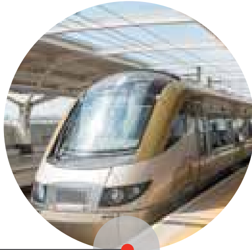
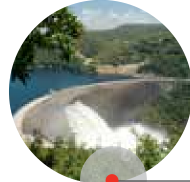


GAUTRAIN, JOHANNESBURG

26°8'12.0221"S
28°14'28.1252"E

125 YEARS OF QUALITY TO BUILD A FUTURE THAT LASTS



LAKE KARIBA, ZIMBABWE

16°57'20.343"S
27°58' 18.338"E

KIGALI CONVENTION CENTRE, RWANDA

1.9546°S,
30.0939°E

MINISTRY OF HEALTH, BOTSWANA

24°39'21.4956"S
25°54' 29.6082"E

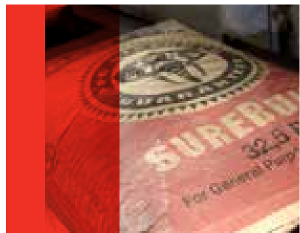
PPC

Audited preliminary summarised consolidated financial statements for the twelve months ended 31 March 2017

SALIENT FEATURES

Group EBITDA down **13% to R2,1 billion**

Headline earnings per share down 93% to 7 cents



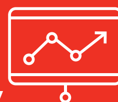
Group revenue increased **5,0% to R9,6 billion**

Net debt/EBITDA improved from 3,7x to 2,3x as net debt declined from R8,7 billion to R4,7 billion

Normalised (headline) earnings per share down **29% to 47 cents**

Zimbabwe mill commissioned in the year, with Ethiopian and DRC cement plants delivered shortly after year-end

Cement capacity increased by 33% from 8,6mtpa to 11,4mtpa



COMMENTARY

Darryll Castle, CEO, said: "PPC endured a challenging financial year, while still delivering on a number of key initiatives and projects during the year. Our results were impacted by a liquidity crisis precipitated by an unexpected S&P debt downgrade, which resulted in abnormal finance costs being incurred in relation to a liquidity and guarantee facility put in place to ensure that PPC could meet its financial bond repayment obligations. In addition, this also resulted in a higher interest charge for the year and a higher effective tax rate. Subsequently, the company successfully completed a rights offer, which ensured that PPC was able to reduce its gearing levels to a more sustainable level. The unwind of components of the BBBEE 1 (broad-based black economic empowerment) transaction also resulted in a cash inflow, while a corresponding IFRS 2 charge was incurred in this regard. Operationally volumes were impacted by excessive rainfall in the last quarter of the financial year. In addition, the domestic cement market remained highly competitive resulting in a constrained pricing environment. PPC's tax rate was also significantly higher than the prior year, mainly attributable to the non-deductibility of IFRS 2 charge related to the BBBEE 1 transaction and forex losses due to exchange rate movements and withholding taxes on dividends in foreign jurisdictions. CIMERWA achieved cement sales volumes of 310 000 tonnes in its first full financial year of operation, contributing to an improved rest of Africa cement performance. This demonstrated PPC's ability to successfully transition from project phase to operational phase. PPC also commissioned the Harare mill in Zimbabwe, and projects in Ethiopia and DRC were commenced shortly after year-end. This has resulted in the group's cement capacity increasing by ~33% from 8,6mtpa to 11,4mtpa. The 3Q Mahuma Concrete (3Q) acquisition was successfully consolidated from 1 July 2016".

COMMENTARY continued

PPC GROUP PERFORMANCE

The financial performance for the 12-month period ended March 2017 is compared to proforma financial results for the 12 months to March 2016. In order to give stakeholders better clarity, PPC has amended its segmental disclosure to reflect southern African cement operations (which includes Botswana) and the rest of Africa cement operations, which includes Zimbabwe, Rwanda, DRC, Mozambique and cross-border sales from southern Africa. The materials division disclosure is unchanged, while a group shared service segment is also disclosed.

Group revenue rose by 5,0% to R9 641 million (March 2016: R9 187 million). The growth was supported by the rest of Africa cement business which grew revenue by 9% and the aggregates and readymix segment which grew revenue by 23%. Revenue in southern Africa was flat, with cement volumes increasing by 2%, offset by lower selling prices. Solid volume growth was achieved in Botswana, however, selling price pressure resulted in decreased revenue. In the rest of Africa cement segment, volumes in Rwanda were up significantly, while our gradual ramp-up has ensured minimal disruption to the prevailing market. In Zimbabwe overall volumes ended down 3% which was better than expected, reflective of the economic headwinds and liquidity challenges in the market. Revenue in our lime business ended flat, while revenue growth in our aggregates and readymix operations was supported by the recently acquired 3Q.

Cost of sales of R7 359 million was 13% higher than the previous year (March 2016: R6 492 million), primarily due to the inclusion of recently acquired 3Q business and the ramp-up in Rwanda. On a like-for-like basis cost of sales was up 7%, while on a delivered rand per tonne basis, the South African cement business was up 5% relative to the prior year.

Administration and other operating expenditure was well controlled, and decreased by 2% to R1 049 million (March 2016: R1 065 million).

Group EBITDA decreased by 13% to R2 065 million (March 2016: R2 383 million) while the EBITDA margin achieved was 21,4% (March 2016: 26,0%). The decline was mainly attributable to the southern Africa cement segment where EBITDA was 19% lower relative to the previous year. EBITDA margins in this segment declined from 26,9% to 21,6%. This was countered by the rest of Africa cement segment which saw a 19% rise in EBITDA, and corresponding margins improving from 27,7% to 30,5% with Rwanda the major contributor to the increase. Lower EBITDA was also realised in the lime and aggregates and readymix segments.

Finance costs rose by 30% to R741 million, over last year's R572 million following increased finance costs and raising fees of R165 million incurred on the R2 billion liquidity and guarantee facility secured in June 2016 to redeem the outstanding financial bonds. Unfavourable currency movements against the US dollar in the DRC and Rwanda contributed to losses of R124 million on revaluations of foreign currency denominated balances.

The effective taxation rate increased to 85% mainly due to withholding tax on dividends declared from Zimbabwe, the impact of non-deductible finance costs, IFRS 2 charges related to the BBBEE 1 transaction, forex losses adjustments due to exchange rate movements and prior year adjustments.

Net profit attributable to PPC shareholders declined by 88% to R93 million (March 2016: R793 million). On a normalised basis net profit declined from R655 million to R512 million for the year. In line with this, earnings per share was 93% lower at 8 cents (March 2016: 117 cents) and headline earnings per share fell 93% to 7 cents (March 2016: 107 cents). Normalised earnings per share ended 29% below prior year at 47 cents per share (March 2016: 66 cents per share).

Cash generated from operations decreased by 22% to R1 871 million (March 2016: R2 389 million). Negative working capital movements amounting to R230 million, includes VAT receivable and prepayments, all of which are non-trade related. The group's cash-conversion ratio reduced marginally from 1,0x to 0,9x.

Capital investments in property, plant and equipment decreased by 32% to R2 058 million (March 2016: R3 038 million), with R307 million used for the Slurry kiln 9 project in South Africa and the balance attributable to the DRC and Zimbabwe expansion projects. Group net debt has reduced from R8 711 million in March 2016 to R4 746 million. This has led to a significant improvement in group net debt to EBITDA ratio from 3,7x to 2,3x. PPC continues to work on the restructuring of its debt to further improve its balance sheet structure.

The company's dividend policy considers its growth aspirations as well as the prudency of its capital structure. Under the current circumstances, the board deems it prudent to address debt refinancing and optimisation of the capital structure before dividend payments are considered. In line with this, the directors have decided not to declare a dividend.

GROUP SERVICES

Group services comprises PPC Ltd, shared services, costs related to BEE, group and intercompany eliminations. The R575 million loss in group services is mainly attributable to costs incurred at head office relating to international operations, head office costs and non-chargeable operational costs. Also included is finance charges which cannot be charged out to operating entities. An IFRS charge of R185 million is also included in this amount.

SOUTHERN AFRICA CEMENT

South Africa

PPC's cement sales volumes rose by 2% for the year. The competitive landscape in Gauteng intensified, forcing cement prices down particularly in the bulk market. Gauteng volumes were also negatively impacted by excessive rainfall in the first two months of 2017. Inland sales (excluding Gauteng) volumes rallied well across all segments in a tough market to end flat for the year. All sectors in the coastal region again performed well, with double-digit volume increases for the year.

Variable delivered cost of sales per ton increased above inflation, while fixed costs increased were well controlled rising by only 5%. Western Cape volume increases impacted costs adversely due to the running of less efficient Riebeeck operations and substantially higher incremental coal cost in the Western Cape.

Slurry SK9

Construction of the new 1mtpa clinker production line (SK9) at PPC Slurry is on schedule and within the budget of R1,7 billion and will be commissioned in the first half of 2018. The overall project progress is 62% complete. PPC has committed 82% of the capex spend, with the majority of the equipment ordering complete, the last few shipments related to electrical and instrumentation equipment scheduled for June 2017. Eskom has commenced with the extension of the substation and is on schedule for power supply to PPC by December 2017.

Botswana

The Botswana operations, recorded flat volumes while selling prices were down 9% due to increased competition from imports from South Africa. Market

COMMENTARY continued

leadership was maintained by focusing on brand, operational efficiencies and cost competitiveness. EBITDA however dropped significantly in the reporting year.

REST OF AFRICA CEMENT

Rest of Africa cement contributed R645 million to EBITDA, however it has not contributed to profit after tax. This is attributable to operational ramp-up, depreciation and tax charges.

Zimbabwe

Our Zimbabwe operations, recorded volume declines of 3% while selling prices, in US dollar, declined 10%. The rand appreciated by 9% against the US dollar during the year, which also impacted profitability. The tough operating environment was intensified by the strengthening of the US dollar against regional currencies, leading to further competition in the market. Importation of cement declined slightly compared to the previous year mainly due to the introduction of cement import tariffs of US$100 per ton, which was effective 1 October 2016. PPC Zimbabwe launched Surecast (CEM II 42.5R) cement to increase the product offering and create value for concrete product manufacturers and concrete producers due to its improved early strength development. The liquidity challenges in the domestic market continue to be of concern. The management team is working hard to diversify revenue streams, increase localised procurement and grow export volumes.

Construction of the US$82 million (previously US$85 million) Harare mill project was been completed on time, below budget and without any lost time injury incidents. The Harare mill is expected to reduce outbound logistics costs while increasing accessibility to the northern markets. The company is well positioned for the expected economic upturn and infrastructural developments and investments in the medium term. Harare and Bulawayo operations are suitably located to grow exports into neighbouring countries and this will be given priority. Strong focus on operational efficiencies, development of human capital, route to market initiatives, product innovation, safety and environmental compliance will continue being a focus in the next year to cement our position domestically and regionally. The first biannual debt and interest repayments were made in December 2016.

Rwanda

In this year, the plant sold 310 000 tonnes of cement; increasing its contribution to group sales. CIMERWA's priority is to grow volumes so that it can increase its plant capacity utilisation and continues to focus on venturing into new markets and finding new distribution channels. In support of initiatives to improve customer service and reduce logistics costs, a route to market strategy was implemented focusing on developing transport capacity within Rwanda to support growing volumes.

Democratic Republic of the Congo

Construction was completed on schedule, but hot commissioning was delayed to February 2017 due to the delay in the construction and commissioning of the overhead transmission line to supply power to the cement plant. The first cement and clinker was produced in March 2017 during the hot commissioning process and the plant went into production and first sales commenced in April 2017.

The trading environment in the DRC continues to be challenging, due to surplus capacity coupled with lower pricing levels due to low-cost imports from neighbouring Angola. The local cement producers' association continues to engage with government on local industry protection as it moves towards self-sufficiency.

The DRC project was financed on a limited recourse basis to PPC. As such, any funding shortfalls prior to financial completion are for the account of PPC, as first sponsor. Current shortfalls include capital overruns estimated at US$16 million, start-up

trading costs and VAT estimated at US$36 million. In addition, repayment of funding obligations and interest is expected to begin in the first quarter of FY18, and are in the order of US$35 million for the full year. To the extent that this amount cannot be generated from operations PPC will be required to stand behind its first sponsor obligations. The company has prepared itself to meet these obligations, particularly since project financial completion is not anticipated in the near term. There is therefore an indicator of impairment. The full impairment exercise will only be done once the DRC entity has been trading for a reasonable period.

Ethiopia

The US$172 million 1,4mtpa plant was delivered in early February 2017 when the bulk power supply to the plant was completed. The plant was inaugurated by the prime minister of the Federal Democratic Republic (FDR) of Ethiopia in April 2017. The first saleable cement happened planned in May 2017. Cement demand in Ethiopia matches supply and with imports into the country banned, this is expected to remain unchanged in the short term. Cement sales are expected to grow in line with the factory ramp-up. Market demand is driven by the retail and construction segments which account for over 85% of the market. Habesha's route to market strategy is designed to leverage these market segments through product availability and service innovations. PPC increased its holding in Ethiopia via a rights offer process, with PPC now having a 38% holding in Habesha for an additional US$3,8 million.

MATERIALS BUSINESS

The combined materials business contributed 21% to group revenue and 15% to group EBITDA.

LIME

Revenue in the lime business of R818 million was flat compared to the previous year. The lime sales volumes were affected by the three-month shutdown at one of its major clients Saldanha Steel, burnt product sales volumes increased by 6%. EBITDA achieved was R165 million, which was 16% lower than the R196 million achieved previously. Costs were well controlled during the year.

AGGREGATES AND READYMIX

Aggregates and readymix revenues were 23% higher at R1 230 million (March 2016: R1 002 million) mainly due to the consolidation of 3Q. EBITDA contracted from R187 million to R151 million due to lower volumes in aggregates and selling price pressure in readymix. In July 2016, PPC successfully concluded the acquisition of 3Q for R135 million via the issue of 17 565 872 ordinary shares in PPC. 3Q has been integrated into our materials business as part of Pronto Readymix and contributed favourably to revenue.

BOARD AND SUB-COMMITTEE CHANGES

The board appointed Ms Nonkululeko "Nonku" Gobodo (56) as a non-executive director to the board of directors of PPC and audit committee member with effect from 8 February 2017. Nonku brings a wealth of experience from her extensive career in the fields of accounting and business leadership. She was the first black female to qualify as a chartered accountant in South Africa. Nonku is currently a non-executive director of Mercedes-Benz SA, chief executive officer of Nkululeko Leadership Consulting and chairwoman of Mpumelelo Ventures. The PPC board welcomes Nonku and looks forward to her contribution to board deliberations.

BROAD-BASED BLACK EMPOWERMENT TRANSACTION

To ensure compliance with the Mining Charter, the group implemented two separate BBBEE transactions in 2008 (the 2008 BBBEE transaction: 15,3% shareholding) and in 2012 (6,5% shareholding) which resulted in an aggregate BBBEE shareholding of

COMMENTARY continued

21,8% at the time in the group, which in turn translated into an effective 26% BBBEE ownership of the group's South African operations as required by the Mining Charter, based on the then 80%:20% revenue contribution split between the group's South African and non-South African PPC operations.

As a consequence of the completion of the PPC rights offer in September 2016 and following maturity of the components of the 2008 BBBEE transaction in December 2016, PPC's BBBEE ownership credentials have declined to below the effective 26%.

Accordingly, the board has approved a framework for a new BBBEE transaction to ensure that the company achieves a higher BBBEE shareholding.

FURTHER CAUTIONARY ANNOUNCEMENT REGARDING THE PROPOSED PPC-AFRISAM MERGER

PPC and Afrisam are currently conducting due diligence work related to a possible merger of the two entities ("proposed merger"). No definitive conclusions have been reached at this juncture and the company will continue to inform shareholders of developments in due course.

If the proposed merger is implemented, it may have a material impact on the price of the company's shares. Accordingly, shareholders are advised to continue exercising caution when dealing in securities of the company until such time a further announcement is made.

PROSPECTS

The delivery of key rest of Africa cement projects has increased PPC's cement capacity and geographic footprint. PPC remains well positioned for the medium to long term, notwithstanding the current challenging operating climate. The business will continue to focus on mitigating economic and market risks in the regions we operate in, while continuing to optimise the group's capital and cost structures. This should enable the group to compete efficiently and effectively in all our geographies.

On behalf of the board

PG Nelson
Chairman

DJ Castle
Chief executive officer

MMT Ramano
Chief financial officer

6 June 2017

AUDITED PRELIMINARY SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the twelve months ended 31 March 2017

	Notes	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Pro forma* Rm	Twelve months 2017/2016 % change
Revenue		**9 641**	4 501	9 187	5
Cost of sales		**7 359**	3 261	6 492	13
Gross profit		**2 282**	1 240	2 695	(15)
Administrative and other operating expenditure		**1 049**	489	1 065	(2)
Operating profit before item listed below:		**1 233**	751	1 630	(24)
Empowerment transactions IFRS 2 charges[(a)]		**206**	18	36	
Operating profit		**1 027**	733	1 594	(36)
Foreign exchange (loss)/gain on foreign currency monetary items	2	**(124)**	(20)	3	
Finance costs	3	**741**	330	572	30
Investment income		**27**	12	29	
Profit before equity-accounted earnings		**189**	395	1 054	(82)
Earnings/(loss) from equity-accounted investments		**1**	–	(13)	
Impairments	4	**(10)**	(5)	(43)	
Profit on sale of non-core assets		**–**	117	117	
Profit before taxation		**180**	507	1 115	(84)
Taxation	5	**153**	156	384	(60)
Profit for the year		**27**	351	731	(96)
Attributable to:					
Shareholders of PPC Ltd		**93**	369	793	(88)
Non-controlling interests		**(66)**	(18)	(62)	
Other comprehensive (loss)/income, net of taxation					
Items that will be reclassified to profit or loss		**(523)**	177	706	
Cash flow hedges		**(47)**	10	48	
Taxation on cash flow hedges		**13**	(3)	(14)	
Reclassification of profit on sale of available-for-sale financial asset to profit or loss		**–**	(82)	(82)	
Taxation impact on reclassification of profit on sale of available-for-sale financial asset to profit or loss		**–**	15	15	
Revaluation of available-for-sale financial asset		**–**	–	(7)	
Taxation on revaluation of available-for-sale financial asset		**–**	–	3	
Translation of foreign operations (refer to note 24)		**(489)**	237	743	
Total comprehensive (loss)/income		**(496)**	528	1 437	
Attributable to:					
Shareholders of PPC Ltd		**(295)**	520	1 377	
Non-controlling interests		**(201)**	8	60	
EARNINGS PER SHARE (CENTS)[(b)]	6				
Basic		**8**	54	117	(93)
Diluted		**8**	53	115	(93)

* Refer note 1.

(a) Comprises BBBEE and Zimbabwe indigenisation IFRS 2 charges.

(b) 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 earnings per share has been restated.

AUDITED PRELIMINARY SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2017

	Notes	31 March 2017 Audited Rm	31 March 2016 Audited Rm
ASSETS			
Non-current assets		**14 192**	13 579
Property, plant and equipment	7	**12 531**	11 716
Goodwill	8	**237**	255
Other intangible assets	9	**677**	766
Equity-accounted investments		**225**	200
Other non-current assets	10	**380**	590
Deferred taxation assets	16	**142**	52
Non-current assets held for sale	11	**38**	42
Current assets		**3 805**	2 768
Inventories		**1 163**	1 121
Trade and other receivables	12	**1 652**	1 187
Cash and cash equivalents	13	**990**	460
Total assets		**18 035**	16 389
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	14	**3 919**	(1 113)
Other reserves		**1 464**	1 558
Retained profit		**2 668**	2 583
Equity attributable to shareholders of PPC Ltd		**8 051**	3 028
Non-controlling interests		**334**	535
Total equity		**8 385**	3 563
Non-current liabilities		**5 626**	6 729
Provisions	15	**545**	408
Deferred taxation liabilities	16	**1 073**	1 178
Long-term borrowings	17	**3 555**	4 614
Other non-current liabilities	18	**453**	529
Current liabilities		**4 024**	6 097
Short-term borrowings	17	**2 181**	4 557
Trade and other payables	19	**1 843**	1 540
Total equity and liabilities		**18 035**	16 389

AUDITED PRELIMINARY SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the twelve months ended 31 March 2017

	Notes	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Pro forma* Rm
Cash flow from operating activities				
Operating cash flows before movements in working capital		**2 101**	1 137	2 382
Working capital movements		**(230)**	(324)	7
Cash generated from operations		**1 871**	813	2 389
Finance costs paid		**(743)**	(292)	(448)
Investment income received		**21**	8	25
Taxation paid		**(296)**	(195)	(432)
Cash available from operations		**853**	334	1 534
Dividends paid		**(8)**	(185)	(321)
Net cash inflow from operating activities		**845**	149	1 213
Cash flow from investing activities				
Acquisition of additional shares in equity-accounted investment		**–**	(75)	(75)
Acquisition of additional shares in subsidiary		**(18)**	–	(108)
Investments in intangible assets		**(19)**	(12)	(34)
Investments in property, plant and equipment		**(2 058)**	(1 176)	(3 038)
Movements in other investing activities		**–**	4	(5)
Movement in other non-current assets		**–**	(181)	(181)
Proceeds from disposal of property, plant and equipment		**4**	4	9
Proceeds on sale of equity-accounted investment and available-for-sale financial asset		**–**	153	153
Net cash outflow from investing activities		**(2 091)**	(1 283)	(3 279)
Cash flow from financing activities				
Net borrowings (repaid)/raised before repayment of the notes	17	**(1 370)**	1 499	2 663
Proceeds from the issuance of shares following rights issue (net of transaction costs)		**3 722**	–	–
Proceeds from the issuance of shares issued to strategic black partners through the modification of the company's first BBBEE transaction	14	**1 041**	–	–
Proceeds from the sale of nil paid letters by consolidated BBBEE entities		**137**	–	–
Purchase of PPC Ltd shares in terms of the FSP share incentive scheme	14	**(74)**	–	(24)
Repayment of notes	17	**(1 614)**	(650)	(650)
Net cash inflow from financing activities		**1 842**	849	1 989
Net movement in cash and cash equivalents		**596**	(285)	(77)
Cash and cash equivalents at the beginning of the period		**460**	718	464
Cash and cash equivalents acquired on acquisition of 3Q Mahuma Concrete	20	**4**	–	–
Exchange rate movements on opening cash and cash equivalents		**(70)**	27	73
Cash and cash equivalents at the end of the period		**990**	460	460

* Refer note 1.

AUDITED PRELIMINARY SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the twelve months ended 31 March 2017

	Stated capital Rm	Foreign currency translation reserve Rm
Balance at 31 March 2015 (unaudited)	(1 141)	625
Dividends declared	–	–
IFRS 2 charges	–	–
Non-controlling interest recognised following investment in subsidiary	–	–
Put option recognised on non-controlling shareholder investment in PPC Barnet DRC Holdings	–	–
Shares purchased in terms of FSP incentive scheme treated as treasury shares	(24)	–
Total comprehensive income/(loss)	–	409
Transactions with non-controlling shareholders recognised directly in equity	–	–
Transfer to retained profit	–	–
Balance at 30 September 2015 (audited)	(1 165)	1 034
Dividends declared	–	–
IFRS 2 charges	–	–
Issuance of shares to fund an additional investment in Safika Cement	26	–
Total comprehensive income/(loss)	–	211
Transactions with non-controlling shareholders recognised directly in equity	–	–
Vesting of FSP incentive scheme awards	26	–
Balance at 31 March 2016 (audited)	**(1 113)**	**1 245**
Acquisition of 3Q settled via the issue of shares (refer note 20)	**135**	**–**
Dividends declared	**–**	**–**
IFRS 2 charges	**–**	**–**
Increase in stated capital from issuance of shares following rights issue (net of transaction costs)	**3 805**	**–**
Proceeds from sale of nil paid letters by consolidated BBBEE entities	**–**	**–**
Sale of shares, treated as treasury shares, by consolidated BBBEE entity	**37**	**–**
Shares issued to strategic black partners through the modification of the company's first BBBEE transaction[(a)]	**1 041**	**–**
Shares purchased in terms of FSP incentive scheme treated as treasury shares	**(74)**	**–**
Total comprehensive (loss)/income	**–**	**(354)**
Vesting of shares held by certain BBBEE 1 entities	**88**	**–**
Balance at 31 March 2017 (audited)	**3 919**	**891**

[(a)] In 2008 PPC announced its first broad based black economic transaction for a period of eight years, which resulted in an effective BBBEE ownership of 15,29%. In terms of the transaction agreements, the 48 557 982 PPC shares held by the strategic black partners (including community service groups) (SBPs and CSGs) were repurchased by PPC at R0,10 per share and the SBPs and CSGs were required to subscribe for new PPC shares at R66.84 per share, subject to their funding position. The SBPs and CSGs subscribed for 15 571 174 new PPC ordinary shares in December 2016.

Other 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	–	232	2 123	1 923	757	2 680
–	–	–	(129)	(129)	(7)	(136)
–	–	23	–	23	–	23
–	–	–	–	–	134	134
–	–	–	–	–	(422)	(422)
–	–	–	–	(24)	–	(24)
(3)	27	–	424	857	52	909
–	–	–	(7)	(7)	7	–
–	–	5	(5)	–	–	–
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**
–	**–**	**–**	**–**	**135**	**–**	**135**
–	**–**	**–**	**(8)**	**(8)**	**–**	**(8)**
–	**–**	**245**	**–**	**245**	**–**	**245**
–	**–**	**–**	**–**	**3 805**	**–**	**3 805**
–	**–**	**137**	**–**	**137**	**–**	**137**
–	**–**	**–**	**–**	**37**	**–**	**37**
–	**–**	**–**	**–**	**1 041**	**–**	**1 041**
–	**–**	**–**	**–**	**(74)**	**–**	**(74)**
–	**(34)**	**–**	**93**	**(295)**	**(201)**	**(496)**
–	**–**	**(88)**	**–**	**–**	**–**	**–**
14	**–**	**559**	**2 668**	**8 051**	**334**	**8 385**

SEGMENTAL INFORMATION

for the twelve months ended 31 March 2017

The group discloses its operating segments according to the business units which are reviewed by the group executive committee. The key segments are southern Africa cement, rest of Africa cement, lime, aggregates and readymix and group shared services. The reporting segments have been reconsidered during the current reporting period and have been

	Consolidated		Cement – Southern Africa[a]	
	31 March 2017 Audited Rm	31 March 2016 Unaudited[d] Rm	31 March 2017 Audited Rm	31 March 2016 Unaudited[d] Rm
Revenue				
Gross revenue	**9 878**	9 424	**5 712**	5 659
Inter-segment revenue[e]	**(237)**	(237)	**–**	–
Total revenue	**9 641**	9 187	**5 712**	5 659
Operating profit before items listed below	**1 233**	1 630	**861**	1 138
Empowerment transactions IFRS 2 charges	**206**	36	**16**	1
Operating profit [f]	**1 027**	1 594	**845**	1 137
Fair value (loss)/gain on foreign currency monetary items	**(124)**	3	**(5)**	10
Finance costs	**741**	572	**214**	25
Investment income	**27**	29	**11**	8
Profit before equity-accounted earnings	**189**	1 054	**637**	1 130
Earnings from equity-accounted investments	**1**	(13)	**–**	–
Impairments and profit on sale of non-core assets	**(10)**	74	**–**	–
Profit before taxation	**180**	1 115	**637**	1 130
Taxation	**153**	384	**192**	318
Profit/(loss) for the year	**27**	731	**445**	812
Depreciation and amortisation	**832**	755	**374**	386
EBITDA[g]	**2 065**	2 385	**1 235**	1 524
EBITDA margin (%)	**21,4**	26,0	**21,6**	26,9
Assets				
Non-current assets	**14 192**	13 579	**4 184**	3 506
Non-current assets held for sale	**38**	42	**–**	–
Current assets	**3 805**	2 768	**1 468**	1 484
Total assets	**18 035**	16 389	**5 652**	4 990
Investments in property, plant and equipment	**2 234**	3 378	**939**	689
Liabilities				
Non-current liabilities	**5 626**	6 729	**2 007**	1 310
Current liabilities	**4 024**	6 097	**792**	510
Total liabilities	**9 650**	12 826	**2 799**	1 820
Capital commitments (refer note 21)	**1 071**	3 283	**716**	1 409

(a)Southern Africa comprises South Africa and Botswana.
(b)Rest of Africa comprises Zimbabwe, Rwanda, DRC and Mozambique.
(c)Shared services and other comprises group, PPC Ltd, shared services, BEE and group eliminations.
(d)Refer note 1, change in financial year-end.
(e)All sales are concluded at an arm's length.
(f)The recent implementation of the internal restructure of the group has resulted in some incomparable intercompany operating charges, which will be refined in the subsequent year as the restructuring matures. These have been adjusted for between the differing segments. There has been no impact on consolidated operating profit, as presented above.
(g)EBITDA is defined as operating profit before empowerment transactions IFRS 2 charges and depreciation and amortisation.

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

Key considerations pertaining to the significant individual geographies within the rest of Africa cement segment

Zimbabwe

Market consensus expects the economy to contract by 1,7% in 2017 before expanding by 0,5% in 2018. As a significant portion of the Zimbabwe economy is driven by tobacco, stronger tobacco harvests will see the start of a recovery in 2017. The country's fiscus will however remain under intense pressure as recessionary conditions constrain revenues. Predominant use of the strong US dollar is expected to continue affecting export competitiveness and remittances, while stimulating

amended from that shown in the prior period following the internal restructuring process that took place during April 2016. The prior period comparisons have been amended from that previously reported.

Cement		Materials business					
Rest of Africa[b]		Lime		Aggregates and readymix		Group services and other[c]	
31 March 2017 Audited Rm	31 March 2016 Unaudited[d] Rm	**31 March 2017 Audited Rm**	31 March 2016 Unaudited[d] Rm	**31 March 2017 Audited Rm**	31 March 2016 Unaudited[d] Rm	**31 March 2017 Audited Rm**	31 March 2016 Unaudited[d] Rm
2 118	1 946	**818**	817	**1 230**	1 002	**–**	–
–	–	**–**	–	**–**	–	**(237)**	(237)
2 118	1 946	**818**	817	**1 230**	1 002	**(237)**	(237)
347	318	**119**	152	**74**	122	**(168)**	(100)
2	2	**2**	–	**1**	–	**185**	33
345	316	**117**	152	**73**	122	**(353)**	(133)
(153)	(29)	**–**	–	**(1)**	(15)	**35**	37
168	194	**4**	3	**3**	2	**352**	348
6	7	**1**	1	**1**	1	**8**	12
30	100	**114**	150	**70**	106	**(662)**	(432)
–	–	**–**	–	**–**	–	**1**	(13)
(10)	(34)	**–**	–	**–**	–	**–**	108
20	66	**114**	150	**70**	106	**(661)**	(337)
21	55	**29**	41	**6**	36	**(96)**	(66)
(1)	11	**85**	109	**64**	70	**(565)**	(271)
298	222	**46**	44	**77**	65	**37**	38
645	540	**165**	196	**151**	187	**(131)**	(62)
30,5	27,7	**20,2**	24,0	**12,3**	18,7	**–**	–
8 113	8 298	**319**	415	**726**	680	**850**	680
38	42	**–**	–	**–**	–	**–**	–
1 334	1 116	**210**	187	**315**	237	**478**	(256)
9 485	9 456	**529**	602	**1 041**	917	**1 328**	424
1 181	2 452	**26**	70	**57**	64	**31**	103
5 619	5 713	**117**	103	**215**	237	**(2 629)**	(634)
1 382	945	**86**	90	**176**	125	**1 588**	4 427
7 001	6 658	**203**	193	**391**	362	**(744)**	3 793
310	1 730	**9**	5	**9**	59	**27**	80

appetite for imports. The deteriorating economic environment and resultant liquidity issues have resulted in challenges being faced with processing of foreign payments by the banks in Zimbabwe. During the year, both volume and selling price declines were experienced.

Rwanda

According to the Africa Development Bank Group, Rwandan GDP growth for 2017 is expected to average 7,2% and recover strongly in 2018 and beyond. Cement growth is expected to follow a similar trend. The gradual ramp-up of operations and optimisation will continue and the PPC plant should reach full capacity in the next two years, benefiting from its location to supply cement to Rwanda, eastern DRC and Burundi. Aligned with the government's national development plans and a growing middle class, cement demand is expected to grow steadily over the medium term. The percentage of the population living in urban settlements is expected to rise from 17% at present to 35% by 2020. This bodes well for cement demand in the country.

DRC

After four years at 7,9% pa GDP growth, this index has since declined to 6,9% in 2015 and is estimated at 2,8% and 4,1% for 2016 and 2017 respectively. This has significantly affected government spending. The exchange rate is deteriorating rapidly against the US dollar and CPI is forecast at 33,5% for 2017. Political agreement was reached between major parties in December 2016 but has not been implemented against the agreed timeframe. If the political environment stabilises, in conjunction with a recovery in commodity prices, and the local economy improves, cement demand should increase.

NOTES TO THE AUDITED PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The audited preliminary summarised consolidated financial statements are prepared in accordance with the provisions of the JSE Limited Listings Requirements for reports, and the provisions of the Companies Act applicable to financial statements. The Listings Requirements require preliminary 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 preliminary summarised consolidated interim financial statements were derived in terms of International Financial Reporting Standards (IFRS) and are consistent with those accounting policies applied in the preparation of the previous consolidated financial statements. These audited preliminary summarised 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 twelve months ended 31 March 2017.

These audited preliminary summarised 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 6 June 2017.

The accounting policies and methods of computation used are consistent with those used in the preparation of the consolidated financial statements for the period ended 31 March 2016, except for the revised accounting standards and interpretations that became effective during the current year, and which did not have a material impact on the reported results. No amendments or interpretations were adopted during the current year.

Change in financial year-end

In the prior year, PPC Ltd changed its financial year-end from September to March. The first year-end to March 2016 was only for a six-month period, while the second March year-end, being the 2017 financial year, is for a twelve-month period. As the comparable period results related to a six-month period following the financial year-end change, for ease of comparison, pro forma financial information reflecting the calculation of the twelve-month financial information to March 2016 was released on SENS on 9 March 2017 and included in these results.

The pro forma financial information included within the SENS and subject to a reporting accountant's report only included the statements of financial position, comprehensive income and cash flows together with earnings per share. The composition of the statement of comprehensive income assertions and roll forward of statement of financial position items included within the notes have therefore not been audited or reviewed.

Going concern

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

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 is an expected 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 (refer note 14) without an immediate concomitant increase in earnings and resultant cash flow. During the same period of the company's expansion on the continent, external factors beyond the group's control have seen a slowing global economy and significant decline in oil and commodity prices, which have culminated in downward pressures on selling prices in the regions in which the group operates. In addition, South Africa, which is currently the major contributor to the group's 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 continue to monitor and develop business plans and liquidity models in order to effectively deal with the effects of a continuation of the current low selling price environment and slowing economic growth. During the current reporting period, the group successfully completed a R4 billion rights offer that was 5.8 times oversubscribed. The proceeds of the rights offer were used to reduce local debt and will also assist in funding future operational requirements. In December 2016 the company received R1,1 billion as its 2008 BBBEE transaction matured and the strategic partners subscribed for shares in the company, further strengthening the capital structure. Total borrowings of the group are R5 736 million in comparison to the R9 171 million at March 2016 and R5 914 million at September 2016. At the end of March 2017, the group's debt to EBITDA was 2,8 times (March 2016: 3,8 times), a marked improvement.

At year-end, current liabilities exceed current assets by R219 million mainly due to the short-term portion of R1 565 million of long-term borrowings being classified under current liabilities. In June 2017, the group successfully refinanced the R1 565 million debt until June 2018. The directors have complied with the requirements of IAS 1 paragraph 27 in considering the classification of the funding. With the signing of the refinance agreements on 2 June we have successfully refinanced and lengthened the term of the R1,56 billion funds originally due on 30 September 2017 to 30 June 2018 and thus subsequent to the year-end, the funding has become non-current. The revised profile of the group's statement of financial position is presented below, showing a stronger current assets to current liabilities ratio. Post the refinancing, current assets will exceed current liabilities by R1 346 million. Refer to note 17 and 23 for further details on the extension.

Based on the expectation that the group's current trading position and forecasts will be met and taking current and future banking facilities into consideration, 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 concluded that it is appropriate to prepare the financial statements on a going concern basis.

Restatement of segmental information

In compiling the results for the current year, certain prior year numbers have been restated.

Following the internal restructure effective 1 April 2016, the group's segments have been amended to align to the current reporting structures and information presented to the group executive committee. Further details can be found in the segmental information section in this report.

Auditor's opinion

These preliminary summarised consolidated financial statements for the year ended 31 March 2017 have been audited by Deloitte & Touche, who expressed an unmodified opinion thereon. The auditors also expressed an unmodified opinion on the financial statements from which these preliminary summarised consolidated financial statements were derived. A copy of the auditor's reports on the preliminary summarised consolidated financial statements and financial statements are 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 together with the accompanying financial information from the company's registered office. Any reference to future financial information included in this announcement has not been reviewed or reported on by the auditors.

NOTES TO THE AUDITED PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Unaudited Rm
2. FOREIGN EXCHANGE LOSS/(GAIN) ON FOREIGN CURRENCY MONETARY ITEMS			
Loss on ineffective portion of cash flow hedge	**9**	–	–
Gain on remeasurement of put option liabilities	**–**	(16)	(30)
(Gain)/loss on unlisted collective investments	**(1)**	–	2
Net loss on translation of foreign-denominated currency monetary items	**116**	36	25
	124	20	(3)

Included in loss on translation of foreign currency-denominated monetary items, is a loss of R112 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. Further, a remeasurement loss of R53 million has been recorded against the US dollar denominated project funding in Rwanda. Offsetting these losses are gains made on open forward exchange contracts held for capital purchases and working capital requirements.

Details on foreign exchange rates can be found in note 24.

	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Unaudited Rm
3. FINANCE COSTS			
Bank and other short-term borrowings[(a)]	**474**	49	75
Notes	**80**	98	192
Long-term loans	**345**	229	421
	899	376	688
Capitalised to plant and equipment	**(241)**	(119)	(276)
Finance costs before BBBEE transaction and time value of money adjustments	**658**	257	412
BBBEE transaction	**37**	41	104
Dividends on redeemable preference shares	**17**	19	39
Long-term borrowings	**20**	22	65
Time value of money adjustments on rehabilitation and decommissioning provisions and put option liabilities	**46**	32	56
	741	330	572
Southern Africa	**573**	258	378
Rest of Africa	**168**	72	194

[(a)]Includes liquidity and guarantee facility raising fees of R128 million in the current year which have been fully amortised to finance costs.

The total finance costs excluding time value of money adjustments, relate to borrowings held at amortised cost. For details of borrowings refer note 17.

	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Unaudited Rm
4. IMPAIRMENTS			
Impairment of financial asset	**–**	–	(2)
Impairment of loans advanced	**–**	(1)	(2)
Impairment of property, plant and equipment	**(10)**	(4)	(39)
Gross impairments and other exceptional adjustments	**(10)**	(5)	(43)
Taxation impact	**3**	–	12
Net impairments and other exceptional adjustments	**(7)**	(5)	(31)

Impairment of property, plant and equipment

- In the current year, CIMERWA recognised an impairment of R10 million relating to machinery that will no longer be utilised in the bagging and packing process.
- In the prior year Zimbabwe recognised an impairment of R27 million relating to a limestone quarry due to uncertainty of future prospects.
- An impairment of R7 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 March 2016.
- Other minor impairments to property, plant and equipment of R5 million were processed in March 2016.

5. TAXATION

The taxation charge comprises:

	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Unaudited Rm
Current taxation	**284**	74	290
Current year	**271**	67	317
Prior years	**13**	(14)	(48)
Capital gains taxation	**–**	21	21
Deferred taxation	**(154)**	61	71
Current year	**(177)**	61	41
Prior years	**23**	–	30
Withholding taxation on dividends	**23**	21	23
	153	156	384

NOTES TO THE AUDITED PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

	Twelve months ended 31 March 2017 Audited %	Six months ended 31 March 2016 Audited %	Twelve months ended 31 March 2016 Unaudited %
5. TAXATION continued			
Taxation rate reconciliation			
A reconciliation of the standard South African normal taxation rate is shown below:			
Profit before taxation (excluding earnings from equity-accounted investments)	**85**	31	31
Prior years' taxation impact	**(20)**	3	(1)
Profit before taxation, including prior years' taxation adjustments	**65**	34	30
Adjustment due to the inclusion of dividend income	**–**	–	1
Effective rate of taxation	**65**	34	31
Income taxation effect of:	**(37)**	(6)	(3)
Disallowable charges, forex revaluations, permanent differences and impairments	**(10)**	(2)	(4)
Empowerment transactions and IFRS 2 charges not taxation deductible	**(32)**	(1)	–
Finance costs on BBBEE transaction not taxation deductible	**(9)**	(2)	–
Foreign taxation rate differential	**12**	1	2
Capital gains differential on sale of non-core assets	**–**	2	2
Recognition of deferred taxation on assessed losses not previously recorded	**15**	–	–
Withholding taxation	**(13)**	(4)	(3)
South African normal taxation rate	**28**	28	28

	Twelve months ended 31 March 2017 Audited Cents	Six months ended 31 March 2016 Audited Cents	Twelve months ended 31 March 2016 Unaudited Cents[a]
6. EARNINGS AND HEADLINE EARNINGS			
Earnings per share			
Basic	**8**	54	117
Diluted	**8**	53	115
Basic (normalised)[b]	**47**	43	111
Diluted (normalised)[b]	**47**	42	109
Headline earnings per share			
Basic	**7**	41	107
Diluted	**7**	41	105
Basic (normalised)[b]	**47**	43	110
Diluted (normalised)[b]	**46**	42	109
Determination of headline earnings per share			
Earnings per share	**8**	54	117
Adjusted for:			
Proceeds from insurance claim	**(1)**		–
Impairments and profit on sale of non-core assets	**–**	(17)	(11)
Taxation impact	**–**	4	1
Headline earnings per share	**7**	41	107
	Rm	Rm	Rm
Headline earnings			
Profit for the year	**27**	351	731
Impairments and profit on sale of non-core assets	**10**	(112)	(75)
Taxation on impairments and profit on sale of non-core assets	**(3)**	24	11
Loss on sale of property, plant and equipment	**10**	–	–
Taxation on loss sale of property, plant and equipment	**(3)**	–	–
Proceeds from insurance claim	**(27)**	–	–
Taxation on proceeds from insurance	**8**	–	–
Headline earnings	**22**	263	667

NOTES TO THE AUDITED PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Unaudited Rm[a]
6. EARNINGS AND HEADLINE EARNINGS continued			
Attributable to:			
Shareholders of PPC Ltd	**85**	281	724
Non-controlling interests	**(63)**	(18)	(57)
Normalised earnings			
Profit for the year	**27**	351	731
Normalisation adjustments[b]	**473**	(75)	(40)
Normalised profit for the year	**500**	276	691
Attributable to:			
Shareholders of PPC Ltd	**527**	294	748
Non-controlling interests	**(27)**	(18)	(57)

	Cents	Cents	Cents
Net asset book value per share	**533**	573	573
Cash earnings per share[c]	**75**	49	291
Cash conversion ratio[d]	**0,9**	0,7	1,0

[a]Following the successful four billion (one billion shares) rights issue by the company during September 2016, the prior reporting period weighted average number of shares have been adjusted by a factor of 1,29 times in accordance with IAS 33 *Earnings per Share* and accordingly the earnings per share has been restated.

[b]**Normalisation adjustments comprise:**			
Empowerment transactions IFRS 2 charges	**206**	18	36
Foreign exchange loss on the DRC VAT receivable (refer note 10)	**112**	–	–
Impairments (refer note 4)	**10**	4	41
Liquidity and guarantee facility raising fees and related costs (refer note 3)	**163**	–	–
Loss on sale of property, plant and equipment	**10**	–	–
Prior period taxation adjustments	**36**	(14)	(18)
Proceeds from insurance claim	**(27)**	–	–
Profit on sale of non-core assets	**–**	(117)	(117)
Restructuring costs	**9**	14	14
Taxation impact (excluding prior period taxation adjustments)	**(46)**	19	4
	473	(76)	(40)
Normalised earnings	**485**	(76)	(40)

[c]Cash earnings per share is calculated using cash available from operations divided by the total weighted average number of shares in issue for the year. Following the successful rights issue 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.

[d]Cash conversion ratio is calculated using cash generated from operations divided by EBITDA as defined in segmental information.

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 14.

	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Unaudited Rm
7. PROPERTY, PLANT AND EQUIPMENT			
Net carrying value at the beginning of the year	**11 716**	10 648	8 009
Acquisition of subsidiary company (refer note 20)	**98**	–	–
Additions	**2 236**	1 122	3 395
Depreciation	**(740)**	(348)	(667)
Other movements	**84**	(2)	(18)
Impairments (refer note 4)	**(10)**	(4)	(39)
Transfer to non-current assets held for sale	**–**	–	(40)
Translation differences	**(853)**	300	1 076
Net carrying value at the end of the year	**12 531**	11 716	11 716
Comprising:			
Freehold and leasehold land, buildings and mineral rights	**742**	800	800
Decommissioning assets	**164**	79	79
Plant, vehicles, furniture and equipment	**11 624**	10 836	10 836
Capitalised leased plant	**1**	1	1
	12 531	11 716	11 716
Assets pledged as security:			
DRC	**3 269**	2 754	2 754
Rwanda	**2 072**	2 140	2 140
Zimbabwe	**1 963**	1 959	1 959
	7 304	6 853	6 853

Included in plant, vehicles, furniture and equipment are vehicles with a carrying value of R11 million that have been used as security for finance lease obligations of R5 million that were consolidated into the financial statements with the acquisition of 3Q Mahuma Concrete (refer note 20).

	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Unaudited Rm
Capital work in progress included in plant, vehicles, furniture and equipment:			
DRC	**3 322**	2 822	2 822
Rwanda	**12**	6	6
Zimbabwe	**13**	817	817
Slurry	**1 111**	349	349
Other	**26**	323	323
	4 484	4 317	4 317

For details on capital commitments, refer note 21.

NOTES TO THE AUDITED PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

7. PROPERTY, PLANT AND EQUIPMENT continued

Impairment assessments

DRC

PPC, in partnership with the Barnet Group and International Finance Corporation (IFC), are constructing a 1,2mtpa integrated cement plant for US$280 million in DRC. The plant is near Kimpese in Kongo Central province in western DRC, 230km south-west of the capital Kinshasa.

The DRC market is facing uncertainty driven by political instability imports from Angola impacting on cement demand and subdued selling prices. In addition, the competitive landscape has become challenging due to imports and new capacity in the market. These factors have necessitated an impairment assessment of the company's investment in the DRC operations. Management has therefore performed an impairment assessment based on fair value less costs of disposal. This has been determined as the most accurate current approach to determine a fair value as management believe the information relating to the costs capitalised to the plant are accurate and should provide a reasonable assessment of the current fair value. The plant is new thus management believes that the fair value approximated by the original costs for construction of the plant, which at year-end amounted to R3,4 billion (2016: R2,3 billion). Management has no intention to dispose of the asset and hence the cost of disposal are estimated as negligible and in their view will not materially change their estimated fair value. As a result, management believes there is no impairment charge in relation to property, plant and equipment at the reporting date.

The plant produced its first cement in April 2017 from imported clinker. The first clinker firing was in April 2017 and the plant should be able to produce its own finished cement around June 2017. The plant Performance Acceptance Certificate (PAC) is planned to be signed by PPC Barnet and Sinoma (EPC contractor) upon meeting certain technical requirements. At the next reporting date, management will perform an evaluation of impairment indicators and if impairment indicators do exist, a full impairment assessment will be performed at 30 September 2017.

Rwanda

The new 600tpa plant was commissioned during September 2015. Targeted performance levels have not been achieved after commissioning of the new plant as originally anticipated and this below budget performance has prompted management to carry out an impairment assessment.

In performing the impairment review, a value-in-use methodology was applied. Cash flow projections were based on financial forecasts approved by management applying a 15% in-country discount rate. The cash flow projections during the forecast period are based on similar pricing and margins to those currently being achieved by the business. The values used reflect past experiences while the economic growth rates of approximately 7,5% per annum are management's best estimates that have been prepared using leading financial institutions' forecasts.

Following the impairment assessment review, the recoverable amount of CIMERWA was calculated to be higher than its carrying amount resulting in no impairment. The valuation achieved reflects headroom of 3% against the current net asset value of CIMERWA. Management will continue to monitor the position.

Zimbabwe

As a result of the current economic environment and liquidity challenges being experienced in Zimbabwe, an impairment assessment was undertaken.

In performing the impairment review, a value-in-use methodology was applied. Cash flow projections were based on financial forecasts approved by management applying a 13% US dollar discount rate. The cash flow projections during the forecast period are based on similar pricing and margins to those currently being achieved by the business. The values used reflect past experiences while the economic growth rates of approximately 1% per annum are management's best estimates that have been prepared using leading financial institutions' forecasts.

Following the impairment assessment review, the recoverable amount of PPC Zimbabwe was calculated to be higher than its carrying amount resulting in no impairment. The valuation achieved reflects a 10% headroom against the current net asset value of PPC Zimbabwe. Management will continue to monitor the implications of foreign currency shortages over the next few months and the potential implications on the business forecast.

		Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Unaudited Rm
8. GOODWILL				
Net carrying value at the beginning of the year		**255**	254	249
Translation differences		**(18)**	1	6
Net carrying value at the end of the year		**237**	255	255
Goodwill, net of impairments, is allocated to the following cash-generating units:				
CIMERWA Limited	(Rest of Africa cement segment)	**32**	50	50
Safika Cement Holdings (Pty) Ltd	(Southern Africa cement segment)	**78**	78	78
Pronto Holdings (Pty) Ltd	(Aggregates and readymix segment)	**127**	127	127
		237	255	255
9. OTHER INTANGIBLE ASSETS				
Balance at the beginning of the year		**766**	772	774
Acquisition of subsidiary company (refer note 20)		**10**	–	–
Additions		**19**	12	34
Amortisation		**(92)**	(45)	(86)
Transfers and other movements		**–**	–	3
Translation differences		**(26)**	27	41
		677	766	766
Comprising:				
Right of use of mineral assets		**203**	214	214
ERP development and other software		**126**	140	140
Brand and trademarks and customer relationships		**348**	412	412
		677	766	766

NOTES TO THE AUDITED PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Audited Rm
10. OTHER NON-CURRENT ASSETS			
Unlisted collective investment[(a)]	**124**	119	119
Derivative asset	**–**	2	2
VAT receivable[(b)]	**210**	319	319
	334	440	440
Advance payments for plant and equipment[(c)]	**38**	142	142
Investment in government bonds[(d)]	**8**	8	8
	380	590	590

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

(b) The VAT receivable has been classified as non-current, in line with last year. Management has however received a letter from the DRC Finance Department which indicates that the VAT needs to be paid to PPC Barnet DRC on condition that the money is utilised for local suppliers and local salaries. The letter does not however state when the payments will be made. As a result of the uncertainty of when the instalments will commence, the receivable has not been reclassified as current but will be assessed in September 2017.

(c) In terms of the construction agreements with the suppliers of the new cement plants in 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.

(d) Represents government of Zimbabwe treasury bills carried at fair value.

11. NON-CURRENT ASSETS HELD FOR SALE			
Property, plant and equipment[(a)]	**38**	42	42

(a) 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 is now anticipated to be completed by the second quarter of the 2018 financial year. 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 current carrying amount. PPC Zimbabwe is included under the cement rest of Africa segment in the segmental analysis. The underlying assets are US dollar denominated and the year on year reduction follows the strengthening of the rand against the US dollar.

	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Audited Rm
12. TRADE AND OTHER RECEIVABLES			
Trade receivables	**1 041**	982	982
Allowance for doubtful debts	**(46)**	(77)	(77)
Net trade receivables	**995**	905	905
Mark to market cash flow hedge	**–**	48	48
Mark to market fair value hedge	**27**	28	28
Proceeds due from the rights offer shares listed on the Zimbabwe Stock Exchange[a]	**86**	–	–
Proceeds due from the sale of shares	**37**	–	–
Other financial receivables	**179**	111	111
Trade and other financial receivables	**1 324**	1 092	1 092
Prepayments	**105**	65	65
VAT receivable	**99**	–	–
Taxation receivable	**124**	30	30
	1 652	1 187	1 187
Refer note 22 for fair value of trade and other receivables.			
Net trade receivables comprise	**995**	905	905
Trade receivables that are neither past due nor impaired	**816**	712	712
Trade receivables that would otherwise be impaired whose terms have been renegotiated	**2**	6	6
Trade receivables that are past due but not impaired	**177**	187	187

[a]The proceeds from the rights issue on the Zimbabwe Stock Exchange have not been remitted to PPC as at the date of this report.

NOTES TO THE AUDITED PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

		Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Audited Rm
13.	**CASH AND CASH EQUIVALENTS**	**990**	460	460
	Currency analysis:			
	Botswana pula	**32**	19	19
	Mozambican metical	**10**	17	17
	Rwandan franc	**54**	126	126
	South African rand	**422**	47	47
	United States dollar	**472**	251	251
		990	460	460
	Amounts denominated in foreign currencies have been translated at ruling exchange rates at year-end (refer note 24).			
	Cash restricted for use relating to:			
	PPC Environmental Trust	**8**	6	6
	Consolidated BBBEE entities	**–**	1	1
	CIMERWA project finance	**–**	247	247
	Zimbabwe[a]	**289**	–	–
		297	254	254

(a)Due to the current liquidity constraints in Zimbabwe, the ability to remit funds beyond the country has become more difficult and as a result the full amount of cash within Zimbabwe has been reflected as restricted cash. Also included in the PPC Zimbabwe cash and cash equivalents are bond notes. Bond notes are debt instruments which have been disclosed under cash and cash equivalents since it meets the definition of cash and cash equivalents and is pegged at 1:1 with the US dollar.

Cash and cash equivalents include cash on hand and cash on deposit, net of outstanding bank overdrafts, where there is a right of set-off.

	Twelve months ended 31 March 2017 Audited Shares (000)	Six months ended 31 March 2016 Audited Shares (000)	Twelve months ended 31 March 2016 Audited Shares (000)
14. STATED CAPITAL			
Authorised shares			
Ordinary shares	**10 000 000 000**	700 000 000	700 000 000
Preference shares	**20 000 000**	20 000 000	20 000 000
Number of ordinary shares and weighted average number of shares			
Total shares in issue at the beginning of the year	**607 181**	605 380	605 380
Shares issued to non-controlling shareholders in Safika Cement on exercise of put option	**–**	1 801	1 801
Shares issued for the acquisition of 3Q (refer note 20)	**17 566**	–	–
Shares issued in terms of the rights issue	**1 000 000**	–	–
Shares issued to the SBPs and CSGs following the maturity of the company's first BBBEE transaction	**15 571**	–	–
Shares issued to strategic black partners through the modification of the company's first BBBEE transaction	**(48 558)**	–	–
Total shares in issue before adjustments for treasury shares	**1 591 760**	607 181	607 181
Shares issued in terms of the second BBBEE transaction treated as treasury shares	**(37 382)**	(37 382)	(37 382)
Shares held by consolidated BBBEE trusts and trust funding SPVs treated as treasury shares	**(28 929)**	(34 477)	(34 477)
Shares held by consolidated Porthold Trust (Private) Limited treated as treasury shares	**(1 285)**	(1 285)	(1 285)
Shares purchased in terms of the FSP share incentive scheme treated as treasury shares	**(14 013)**	(5 563)	(5 563)
Total shares in issue (net of treasury shares)	**1 510 151**	528 474	528 474
Weighted average number of shares, used for:			
Earnings and headline earnings per share	**1 137 338**	680 086	680 086
Dilutive earnings and headline earnings per share	**1 148 753**	690 377	690 377
Cash earnings per share	**1 137 338**	680 086	680 086

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 and have been adjusted by a factor of 1,29 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 1,29, while the share movements post the rights issue have not been adjusted by the factor.

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

NOTES TO THE AUDITED PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

14. STATED CAPITAL continued

Shares held by consolidated participants of the second BBBEE transaction

Shares issued in terms of the second BBBEE transaction which was facilitated by means of a notional vendor funding (NVF) mechanism, with the transaction 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.

Shares held by consolidated BBBEE trusts and trust funding SPVs

In terms of IFRS 10 *Consolidated Financial Statements*, certain of the BBBEE trusts and trust funding SPVs from PPC's first BBBEE transaction are consolidated, and as a result, shares owned by these entities are carried as treasury shares on consolidation.

Shares held by consolidated Porthold Trust (Private) Limited

Shares owned by a Zimbabwe employee trust company are treated as treasury shares.

FSP incentive scheme

In terms of the forfeitable share plan (FSP) incentive scheme, 14 013 429 shares (March 2016: 5 563 488 shares) are held in total for participants of this long-term incentive scheme. The shares are treated as treasury shares during the vesting periods of the awards. During the period, no shares (March 2016: 779 152 shares) vested.

In terms of IFRS requirements, 5% (March 2016: 13%) of the total shares in issue are treated as treasury shares following the consolidation of the various BBBEE entities, employee trusts and incentive share schemes.

	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Unaudited Rm
Stated capital			
Balance at the beginning of the year	**(1 113)**	(1 165)	(1 141)
Acquisition of 3Q Mahuma Concrete, settled via the issue of shares (refer note 20)	**135**	–	–
Increase in stated capital from issuance of shares following rights issue (net of transaction costs)	**3 805**	–	–
Sale of shares, treated as treasury shares, by consolidated BBBEE entity	**37**	–	–
Shares issued to non-controlling interest in Safika on exercise of put option	**–**	26	26
Shares issued to strategic black partners through the modification of the company's first BBBEE transaction	**1 041**	–	–
Shares purchased in terms of FSP incentive scheme treated as treasury shares	**(74)**	–	(24)
Vesting of shares held by certain BBBEE 1 entities	**88**	–	–
Vesting of shares held in terms of the FSP share incentive scheme	**–**	26	26
Balance at the end of the year	**3 919**	(1 113)	(1 113)

	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Audited Rm
15. PROVISIONS			
Decommissioning and rehabilitation	**509**	374	374
Post-retirement healthcare benefits	**36**	34	34
	545	408	408

Group companies are required to restore mining and processing sites at the end of their productive lives to an acceptable condition consistent with local regulations, and in line with group policy. PPC has set up an environmental trust in South Africa to administer the local funding requirements of its decommissioning and rehabilitation obligations. Currently, there are no such regulations in other jurisdictions in which the group operates for the creation of a rehabilitation trust fund; however in the DRC bank guarantees are required. The investments in the trust fund are carried at fair value through profit/loss and amount to R124 million (March 2016: R119 million).

Historically, qualifying employees were granted certain post-retirement healthcare benefits. The obligation for the employer to pay medical aid contributions after retirement is no longer part of the conditions of employment for new employees. A number of pensioners remain entitled to this benefit, the cost of which has been fully provided.

	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Audited Rm
16. DEFERRED TAXATION			
Net liability at the end of the year comprises:	**931**	1 126	1 126
Deferred taxation asset	**142**	52	52
Deferred taxation liability	**1 073**	1 178	1 178
Analysis of deferred taxation			
Property, plant and equipment	**1 416**	1 490	1 490
Other non-current assets	**120**	164	164
Current assets	**14**	(2)	(2)
Non-current liabilities	**(113)**	(89)	(89)
Current liabilities	**(66)**	(38)	(38)
Reserves	**(83)**	(37)	(37)
Taxation losses	**(357)**	(362)	(362)
	931	1 126	1 126

Included in the net deferred taxation balance is a deferred taxation asset of R262 million (March 2016: R362 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.

This assessment involves significant judgement as it requires management to project available taxable profits over a five-year period. Management have relied on the same projections used in assessing impairment of property, plant and equipment (refer note 2). These projections indicate that the CIMERWA will be in a position to generate sufficient taxable profits to fully utilise the taxation losses. It is noted that the entity has very thin headroom and if projected sales fall below target by 2%, an impairment will be triggered.

NOTES TO THE AUDITED PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

17. LONG-TERM BORROWINGS

	Terms	Security	Interest rate	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Audited Rm
Notes[(a)]	Various, refer below	Unsecured	Various, refer below	**131**	1 747	1 747
Long-term loan	Interest is payable biannually with a bullet capital repayment in December 2016	Unsecured	Fixed 10,86%	**–**	1 417	1 417
Long-term loan[(b)]	Interest is payable quarterly with a bullet capital repayment in September 2017	Unsecured	Variable rates at 575 basis points above JIBAR	**1 565**	555	555
Long-term loan	Interest is payable monthly with a bullet capital repayable 18 months after notice period	Unsecured	Variable rates at 125 basis points above JIBAR	**–**	900	900
Project funding				**3 685**	3 372	3 372
Long-term loan	US dollar denominated, repayable in monthly instalments over a 10-year period, starting March 2016	Secured by CIMERWA's property, plant and equipment	Variable at 725 basis points above one-month US dollar LIBOR	**569**	806	806
Long-term loan	Rwanda franc denominated, repayable in monthly instalments over a 10-year period, starting March 2016	Secured by CIMERWA's property, plant and equipment	Fixed rate of 16%	**435**	474	474
Long-term loan	US dollar denominated, interest payable biannually. Biannual repayments in equal instalments over five years starting December 2016	Secured by PPC Zimbabwe's property, plant and equipment	Six-month US dollar LIBOR plus 700 basis points	**638**	550	550
Long-term loan	US dollar denominated, capital and interest payable biannually starting July 2017 ending January 2025	Secured by PPC Barnet DRC's property, plant and equipment	Six-month US dollar LIBOR plus 725 basis points	**2 043**	1 542	1 542

				Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Audited Rm
17.	**LONG-TERM BORROWINGS** continued					
BBBEE transaction[c]				–	844	844
	Terms	**Security**	**Interest rate**			
Preference shares	Dividends payable biannually, annual redemptions ended December 2016	Secured by guarantee from PPC Ltd	Variable rates at 81,4% of prime and fixed rates of 9,24% to 9,37%	–	33	33
Preference shares	Dividends payable biannually with capital redeemable from surplus funds. Compulsory annual redemptions until December 2016	Secured by PPC shares held by the SPVs	Variable rates at 86,9% of prime	–	16	16
Preference shares	Capital and dividends repayable by December 2016, with capital capped at R400 million	Secured by guarantee from PPC Ltd	Variable rates at 78% of prime	–	393	393
Long-term loans	Capital and interest repayable by December 2016, with capital capped at R700 million	Secured by guarantee from PPC Ltd	Variable rates at 285 basis points above JIBAR	–	402	402
Long-term borrowings				**5 381**	8 835	8 835
Less: Short-term portion of long-term borrowings				**(1 826)**	(4 221)	(4 221)
				3 555	4 614	4 614
Add: Short-term borrowings, bank overdrafts and short-term portion of long-term borrowings				**2 181**	4 557	4 557
Total borrowings				**5 736**	9 171	9 171

NOTES TO THE AUDITED PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Audited Rm
17. LONG-TERM BORROWINGS continued			
Maturity analysis of total borrowings			
One year	**2 181**	4 557	4 557
Two years	**570**	1 777	1 777
Three years	**669**	394	394
Four years	**568**	393	393
Five and more years	**1 748**	2 050	2 050
	5 736	9 171	9 171
Assets encumbered are as follows:			
Plant and equipment (refer note 7)	**7 304**	6 853	6 853

(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 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	**111**	750	750
PPC 004: seven years; 9,86%	July 2014	**–**	250	250
		131	1 750	1 750
Less: Transaction costs capitalised		**–**	(3)	(3)
		131	1 747	1 747
Less: Short-term portion		**–**	(1 747)	(1 747)
		131	–	–

(b)**Long-term loan**

The loan is reflected net of transaction costs of R12 million (March 2016: R35 million) which are being amortised over the 18-month period of the loan. Post-year-end the company has refinanced the facility with a maturity date of June 2018. The facility will bear interest at variable rates of 585 basis points above JIBAR.

(c)**BBBEE transaction**

The funding relating to the BBBEE transaction was settled during the year with the proceeds from the sale of the nil paid letters by the respective BBBEE entities and proceeds from the rights issue in September 2016, as PPC guaranteed the debt of the respective BBBEE entities.

	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Audited Rm
18. OTHER NON-CURRENT LIABILITIES			
Cash-settled share-based payment liability	**1**	3	3
Finance lease liabilities[a]	**5**	–	–
Liability to non-controlling shareholder in subsidiary company[b]	**16**	17	17
DRC put option liability[c]	**434**	415	415
Retentions held for plant and equipment[d]	**–**	97	97
	456	532	532
Less: Short-term portion of other non-current liabilities	**(3)**	(3)	(3)
	453	529	529

[a] Finance lease obligations acquired via the acquisition of 3Q Mahuma Concrete and are secured by vehicles (refer note 20).

[b] Relates to US dollar denominated interest payable on initial equity contribution 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 of the DRC has been settled.

[c] 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 for the shares but only for a five-year period. The value was calculated using the time value of money. In the prior year, the put option value was based on the DRC'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 the similar territories. The present value of the put option was calculated at R434 million (March 2016: R415 million).

[d] Retentions held on the construction of the cement plants. These retentions will be paid over to the contractors once the plants achieve guaranteed performance targets. These are all now under current as the plants are either in operation or close to completion at year-end.

NOTES TO THE AUDITED PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

		Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Audited Rm
19.	**TRADE AND OTHER PAYABLES**			
	Cash-settled share-based payment liability (short-term portion)	**1**	3	3
	Capital expenditure payables	**171**	229	229
	Derivative financial instruments	**–**	1	1
	Finance lease liabilities acquired through the acquisition of 3Q (refer note 18)	**2**	–	–
	Other financial payables	**49**	89	89
	Retentions held for plant and equipment	**297**	67	67
	Trade payables and accruals	**944**	994	994
	Trade and other financial payables	**1 464**	1 383	1 383
	Payroll accruals	**227**	139	139
	VAT payable	**46**	18	18
	Taxation payable	**106**	–	–
		1 843	1 540	1 540
	Trade and other payables, payroll accruals and regulatory obligations are payable within a 30 to 60-day period.			
20.	**ACQUISITION OF SUBSIDIARY COMPANY**			
	Fair value of assets and liabilities acquired at date of acquisition:			
	Property, plant and equipment	**98**		
	Intangible assets	**10**		
	Other non-current assets	**3**		
	Cash and cash equivalents	**4**		
	Other current assets	**102**		
	Other non-current liabilities	**(6)**		
	Current liabilities	**(76)**		
	Net fair value of assets and liabilities acquired	**135**		

20. ACQUISITION OF SUBSIDIARY COMPANY continued

3Q Mahuma Concrete

The fair values presented at interim were provisional and are now final, with no material changes to the provisional numbers disclosed in September 2016.

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.

3Q contributed R248 million to revenue. On an earnings and headline earnings per share basis, 3Q subtracted 1,03 cents for the nine months it has been consolidated into the group.

Fair value of intangible assets were valued by an independent specialist and amounted to R11 million, the significant portion thereof relating to the 3Q brand. These intangible assets will be amortised over a five year period. The fair value adjustments to property, plant and equipment amounted to R11 million and relates to trucks, which were valued using insurable replacement values.

	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Audited Rm
21. COMMITMENTS			
Contracted capital commitments	**549**	2 289	2 289
Approved capital commitments	**522**	994	994
Capital commitments	**1 071**	3 283	3 283
Operating lease commitments	**115**	124	124
	1 186	3 407	3 407
Capital commitments			
Southern Africa	**760**	1 649	1 649
Rest of Africa	**311**	1 634	1 634
	1 071	3 283	3 283
Capital commitments are anticipated to be incurred:			
– Within one year	**1 046**	2 731	2 731
– Between one and two years	**8**	543	543
– Beyond two years	**17**	9	9
	1 071	3 283	3 283

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

NOTES TO THE AUDITED PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

22. 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*	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Audited Rm
Financial assets					
Loans and receivables					
Derivative financial instruments		2	–	2	2
Mark to market hedges	11	1	**27**	76	76
At fair value through profit or loss					
Unlisted collective investments at fair value (held for trading)	9	2	**124**	119	119
Total financial assets			**151**	197	197
Level 1			**27**	76	76
Level 2			**124**	121	121
Financial liabilities					
At fair value through profit or loss					
Cash-settled share-based payment liabilities	15	2	**1**	3	3
Put option liabilities	15	3	**434**	415	415
Derivatives					
Derivative financial instruments		2	**1**	1	1
Total financial liabilities			**436**	419	419
Level 2			**2**	4	4
Level 3			**434**	415	415

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.

This note has been refined from that reported in the prior year to only include financial instruments held at fair value.

22. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES continued

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.

Put option liabilities have been calculated using EBITDA forecasts prepared by management and discounted to present value.

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)
Put option liabilities	Earnings multiple	EBITDA and net debt	74

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.

	Twelve months ended 31 March 2017 Audited Rm	Six months ended 31 March 2016 Audited Rm	Twelve months ended 31 March 2016 Unaudited Rm
Movements in level 3 financial instruments			
Financial assets			
Balance at the beginning and end of the year	**–**	–	95
Remeasurements	**–**	–	(13)
Transfer to level 2	**–**	–	(82)
Balance at the end of the year	**–**	–	–
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 the beginning of the year	**415**	464	–
Exercised during the year	**–**	(42)	–
Put options issued	**–**	–	422
Remeasurements	**–**	(16)	(30)
Time value of money adjustments	**19**	9	23
Balance at the end of the year	**434**	415	415

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

NOTES TO THE AUDITED PRELIMINARY SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

23. EVENTS AFTER THE REPORTING DATE

Except for the refinancing of debt in June 2017, there are no events that occurred after the reporting date that may have a material impact on the consolidated financial position at 31 March 2017.

The directors have complied with the requirements of IAS 1 paragraph 27 in considering the classification of the funding. With the signing of the refinance agreements on 2 June 2017, the company has successfully refinanced and lengthened the term of the R1.56 billion funds originally due on 30 September 2017 to 30 June 2018 and thus subsequent to the year-end, the funding has become non-current (refer note 17).

Post-year-end the following key events occurred that the group would like to highlight:
– The one million tonne per annum plant in the DRC was successfully commissioned during April 2017.
– The plant in Ethiopia was also successfully commissioned in April 2017.

24. CURRENCY CONVERSION GUIDE

Approximate value of foreign currencies to the rand:

	Average			Closing	
	Twelve months 2017	Six months 2016	Twelve months 2016	**2017**	2016
Botswana pula	**1,32**	1,36	1,23	**1,26**	1,36
US dollar	**14,08**	14,82	11,96	**13,43**	14,71
Rwandan franc	**0,02**	0,02	0,02	**0,02**	0,02
Mozambican metical	**0,28**	0,32	0,34	**0,19**	0,29

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 Gobodo, N Goldin,
TJ Leaf-Wright, T Mboweni, SK Mhlarhi, T Moyo*,
CH Naude, TDA Ross
*Zimbabwean

REGISTERED OFFICE
148 Katherine Street, Sandton, South Africa
(PO Box 787416, Sandton 2146, South Africa)

TRANSFER SECRETARIES
Computershare Investor Services (Pty) Ltd
Rosebank Towers
15 Biermann Avenue, Rosebank, 2196, South Africa
(PO Box 61051, Marshalltown, 2107, South Africa)

TRANSFER SECRETARIES ZIMBABWE
Corpserve (Private) Ltd
4th Floor, Intermarket Centre, Corner 1st Street/
Kwame Nkrumah Avenue, Harare Zimbabwe
(PO Box 2208, Harare, Zimbabwe)

COMPANY SECRETARY
JHDLR Snyman
148 Katherine Street, Sandton, South Africa
(PO Box 787416, Sandton 2146, South Africa)

SPONSOR
Merrill Lynch South Africa (Pty) Ltd
The Place, 1 Sandton Drive, Sandton, South Africa
(PO Box 651987, Benmore 2010, South Africa)

EXTERNAL AUDITORS
Deloitte & Touche
Deloitte Place, Building 1, The Woodlands
20 Woodlands Drive, Woodmead, 2052, South Africa
(Private Bag X6, Gallo Manor 2052, South Africa)

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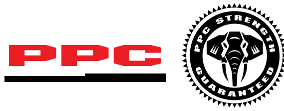

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