YEAR-END FINANCIAL RESULTS FOR THE PERIOD ENDED 31 MARCH 2017

30 JUNE 2017

SEPHAKU
HOLDINGS LTD

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", "target", "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.

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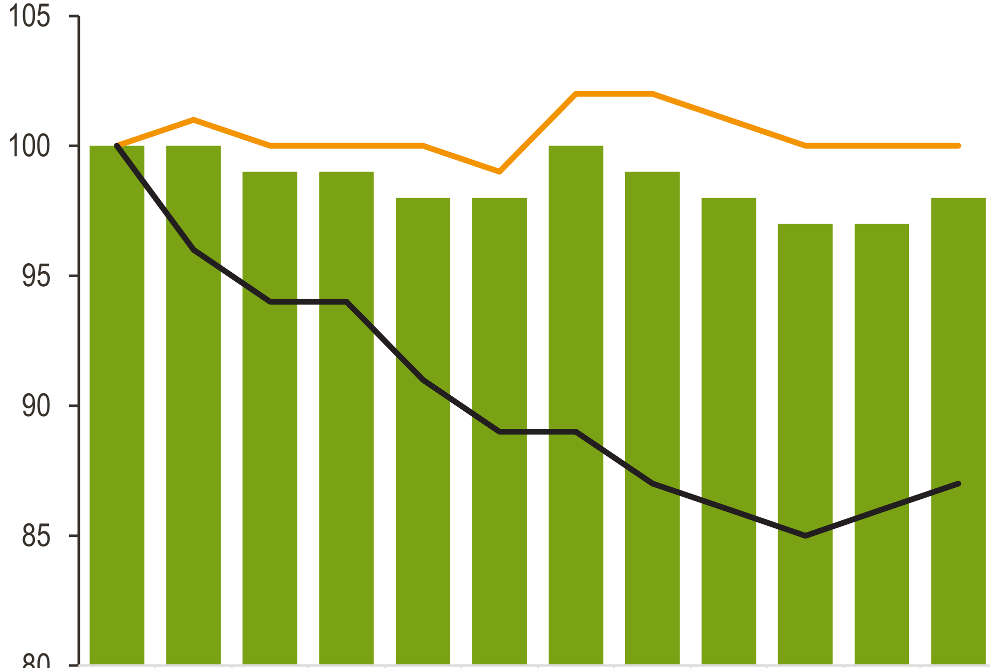
1 PERFORMANCE OVERVIEW

Perseverance in a highly competitive environment

- Group net profit ⇧ by 12,8% to R68,1 million
- CEMENT sales volumes ⇧ by 4% in a sector estimated to have a 5,6% contraction in total demand
- CEMENT revenue flat at R2,28 billion due to 4,6% ⇩ in average pricing year-on-year
- Métier revenue ⇩ by 3,9% to R840 million due to lower demand and price competition
- Métier operating margin flat at 12,9%
- Métier net profit ⇧ by 7,3% to R67,4 million
- Production at the 12th batch plant located in Gauteng commenced as planned in March 2017

CEMENT's average pricing profile per tonne CY2016

Indexed average cement price per tonne



	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16
Total	100	100	99	99	98	98	100	99	98	97	97	98
Bag	100	101	100	100	100	99	102	102	101	100	100	100
Bulk	100	96	94	94	91	89	89	87	86	85	86	87

- Approximately 2% price decline between January and December 2016
- Pricing largely flat for bagged cement
- Bulk cement significantly impacted by competition with average price 13% lower in December 2016
  - Lowest price recorded in October 2016 at 15% below January pricing per tonne

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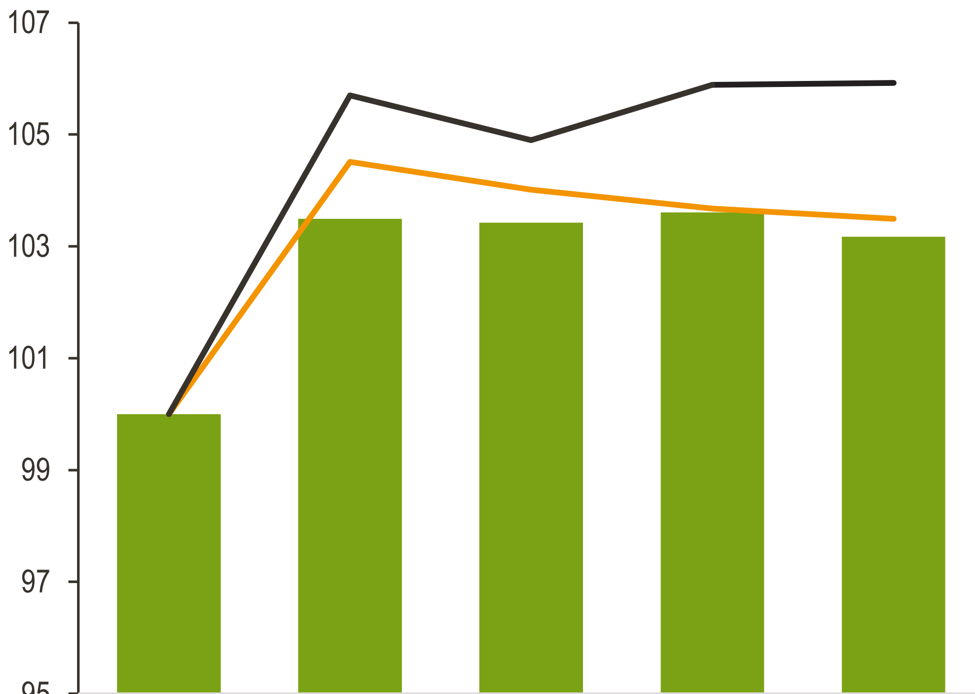
CEMENT's average pricing profile per tonne: post-period

Indexed average cement price per tonne



	Jan 17	Feb 17	Mar 17	Apr 17	May 17
Total	100	103	103	104	103
Bag	100	105	104	104	103
Bulk	100	106	105	106	106

- Average price increase of 5% implemented in February 2017 in all markets
  - Increases have held in most markets
- Price increases in bulk sustaining more than for bagged cement
  - Contestation in select inland markets
- Pricing expected to improve during the year

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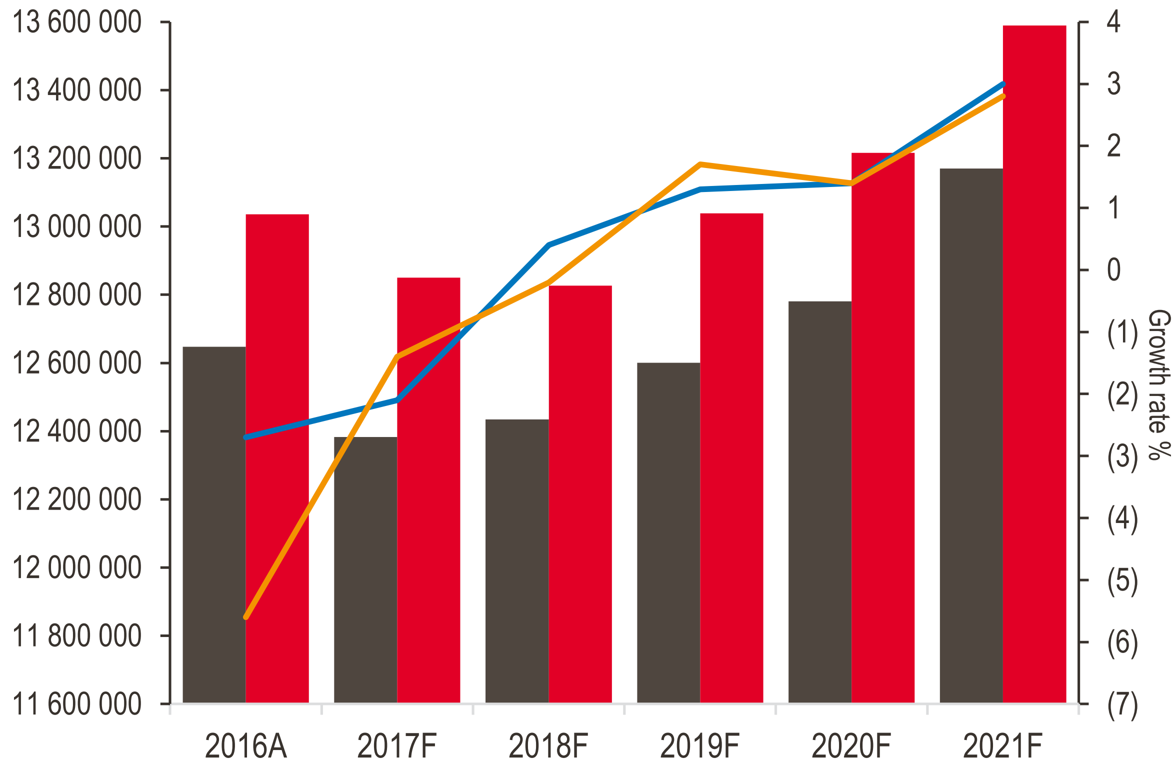
2 OPERATIONAL CONTEXT

South African cement demand analysis



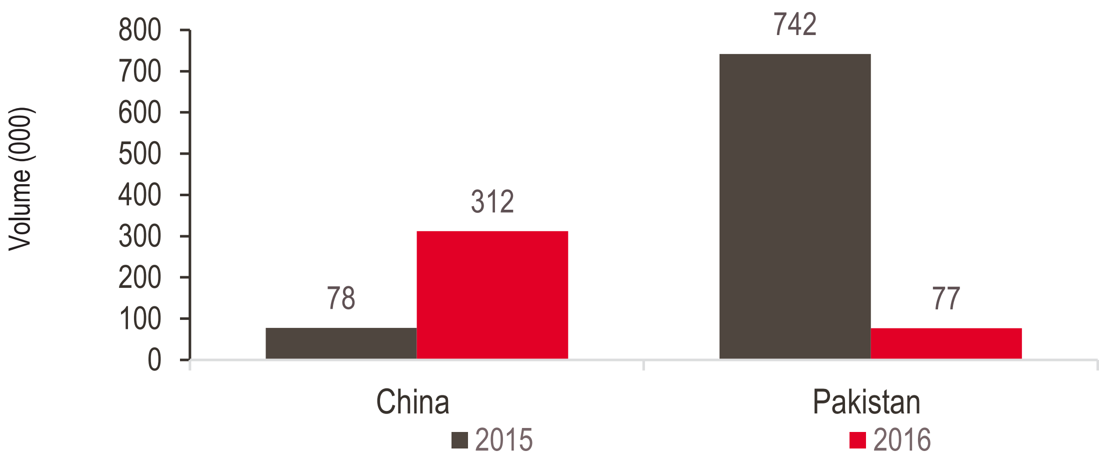
	2016A	2017F	2018F	2019F	2020F	2021F
Total demand volumes	13 035 915	12 850 204	12 826 423	13 038 894	13 215 877	13 589 071
Total demand growth rate	(5,6)	(1,4)	(0,2)	1,7	1,4	2,8

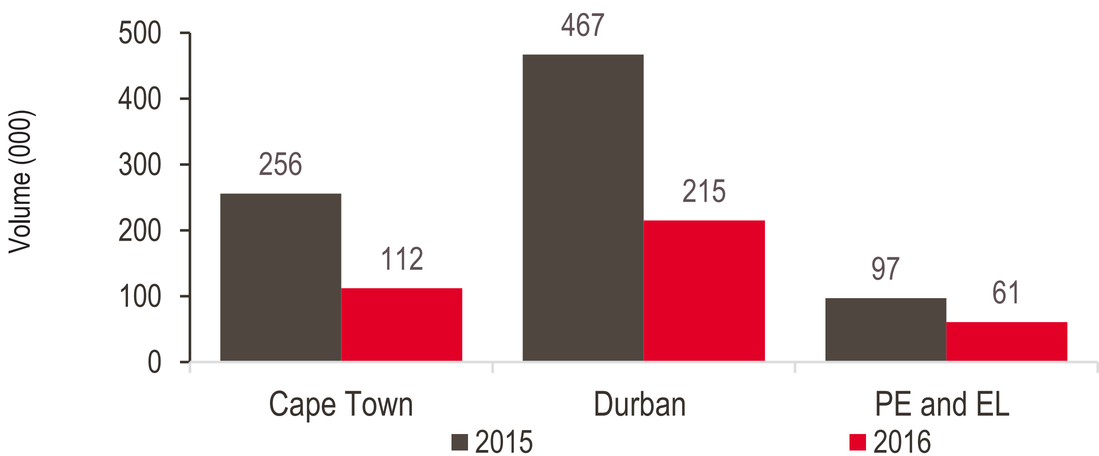
Total cement demand estimated at 13 million tonnes per annum in CY2016

- 5,6% year-on-year demand contraction
- Demand expected to improve due to growth in the agriculture and mining industries resulting from end of drought and higher commodity pricing respectively
- Effective production capacity estimated at 16,8 mtpa nationally hence the demand/supply dynamics

Source: Econometrix (Pty) Ltd Quarterly Cement Outlook Q2 2017 report

Import volumes for CY 2016





- Year-on-year volume decline of 53% to 389kt by December 2016
- Imported cement from China increased by 234kt (300%)
- Imports through Durban have decreased by 54% to 215kt
  - KwaZulu-Natal constitutes part of CEMENT's natural market
- Import volumes influenced by the currency exchange rate

Source: SARS

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Demand/supply imbalance defined the cement sector

- Operating environment fiercely competitive during the year due to new entrant ramping up production
- Lower demand resulted in increased price competition from all manufacturers to maintain sales volumes
- Bulk cement market most impacted by the reduction in demand
- Approximately 80% of CEMENT sales volumes in bagged cement

Increased competition as demand contracts for concrete

- Independent mixed concrete manufacturers in key markets mainly due to lower pricing for bulk cement
- Contraction in the number of construction projects resulted in concrete manufacturers engaging in price competition
- Vertically integrated manufacturers extremely aggressive and applying irrational pricing models
- Margins continued to diminish particularly for general purpose concretes
- High priority placed on controlling costs and expenses by Métier management
- Denver plant in Gauteng to reduce pressure from current growth nodes by diversifying the customer base
- [1]Gauteng and KwaZulu-Natal provinces estimated to have been awarded the highest and second highest value of construction projects in the 12 months ended March 2017

[1] Industry Insight, Construction industry forecast baseline report – March 2017

3 FINANCIAL PERFORMANCE

Salient points for the period

Group

- Operating profit ⇧ from R84,2 million to R84,7 million
- Net earnings ⇧ from R60,4 million to R68,1 million
- Basic earnings per share ⇧ from 30,00 cents to 33,63 cents
- Headline earnings per share ⇧ from 29,84 cents to 33,37 cents

Métier

- Earnings before interest, taxation, depreciation and amortisation (EBITDA) margin ⇩ from 16% (R136,8 million) to 15% (R127million)
- Operating profit margin ⇧ slightly to 12,9% (R108,3 million) from 12,7% (R106,3 million)
- Net earnings ⇧ from R62,8 million to R67,4 million

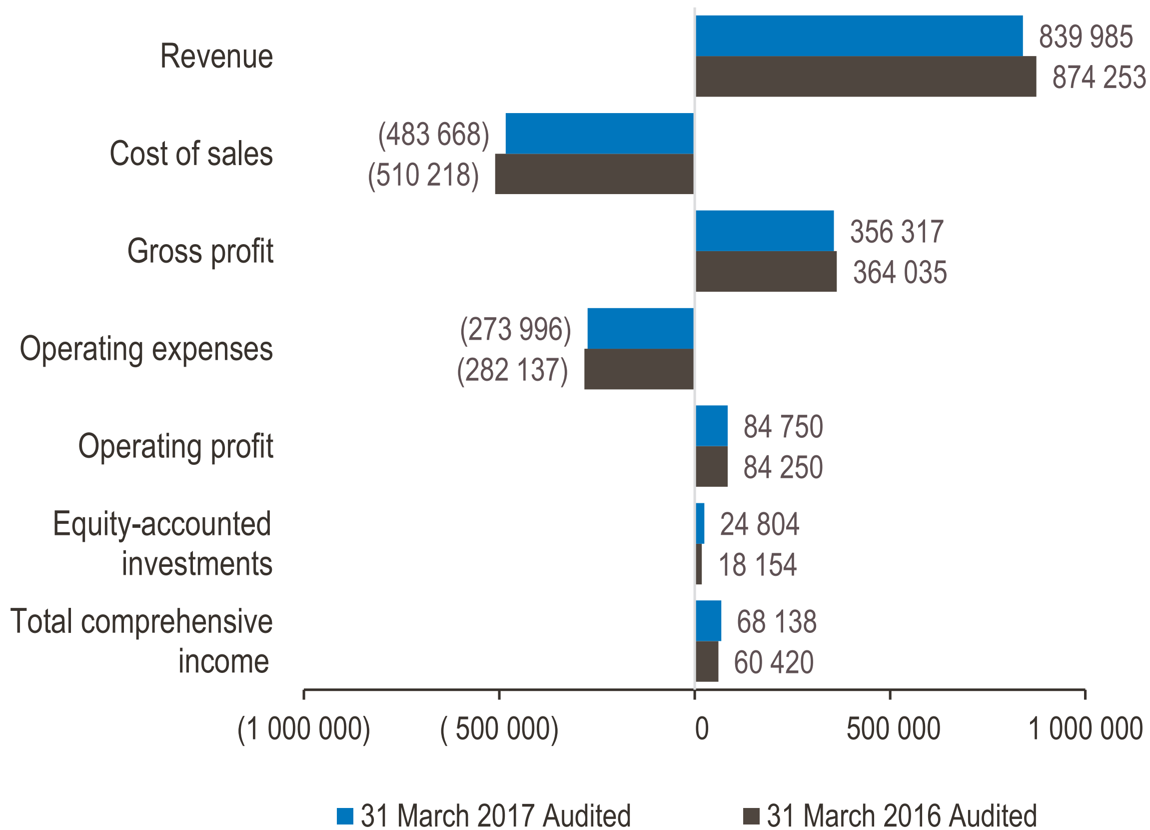
CEMENT[1]

- Sales revenue comparatively flat year-on-year at R2,3 billion
- EBITDA margin ⇧ from 22% (R505,5 million) to 23% (R527,3 million)
- Operating profit margin ⇧ from 15% (R336,9 million) to 16% (R358,4 million)
- Net earnings of R68,9 million compared to R50,4 million in the comparable period

[1] CEMENT has a December year-end as a subsidiary of Dangote Cement Plc.

Statement of comprehensive income (R'000)

Group – Condensed and consolidated

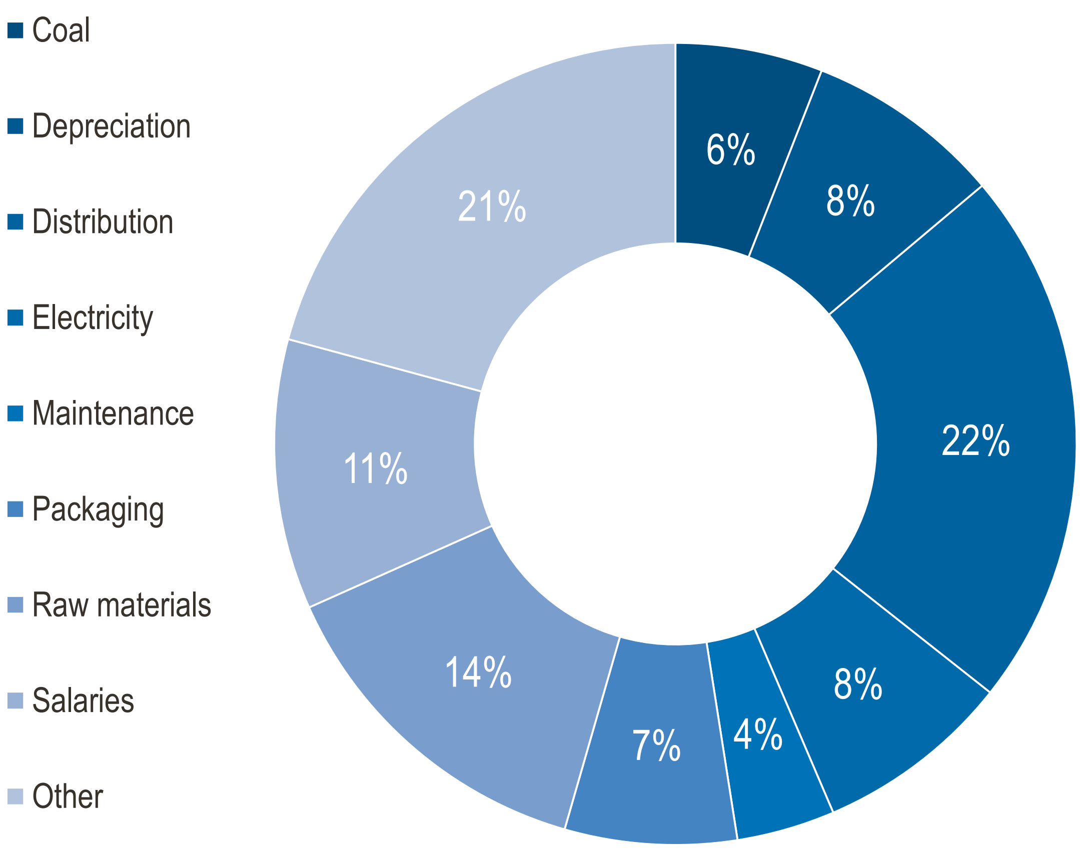


Métier recorded a decrease in costs and expenses

- Subsidiary expenses decreased by 3,7% to R250,4 million (2016: R260 million)
- Subsidiary profit increased by 7,3% to R67,4 million (2016: R62,8 million)
- Equity-accounted profit to SepHold from CEMENT of R24,8 million (2016: R18,2 million)

[1] CEMENT has a December year-end as a subsidiary of Dangote Cement Plc.

CEMENT cost breakdown



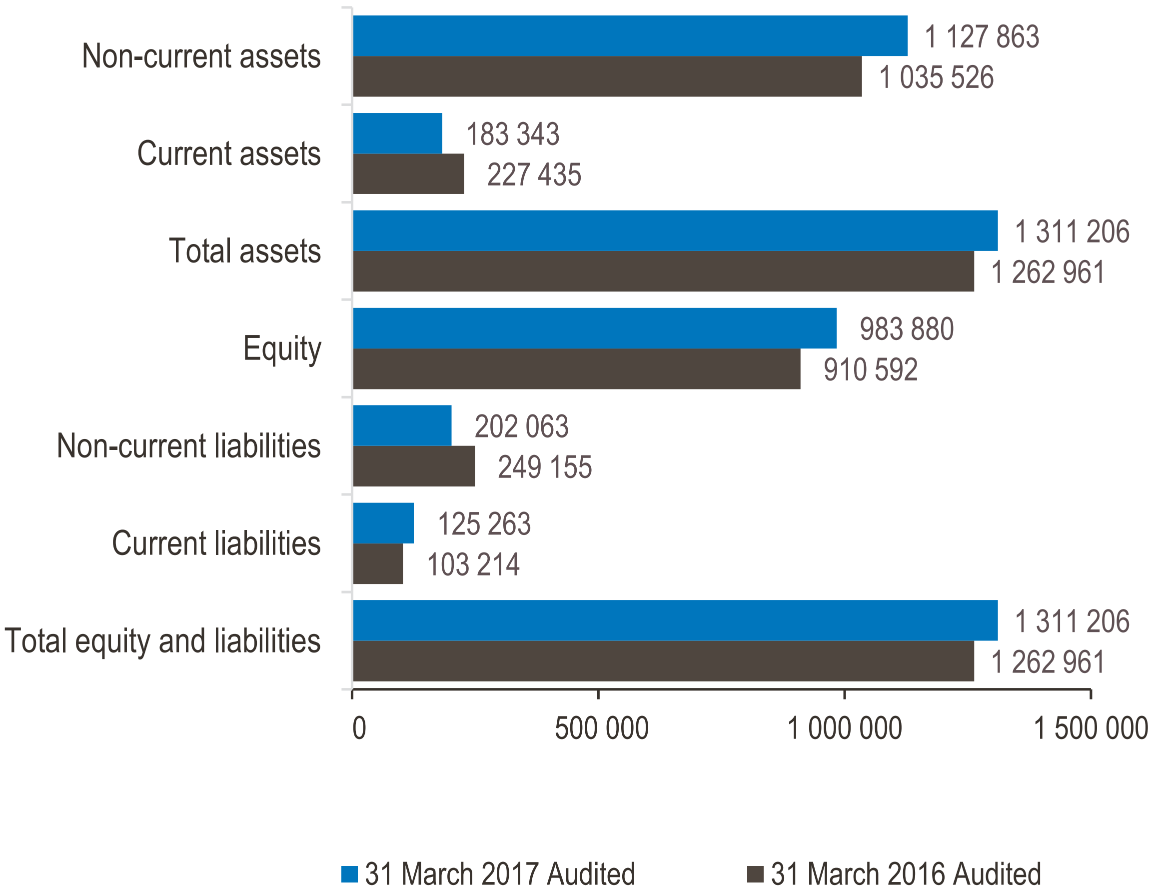
- Distribution constitutes the largest portion of the costs at 22%
- Cost of sales increased by 4% to R1,86 billion
- Operating profit increased by 6,4% to R358,4 million mainly due to a R138 million closure agreement income from Sinoma as part of the plant handover

CEMENT optimisation programme update

- Programme commenced in November 2015 to improve the EBITDA margin in the foreseeable future by enhancing efficiencies
- The targeted cost saving of R115 million was expected to improve the EBITDA margin by 5 – 7% in the foreseeable future
- Average weighted price lower year-on-year limiting the impact of the programme
- Cost saving by end of December 2016 was 50% achieved at R57 million
  - Programme expected to be completed by end of December 2017

Statement of financial position (R'000)

Group – Condensed and consolidated

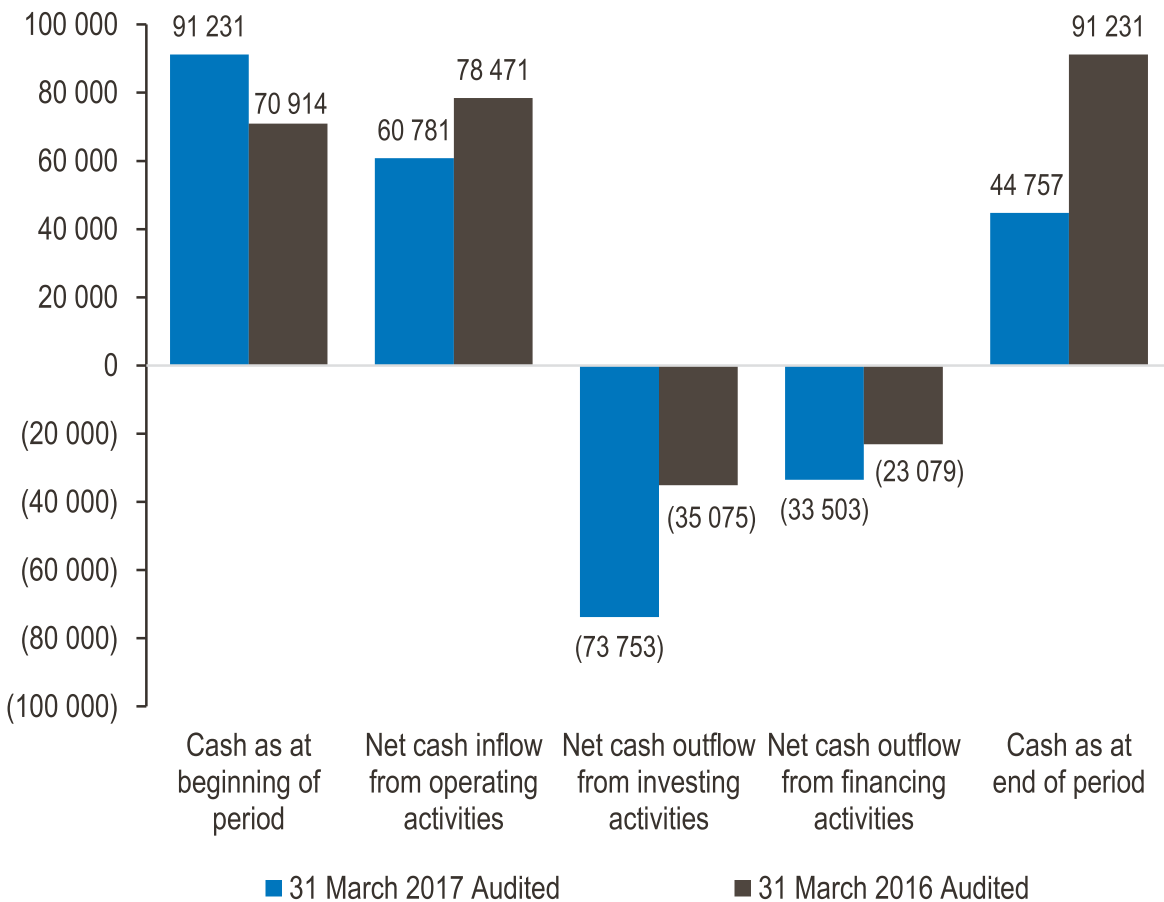


- Non-current assets 8,9% higher mainly due to the R14,4 million expenditure in the construction of a building and R48,6 million SepHold equity investment in CEMENT to relieve pressure on debt covenants
- A decrease of R25 million in total liabilities principally due to the reduction in Métier debt facilities by R35,2 million (2016: R52,1 million)
- Net asset value per share at 485 cents (2016: 451 cents)

[1] CEMENT has a December year-end as a subsidiary of Dangote Cement Plc

Statement of cash flows (R'000)

Group – Condensed and consolidated



- Cash generated from operations at R97 million (2016: R117 million)
  - Finance costs of R24,3 million
  - Taxation of R19 million
  - Interest income of R7,2 million
- Net cash outflow from investing activities increased from R35,1 million to R73,8 million mainly due to the R48,6 million equity investment into CEMENT
- Métier paid R50 million dividend to SepHold

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Management of CEMENT's debt covenants

- Pricing competition and contraction in demand resulted in pressure on the CEMENT debt service cover ratio at 1,23 instead of the requisite 1,3
- CEMENT repaid the requisite R342,8 million and R246,9 million in principal and interest instalments in CY2016
- Dangote Cement PLC and SepHold agreed to inject R134,9 million to relieve the pressure on the covenant ratio
- SepHold paid in R48,6 million from available cash representing its 36% equity portion of the total contribution
- Management has requested the lenders to review the repayment loan profile in order to reduce pressure on the debt service cover ratio
- For CY2017 the associate has paid a total of R171,4 million and R112,1 million in requisite principal and interest payments respectively
- Satisfactory outcome of the review by the lenders expected by 31 July 2017

4 OUTLOOK

Outlook

CEMENT

- To pursue a disciplined pricing policy at targeted sales volumes
- To optimise product and geographic sales mix to achieve the best margins

Métier

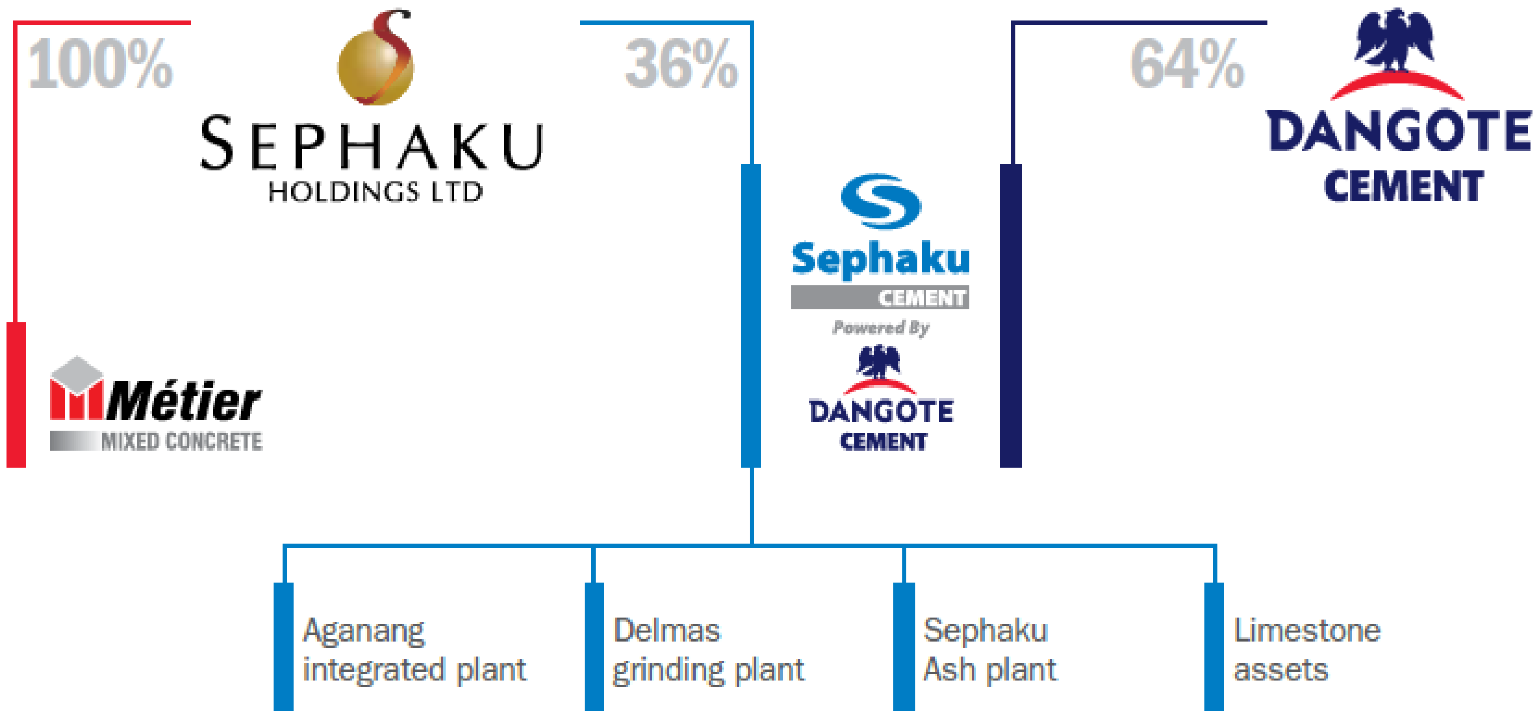
- To strengthen the marketing teams in order to extract further value from the technical team who are industry renowned for innovative products
- To develop strong relationships with suppliers to achieve competitive pricing for key inputs
- To explore backward integration opportunities in order to secure essential raw materials
- Evaluate ongoing geographical expansion opportunities

SepHold

- Develop the opportunity in the aggregates sector
- Continue to evaluate growth opportunities through:
  - expansion and exploring downstream opportunities

5 APPENDICES

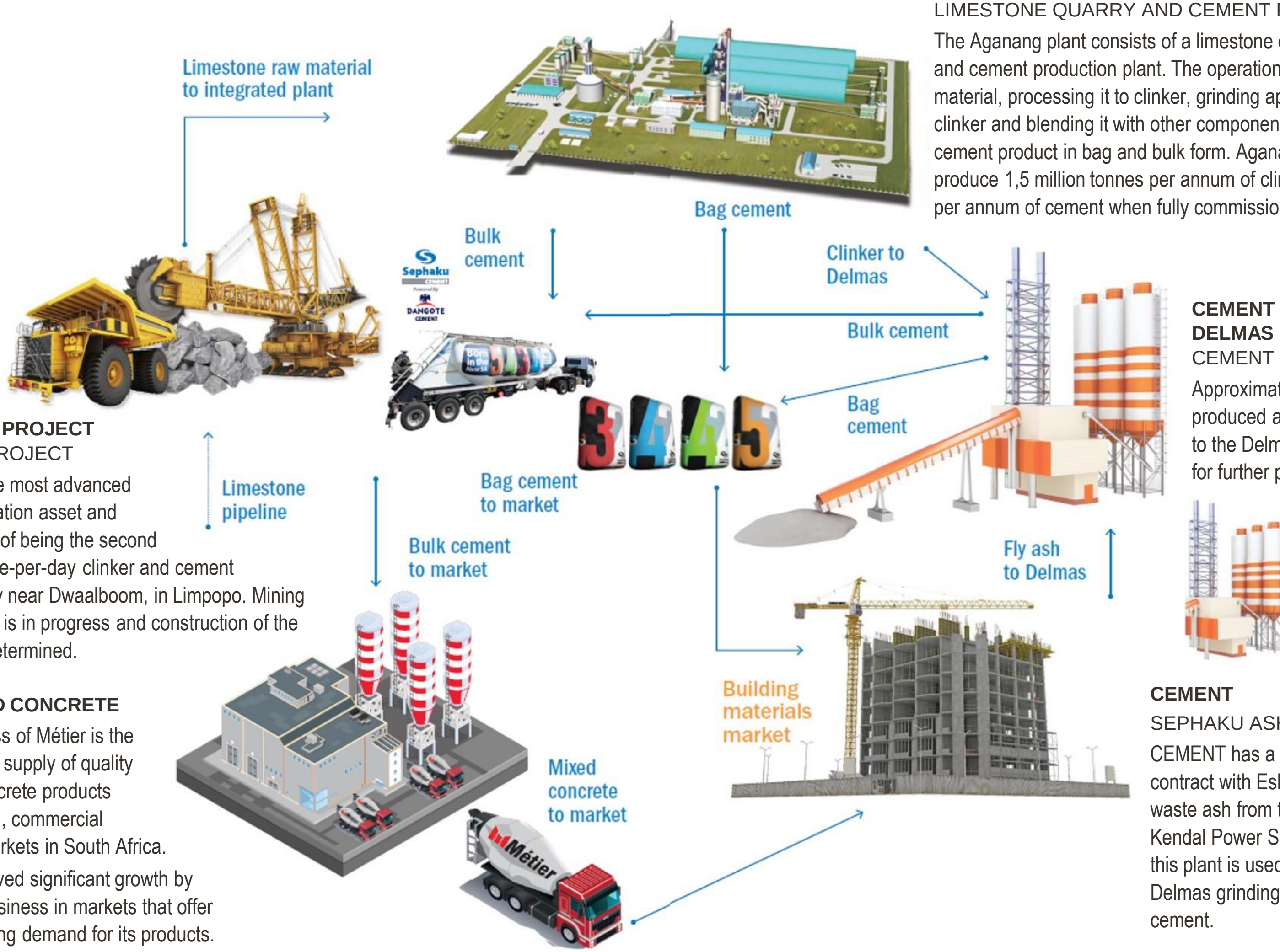
The Sephaku Holdings structure



Sephaku Holdings investments

CEMENT
AGANANG INTEGRATED PLANT
LIMESTONE QUARRY AND CEMENT PRODUCTION

The Aganang plant consists of a limestone open cast quarry, a clinker and cement production plant. The operation mines the limestone raw material, processing it to clinker, grinding approximately 45% of the clinker and blending it with other components to produce the finished cement product in bag and bulk form. Aganang has the capacity to produce 1,5 million tonnes per annum of clinker and 1,4 million tonnes per annum of cement when fully commissioned.



CEMENT
DELMAS GRINDING PLANT
CEMENT PRODUCTION

Approximately 55% of the clinker produced at Aganang is transferred to the Delmas cement-grinding facility for further processing.

CEMENT
DWAALBOOM PROJECT
LIMESTONE PROJECT

This project is the most advanced limestone exploration asset and has the potential of being the second major 3 000-tonne-per-day clinker and cement production facility near Dwaalboom, in Limpopo. Mining rights application is in progress and construction of the plant still to be determined.

MÉTIER MIXED CONCRETE

The core business of Métier is the manufacture and supply of quality ready-mixed concrete products for the residential, commercial and industrial markets in South Africa.

Métier has achieved significant growth by positioning its business in markets that offer strong and growing demand for its products.

CEMENT
SEPHAKU ASH PLANT

CEMENT has a fly ash processing plant contract with Eskom to acquire and remove waste ash from the coal-burning process at Kendal Power Station. The ash produced from this plant is used as a cement extender at the Delmas grinding plant to produce blended cement.

Drivers for success

Deep technical, project management and marketing **skills**

Experienced key management with comprehensive industry knowledge and experience in cement and concrete manufacturing

Leading technologies that facilitate the production of high-quality cement and mixed concrete

Modern, efficient cement plants with state-of-the-art equipment and infrastructure

Compact mixed concrete production plants

Customer focus through service excellence

Métier has built brand equity through its innovative specialised concretes and superior service offering

Strategic relationships

The group has developed robust relationships with the key stakeholders including the retail distribution channel, communities, funders and suppliers

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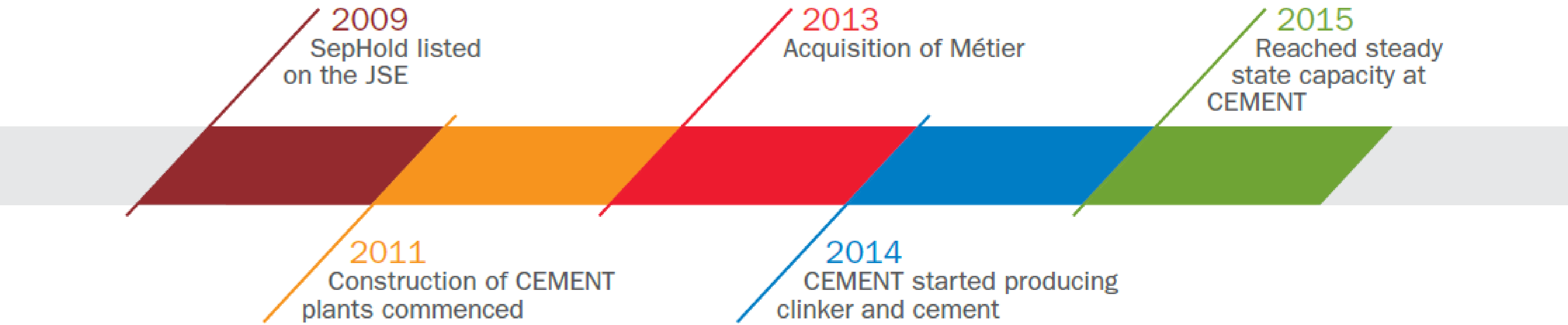
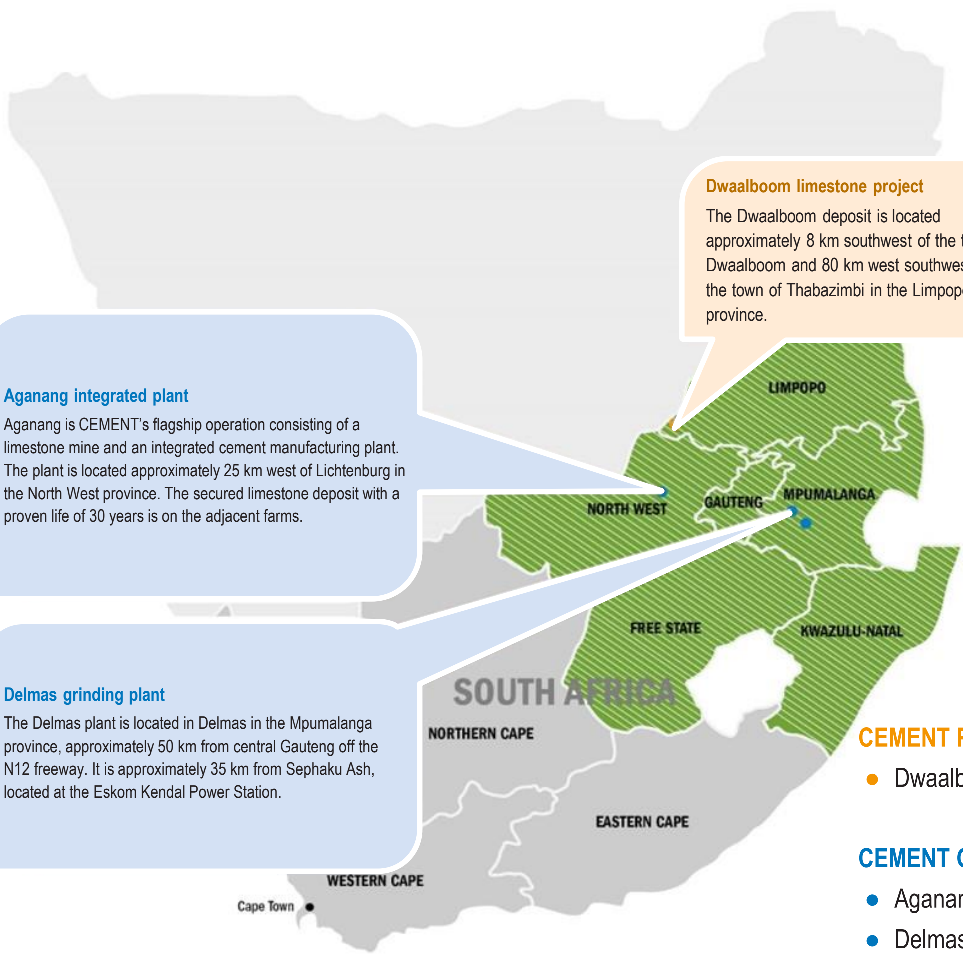
Key milestones



Location of CEMENT assets



Dwaalboom limestone project

The Dwaalboom deposit is located approximately 8 km southwest of the town Dwaalboom and 80 km west southwest of the town of Thabazimbi in the Limpopo province.

Aganang integrated plant

Aganang is CEMENT's flagship operation consisting of a limestone mine and an integrated cement manufacturing plant. The plant is located approximately 25 km west of Lichtenburg in the North West province. The secured limestone deposit with a proven life of 30 years is on the adjacent farms.

Delmas grinding plant

The Delmas plant is located in Delmas in the Mpumalanga province, approximately 50 km from central Gauteng off the N12 freeway. It is approximately 35 km from Sephaku Ash, located at the Eskom Kendal Power Station.

CEMENT PROJECTS

- Dwaalboom limestone project

CEMENT OPERATIONS

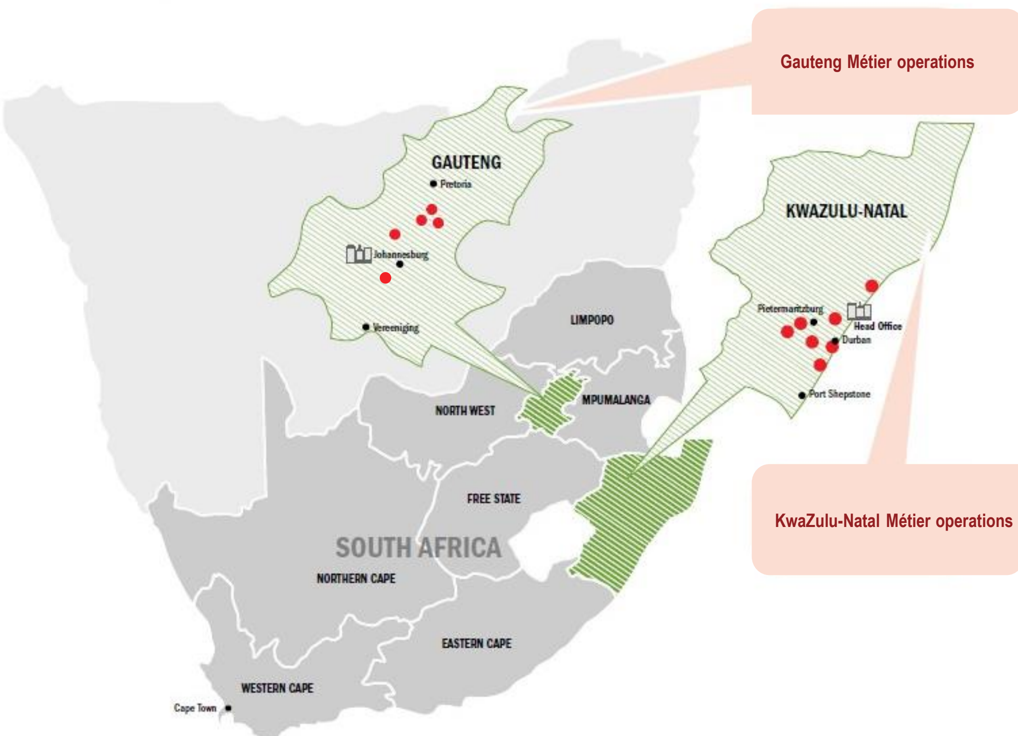
- Aganang cement plant
- Delmas grinding plant
- Sephaku Ash plant

Our operations are located in the Mpumalanga and North West provinces in South Africa

- Our target markets are the Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga and North West.

Note: Location of assets not actual but indicative for illustrative purposes

Location of Métier assets



- Operations located in the KwaZulu-Natal and Gauteng provinces. Métier offers full service to its customers
- 12 concrete batch plants
- Own central laboratory in Gauteng and KwaZulu-Natal

MÉTIER MIXED CONCRETE OPERATIONS

GAUTENG

Johannesburg Office

- OR Tambo plant
- Sandton plant
- Chloorkop plant
- Midrand plant
- Denver plant

KWAZULU-NATAL

Head Office

- Phoenix plant
- Canelands plant
- Mkondeni plant
- Umhlali plant
- Taylors Halt plant
- Mobeni plant
- Cato Ridge plant

Note: Location of assets not actual but indicative for illustrative purposes

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2017

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