sephaku financial analysis

(ZAR million)	FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2012
Profit after tax	-7,65	-10,50	-90,17	343,70	0,99
Total assets	153,98	527,18	612,59	751,71	673,61
Total equity	147,03	512,94	478,09	746,78	672,62
Total cash movement from operations	-16,70	14,11	-112,87	-51,78	-19,78
ROE (%)	-5,20	-2,05	-18,86	46,02	0,15
ROA (%)	-4,97	-1,99	-14,72	45,72	0,15

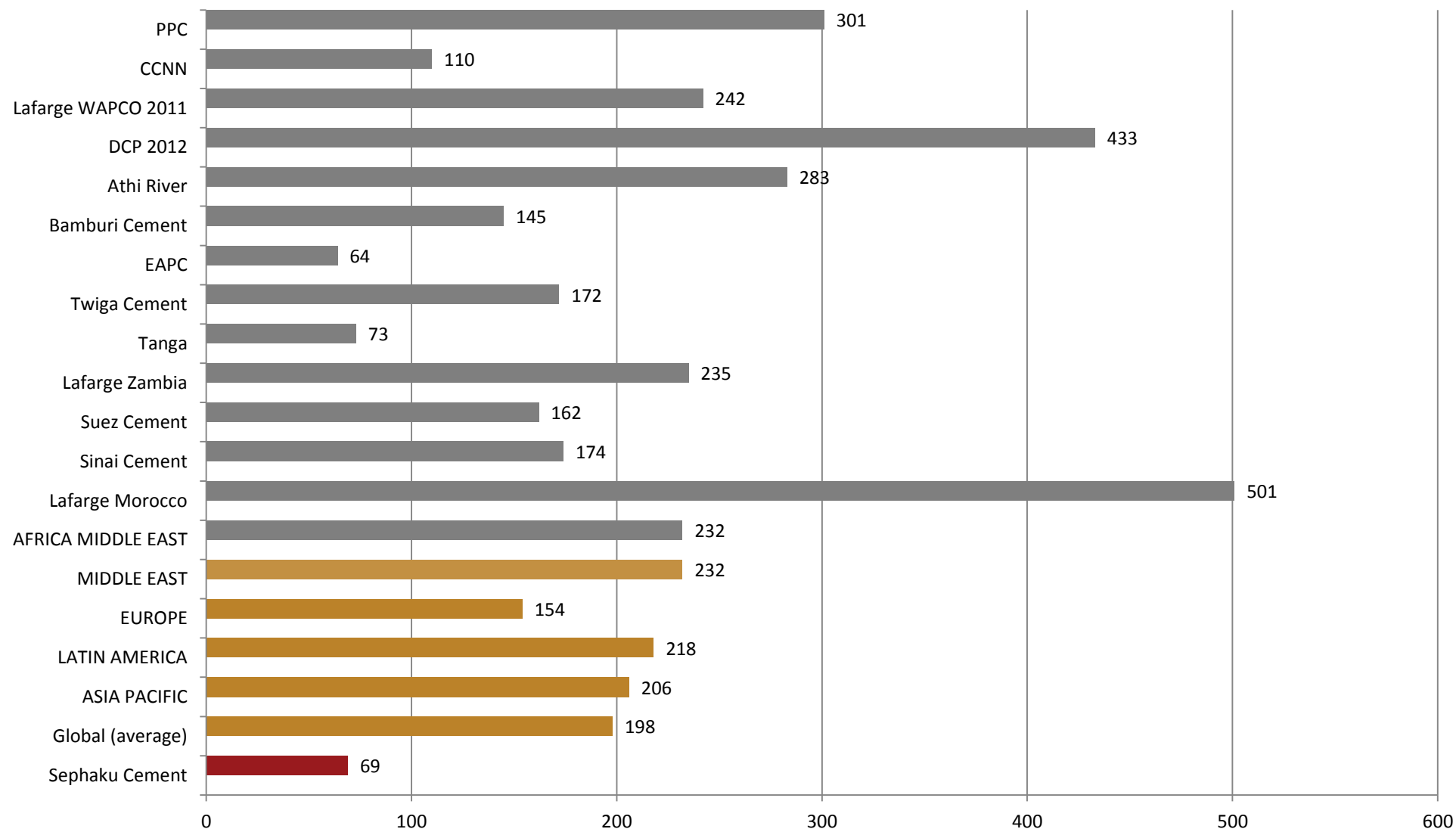


Sephaku Cement

- Environmentally friendly
- 6 000t per day or 2,5Mtpa
- Lowest cost producer
- First production, end 2013
- Plants: Sinoma supplying, building on full turnkey basis
- Capital: unchanged at R3,2bn
 - fully funded
- Newest, most reliable equipment
- Experienced, enthusiastic management team
- Backed by Dangote



EV/ton of plant capacity (US\$)

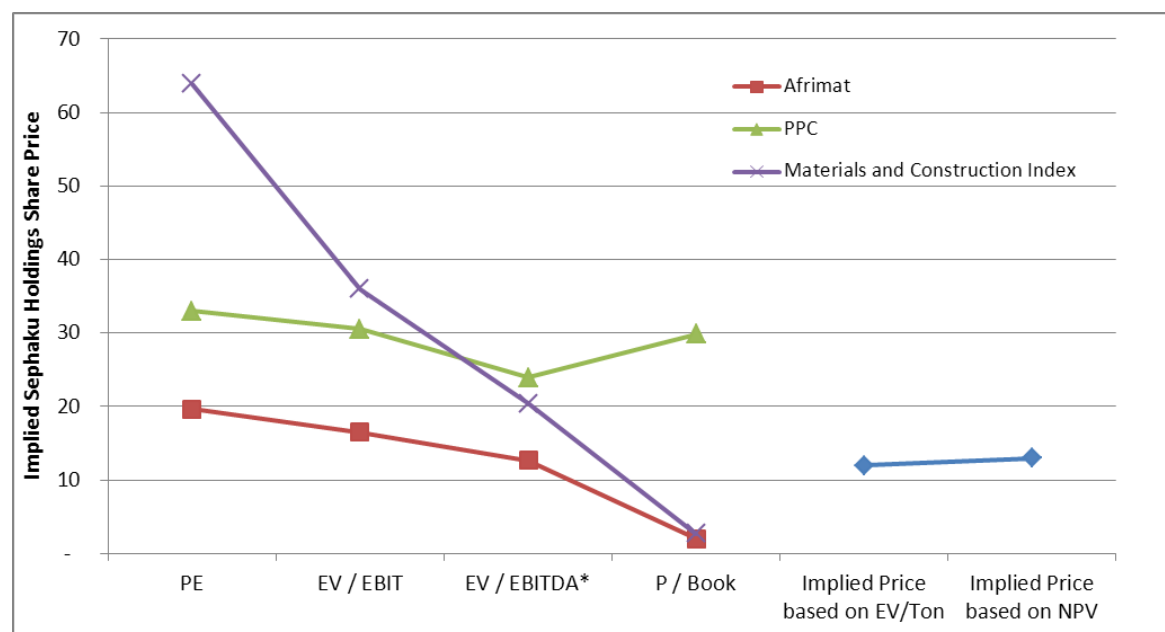


Market comparables

- PPC trading at high multiples
- Large and unreliable spread across P/NAV valuations
- Market multiples imply a share price well in excess of where it is currently trading
- Discounted cash flow valuations imply prices in the region of R13 per share depending on the assumed cement price
- The cement EV/production multiple implies a price of R12 per share

Earnings and asset multiple valuations	Afrimat	PPC	Materials and construction index
PE	10,1	17,0	32,8
EV / EBIT	6,5	12,1	14,2
EV / EBITDA	4,5*	8,5*	7,2
P / Book	1,4	20,1	1,8

*Calculated using FYE 2011 results



Métier Mixed Concrete (Pty) Limited

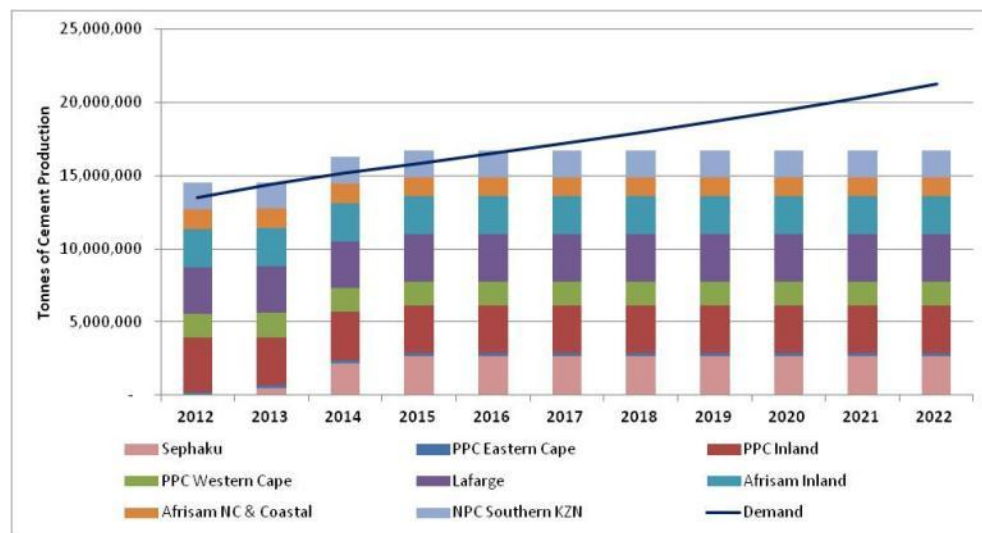
- Significant operations around the Durban, Pietermaritzburg and Gauteng areas
- Experienced management with 4 concrete technologists
- Fleet of over 100 trucks
- Large fixed plant footprint supplemented by mobile plant operations
- Métier clients include:

Group Five Construction/Coastal
WBHO
Stefstocks
Concrete Laser Flooring
Neil Muller Construction/Laser Level Floors
Twintec Flooring
JTRoss Construction
Basil Read
Tiber construction
Esorfranki/Esor Pipelines
Transnet; Bantry Construction
Grinaker Construction



Our markets

- The cement market is expected to reach capacity in 2016
- Anticipated retirement of existing kilns
- Anticipated shortfall in cement capacity in 5 years due to lack of investment and shortage high quality limestone deposits



	Existing plants	Sephaku Cement	Total demand	Surplus (+)/ deficit (-)	Percentage capacity
2012	14,5	0,0	13,5	1,0	93
2013	14,1	0,5	14,4	0,1	99
2014	14,1	2,2	15,2	1,1	93
2015	14,1	2,5	15,8	0,8	95
2016	14,1	2,5	16,5	0,1	99
2017	14,1	2,5	17,2	-0,6	104
2018	14,1	2,5	18,0	-1,4	108
2019	14,1	2,5	18,7	-2,1	111
2020	14,1	2,5	19,5	-2,9	115
2021	14,1	2,5	20,4	-3,8	119
2022	14,1	2,5	21,2	-4,7	122

Investment case

- Focused cement and cement-related products play
- Métier provides immediate cashflow and earnings
- Will be a significant force in the South African cement sector
- Most environmentally efficient cement plant in South Africa
- Capacity expected to come on line around the end of 2013
- Management with approximately 250 years of experience
- In partnership with Dangote – the largest cement producer on the African continent
- Potential for significant share price re-rating



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