



SEPHAKU
HOLDINGS LTD

**INVESTOR PRESENTATION
5 FEBRUARY 2014**

RADISSON BLU, CAPE TOWN

S h a r e b o x INVESTOR DINNER

DR LELAU MOHUBA
CHIEF EXECUTIVE OFFICER

DISCLAIMER

This presentation includes certain forward-looking information. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: Sephaku Holdings' strategy; the economic outlook for the industry; production; cash costs and other operating results; growth prospects and outlook for Sephaku Holdings' operations, individually or in the aggregate; liquidity and capital resources and expenditure; and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect Sephaku Holdings' current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases. Similarly, statements concerning Sephaku Holdings' objectives, plans or goals are or may be forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may affect Sephaku Holdings' actual results, performance or achievements expressed or implied by these forward-looking statements. Although Sephaku Holdings believes that the expectations reflected in these forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

EXPLORATION

Sephaku commenced business in 2006 as an HDSA-owned, mineral exploration company seeking opportunities brought about by changes in the MPRDA. Limestone and Fluorspar resources were quickly identified and proven as the most viable reserves in Sephaku's portfolio. This resulted in Sephaku unbundling all its non-core exploration assets into Incubex Ltd in 2010.

DEVELOPMENT

The development of Limestone into an integrated cement business developed faster than the Fluorspar project and a decision was made to unbundle the Fluorspar business in order to create a focused cement business which would develop into a unique income-generating opportunity for its shareholders. The development phase consisted of recruiting an experienced leadership team, proving the viability, obtaining statutory approvals, raising the funding for the project and constructing the most efficient cement plant in South Africa. This development phase will come to an end during 2014 when the cement plants come into operation.

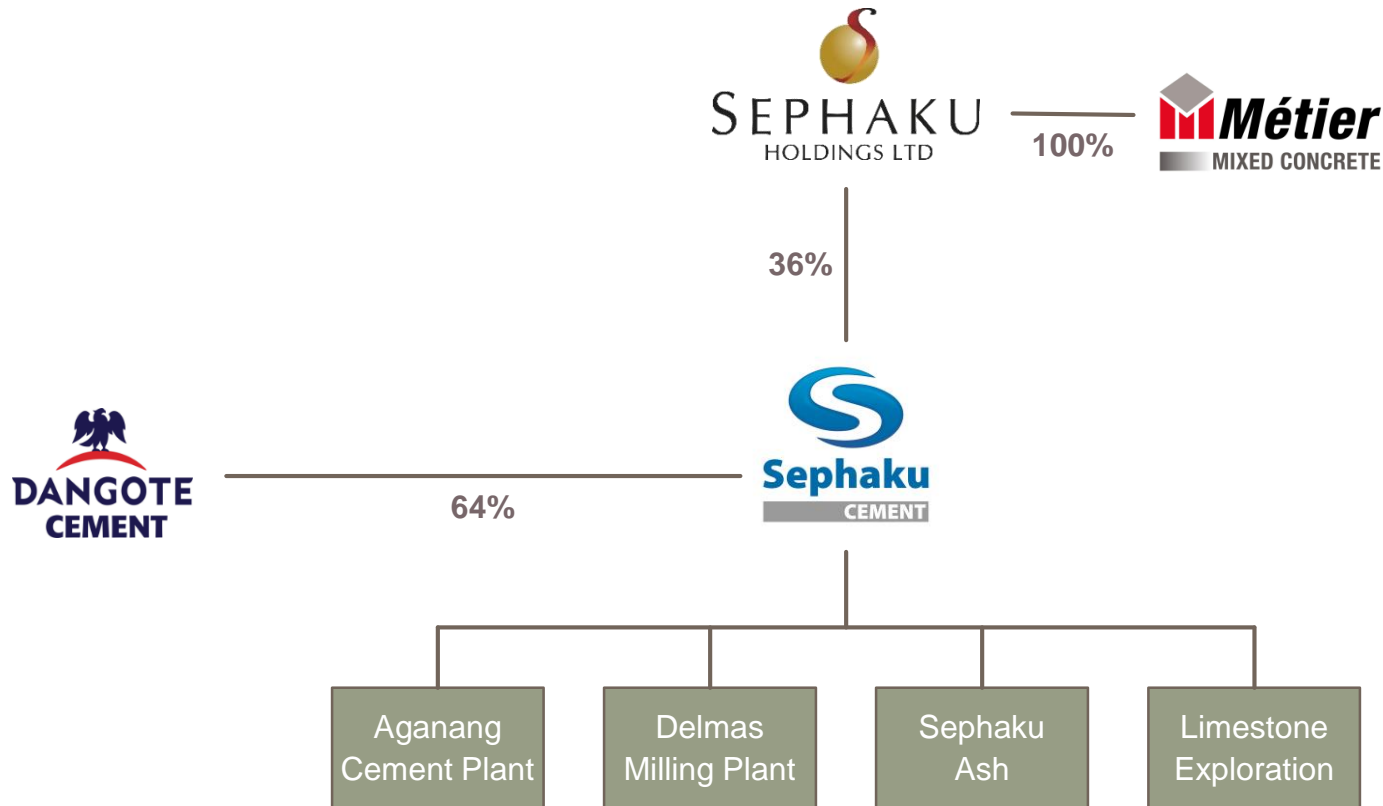
INCOME

The acquisition of Métier Mixed Concrete in 2013 started the new era for Sephaku in which focus is moving from development to income generation. Maximising income from Sephaku's core investments in Cement and Ready-Mixed Concrete will be the sole focus over the next few years to ensure repayment of development debt as well as a dividend stream to its shareholders.

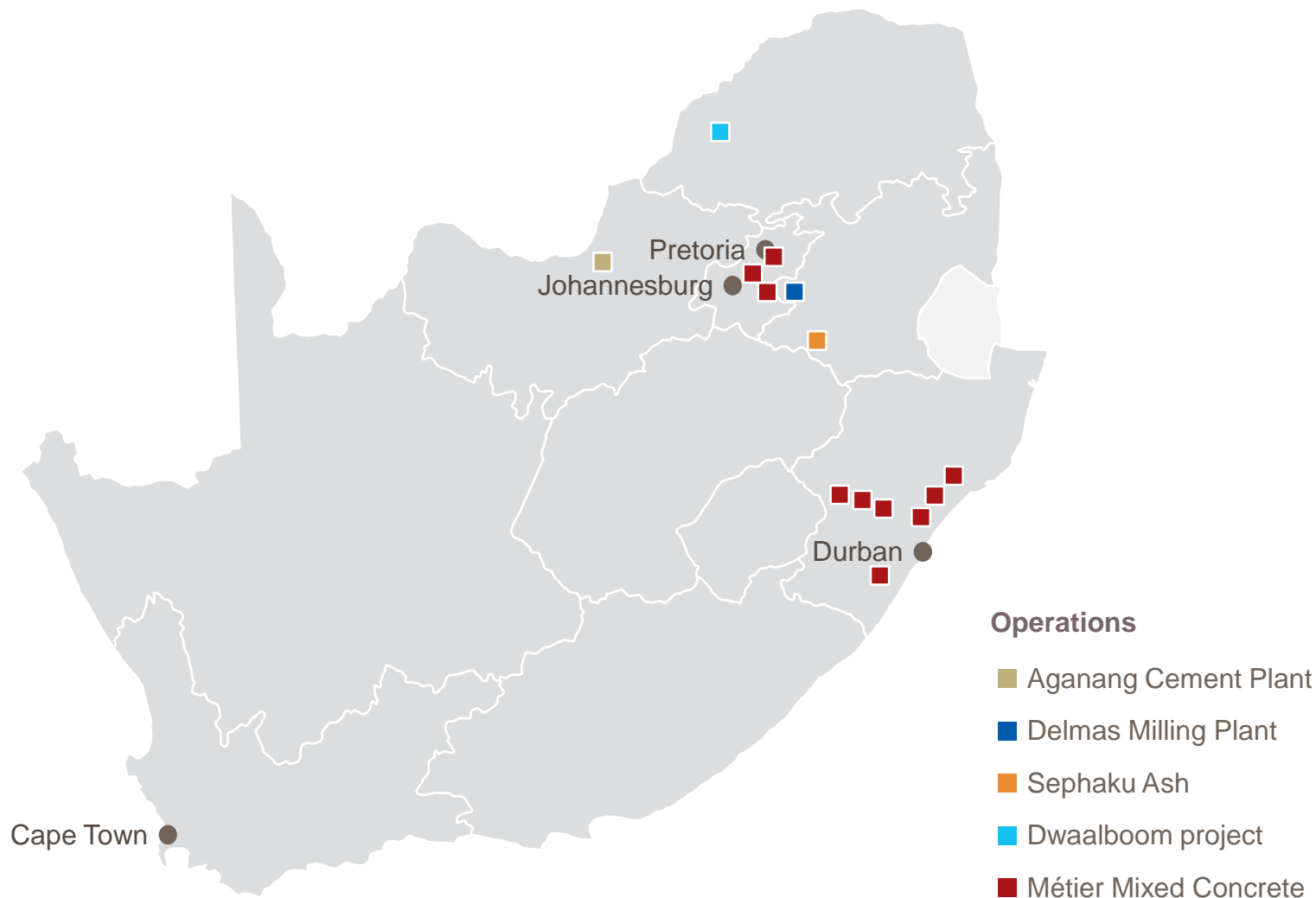
GROWTH

Southern Africa is set to enter an exciting new growth cycle, strongly underpinned by infrastructure development. The core investments of Sephaku will form the strong foundation for growth, focused on primary construction materials.

THE SEPHAKU HOLDINGS STRUCTURE



LOCATION OF ASSETS



BOARD OF DIRECTORS



Front row from left to right:

Brent Williams, Gustav Mahlare, Mpho Makwana, Dr Lelau Mohuba, Neil Crafford-Lazarus, Shibe Matjiu, and Pieter Fourie

Back row from left to right:

Rudolph de Bruin, Moses Ngoasheng, Dr David Twist, Kenneth Capes, Jan Wessels and Jennifer Bennette

BOARD OF DIRECTORS

BRENT WILLIAMS

Chairman – independent non-executive director

BA (UCT), BProc (UWC), LLM (Harvard University Law School), DLA Piper Harvard Leadership Programme (Harvard Business School)

Brent was admitted as an attorney in 1992 and has held a number of key positions. He is currently the CEO of Cliffe Dekker Hofmeyr.

MODILATI GUSTAV MAHLARE

Independent non-executive director and chairman of the audit and risk committee

BCom (Accounting), BCompt (Hons)

Gustav has held a number of positions at companies such as PricewaterhouseCoopers. He is currently a director at SEMA Integrated Risk Solutions where he specialises in internal audit, corporate governance, risk management and management consulting.

PAUL MPHO MAKWANA

Independent non-executive director

BAdmin (University of Zululand), BAdmin (Hons) (University of Pretoria), Postgraduate Diploma: Retailing Management (University of Stirling Institute of Retail Studies), Kellogg Executive Development Programme

Mpho serves on a number of unlisted company and trustee boards. He is also the chairman of ArcelorMittal, an independent non-executive director of Adcock Ingram Holdings Ltd, Nedbank Group Ltd and Nedbank Ltd, among others.

DR LELAU MOHUBA

CEO – executive director

MBChB (University of Natal, now Nelson Mandela School of Medicine)

Lelau retired as a medical practitioner in 2001 after a 22-year career. His commercial career began in 2002. Since then he has served in various capacities with a number of entrepreneurial endeavours. Lelau is the co-founder and founding chairman of Sephaku Holdings and now serves as CEO.

NEIL ROBUS CRAFTFORD-LAZARUS

Financial director – executive director

BCompt (UFS), BCompt (Hons), CA(SA)

Neil started his career in mining finance in 1988. Since then he has held various senior positions in taxation, business development and corporate finance with companies such as Anglo American Corporation, Gencor and Billiton. He also served as financial director of Xstrata SA (Pty) Ltd between 1998 and 2005. Neil joined Sephaku Holdings on 1 June 2007 and now serves as the financial director.

ROSE RAISIBE MATJIU

ISD executive director

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

Shibe has extensive experience as a professional community and social worker in government and the private sector. She has served in a number of directorate positions and is also a member of the South African Women in Mining and the Business Women Association.

BOARD OF DIRECTORS

PIETER FREDERICK FOURIE

Non-executive director

CEO – Sephaku Cement

BCom (Accounting), Executive Development Programme (PRISM) for Global Leaders (IMD, Switzerland)

Pieter has extensive experience in the cement industry and assumed the position of CEO of Sephaku Cement in May 2007. He was appointed as a director of Sephaku Holdings in November 2009.

CHRISTIAAN RUDOLPH DE WET DE BRUIN

Non-executive director

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

Rudolph practised as an advocate from 1977 to 1989. Since then he has concentrated on finding, acquiring and developing mineral exploration and mining projects in various African countries and was a founding member of the Platmin group. Rudolph left Platmin in 2006 and co-founded the Sephaku group with Dr Lelau Mohuba.

MOSES MODIDIMA NGOASHENG

Non-executive director

BA (Economics and International Politics) (Unisa), BSocSci (Hons) (University of Natal), MPhil (University of Sussex)

Moss was instrumental in developing the industrial policy of the ANC and was economic advisor to President Thabo Mbeki from 1995 to 2000. Moss serves on a number of boards including SA Breweries and Dimension Data, among others.

DR DAVID TWIST

Non-executive director

BSc (Hons) (Geology), PhD (Geology)

David completed his PhD in geology in 1980 after which he joined Impala Platinum Holdings Ltd. He was a founding member of the Platmin group with Rudolph de Bruin, and one of the founders of Sephaku Holdings.

KENNETH CAPES

Non-executive director

Kenneth has extensive experience in the ready-mixed concrete and aggregates industry. Kenneth spent 20 years at Lafarge South Africa holding various management positions and managing all aspects of the quarry and ready-mixed concrete operations. Kenneth established Métier in KwaZulu-Natal in 2007 before expanding operations into Gauteng.

JOHANNES WILHELM WESSELS

Alternate director to Christiaan Rudolph de Wet de Bruin

BJuris (North West University), LLB (Unisa)
Wes was a senior partner at Couzyn, Hertzog, Horak & Wessels Incorporated and joined the Sephaku group in 2007. He serves as director of various associated companies of the group and is responsible for legal advice, negotiations and deal making, and contractual arrangements for the group.

JENNIFER BENNETTE

Company secretary

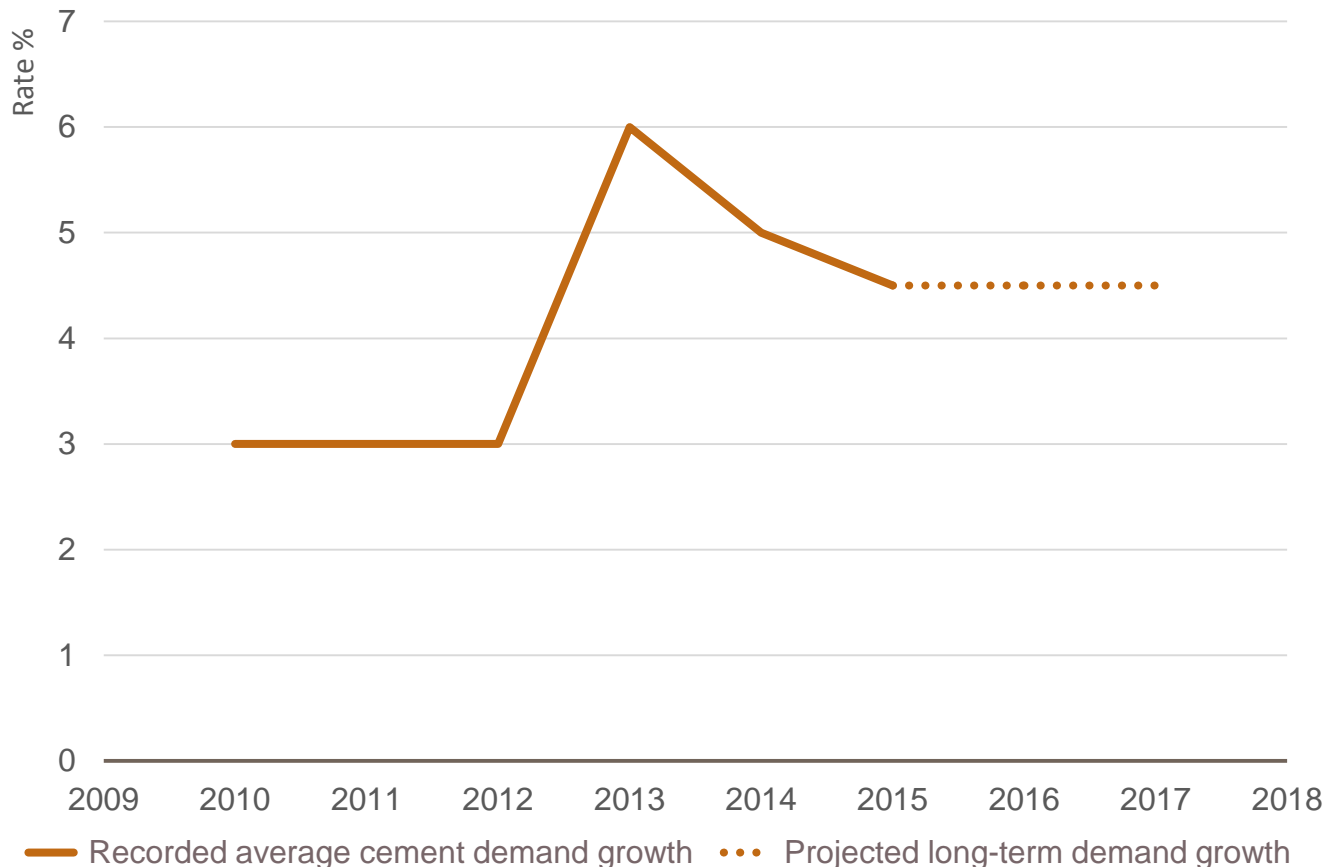
Jennifer has been employed by various legal practices as a paralegal. She was previously company secretary for the Platmin group and joined Sephaku Holdings in 2008 as company secretary.

CEMENT INDUSTRY – OUR PERSPECTIVE





THE SOUTH AFRICAN CEMENT INDUSTRY TRENDS



- GDP growth forecast at **3,2%¹** in 2014
- Cement sales forecast at **4,8 – 5,0%** to GDP: multiplier of 1,5
- Cement demand growth was at **6%** in 2013
 - › Growth at **3%** per annum 2010 – 2012 following global crisis
- Residential plans YOY growth at **14,6%** and **19,7%** for non-residential plans²
- Long-term cement growth trend projected at **4,5%³**

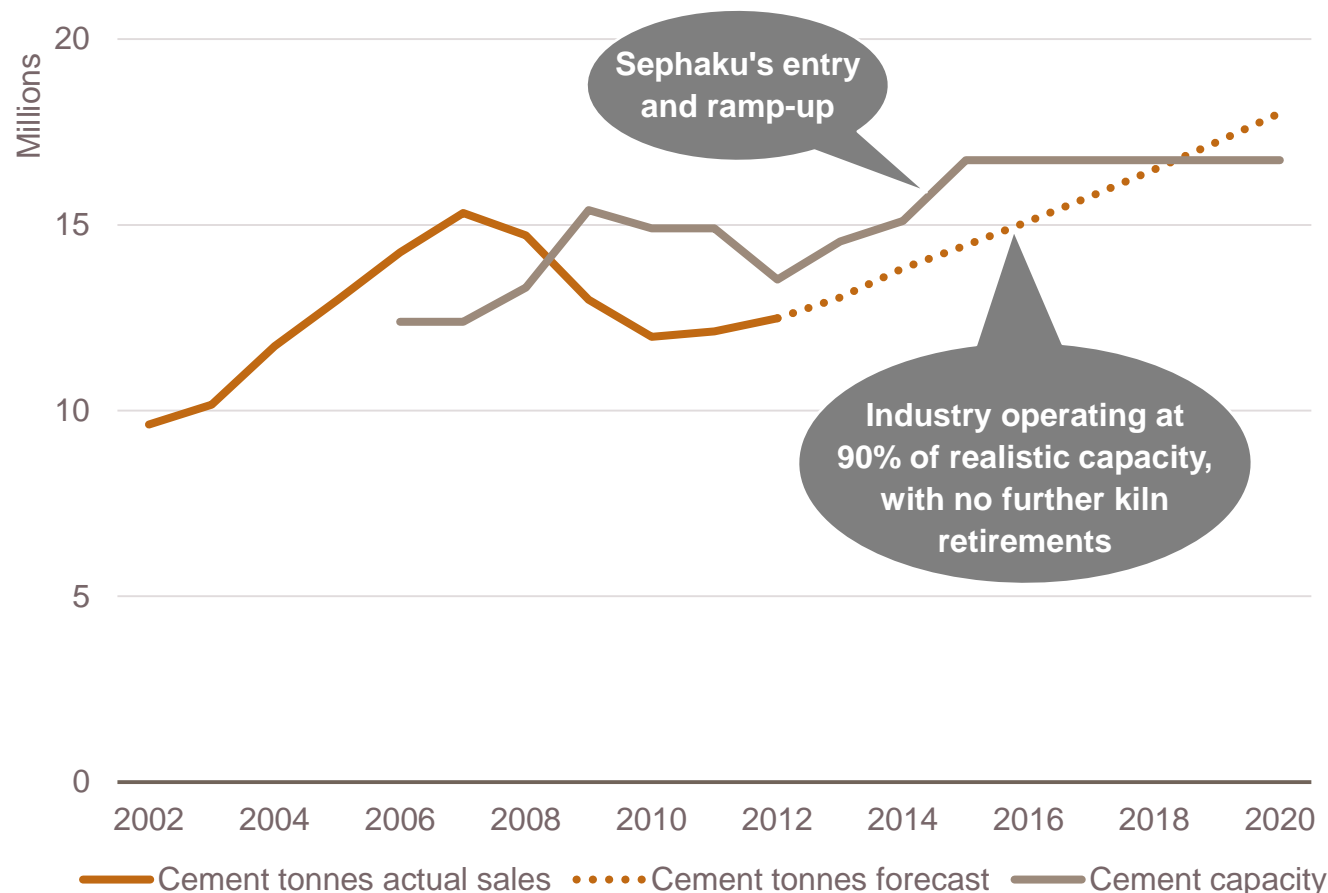
Source: Sephaku Cement research and analysis

1: Econometrix – Macro Economic Forecaster, October 2013

2: Econometrix – Building, October 2013

3: Econometrix – Outlook for cement demand in South Africa, May 2012

SA CEMENT CAPACITY vs DEMAND: 2006 – 2020



1. Capacities are based on SepCem research, using the maximum estimated clinker capacity of each producer, combined with the estimated extender ratios to produce finished cement
2. Demand forecast is based on an average estimate of several leading economic forecasts
3. Capacities exclude the possible entrance of new players
4. Excludes the effect of seasonality on capacity to meet demand

Note: These figures include volumes to the BLNS countries, Namibia factored to 30%

Source: Sephaku Cement research – November 2013

- Public and private sector building and construction
- Residential demand in line with improved incomes
 - › Entry-level housing market with a shortfall of **c2.1 million houses***
 - › Resultant increased demand for related infrastructure of **50%**
- Backlog in infrastructural projects coupled with the government's NDP 18 defined strategic infrastructure projects (SIP). Targeted cement-intensive projects
 - › **SIP 1** – Unlocking the Northern Mineral Belt – Waterberg investment in rail, water, pipelines, energy generation and transmission infrastructure
 - › **SIP 6** – Integrated Municipal Infrastructure Project Development – 23 least resourced districts (17 million people) to address all the maintenance backlogs and upgrades

Source: * Human Settlements Minister – Tokyo Sexwale, 7 June 2013

COMPETITIVE EDGE TO INDUSTRY AVERAGE

- **Energy utilisation efficiency** – 94kWh per tonne of cement as compared to industry average of 145kWh per tonne
- **Consistent cement quality** – single 6 000tpd kiln for clinker
- **Logistical advantage** – proximity of Delmas to extender source, coal supply and the market
- **Environmental impact** – lowest particle emissions of 40mg/Nm³ due to technologically advanced plants, as compared to 200mg/Nm³ average
- **Minimal maintenance costs** – brand-new plants compared to the industry average plant age of 36 years
- **Inland price structures higher** – better margins because coastal prices impacted by imports



Delmas plant – December 2013



Aganang plant – October 2013

OUR BUSINESS INTERESTS: A ROBUST BUILDING MATERIALS PORTFOLIO



SEPHAKU CEMENT (SEPCEM)

- Cement production started in January, on schedule and within budget, at Delmas
- Latest cement plant technology – higher efficiency than incumbents
 - › Lowest cost producer due to new efficient plants
- Aganang to produce up to 6 000t clinker per day – equates to c2,5mtpa cement
 - › Commissioning has begun and cement production targeted for second quarter 2014
- Experienced, enthusiastic management team with c250 years' combined experience in cement production



Sephaku cement brands

DELMAS PLANT: ON TIME AND WITHIN BUDGET



WE ARE PRODUCING CEMENT



OUR BRANDS ARE IN THE MARKET



- 100% ownership; acquired in February 2013 for R365 million
- Specialist in the manufacture, distribution and marketing of high-value ready-mixed concrete
- Fleet size, pumping division and advanced production technology enhances efficiency
- Ten plants in KwaZulu-Natal and Gauteng – strategically positioned to capitalise on numerous opportunities in the next 12 months
 - › Large fixed plant footprint supplemented by mobile plant operations
- Experienced management with extensive technical input from internal concrete technologists team



STRATEGICALLY POSITIONED PLANTS



VALUE-ADDED SERVICE THROUGH THE PUMPING DIVISION



QUALITY FLEET WITH OVER 100 TRUCKS

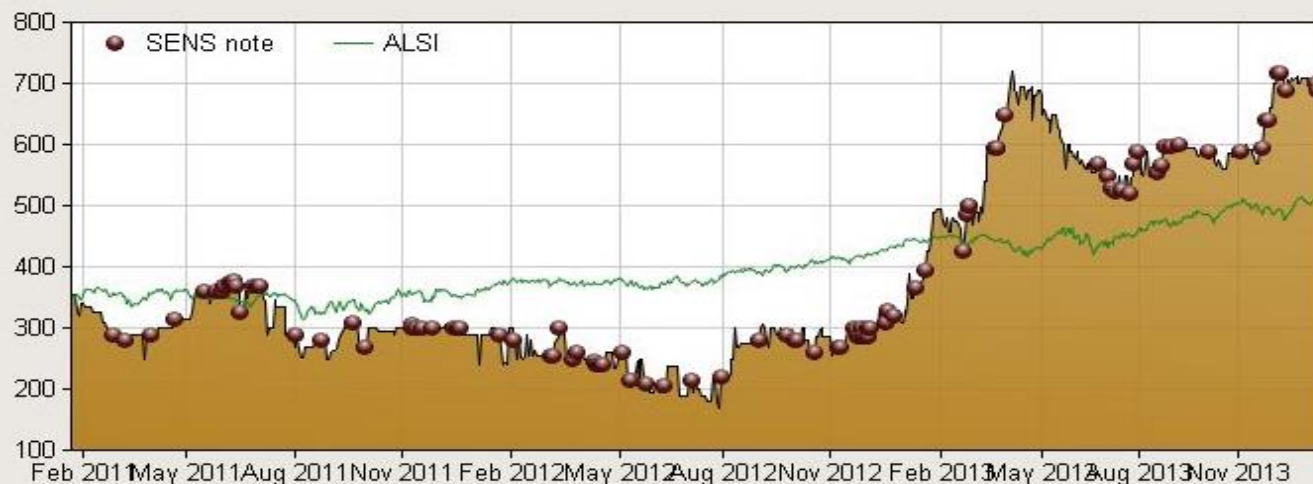


SEPHAKU VALUE PROPOSITION



SHARE PRICE PERFORMANCE

Share ticker: JSE	Sep
Sector	Construction and Materials
Outstanding shares	189 872 979
Closing price @ 28 Jan 2014	R6,80
Average volume per week	770 980
Average value per week	R4 234 424
Market capitalisation as @ 28 Jan 2014	R1 291 136 257



Source: Company, Sharedata January 2013

* Sunday Times; November 2013 based on I-NET BRIDGE statistics

- Share price on an upward trend
 - › Approximately 40% one-year increase in share price
- *Recognised as 8th top performing JSE company out of 50 for one year to the end of September 2013
 - › Compound share value growth of 109,64%
- Share price re-rating anticipated as multiples improve
- Production at Delmas has reduced the commissioning risk factor

- Potential share price re-rating
 - › Market multiples imply a share price well in excess of where it is currently trading
- Profitable Métier provides solid earnings and positive cash flow
- Focused strategy on the lucrative cement manufacturing sector
- Technologically advanced and environmentally efficient cement plants
 - › Industry cost leader
- Key management ~ 250 years' combined experience in cement manufacturing and technology
- In partnership with Dangote – the largest African cement producer

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