Strength in diversity

PPC

2016 ANNUAL FINANCIAL STATEMENTS

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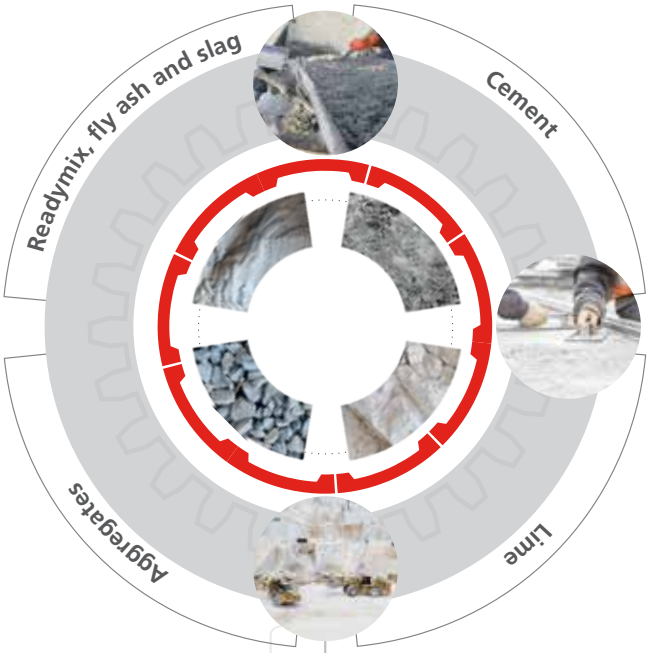
For 124 years, PPC has tracked the growth and development of southern Africa, producing cement for many iconic landmarks, including the Union Buildings, Gariep Dam and Van Staden's River Bridge, Kariba Dam, Gaborone airport, the Gautrain, Cape Town Stadium, Medupi power station and much of southern Africa's infrastructure. In recent years, PPC has extended its reach to support infrastructure development in several other African countries. Notably, we are now represented in Rwanda, the Democratic Republic of the Congo and Ethiopia.

Our focus extends beyond our group to the broader industry. As a leader in this industry, PPC has actively invested in technology to enhance energy efficiency to reduce air emissions, minimise waste production, recover and recycle raw materials and conserve natural resources, while producing a reliable and affordable supply of building materials to support the economies of countries where we operate.

PPC is a truly African success story – a focused business that reflects the strengths of its people, products and services. As we expand into the rest of the African continent, we will deploy our sustainable business model – one built to last for all stakeholders.

PRODUCT MIX INCLUDES:



Our vision

A world-class provider of materials and solutions into the basic services sector, taking a strategic approach to more than doubling our business every ten years.

Approval of the financial statements

for the period ended 31 March 2016

The directors of the company are responsible for the integrity and objectivity of the financial statements and other information contained in this report. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board in issue and effective for the group at 31 March 2016 and the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and financial reporting pronouncements as issued by the Financial Reporting Standards Council and in the manner required by the Companies Act of South Africa.

In discharging this responsibility, the group maintains suitable internal control systems designed to provide reasonable assurance that assets are safeguarded and that transactions are executed and recorded in accordance with group policies.

The directors, supported by the audit committee, are satisfied that such controls, systems and procedures are in place to minimise the possibility of material loss or misstatement.

The directors believe that the group has adequate resources to continue in operation for the foreseeable future and the financial statements appearing on pages 12 to 99 have, therefore, been prepared on a going concern basis. Refer to the going concern basis of preparation section on page 20 of this report for further detail around going concern.

The financial statements have been audited by the independent auditing firm, Deloitte & Touche, who has been given unrestricted access to all financial records and other related data, including minutes of all meetings of the board of directors, committees of the board and executives. The directors believe that all representations made to the independent auditors during the audit were valid and appropriate. Deloitte & Touche's unmodified report is presented on page 3 of this report. The auditors have however included on emphasis of matter in their report, which makes reference to the going concern note.

The financial statements were approved by the board of directors on 24 August 2016 and are signed on its behalf by:

PG Nelson
Interim chairman

DJ Castle
Chief executive officer

MMT Ramano
Chief financial officer

Certificate by company secretary

for the period ended 31 March 2016

In terms of section 88(2)(e) of the Companies Act 71 of 2008 (as amended), I certify that PPC Ltd has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of this Act and that such returns are true, correct and up to date.

JHDLR Snyman
Company secretary
24 August 2016

Preparer of the financial statements

for the period ended 31 March 2016

These financial statements have been prepared under the supervision of the chief financial officer, MMT Ramano CA(SA).

MMT Ramano
Chief financial officer
24 August 2016

Independent auditor's report

REPORT ON THE FINANCIAL STATEMENTS

We have audited the consolidated and separate financial statements of PPC Ltd set out on pages 12 to 99, which comprise the statements of financial position as at 31 March 2016, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PPC Ltd as at 31 March 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Emphasis of matter

Without modifying our opinion above, we draw your attention to the going concern note on page 20.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 March 2016, we have read the Company Secretary's Certificate, the Directors' Report, the Audit Committee's Report and the Chief Financial Officer's Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements.

These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the Independent Regulatory Board for Auditors (IRBA) Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of PPC Ltd for 14 years.

Deloitte & Touche
Registered Auditor

Per: B. Nyembe
Partner
24 August 2016

National executive: LL Bam* chief executive officer; TMM Jordan* deputy chief executive officer; MJ Jarvis* chief operating officer; GM Pinnock* Audit; N Sing risk advisory; NB Kader* tax; TP Pillay consulting; S Gwala; B Paas; K Black* clients and industries; JK Mazzocco* talent and transformation; MJ Comber* reputation and risk; TJ Brown chairman of the board.
*Partner and registered auditor.

A full list of partners and directors is available on request.

B-BBEE rating: Level 2 contributor in terms of the Chartered Accountancy Profession Sector Code.

Associate of Deloitte Africa, a member of Deloitte Touche Tohmatsu Limited.

Directors' report
for the period ended 31 March 2016

The directors have pleasure in presenting their report on the financial statements of the company and of the group for the six month period ended 31 March 2016, being the company's new financial year end.

GOING CONCERN

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

The unexpected event-driven review by S&P resulted in a downgrade in the company's credit rating thereby triggering the acceleration of the outstanding notes and putting pressure on the group's short-term liquidity position. In order to alleviate the liquidity position, the company successfully finalised the liquidity and guarantee facility agreement, which permitted the repayment of R1 614 million out of the R1.75 billion of outstanding notes, and concluded an underwrite agreement for its R4 billion rights issue.

Based on the conclusion of the underwrite agreement, the group remains optimistic that the conditions of the rights issue will be met. In addition to the group's current trading position, forecasts, facilities and guarantees in place, the directors believe that the group will be able to comply with its financial covenants and be able to meet its obligations as they fall due, and accordingly have formed a judgement that it is appropriate to prepare these financial statements on a going concern basis.

Further details can be found in the going concern basis of preparation section on page 20 of this report.

BUSINESS ACTIVITIES

PPC Ltd, its subsidiaries, joint ventures and associates, operate in Africa as producers of cement, aggregates, readymix, lime and limestone and fly ash.

The principal activities of the company and its subsidiaries remain unchanged from the previous reporting period. During the period, the company disposed of its non-controlling shareholding interest in Afripack. Further details of the disposal are included in the financial statements.

FINANCIAL PERFORMANCE

A comprehensive review of the group's financial performance is detailed in the financial statements.

STATED CAPITAL

On 31 March 2016, the issued shares of the company was 607 180 890 of no par value (September 2015: 605 379 648 of no par value).

Following approval from shareholders at the annual general meeting in January 2016, the company issued 1 801 242 shares to partly settle the put option held by management of Safika Cement, with the balance being settled in cash.

During the current reporting period, no shares were purchased in terms of the group's long-term employee incentive scheme, the forfeitable share plan, in contrast to the R24 million of shares (5 328 219 shares) that were purchased in the prior reporting period. The 2013 awards of R26 million comprising 779 152 shares vested during the period and are no longer treated as treasury shares.

At period end, the stated capital balance amounted to debit R1 113 million (September 2015: debit R1 165 million).

Details of shares authorised, issued and unissued at 31 March 2016 are disclosed in note 10 to the consolidated financial statements.

The company did not purchase any of its own shares during the period under review.

Post-period end, the company issued 17 565 872 shares following the finalisation of 3Q Mahuma Concrete (Pty) Ltd (3Q) acquisition, with the shares trading on the JSE with effect from 4 July 2016 thereby increasing the total shares in issue to 624 746 762.

On 1 August 2016, shareholders approved the increase in the authorised stated capital. Details can be found in note 38 in the consolidated financial statements.

REGISTER OF MEMBERS

The register of members of the company is open for inspection to members and the public, during normal office hours, at the offices of the company's transfer secretaries, Computershare Investor Services (Pty) Ltd, or at Corpserve (Pvt) Ltd (Zimbabwe).

Details of the transfer secretaries can be found in the corporate information section.

Details relating to the beneficial shareholders owning more than 5% of the issued stated capital of the company appear in the PPC Ltd shareholder analysis section on page 100.

DIRECTORS' INTEREST IN THE ISSUED SHARES OF THE COMPANY

Details of the beneficial holdings of directors of the company and their families in the ordinary shares of the company are given in the remuneration report included in the abridged remuneration report.

Certain directors and non-executive directors have indirect shareholding in the company following the completion of the broad-based black economic empowerment transactions. Details thereof are also provided in the abridged remuneration report.

There has been no change in the directors' interest since the period end.

SUBSIDIARY COMPANIES

When Safika Cement was purchased in 2014, put options were concluded with the management non-controlling shareholders whereby their shareholding would be sold to PPC at prescribed dates. In March 2016, the company early settled the put option for a consideration of R44 million, which brings its current shareholding to 95%. The balance of the shareholding is held by management via a trust, through a notional vendor funding mechanism.

Details of the group's subsidiaries can be found in the subsidiaries and non-controlling interests section on page 72.

As announced previously, the group was restructured with effect from 1 April 2016, with the South African cement business, previously part of PPC Ltd, being moved to a new wholly owned entity called PPC Cement South Africa (Pty) Ltd. Furthermore, the group will create a group services company, PPC Group Shared Services (Pty) Ltd, to better service the group's growing footprint and align to the group's strategic growth pillars, while the aggregates companies in Botswana will be amalgamated into one legal entity.

All conditions precedent to the acquisition of 100% of 3Q Mahuma Concrete (Pty) Ltd were finalised post the reporting period and the transaction was concluded on 1 July 2016. The contractually agreed purchase consideration of R140 million was settled via the issue of 17 565 872 PPC ordinary shares determined on a 14-day VWAP. However, in terms of IFRS, the transaction value needs to be recorded using a fair value of the share price on the transaction date. The spot price on 1 July 2016 of R7.68 per share is considered to be the fair value resulting in a recorded consideration of R135 million. Further details of the transaction are included in note 38.

EQUITY-ACCOUNTED INVESTMENTS

PPC concluded the sale of its 25% shareholding in Afripack Limited for a consideration of R70 million, with the resultant profit included in other exceptional items in the income statement. Following the sale of the stake, the loan that had been made available to Afripack was settled.

During the period, the group followed its rights on a capital raise and invested a further R75 million in Habesha Cement Share Company, increasing its shareholding to 35% as not all shareholders followed their rights.

Further details can be obtained in note 4 in the consolidated financial statements.

SPECIAL RESOLUTIONS

At the annual general meeting held on 25 January 2016, the following special resolutions were approved:

- Granting approval for the company to enter into intercompany loans with subsidiaries and other related entities within the group
- The pre-approval of the remuneration of non-executive directors
- General authority to repurchase own shares or acquisition of the company's shares by a subsidiary company
- The granting of shares for the acquisition of 3Q Mahuma Concrete (Pty) Ltd.

Post-period end, the following special resolutions were approved by shareholders:

- Increase to the authorised shares of the company
- Amendments to the MOI
- Authorisation for the ability to issue 30% or more of the company's ordinary shares for the purpose of implementing the proposed rights offer.

SPECIAL RESOLUTIONS PASSED BY SUBSIDIARY COMPANIES

No special resolutions were passed by subsidiaries of the company.

DIVIDENDS

No dividend has been declared during the reporting period aligning with the guidance given to shareholders in the 2015 year-end results announcement.

The company's dividend policy takes into account its growth considerations as well as prudency regarding its capital structure, and is therefore flexible with regard to the quantum and form of dividends.

PROPERTY, PLANT AND EQUIPMENT

At 31 March 2016, the group's net investment in property, plant and equipment amounted to R11 716 million (September 2015: R10 648 million), details of which are set out in note 1 to the consolidated financial statements.

Significant investments continue to be made outside of South Africa with R445 million and R276 million being spent in the DRC and Zimbabwe respectively.

There has been no change in the nature of the property, plant and equipment or to the policies relating to the use thereof during the period.

Certain of the company's properties remain the subject of land claims. The company continues discussions with the Land Claims Commissioner and awaiting the outcome of claims referred to the Land Claims Court. The claims are not expected to have a material impact on the company's operations.

Details of the group commitments of R3 283 million (September 2015: R4 643 million) can be found in note 30 in the consolidated financial statements.

BORROWINGS

At 31 March 2016, total borrowings amounted to R9 171 million (September 2015: R8 221 million) with the increase in borrowings being driven by the group's African expansion strategy, with non-South African borrowings amounting to R3 372 million (September 2015: R2 357 million).

Post-period end, Standard & Poor's reviewed PPC's rating with a resultant decline in the rating from the long-term South Africa national scale rating of zaA and "zaA-2" short-term South Africa national scale to zaBB- and zaB respectively. Following the ratings decline, the company was compelled to offer an early redemption to noteholders and as a result the amount owing of R1.75 billion, previously classified as long term, was reclassified to short-term borrowings. This early redemption negatively impacted the short-term liquidity position of the company. During June 2016, the company concluded the liquidity and guarantee facility agreement with Nedbank, Standard Bank, Rand Merchant Bank and Absa and payment of R1 614 million was made to noteholders who made an election for early redemption on 15 July 2016.

Details of borrowings can be found in note 13 in the consolidated financial statements.

EVENTS AFTER REPORTING DATE

Other than the impact of the ratings decline on the classification of notes, there are no other events that occurred after the reporting date that may have a material impact on the group's reported financial position at 31 March 2016. There were, however, transactions and events that took place post the reporting period that require disclosure. These are described in detail in note 38 in the consolidated financial statements.

DIRECTORS

The directors in office at the date of this report appear in the corporate information section.

At the annual general meeting held on 25 January 2016, Ms S Dakile Hlongwane was elected as a director while Messrs SK Mhlarhi and TDA Ross were re-elected as directors. At the same meeting, Messrs MP Malungani and BL Sibiya retired as directors of the company. The board would like to thank them for their valuable contribution made to the growth of the group.

The following directors are required to retire by rotation in terms of the memorandum of incorporation but being eligible, offer themselves for re-election and the nominations committee has recommended their re-election:

- N Goldin
- B Modise
- T Moyo.

GROUP COMPANY SECRETARY

The group company secretary of PPC Ltd is Mr JHDLR Snyman. His business and postal address appear in the corporate information section.

AUDIT COMMITTEE

The directors confirm that the audit committee has addressed specific responsibilities required in terms of section 94(7) of the Companies Act 71 of 2008 (as amended). Further details are contained within the audit committee report.

COMPETITION COMMISSION

In terms of the conditional leniency agreement with the Competition Commission, PPC continues to cooperate with its investigation and from our perspective, there have been no significant new developments.

AUDITORS

Deloitte & Touche were reappointed as auditors to the company at the annual general meeting held on 25 January 2016.

Report to the shareholders on the activities of the audit committee

The audit committee is a committee of the board of directors and in addition to having specific statutory responsibilities to shareholders in terms of the Companies Act, it assists the board by advising and making recommendations on financial reporting, oversight of the risk management process and internal financial controls, external and internal audit functions and statutory and regulatory compliance of the company.

TERMS OF REFERENCE

The audit committee has adopted formal terms of reference that were reviewed during the period and approved by the board of directors, and has executed its duties in the past financial period in line with these terms of reference.

COMPOSITION

At the date of this report, the committee consists of three independent non-executive directors:

Name	Qualification	Tenure
Tim Ross (chairman)	CA(SA)	8
Bridgette Modise	CA(SA)	5
Todd Moyo	CA(ZIM); CA(SA)	2

Peter Nelson was a member of the audit committee but subsequently resigned when he was appointed as PPC's interim chairman. Once a new chairman is appointed, he will go back onto the audit committee.

The CEO, CFO, chief audit executive, senior financial executives of the group and representatives from the external and internal auditors attend committee meetings. The internal and external auditors have unrestricted access to the audit committee.

MEETINGS

The audit committee held five meetings during the period, with attendance shown below:

26 January 2016	All present
25 May 2016	All present
3 June 2016	All present
13 June 2016	All present
11 August 2016	All present

STATUTORY DUTIES

In executing its statutory duties in the 2016 financial period relating to the appointment of the external auditors, the audit committee:

- Nominated Mr Nyembe, from the audit firm, Deloitte & Touche (Deloitte), for appointment. In the opinion of the committee, Mr Nyembe was independent of the company
- Determined Deloitte's terms of engagement
- Believes that the appointment of Deloitte complies with the relevant provisions of the Companies Act, JSE Listings Requirements and King III
- Monitored compliance with the policy setting out the extent of any non-audit services the external auditors may provide to the company or which the external auditors may not provide
- Pre-approved all non-audit service contracts with Deloitte
- Received no complaints on the accounting practices and internal audit of the company, the content or auditing of its financial statements, internal financial controls, or other related matters.

DELEGATED DUTIES

In executing its delegated duties and making its assessments (as reflected in its terms of reference), the audit committee obtained feedback from external and internal audit, and based on the processes and assurances obtained, believes the accounting practices are effective. Accordingly, the committee fulfilled all its obligations including:

Financial statements

The committee reviewed the financial statements, summarised financial statements, interim and provisional announcements, accompanying reports to shareholders and other announcements on the company's 2016 results to the public.

Integrated reporting

- Recommended to the board to engage an external assurance provider on material sustainability issues
- Reviewed the disclosure of sustainability issues in the integrated report to ensure it is reliable and does not conflict with the financial information
- Recommended the integrated report for approval by the board.

Internal audit

- Took responsibility for the performance assessment of Mr Semenya, chief audit executive
- Approved the internal audit plan and changes to the plan and satisfied itself that the audit plan makes provision for effectively addressing the critical risk areas of the business
- Reviewed internal audit's compliance with its charter (which was updated during the period and approved by the committee) and considered whether the internal audit function has the necessary resources, budget and standing within PPC to enable it to discharge its functions.

Risk management

The committee is an integral component of the risk management process and specifically reviewed:

- Financial risks
- Financial reporting risks
- Internal financial controls
- Fraud risks as it relates to financial reporting
- IT governance.

Report to the shareholders on the activities of the audit committee

continued

for the period ended 31 March 2016

External audit

- Evaluated and reported on the independence of the external auditor
- Reviewed the quality and effectiveness of the external audit process
- Based on our satisfaction with the results of activities outlined above, recommended to the board that Deloitte should be reappointed for 2017, with Ms Radebe nominated as the registered auditor. As required, this rotation of audit partners is in line with the Companies Act requirements and Ms Radebe will replace Mr Nyembe
- Determined the fees to be paid and the terms of engagement of the auditor
- Ensured the appointment of the auditor complies with the Companies Act and other relevant legislation.

Financial director

The committee has satisfied itself of the appropriateness of the expertise and experience of Ms Ramano, the financial director, and confirms this to shareholders.

Financial function

- The committee has reviewed the expertise, resources and experience of the group's finance function, and confirms this to shareholders
- In making these assessments, the committee obtained feedback from both external and internal audit
- Based on the processes and assurances obtained, the committee believes the accounting practices are effective.

Oversight of risk management

The committee engages with the risk and compliance committee to ensure adequate understanding of risk management processes.

Internal financial controls

- Reviewed the effectiveness of the company's system of internal financial controls, including receiving assurance from management and internal audit
- Reviewed material issues raised by the internal and external audit process
- Noted the report undertaken by the internal audit team with reference to:
  - The chief audit executive has completed a report to the board on the effectiveness of controls and risk management, which was tabled at the board meeting in June 2016. In this report he concluded that other than the weaknesses relating to governance, risk management and controls at PPC Barnet DRC, nothing has come to the attention of group internal audit to indicate that any significant breakdown in the functioning of controls, resulting in material loss to the group and the company, has occurred during the period and up to the date of this report. The items relating to PPC Barnet DRC are being attended to by management as a matter of urgency.
- Based on the processes and assurances obtained, the committee believes material internal financial controls are effective.

Going concern

As noted in the approval of the financial statements section on page 1 of these financial statements, the directors are required to consider whether the group will continue in operational existence for the foreseeable future.

In assessing the group's ability to meet its obligations as they fall due, management prepared cash flow and detailed liquidity forecasts based on the business and strategic forecasts for a period in excess of 12 months.

Management reported to the committee the results of its going concern assessment, noting to the committee that the group's capital structure after a successful rights issue should allow the group to comply with its financial covenants and meet its obligations as they fall due.

The committee interrogated management's key assumptions used in compiling the business and strategic forecasts and resultant cash flow and liquidity forecasts used in the going concern assessment. The committee was satisfied that key assumptions were appropriate and sufficiently robust.

Terms of the rights issue and resultant circulars and underwrite agreements were presented by management and their advisers to the committee. The committee scrutinised these documents and provided guidance and recommendations on the content for inclusion in these documents.

The committee was further satisfied with the going concern disclosures in the financial statements and that an appropriate basis of preparation of the financial statements had been achieved. Detailed commentary around the disclosure of the group's going concern position is included in the going concern basis of preparation section on page 20 and events after reporting date being note 38.

Combined assurance

During the period, further progress has been made to align the combined assurance model with the enhanced risk framework of the group. This review will only be implemented in 2016.

Regulatory compliance

The audit committee has complied with all applicable legal and regulatory responsibilities.

On behalf of the audit committee

Tim Ross
Chairman
11 August 2016

Chief financial officer's report

for the period ended 31 March 2016

INTRODUCTION

Post-completion of our first March year end, S&P Global Ratings (S&P) released a report downgrading the company's long and short-term South African national scale corporate credit ratings to zaBB-/zaB from zaA/zaA-2 respectively. As a result of this event-driven and unexpected ratings review which led to the company's long-term rating falling below investment grade, the company was obliged to offer early redemption to noteholders in terms of the domestic medium-term note (DMTN) programme memorandum. As a result, the company reclassified the amounts outstanding to noteholders as short-term, thereby negatively impacting the company's short-term liquidity. The company has, subsequent to period end, made significant progress in addressing its short-term liquidity constraints, which have been discussed further in this report.

I am pleased to report that the group maintained its EBITDA and related margins despite continued pressures from a low economic growth environment combined with increased competitor activity. This has been achieved by the group's continued commitment to the profit improvement programme (PIP), cost containment and strategy to improve all elements of cash flow generation.

In last year's report, I noted the company was looking to restructure its first BBBEE transaction. After much investigation, the company has concluded that the most beneficial option for all parties is to allow the transaction to run its original course and conclude in December 2016.

We have recently completed the implementation of the group's new legal organisational structure which will see the streamlining of our legal structure, changing the holding company from that of an operating and holding company into a traditional investment holding company and aligning the company structure with that of our group strategy. This streamlining became effective on 1 April 2016 and will form the basis of reporting going forward.

INCOME STATEMENT

In providing analysis on the income statement for the six months to March 2016, the comparison base used is the six months to March 2015. This, we believe, provides a more comparable basis for understanding the financial performance of the group rather than the 12 months to September 2015.

Total cement sales volumes for the six-month reporting period were 1% below last year at 2 614kt (2015: 2 629kt). South African cement volumes increased by 0.5% compared to the prior reporting period as the Western Cape and Eastern Cape provinces recorded double-digit growth on the back of reduced imports, while volumes in Gauteng and other inland provinces were lower compared to the prior reporting period due to increased competition.

In our rest of Africa portfolio, volumes in Zimbabwe declined 22% due to tighter market liquidity, increased local competition and lower disposable income, while cement volumes in Botswana declined 15% following increased competition in the southern African region. Since commissioning of the new plant in Rwanda in September 2015, over 124kt of cement has been sold seeing our market share rising in line with the increased output.

As a result of competition and overcapacity in the industry during the period under review, the group has experienced declining margins due to lower selling prices in South Africa and Botswana and our limited ability to pass on cost increases. Following the recent devaluation of the rand and other regional currencies against the US dollar, PPC Zimbabwe's ability to compete in the export market has been negatively impacted and has been compounded by rising levels of imports into the country.

The group has maintained a policy of deliberate and calculated pricing, incentive and promotional initiatives to remain competitive and support brand confidence, further strengthened by its technical support services.

In the South African materials business, lime volumes were 12% lower for the six months ended 31 March 2016 compared to the corresponding period last year on the back of continued pressures in the steel industry. Volume growth was however recorded in both the aggregates and readymix businesses as they supplied major projects such as the Mall of Africa, N14 and Cedar Road projects as well as the Steyn City development.

As a result of the above, group revenue declined by 1% to R4 501 million (2015: R4 541 million).

During the six months ended 31 March 2016, the group generated a further R178 million in savings from PIP, largely on the back of improved cost efficiencies and strategic cost reductions favourably impacting both the cost of sales and administration and other operating expenditure lines. The success of PIP is evident in cost of sales increasing only 2% to R3 261 million (2015: R3 206 million), while administration and other operating expenditure declined by 12% to R489 million (2015: R554 million), with total administration and other operating expenditure approximating 11% of revenue (2015: 12%). It is pleasing to note that the cumulative sustainable benefits from PIP now amount to R390 million and reflect the group's disciplined cost management culture which is evident in cost of sales for the South African cement business ending 3% lower than the prior period on a nominal per tonne basis.

EBITDA is up 2% at R1 144 million (2015: R1 123 million), with an EBITDA margin of 25.4% (2015: 24.7%) primarily due to improved efficiencies and cost savings.

Finance costs, including fair value adjustments on financial instruments, increased by 20% to R330 million (2015: R276 million). This increase was mainly due to interest of R88 million expensed to the income statement post-commissioning of our new plant in Rwanda in contrast to the prior reporting period where interest was being capitalised to property, plant and equipment during the commissioning phase.

Profit on disposal of non-core assets, being our investments in Afripack and Ciments du Bourbon amounted to R117 million. Impairments of R5 million were recorded on property, plant and equipment on loans advanced.

The group's taxation charge decreased by 4% to R156 million (2015: R163 million) at an effective tax rate of 31% (2015: 36%). The decrease in the effective tax rate was mainly due to the tax rate differential on capital profits made on the disposal of non-core assets and favourable prior year tax reassessments.

Profit attributable to PPC shareholders increased 35% to R369 million (2015: R274 million), with the increase ascribed to the profit made on the sale of non-core assets partly offset by increased finance charges. In line with this, headline earnings per share ended 12% lower at 53 cents (2015: 60 cents) while normalised earnings per share of 56 cents was 8% lower than the prior year in part due to the increased finance costs as noted earlier.

STATEMENT OF FINANCIAL POSITION

In providing analysis on the statement of financial position, the comparable base used is the statement of financial position at 30 September 2015, as the group has invested substantially in expansion projects with a resultant increase in borrowings.

At 31 March 2016, property, plant and equipment amounted to R11 716 million (September 2015: R10 648 million), with capital investments in property, plant and equipment amounting to R1 176 million with R970 million being invested in the Slurry kiln 9 project in South Africa and expansions in the DRC and Zimbabwe. The group has made substantial progress with its projects; the 1mtpa plant in the DRC, the 700ktpa plant in Zimbabwe and the 1mtpa Slurry kiln 9 project anticipated to be commissioned early calendar 2017, end of calendar 2016 and 2018 calendar respectively. Following the devaluation of the rand by approximately 7% post-September 2015, translation adjustments of R300 million were recorded to property, plant and equipment.

Capital commitments at period end amounted to R3 283 million (September 2015: R4 643 million). On the DRC project, we have identified additional potential startup funding requirements to which PPC might have to contribute between US$20 million and US$50 million which will be reimbursed to the company from future operating profits made by the DRC business. These payments may arise because of delayed VAT repayments (VAT exemption was only received in January 2016), settling of bank facilities relating to cement trading losses incurred ahead of commissioning and pre-funding of future debt repayments.

In Ethiopia, the US$170 million to US$180 million, 1.4mtpa plant remains scheduled to be commissioned in the second quarter of calendar 2017. Plant construction is progressing well, with overall project progress at 71%. During the period, the group invested a further R75 million into Habesha, thereby increasing PPC's shareholding to 35%.

Non-current assets have increased by R235 million from September 2015 to R590 million following the reclassification of VAT incurred on the DRC project as the local revenue authorities indicated that there would be delays in refunding VAT receivables.

During March 2016, the company acquired the shareholding in Safika Cement that was previously owned by Safika Cement management, under a put option agreement, for R44 million. The purchase consideration was settled with a combination of cash and through the issue of new PPC shares. PPC now holds 95% of Safika Cement with the balance being owned by management, via a trust, through a notional vendor financing mechanism.

BORROWINGS AND GOING CONCERN

Group debt increased to R9 171 million (September 2015: R8 221 million) following further investments in our DRC, Zimbabwe and Slurry projects. As the project funding debt is mainly denominated in US dollar and Rwanda franc, the devaluation of the rand had an unfavourable impact on borrowings when translated into rand.

As noted earlier, the amounts outstanding on the DMTN programme were reclassified to short-term borrowings. The group secured funding, through a liquidity and guarantee facility agreement, from Absa Bank, Nedbank, Rand Merchant Bank and Standard Bank to facilitate early redemption of the notes. This repayment was successfully concluded in July 2016, where R1 614 million of outstanding notes were repaid where noteholders selected early redemption.

On 22 August 2016, the company concluded an underwrite agreement for the R4 billion rights issue, which is subject to standard material adverse change clauses. On successful conclusion of the rights issue, the group's capital position will have been significantly enhanced ensuring the group continues to be a going concern for the foreseeable future. Further details can be found in the going concern basis of preparation section on page 20 of this report.

REVIEW AUDIT OPINION

Post-finalisation of the liquidity and guarantee funding and rights issue underwrite agreements, the disclaimer opinion received from our auditors on the reviewed financial results for the six months to March 2016, published on 14 June 2016, has been replaced with an unmodified audit opinion on the audited financial statements for the six months to March 2016. The auditors have however included an emphasis of matter in their unmodified report, which makes reference to the going concern note.

CASH FLOW

The group's net cash inflow from operating activities decreased by R75 million from R224 million in the six months ended 31 March 2015 to R149 million for the current reporting period. This decrease was due to an increase in working capital, in particular accounts payable and inventory, and higher finance costs paid offset in part by lower dividend and taxation payments.

Net cash outflow from investing activities increased by R284 million to R1 283 million (2015: R999 million) as the group further invested in property, plant and equipment, incurred further VAT payments on property, plant and equipment acquired for the DRC project, which will be recovered over time, and an additional investment into Habesha Share Company Limited.

The group's net cash inflow from financing activities increased by R217 million from R632 million in the six months ended 31 March 2015 to R849 million. This increase was due to net borrowings of R1 499 million raised in the six months to March 2016 in comparison to the R632 million raised in 2015 as the group utilised further on project funding for its expansion projects. Drawdowns on project funding were partly offset by the repayment of our first note (PPC001) of R650 million.

DIVIDENDS

In line with the revised, more flexible dividend policy implemented last year and taking the current liquidity constraints and phasing of our build programme into consideration, no dividend was declared.

LOOKING FORWARD

We will focus on ensuring a successful rights issue with R4 billion gross proceeds expected to flow into the group to repay outstanding amounts advanced under the liquidity and guarantee facility while the remainder of the proceeds will be used to reduce current debt levels. Post-receipt of the rights offer proceeds and strengthening of the group's capital structure, we will engage with the banks in order to optimally restructure our debt and related funding terms.

As noted earlier in the report, the company's first BBBEE transaction will conclude in December 2016. Work has already commenced with advisers and engagements taking place with the authorities in order to implement a suitable mechanism to address the future BEE ownership shortfall following the limited transfer of BBBEE I.

On 1 July 2016, the acquisition of 100% of 3Q Mahuma Concrete (3Q) was concluded. This acquisition further enhances our channel management strategy and growth in the readymix concrete segment. We will focus on integrating 3Q into our business materials division further enhancing our service offering to our customers.

A key focus item will be the delivery on our financial and operating targets post-commissioning of the DRC plant.

In conclusion, I would like to thank team PPC for their support of PIP and its related initiatives, and particularly the finance teams across the group for their continued dedication during this period.

MMT Ramano
Chief financial officer
24 August 2016

Accounting policies
for the period ended 31 March 2016

BASIS OF PREPARATION

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB) in issue and effective for the group at 31 March 2016 and the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa using the historical cost convention except for certain financial instruments and liabilities that are stated at fair value.

The basis of preparation is consistent with the prior year and the group has not adopted any new or revised accounting standards, amendments and interpretations of those standards, as none were effective during the period under review.

The group has not applied the following new and revised standards and interpretations that have been issued but are not yet effective:

- Amendment to IAS 1 *Presentation of Financial Statements: Disclosure Initiative*
- Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception*
- Amendment to IFRS 11 *Accounting for Acquisition of Interests in Joint Operations*
- Amendment to IAS 16 and IAS 41 *Agriculture: Bearer Plants*
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendment to IAS 27 *Equity Method in Separate Financial Statements*
- IFRS 14 *Regulatory Deferral Accounts*
- Annual improvements 2012 – 2014 cycle
- IAS 7 *Statement of Cash Flows*: amendment as a result of the disclosure initiative
- IAS 12 *Income Taxes*: amendment by recognition of deferred tax assets for unrealised losses
- IFRS 7 *Financial Instruments: Disclosure*
- IFRS 15 *Revenue from Contracts with Customers*
- IFRS 9 *Financial Instruments*
- IFRS 16 *Leases*

The group does not anticipate that the amendments will have a material impact on the consolidated financial results.

During the period the company changed its financial year-end to March, aligning with its expansion ambitions, which will result in the amounts presented not being comparable.

BASIS OF CONSOLIDATION

The group consolidates all of its subsidiaries. Accounting policies are applied consistently in all group companies except for the Democratic Republic of the Congo (DRC) and Mozambique where local accounting standards are not in line with IFRS as it is a requirement to comply with OHADA and Primavera respectively.

Where a subsidiary of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial information in preparing the consolidated financial statements to ensure consistency with the group's accounting policies.

The results of subsidiaries are included from the effective date of acquisition up to the effective date of disposal. All subsidiaries, with the exception of the CIMERWA and the DRC incorporated subsidiaries, have the same financial year end as the company. The financial year end of the Pronto entities were amended during the period to align with PPC. The financial year end of the respective DRC incorporated entities is December and is prescribed by local legislation.

Total comprehensive income of subsidiaries is attributed to shareholders of PPC and non-controlling interests even if this results in a debit to non-controlling interests.

The group's interests in joint ventures and associates are accounted for using the equity method of accounting.

All intragroup balances, transactions, income and expenses and profit or losses resulting from intragroup transactions between the holding company and/or subsidiaries of the holding company and other fellow subsidiaries are eliminated in full.

UNDERLYING CONCEPTS

Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when a legally enforceable right to set off the amounts exists and the intention is either to settle on a net basis or to realise the asset and settle the liability simultaneously. The gross amount of the financial assets and financial liabilities is disclosed in the notes to the consolidated financial statements.

Changes in accounting policies are accounted for in accordance with the transitional provisions noted in the applicable accounting standard. If no such guidance is given, then changes are applied retrospectively, unless it is impracticable to do so, in which case they are applied prospectively.

Prior period errors are retrospectively restated unless it is impracticable to do so, in which case they are applied prospectively.

Changes in accounting estimates are recognised in profit or loss and are prospectively applied.

RECOGNITION OF ASSETS AND LIABILITIES

Assets are only recognised if they meet the definition of an asset, it is probable that future economic benefits associated with the asset will flow to the group and the cost or fair value can be reliably measured.

Liabilities are only recognised if they meet the definition of a liability, it is probable that future economic benefits associated with the liability will flow from the group and the cost or fair value can be reliably measured.

Financial instruments are recognised when the group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities, as a result of firm commitments, are only recognised when one of the parties has performed under the contract.

DERECOGNITION OF ASSETS AND LIABILITIES

Financial assets are derecognised when the contractual rights to receive cash flows have been transferred or have expired or when substantially all the risks and rewards of ownership have passed.

All other assets are derecognised on disposal or when no future economic benefits are expected from their use.

Financial liabilities are derecognised when the relevant obligation has either been settled or cancelled or has expired.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment (PPE) represents tangible items and intangible items that are integrated with tangible items that are held for use in the production or supply of goods and are expected to be used during more than one year. Day-to-day servicing costs, such as labour and consumables, are expensed in profit and loss.

Items of PPE are initially recognised at cost, which includes any costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including waste stripping costs.

Waste stripping costs are the costs incurred when overburden or waste material is removed to obtain access to an orebody. The stripping activity is accounted for as an addition to, or as an enhancement of, an existing asset and classified according to the nature of the existing asset of which it forms part.

The costs of stripping activity are accounted for in accordance with the inventories accounting policy to the extent that the benefit from the stripping activity is realised in the form of inventory produced. The costs of stripping activity which provides a benefit in the form of improved access to ore are recognised as a non-current stripping activity asset. When the costs of the stripping activity asset and the inventory produced are not separately identifiable, production stripping costs are allocated between the inventory produced and the stripping activity asset based on the volume of waste extracted compared with the expected volume, for a given volume of ore production.

The cost of self-constructed assets includes expenditures on materials, direct labour and an allocated portion of direct project overheads. Cost also includes the estimated cost of dismantling and removing the assets and site rehabilitation costs to the extent that they relate to the construction of the asset and required by local legislation. Gains and losses on qualifying cash flow hedges attributable to that asset are also included in the cost.

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairments.

Depreciation is charged so as to write off the depreciable amount of the assets, other than land, over their estimated useful lives, using a method that reflects the pattern in which the asset's future economic benefits are expected to be consumed. Where significant parts of an asset have different useful lives to the asset itself, these parts are depreciated over their estimated useful lives.

The methods of depreciation and useful lives are reviewed annually. The following methods and rates were used during the period:

Land	Not depreciated	
Capital work in progress	Not depreciated	
Buildings	Straight line	up to 30 years
Plant	Straight line	up to 35 years
Vehicles	Straight line	up to 10 years
Furniture and equipment	Straight line	up to 6 years
Mineral rights	Straight line	Estimated life of reserve
Leasehold improvements	Straight line	Written off over the lease period or shorter period if appropriate

Assets held under finance leases are depreciated over their expected useful lives or the term of the relevant lease, whichever is the shorter.

Stripping activity assets are depreciated over the expected useful life of the identified component of the orebody that becomes more accessible as a result of the stripping activity.

The gain or loss arising on the disposal or scrapping of PPE is recognised in profit or loss.

ADVANCE PAYMENTS DENOMINATED IN FOREIGN CURRENCY FOR SIGNIFICANT ITEMS OF PPE

Project advance payments denominated in foreign currency are initially recorded at the ruling exchange rate on the date of the payment. The advance payment is treated as a non-monetary asset as there is no repayment in units of currency expected and is thus not translated at each reporting date. On the portion of any invoice for PPE that is offset by the advance payment, the amount capitalised to PPE is recorded at the historical carrying amount of the advance payment.

Advance payments for PPE are classified as a non-current asset as the prepayment will be recycled to PPE.

FACTORY DECOMMISSIONING AND QUARRY REHABILITATION

Group companies restore mine and processing sites at the end of their productive lives to conditions acceptable and prescribed by local regulations and consistent with the group's environmental policies.

A decommissioning provision is the estimated cost to dismantle all structures and rehabilitate the land on which the plant is located, while rehabilitation is the estimated cost of restoring the quarries' post-mining operations.

The expected cost of decommissioning or rehabilitation, discounted to its net present value, is provided and capitalised at the beginning of each project. The capitalised cost is depreciated over the expected life of the asset, and the increase in the net present value of the provision is included with finance costs (time value of money adjustments).

Changes in the measurement of an existing decommissioning or rehabilitation liability that result from changes in the estimated timing or amount of expected costs, or a change in the discount rate, are adjusted to the respective asset or recognised in profit or loss if no asset was initially recorded.

In South Africa, payments are made to a rehabilitation trust fund in accordance with statutory requirements. Currently, there are no such regulations in the 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 or loss. The trust is consolidated as the group is the sole contributor to the fund and exercises full control over the trust. Cash and cash equivalents held by the fund are reflected as restrictive cash. Investments made into the trust fund by the respective companies are carried at cost.

EXPLORATION COST

The group capitalises all exploration and evaluation costs. In evaluating if costs incurred meet the criteria to be capitalised, sources of information are used depending on the level of exploration undertaken.

While the criteria for determining capitalisation are based on the "probability" of future economic benefits, the information that management uses to make that determination depends on the level of exploration.

INTANGIBLE ASSETS

An intangible asset is an identifiable non-monetary asset without physical substance, which is not integrated with a tangible asset and comprises brands, mineral reserves, patents, trademarks, customer relationships, capitalised development costs and certain costs of purchasing and installation of major information systems (including packaged software).

Intangible assets are initially recognised at cost if acquired separately or internally generated or at fair value if acquired as part of a business combination. After initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses. If assessed as having an indefinite useful life, intangible assets are not amortised but tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount should be impaired and impaired if required. If assessed as having a finite useful life, intangible assets are amortised over its useful life using the straight-line basis or volume basis, for mineral reserves, and tested for impairment if there are indications that it may be impaired.

The useful life of an intangible asset with a finite life is reviewed annually to determine whether the finite life assessment continues to be supportable. If not, the change in the useful life assessment is made prospectively.

Research costs are recognised in profit or loss when they are incurred.

Development costs are capitalised only when and if they meet the criteria for capitalisation, otherwise they are recognised in profit or loss.

Patents and trademarks are measured initially at cost and amortised on a straight-line basis over their estimated useful lives.

A gain or loss arising on the disposal of an intangible asset is recognised in profit or loss.

GOODWILL

The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill. Goodwill represents the future economic benefits arising from assets that are not capable of being individually identified and separately recognised in a business combination.

Goodwill arising on the acquisition of a subsidiary is recognised separately as an intangible asset and is stated at cost less impairment losses. Goodwill is not amortised but tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount should be impaired. Goodwill arising on acquisition of equity-accounted associates and joint ventures is included in the carrying amount of the investment.

On disposal of a subsidiary, associate, joint venture or business unit to which goodwill was allocated on acquisition, the amount attributable to such goodwill is included in the determination of the profit or loss on the respective disposal.

BUSINESS COMBINATIONS

On acquisition date, fair values are attributed to the identifiable assets, liabilities and contingent liabilities. A non-controlling interest at acquisition date is determined as the non-controlling shareholders' proportionate share of the fair value of the net identifiable assets of the entity acquired.

When an acquisition is achieved in stages (step acquisition), the identifiable assets and liabilities are recognised at their full fair value when control is obtained, and any adjustment to fair values relating to these assets and liabilities previously held as an equity interest is recognised in profit or loss.

When there is a change in the interest in a subsidiary after control is obtained, that does not result in a loss in control, the difference between the fair value of the consideration transferred and the amount by which the non-controlling interest is adjusted is recognised directly in the statement of changes in equity.

If, on a business combination, the fair value of the group's interest in the identifiable assets, liabilities and contingent liabilities exceeds the consideration transferred, this excess is recognised in profit or loss immediately.

Acquisition-related costs to effect a business combination are expensed in the period they are incurred and the services received.

IMPAIRMENT OF ASSETS

At each reporting date, the carrying amount of tangible and intangible assets are assessed to determine whether there is any indication that those assets may have suffered impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. Value in use is estimated taking into account future cash flows, forecast market conditions and the expected remaining lives of the assets.

If the recoverable amount of an asset, or cash-generating unit, is estimated to be less than the carrying amount, its carrying amount is reduced to the higher of the recoverable amount or zero. Impairment losses are recognised in profit or loss. The loss is first allocated to reduce the carrying amount of goodwill and then to the other assets of the cash-generating unit. Subsequent to the recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted to allocate its remaining carrying value over the asset's remaining useful life.

If an impairment loss subsequently reverses, the carrying amount of the asset, or cash-generating unit, is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in profit or loss.

Goodwill acquired in a business combination and intangible assets with indefinite useful lives and cash-generating units to which these assets have been allocated are tested for impairment annually irrespective of whether there is any indication of impairment. Impairment losses recognised for goodwill are not subsequently reversed.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of a financial asset is reduced by the impairment loss directly for all financial assets except for trade receivables, where the carrying amount is reduced through the use of an allowance account.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES
Investments in subsidiaries, associates and joint ventures in the separate financial statements presented by the company are recognised at cost less any accumulated impairment losses.

INTERESTS IN SUBSIDIARIES
The consolidated financial statements incorporate the assets, liabilities, income, expenses and cash flows of the company and its subsidiaries as if they were a single economic entity.

The results of special purpose vehicles and companies that in substance are controlled by the group are consolidated.

SPECIAL PURPOSE VEHICLES AND EMPLOYEE TRUSTS
The group operates broad-based black economic empowerment and indigenisation schemes through special purpose vehicle (SPV) companies and trusts. These entities are operated for the purposes of incentivising staff to promote the continued growth of the group and to promote black economic empowerment or localisation.

The group generally retains the residual risks and/or benefits associated with the SPVs, thus they are controlled by PPC. These entities are consolidated until the date that effective control ceases.

INTERESTS IN ASSOCIATES
The consolidated financial statements incorporate the assets, liabilities, income and expenses of associates using the equity method of accounting, applying the group's accounting policies, from the acquisition date to the disposal date, except when the investment is classified as held for sale, in which case it is accounted for as a non-current asset held for sale.

The investment in the associate is carried at cost and adjusted for post-acquisition changes in the group's share of net assets of the associate less any impairment. Any long-term debt interests, which in substance form part of the group's net investment in the associate, are also included in the total carrying value of the associate. Losses of an associate in excess of the group's interest in that associate are not recognised, unless the group has incurred legal or constructive obligations or made payments on behalf of the associate.

Where a group entity transacts with an associate of the group, unrealised profits and losses are eliminated to the extent of the group's interest in the relevant associate.

INTERESTS IN JOINT VENTURES
Joint ventures are entities in which the group holds an interest on a long-term basis and which are jointly controlled by the group and other ventures under a contractual agreement. The group's interest in the joint venture is accounted for using the equity accounting method, described under interest in associates above.

FINANCIAL ASSETS
Financial assets are initially measured at fair value plus transaction costs. Transaction costs in respect of financial assets classified at fair value through profit or loss are expensed.

Financial assets are classified into the following categories:

Held-to-maturity investments
Investments classified as held-to-maturity financial assets are measured at amortised cost using the effective interest rate method less any impairment losses recognised to reflect irrecoverable amounts.

Financial assets at fair value through profit or loss
Financial assets are classified as fair value through profit or loss where the financial asset is either held for trading or is designated as at fair value through profit or loss. Financial assets at fair value through profit or loss are carried at fair value with any gains or losses being recognised in profit or loss. Fair value, for this purpose, is market value if listed or a value arrived at by using appropriate valuation models if unlisted.

Loans and receivables
Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables and are measured at amortised cost using the effective interest rate method less allowances where recoverability is doubtful. Write-downs of these assets are expensed in profit or loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale financial assets
Investments in unlisted shares are classified as available-for-sale financial assets. These investments are carried at fair value with any gains or losses being recognised directly in other comprehensive income. Fair value, for this purpose, is a value arrived at by using appropriate valuation models. An investment intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, is classified as a non-current available-for-sale financial asset. Where the investment is disposed of or determined to be impaired, the cumulative or a portion of the gain or loss previously recognised in equity is included in profit or loss for the period.

FINANCIAL LIABILITIES
Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss are measured at fair value with any resultant gain or loss recognised in profit or loss.

Financial liabilities measured at amortised cost
Financial liabilities measured at amortised cost are initially measured at fair value, net of transaction costs. These financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

DERIVATIVE FINANCIAL INSTRUMENTS
The group enters into a variety of derivative financial instruments, such as forward exchange contracts and interest rate swaps, to manage its exposure to interest rate and foreign exchange rate movements.

Derivatives that are assets or liabilities are measured at fair value, with changes in fair value being included in profit or loss other than derivatives designated as cash flow hedges.

To the extent that a derivative instrument has a maturity period of longer than one year, the fair value of these instruments will be reflected as a non-current asset or liability.

PUT OPTIONS
Put options granted to non-controlling shareholders of PPC subsidiaries entitle the non-controlling shareholders to sell their interest, or a part thereof, in the subsidiary at future dates to PPC.

In such cases, PPC consolidates the subsidiary's results and recognises the fair value of the put options, being the present value of the estimated future purchase price, as a financial liability. Where the options are expected to be exercised in a period exceeding one year, the fair value is reflected as non-current. In raising this liability, non-

controlling interest is reduced by the initial present value recorded and is not adjusted until the settlement of the put option.

Time value of money adjustments are recorded in respect of this liability within finance costs using the effective interest method. The estimated future purchase price is fair valued at each reporting date and any change in the value of the liability as a result of changes in the assumptions used to estimate the future purchase price are recorded in profit or loss under fair value adjustments on financial instruments.

HEDGE ACCOUNTING

If a fair value hedge meets the conditions for hedge accounting, any gain or loss on the hedged item attributable to the hedged risk is included in the carrying amount of the hedged item and recognised in profit or loss.

If a cash flow hedge meets the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in other comprehensive income and the ineffective portion, if any, is recognised in profit or loss. If an effective hedge of a forecast transaction subsequently results in the recognition of a financial asset or financial liability, the associated gains or losses recognised in equity are transferred to income in the same period in which the asset or liability affects profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gains or losses recognised as other comprehensive income are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

Hedge accounting is discontinued on a prospective basis when:
- The hedge no longer meets the hedge accounting criteria (including when it becomes ineffective)
- The hedge instrument is sold, terminated or exercised
- For cash flow hedges, the forecast transaction is no longer expected to occur
- The hedge designation is revoked.

Any cumulative gain or loss on the hedging instrument for a forecast transaction is retained in other comprehensive income until the transaction occurs, unless the transaction is no longer expected to occur, in which case the gain or loss is transferred to profit and loss.

LEASING

Leases are classified as finance leases or operating leases at the inception of the lease.

In the capacity of a lessee

Finance leases are recognised as assets and liabilities at the lower of the fair value of the asset and the present value of the minimum lease payments at the date of commencement of the lease. Finance costs represent the difference between the total leasing commitments and the fair value of the assets acquired. Finance costs are charged to profit or loss over the term of the lease and at interest rates applicable to the lease on the remaining balance of the obligations.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease or another basis if more representative of the time pattern of the lessee's benefit.

Leasehold improvements

Leasehold improvements are capitalised initially, measured at cost and, subsequent to initial measurement, they are measured at cost less accumulated depreciation and impairment losses.

Leasehold improvements are depreciated over the lease term or useful life, whichever is the shorter.

In the capacity of a lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

SHARE-BASED PAYMENTS

For share-based payment transactions among group entities, in the underlying separate financial statements, the entity receiving the goods or services measures the goods or services received as an equity-settled share-based payment transaction when the awards granted are its own equity instruments, or the entity has no obligation to settle the share-based payment transaction.

In all other circumstances, the entity receiving the goods or services shall measure the goods or services as a cash-settled share-based payment transaction. The entity settling a share-based payment transaction when another entity in the group receives the goods or services, shall recognise the transaction as an equity-settled share-based payment transaction only if it is settled in the entity's own equity instruments. Otherwise, the transaction shall be recognised as a cash-settled share-based payment transaction.

Cash settled

The cost of cash-settled transactions is measured initially at fair value at the grant date using the binomial option pricing model, which takes into account the terms and conditions upon which the instruments were granted. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations such as volatility, dividend yield, staff turnover and vesting periods. This fair value is expensed over the vesting period with a corresponding charge to liabilities.

The liability is remeasured at each reporting period, up to and including the settlement date, with changes in fair value recognised in profit or loss over the vesting period.

Equity settled

Equity-settled share-based payments are measured at the fair value of the equity instruments at grant date. The fair value of the share options at grant date is recognised and charged against profit or loss together with a corresponding movement in equity over the vesting period. Any fair value adjustments are calculated over the vesting period, ending on the date on which the performance conditions are fulfilled and the employees become fully entitled to exercise their options. The cumulative expense recognised for share options granted at each reporting date until the vesting date, reflects the extent to which the vesting period has expired and the number of

share option grants that will ultimately vest, based on management's best estimate.

Where an equity-settled award is cancelled by the group, it is accounted for as an acceleration of the vesting of the awards and is treated as if it had vested on the date of cancellation and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

Empowerment and management incentive transactions

To the extent that an entity grants shares or share options in a BBBEE, indigenisation (empowerment) or management incentive transaction and the value of the cash and other assets received is less than the fair value of the shares or share options granted, such difference is charged to the profit or loss in the period in which the transaction becomes effective. Where the empowerment and management incentive transaction includes service conditions, the difference is charged to profit or loss over the period of these service conditions. The issuance of fully vested shares, or rights to shares, is presumed to relate to past service, requiring the full amount of the grant date fair value to be expensed immediately.

A restriction on the transfer of the shares or share options is taken into account in determining the fair value of the share or share option.

DEFERRED TAX ASSETS

A deferred tax asset represents the amount of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred tax assets are reviewed at each reporting date and only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised and is accounted for using the balance sheet liability method. It is measured at the tax rates that have been enacted or substantially enacted at reporting date.

INVENTORIES

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process.

Inventories are initially recognised at cost, determined using a weighted average cost formula.

Subsequent to initial recognition, inventories are stated at the lower of cost and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, net of discount and rebates received. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion, distribution and selling.

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale or disposal groups are classified as held for sale if the carrying amount will be recovered principally through sale rather than through continuing use. This condition is regarded as being met only when the sale is highly probable and the asset held for sale or disposal groups are available for immediate sale in their present condition.

Where a disposal group held for sale will result in the loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale, regardless of whether a non-controlling interest in the former subsidiary is to be retained after the sale.

Immediately prior to being classified as held for sale, the carrying amount of the item is measured in accordance with the applicable IFRS. After classification as held for sale, it is measured at the lower of the carrying amount or fair value less costs to sell. An impairment loss is recognised in profit or loss for any initial and subsequent write-down of the asset or disposal group to fair value less costs to sell. A gain for any subsequent increase in fair value less costs to sell is recognised in profit or loss to the extent that it is not in excess of the cumulative impairment loss previously recognised.

Non-current assets or disposal groups that are classified as held for sale are not depreciated. From the date that an equity-accounted investment is classified as held for sale, the equity-accounted earnings are not provided for.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are measured at fair value with changes in fair value being included in profit or loss.

Cash and cash equivalents that are subject to restrictions on use are included under cash and cash equivalents but reflected as restricted.

Amounts denominated in foreign currencies are translated at ruling exchange rates at the reporting date.

DEFERRED TAX LIABILITY

A deferred tax liability represents the amount of income taxes payable in future periods in respect of taxable temporary differences.

A deferred tax liability is recognised for taxable temporary differences, unless specifically exempt, at the tax rates that have been enacted or substantially enacted at the reporting date.

Deferred tax arising on investments in subsidiaries, associates and joint ventures is recognised except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

DEFINED CONTRIBUTION RETIREMENT PLANS

Payments to defined contribution retirement plans are charged to profit or loss as incurred.

DEFINED BENEFIT POST-EMPLOYMENT HEALTHCARE BENEFITS

The cost of providing defined healthcare benefits is determined using the projected unit credit method. Valuations are conducted every three years by independent actuaries and interim adjustments to those valuations are made at each reporting period.

Actuarial gains and losses are recognised in profit and loss.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognised in profit or loss when the group is demonstrably committed to the curtailment or settlement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and the unrecognised past service costs.

PROVISIONS

Provisions represent liabilities of uncertain timing or amount.

Provisions are recognised when the entity has a present legal or constructive obligation, as a result of past events, for which it is

probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made for the amount of the obligation.

Provisions for onerous contracts are established after taking into consideration the recognition of impairment losses that have occurred on assets dedicated to those specific contracts.

Provisions are measured at the amount required to settle the present obligation. Where the effect of discounting is material, provisions are measured at their present value using an appropriate discount rate that reflects the current market assessment of time value of money and risks for which future cash flow estimates have not been adjusted.

TREASURY SHARES
Shares in the company held by group subsidiary companies, SPVs and employee trusts that require consolidation are classified as treasury shares. The consideration paid, inclusive of directly attributable costs, is disclosed as a deduction against equity.

The issued and weighted average number of shares is reduced by the treasury shares, weighted for the period they have been held by the subsidiary company, SPVs or employee trusts, for the purpose of determining earnings and headline earnings per share calculations.

Dividends received on treasury shares are eliminated on consolidation.

Shares repurchased by the company and subsequently cancelled are shown as an adjustment against equity.

DIVIDENDS
Dividends to equity holders are only recognised as a liability when declared and are included in the statement of changes in equity.

Dividends paid to employees in terms of the various empowerment schemes and in terms of the forfeitable share plan incentive scheme, are recognised directly in equity if the awards are expected to vest and for awards that are not expected to vest, the dividend paid is recognised as an expense.

REVENUE
Revenue represents the gross inflow of economic benefits during the period arising in the course of the ordinary activities when those inflows result in increases in equity, other than increases relating to contributions from equity participants.

Revenue is measured at the amount received or receivable net of cash and settlement discounts, rebates and other indirect taxes.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred, delivery has been made and title has passed, the amount of the revenue and the related costs can be reliably measured and it is probable that the customer will pay for the goods.

COST OF SALES
When inventories are sold, the carrying amount is recognised as part of cost of sales. Any write-down of inventories to net realisable value and all losses of inventories or reversals of previous write-downs or losses are recognised in cost of sales in the period the write-down, loss or reversal occurs. Cost of sales also includes the cost of delivering products to the customers.

EMPLOYEE BENEFIT COSTS
The cost of providing employee benefits is accounted for in the period in which the benefits are earned by employees.

The cost of short-term employee benefits is recognised in the period in which the service is rendered and is not discounted. The expected cost of short-term accumulating leave is recognised as an expense as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur.

The expected cost of profit-sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

BORROWING COSTS
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for use as intended by management.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that qualifying asset. The capitalisation rate shall be the weighted average of the borrowing costs applicable to the borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining the qualifying plant.

All other borrowing costs are expensed in the period in which they are incurred.

TRANSACTION COSTS
Transaction costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability are included or deducted from the fair value of the financial asset or financial liability respectively.

Transaction costs of an equity transaction are deducted against equity. Transaction costs related to an issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

INVESTMENT INCOME
Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

Dividend income from investments is recognised when the shareholders' right to receive payment has been established.

EXCEPTIONAL ITEMS
Exceptional items cover those amounts which are not considered to be of an operating nature, and generally include profit and loss on disposal of property, investments, subsidiaries, other non-current assets, impairments of capital items and goodwill and other items identified by management as warranting separate disclosure.

TAX
Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax
The charge for current tax is based on the results for the period as adjusted for income that is exempt, expenses that are not deductible and applicable allowances using ruling tax rates applicable to the taxable income.

Deferred tax

Deferred tax is recognised in profit or loss for all temporary differences, unless specifically exempt, at the tax rates that have been enacted at the reporting date except when it relates to items credited or charged directly to equity, in which case it is recognised in equity.

FOREIGN CURRENCY TRANSLATIONS

The group and company annual financial statements are presented in South African rand, being the company's functional currency.

The functional currency of each entity within the group is determined based on the currency of the primary economic environment in which that entity operates. Transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the reporting date. Non-monetary items that are retranslated at the rates prevailing at the date when fair value was determined and non-monetary items that are measured in terms on historical cost in a foreign currency are not translated.

Gains and losses arising on exchange rate differences are recognised in profit or loss. The financial statements of entities within the group, whose functional currencies are different to the group's presentation currency, are translated as follows:

- Assets, including goodwill, and liabilities at exchange rates ruling on the reporting date
- Income, expense items and cash flows at the average exchange rates for the period
- Equity items at the exchange rate ruling when the transaction occurred.

Resulting exchange differences are classified as a foreign currency translation reserve and recognised directly in the statement of comprehensive income. On disposal of such a business unit, the applicable portion of this reserve is recognised in profit or loss before being translated into the group's presentation currency.

RESERVES

Foreign currency – includes exchange differences arising on monetary items that form part of PPC's net investment in a foreign operation.

Available for sale – includes fair value changes on available-for-sale assets. The cumulative gain/loss is recognised in profit/loss on derecognition of the AFS asset.

Hedging – to the extent that certain hedges are effective, the gains or losses are included in the hedging reserve.

Equity compensation reserve – increase in equity from the issuance of shares relating to the forfeitable share incentive scheme and BEE transactions.

EVENTS AFTER THE REPORTING DATE

Recognised amounts in the financial statements are adjusted to reflect events arising after the reporting date that provide evidence of conditions that existed at the reporting date. Events that are indicative of conditions that arose after the reporting date are dealt with by way of an explanatory note.

COMPARATIVE FIGURES

Comparative figures are restated in the event of a change in accounting policy or prior period errors. Furthermore, where there is a subdivision of ordinary shares during the current period, the comparatives figures are restated.

OPERATING SEGMENT INFORMATION

Reporting segments

The group has four main reporting segments that comprise the structure used by the group executive committee (GEC) to make key operating decisions and assess performance. The group's reportable segments are operating segments that are differentiated by the activities that each undertakes and the products they manufacture and market in which products are sold.

The group evaluates the performance of its reportable segments on various measures, including revenue, EBITDA and net profit, together with various financial performance measurements. The group accounts for intersegment sales and transfers as if the sales and transfers were entered into under the same terms and conditions as would have been entered into in market-related transactions.

The financial information of the group's reportable segments is reported to the GEC for purposes of making decisions about allocating resources to the segment and assessing its performance.

The group's reporting segments comprise the following segments:

Cement

The cement division's activities include the mining of limestone for the manufacture and supply of cementitious products and head office activities.

Lime

The lime division's activities include the mining of limestone, and the manufacture and supply of metallurgical-grade limestone, burnt lime and burnt dolomite.

Aggregates and readymix

The aggregates and readymix division's activities include the mining and supply of aggregates and metallurgical-grade dolomitic limestone and the supply of readymix concrete, dry mortars and fly ash.

Other

Comprises the various consolidated trusts and trust funding SPVs relating to the company's BBBEE transactions.

Going concern basis of preparation

for the period ended 31 March 2016

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.

The financial performance of the group and company is dependent upon the wider economic environment in which it operates. Factors exist which are outside the control of the group which can have a significant impact on the business, specifically, volatility in the rand/US dollar exchange rate, energy prices and commodity prices, which impact on the business's input costs. Despite the operational and cost containment achievements of the group over the last 12 months, the weaker cement price environment due to competitive pressures has put the group's cash flows and profitability under pressure. The directors have determined that the group needs to take further decisive measures to improve its ability to operate in the current competitive pricing environment and enable it to benefit from any recovery in cement prices in the medium to long term.

In 2010, PPC embarked upon an expansion strategy to extract value from high-growth economies by expanding its footprint into the rest of Africa. The Rwanda expansion project was successfully commissioned in 2015 and during the next 12 months the group will commission its expansion projects in Zimbabwe, the DRC and Ethiopia. The result of these expansions will see an increase in gross production capacity of approximately three million tonnes per annum giving the group a strong foundation for further growth. Given the long lead time required to develop greenfield operations, the group has drawn down on pre-arranged project finance debt without an immediate concomitant increase in earnings and resultant cashflow.

During the same period of our expansion growth on the continent, external factors beyond the group's control have seen a slowing global economy, significant decline in commodity prices which culminated in downward pressures on selling prices in the regions in which the group operates. In addition, South Africa which is a major contributor to earnings, has seen intensified competition in terms of new entrants and also imports into the country despite the economic slowdown. That has resulted in overcapacity in the South African market. The board and executive management have reviewed the group's business and capital structure and developed a business plan in order to be able to deal effectively with the effects of a continuation of the current low selling price environment and limited economic growth. Key elements of the business plan are the reduction of costs and improvements in efficiencies, through the Profit Improvement program (PIP) implemented in 2015; from which R390 million of savings have been achieved; the curtailment of discretionary capital expenditure while preserving the ability of the business to increase production and compete efficiently when cement prices and economies improve. In prior years, the group had also completed the right-sizing of the various operations throughout the group.

As at 29 March 2016, the board had initiated a review of the group's capital structure and potential rights issue. This capital raise investigation was at an advanced stage at the date of the S&P Global Ratings review.

Post our current reporting date S&P Global Ratings conducted an event driven ratings review which was unexpected given that their annual review was supposed to be in June 2016. Given the unexpected event driven ratings review, the outcome was the downgrade to sub-investment grade to ZaBB-/ZaB from ZaA/ZaA-2 long and short-term South African national scale. Due to long-term rating falling below ZaBBB-, the company was required to offer early redemption in terms of its Domestic Medium Term Note ("DMTN") programme memorandum. The principal value of the notes issued in terms of DMTN programme amounted to R1,750 million as at 31 March 2016 and their maturity date was from the company's 2019 financial year onwards. At period end, the company reclassified the full outstanding notes' value from long-term borrowings to short-term borrowings, thereby creating a commercial insolvency where its current liabilities exceeded current assets.

In addition to this early redemption requirement, the company negotiated and finalised the liquidity and guarantee facility to a maximum of R2 billion, from Standard Bank of South Africa Limited, Rand Merchant Bank, Absa/Barclays Bank Limited and Nedbank Limited, that will bear interest at JIBAR plus 10% and guarantee fees of 7.5%. This facility was utilised to redeem the outstanding notes of R1,614 million on 15 July 2016 where noteholders opted to accept the company's offer (refer long-term borrowings, note 13, and events after reporting date, note 38). The balance of the outstanding notes of R136 million will continue following the original terms of the respective notes, as no response was received from noteholders. Should there be a subsequent response from noteholders, the company may consider the request of noteholders but is not legally bound in terms of the DMTN programme. Raising and transaction fees, incurred post the reporting date, of R171 million will be capitalised to borrowings and amortised to the income statement over the five month period of the facility.

The repayment of the liquidity and guarantee facility will be funded from the proceeds of the proposed rights issue, or 1 November 2016 if earlier. An additional R1 billion will also be utilised to repay other existing debt facilities out of the rights issue proceeds.

The board's review of the group's capital structure has resulted in significant steps being taken to strengthen the group's financial position. As released on the JSE SENS on 31 May 2016, the board is undertaking a R4 billion rights issue. A significant step to the rights issue was taken on the 1 August 2016, where shareholders approved the following resolutions at a general meeting of shareholders:

- The increase of the authorised stated capital from 700 000 000 shares to 10 000 000 000 shares
- The amendment to the memorandum of incorporation reflecting the increase in the authorised stated capital

- The authorisation to issue additional shares that will exceed 30% of the existing voting power of the shares that were in issue
- The granting of a general authority to directors to issue the required number of shares for purposes of implementing the proposed rights offer.

Following these approvals, the company is proceeding with the R4 billion proposed rights offer, which is subject to standard material adverse change clauses.

Management have prepared cash flow forecasts for a period in excess of 12 months. Various scenarios have been considered to test the group's resilience against business risks including:

- Significant adverse movements in the rand/US dollar exchange rate, from current forex levels, and cement selling prices or a combination thereof
- Failure to meet forecast demand targets.

The directors have concluded that the group's new capital structure, after a successful rights issue and debt facilities amendments, provides sufficient headroom to cushion against downside operational risks and reduces the risk of breaching new debt covenants.

If the rights issue is unsuccessful for whatever reason, the group would have to consider other alternatives which may reduce the risk that the group would be able to meet its obligations as they fall due. These options may include:

- Renegotiating or refinancing existing facilities
- Full or partial curtailment of capital projects, which may result in significant financial penalties
- Exploring the disposal of assets
- Merger or acquisition transaction involving the company, although there is no certainty that such sales or transactions could be realised in the available timeframe on acceptable terms, or at all.

These actions require the participation and agreement of external parties, the directors are therefore not confident that any such alternative courses of action could be achieved in the limited time available, or that they would ultimately be successful or be in the best interest of shareholders over the long term. As a result, in the event that the proposed rights issue is not completed and the amended facilities agreements do not come into effect, the group would be unable to meet its obligations as they fall due.

The need for shareholder approval of the planned rights issue therefore represented a material uncertainty that could have cast significant doubt about the group's and company's ability to continue as a going concern such that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Following approval from the shareholders at the general meeting on 1 August 2016, the directors believe that this uncertainty has been significantly eliminated.

The directors have concluded that the group's new capital structure, after fulfilling the successful rights issue, will provide the necessary headroom to cushion against increased business risks and depreciation in the currency, and reduces the risk of breaching new debt covenants. Accordingly, the directors believe that the successful completion of the planned rights issue is the best option available to the company.

Based on the group's expectation that the conditions of the planned rights issue will be met, in addition to the group's current trading position and forecasts and facilities in place, the directors believe that the group will be able to comply with its financial covenants and be able to meet its obligations as they fall due, and accordingly have formed a judgement that it is appropriate to prepare the financial statements on a going concern basis. These financial statements therefore do not include any adjustments that would result if the going concern assumption was not used as the basis for the underlying preparation of the financial statements

Judgements made by management

for the period ended 31 March 2016

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make estimates, assumptions and judgements that affect reported amounts and related disclosures, and therefore actual results, when realised in future, could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and subsequent periods if the revision affects both.

Judgements made by management in applying the accounting policies that could have a significant effect on the amounts recognised in the financial statements are:

ASSET LIVES AND RESIDUAL VALUES

Property, plant and equipment (PPE) are depreciated over their estimated useful lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological advancements, product lifecycles, life-of-mine and maintenance programmes are taken into account.

Except for Pronto, the residual value of all PPE of the group is regarded to be zero as PPE items are intended to be used for their entire useful life and at that stage the residual value is deemed to be of minimal value.

In the case of Pronto, the residual value assessments consider issues such as future market conditions, the remaining useful life of the asset and projected disposal values.

COSTS TO BE CAPITALISED TO A PROJECT

Significant judgement is required in identifying costs to be capitalised to a project during the construction, testing and ramp-up phases. Judgement is further required to identify indirect costs that could be capitalised.

COMMISSIONING DATE

The phase of each construction project is assessed to determine when the plant starts operating. The commissioning date is the date when the plant is in a condition necessary for it to be capable of operating in the manner intended by management.

The criteria used to assess the commissioning date are determined by the unique nature of each plant. Various criteria are considered to assess when the plant is substantially complete and ready for its intended use and moves into the production phase. Some of the criteria applied include, but are not limited to, the following:

- Majority of the assets making up the project are substantially complete and ready for use
- The level of capital expenditure incurred compared to the construction cost
- Completion of a reasonable period of testing of the plant and equipment
- The plant has been turned over to operations from the construction team
- A specified percentage of design capacity for the plant has been achieved over a continuous period
- The ability to produce the product in a saleable form and within specifications
- The ability to sustain ongoing production over a certain period.

RESERVES ESTIMATES

Reserves are estimates of the amount of ore that can be economically and legally extracted from our mining properties. Reserves and mineral resource estimates are based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the orebody, and require geological judgements to interpret the data and other relevant economical and technical data.

The estimation of recoverable reserves is based on factors such as estimates of selling prices, future capital requirements and production costs along with geological assumptions and judgements made in estimating the size and grade of the orebody.

Changes in the reserve or resource estimates may impact the carrying value of exploration and evaluation assets, mine properties, PPE, goodwill, provision for rehabilitation, recognition of deferred taxation assets and depreciation and amortisation charges.

BUSINESS COMBINATIONS

On the acquisition of a business or group of assets defined as a business, a determination of the fair value and useful life of tangible and intangible assets acquired is performed in terms of IFRS 3 *Business Combinations*. The determination of the fair values, measurement of the non-controlling interest and resultant goodwill, requires judgement in terms of the valuation methodology to be applied and the various inputs used in the underlying models.

The allocation of the purchase price affects the results of the group as intangible assets with finite lives are amortised over their estimated useful lives, while intangible assets with indefinite lives, including goodwill, are not amortised, which could therefore result in differing amortisation charges.

Future events could cause the assumptions used initially to change, thereby potentially having an impact on the results and net position of the group.

GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

Goodwill and intangible assets with indefinite useful lives are considered for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill or intangible asset is allocated. The recoverable amount is generally calculated by applying the discounted cash flow methodology using forecasts and appropriate discount rates approved by management.

Determining the expected cash flows and appropriate discount rates is judgemental in nature and involves the use of significant estimates and assumptions.

IMPAIRMENT OF ASSETS

PPE and intangible assets with definite useful lives are considered for impairment when there are events or changes in circumstances which indicate that the carrying amount of the assets may be impaired. Factors taken into consideration in reaching such decisions include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit.

The future cash flows expected to be generated by the assets are forecast, taking into account market conditions and the expected useful lives of the assets which require judgement. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are written down to the present value calculated.

If it is not possible to estimate the recoverable amount of the individual asset, the company determines the recoverable amount of the cash-generating unit to which the asset belongs.

DEFERRED TAXATION ASSETS
Deferred taxation assets are recognised to the extent it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Future tax profits are estimated based on the business plans which include estimates and assumptions regarding economic growth, interest, inflation and tax rates and the competitive environment.

VALUATION OF FINANCIAL INSTRUMENTS
The valuation of derivative financial instruments is based on the market position at the reporting date and other assumptions such as volatility, intrinsic value, time value and interest rates. The value of the derivative instrument fluctuates and the actual amounts realised may differ materially from their value at the reporting date.

IMPAIRMENT OF TRADE RECEIVABLES
The provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due in accordance with the original terms of credit given and includes an assessment of recoverability based on historical trend analysis and circumstances that exist at the reporting date.

CLASSIFICATION OF NOTES
In determining the timing classification of the outstanding notes in terms of the company's domestic medium-term programme (DMTN) at 31 March 2016, and taking cognisance of the S&P rating downgrade on the company, judgement was required in determining the maturity split of the outstanding notes between current and non-current. At the time of finalising the financial statements, engagement with noteholders had not been concluded and judgement was applied to classify all outstanding notes as short term due to the repayment obligation clauses as included in the DMTN programme.

FAIR VALUE OF SHARE-BASED PAYMENTS
Fair value used in calculating the amount to be expensed as a share-based payment is subject to a level of uncertainty. The group is required to calculate the fair value of the cash-settled and equity-settled instruments granted to employees in terms of the share option schemes, forfeitable share plan incentive schemes and share-based payment charges relating to empowerment transactions.

These fair values are calculated by applying a valuation model, which is in itself judgemental, and takes into account certain inherently uncertain assumptions such as dividend yield, share price volatility, performance conditions and staff turnover.

FACTORY DECOMMISSIONING AND REHABILITATION OBLIGATIONS
Estimating the future costs of these obligations is complex as most of the obligations will only be fulfilled in the foreseeable future. Furthermore, the resulting provisions are influenced by changing technologies, life of mine, political, environmental, safety, business and statutory considerations through the various jurisdictions in which PPC operates.

POST-EMPLOYMENT HEALTHCARE BENEFIT VALUATIONS
Actuarial valuations of employee benefit obligations under the now closed defined healthcare benefit plans are based on assumptions which include employee turnover, mortality rates, discount rates, healthcare inflation, the rate of compensation increases and current market conditions.

PUT OPTIONS
PPC has recognised the fair value of the non-controlling interests, being the present value of the future estimated option price, as a financial liability in the statement of financial position with a corresponding entry reducing non-controlling interests. The present value and timing of the expected redemptions and amounts need to be determined at each reporting date.

CONSOLIDATION OF SPECIAL PURPOSE VEHICLES
Special purpose vehicles (SPVs) established in terms of the various empowerment transactions and management retention schemes have been consolidated in the group results where there is evidence of control over the various SPVs in terms of IFRS 10 *Consolidated Financial Statements*. The PPC shares owned by the SPVs and consolidated trusts have therefore been treated as treasury shares and the related borrowings have been included in group borrowings on consolidation.

WEIGHTED AVERAGE NUMBER OF SHARES
Using the weighted average number of shares during the period reflects the possibility that the amount of shareholders' capital varied during the period as a result of a larger or smaller number of shares being outstanding at any time. Judgement is required to determine the number of shares and the timing when shares are issued, also considering the assessment of consolidation or deconsolidation of various SPVs during the period. The calculation of the weighted average number of shares impacts the calculation of basic, diluted and headline earnings per share.

INCOME TAXES
The group is subject to taxation in several jurisdictions with different tax filing periods. Judgement is therefore required in determining the estimate of the provision for income taxes at the group reporting period. There are transactions and calculations for which the ultimate taxation determination is uncertain during the ordinary course of business. The group recognises provisions for taxation based on estimates of the taxes that are likely to become due. Where the final taxation outcome is different from the amounts that were initially recorded, such differences impact the current income taxation and deferred taxation provisions in the period in which such determination is made.

AVERAGE TRANSLATION RATES
Income and expenditure transactions are translated using the average rate of exchange for the period. Management considers the average rate to approximate the actual rates prevailing on the dates on which these transactions occur.

CONTINGENT LIABILITIES
A possible obligation depending on whether some uncertain future event occurs, or a present obligation but payment is not probable or the amount cannot be measured reliably. Contingent liabilities assumed in a business combination are recognised to the extent that there is a present obligation that arose from past events and its fair value can be measured reliably.

SOURCES OF ESTIMATION UNCERTAINTY
There are no significant assumptions made concerning the future or other sources of estimation uncertainty that have been identified as giving rise to a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Consolidated statement of financial position

as at 31 March 2016

	Notes	31 March 2016 Rm	30 September 2015 Rm
ASSETS			
Non-current assets		**13 579**	12 202
Property, plant and equipment	1	**11 716**	10 648
Goodwill	2	**255**	254
Other intangible assets	3	**766**	772
Equity-accounted investments	4	**200**	125
Other non-current assets	5	**590**	355
Deferred taxation assets	12	**52**	48
Non-current assets held for sale	6	**42**	76
Current assets		**2 768**	2 979
Inventories	7	**1 121**	1 029
Trade and other receivables	8	**1 187**	1 232
Cash and cash equivalents	9	**460**	718
Total assets		**16 389**	15 257
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	10	**(1 113)**	(1 165)
Other reserves		**1 558**	1 402
Retained profit		**2 583**	2 406
Equity attributable to shareholders of PPC Ltd		**3 028**	2 643
Non-controlling interests		**535**	521
Total equity		**3 563**	3 164
Non-current liabilities		**6 729**	8 813
Provisions	11	**408**	400
Deferred taxation liabilities	12	**1 178**	1 059
Long-term borrowings	13	**4 614**	6 711
Other non-current liabilities	14	**529**	643
Current liabilities		**6 097**	3 280
Short-term borrowings	15	**4 557**	1 510
Trade and other payables and short-term provisions	16	**1 540**	1 770
Total equity and liabilities		**16 389**	15 257

Consolidated income statement

for the period ended 31 March 2016

	Notes	Six months ended 31 March 2016	Twelve months ended 30 September 2015
Revenue		**4 501**	9 227
Cost of sales		**3 261**	6 437
Gross profit		**1 240**	2 790
Administration and other operating expenditure		**489**	1 130
Operating profit before item listed below:		**751**	1 660
Empowerment transactions IFRS 2 charges[a]		**18**	43
Operating profit	17	**733**	1 617
Fair value adjustments on financial instruments	18	**(20)**	22
Finance costs	19	**330**	518
Investment income	20	**12**	28
Profit before equity-accounted earnings and exceptional items		**395**	1 149
Earnings from equity-accounted investments	4	**–**	(16)
Impairments	21	**(5)**	(81)
Profit on disposal of non-core assets	21	**117**	–
Profit before taxation		**507**	1 052
Taxation	22	**156**	391
Profit for the period		**351**	661
Attributable to:			
Shareholders of PPC Ltd		**369**	698
Non-controlling interests		**(18)**	(37)
		351	661
Earnings per share (cents)	23		
Basic		**70**	133
Diluted		**69**	131

[a] Comprises BBBEE, Zimbabwe indigenisation and DRC IFRS 2 charges.

PPC Ltd changed its financial year end from September to March. This is the first reporting cycle of the company using the March year end.

Consolidated statement of other comprehensive income

for the period ended 31 March 2016

	Foreign currency translation reserve Rm	Available-for-sale financial assets Rm	Hedging reserve Rm	Retained profit Rm	Total comprehensive income Rm
March 2016					
Profit for the period	–	–	–	351	351
Items that will be reclassified to profit or loss	237	(67)	7	–	177
Cash flow hedges	–	–	10	–	10
Taxation on cash flow hedges	–	–	(3)	–	(3)
Reclassification of profit on sale of available-for-sale financial asset to profit and loss	–	(82)	–	–	(82)
Taxation impact on reclassification of profit on sale of available-for-sale financial asset to profit and loss	–	15	–	–	15
Translation of foreign operations	237	–	–	–	237
Other comprehensive income net of taxation	237	(67)	7	–	177
Total comprehensive income	237	(67)	7	351	528
Attributable to:					
Shareholders of PPC Ltd	211	(67)	7	369	520
Non-controlling interests	26	–	–	(18)	8
September 2015					
Profit for the year	–	–	–	661	661
Items that will be reclassified to profit or loss	751	(3)	27	–	775
Cash flow hedges	–	–	38	–	38
Taxation on cash flow hedges	–	–	(11)	–	(11)
Revaluation of available-for-sale financial asset	–	(7)	–	–	(7)
Taxation on revaluation of available-for-sale financial asset	–	3	–	–	3
Translation of foreign operations	751	1	–	–	752
Other comprehensive income net of taxation	751	(3)	27	–	775
Total comprehensive income	751	(3)	27	661	1 436
Attributable to:					
Shareholders of PPC Ltd	618	(3)	27	698	1 340
Non-controlling interests	133	–	–	(37)	96

Consolidated statement of changes in equity

for the year period ended 31 March 2016

		Other reserves							
	Stated capital Rm	Foreign currency translation reserve Rm	Available-for-sale financial assets 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
March 2016									
Balance at the beginning of the period	**(1 165)**	**1 034**	**81**	**27**	**260**	**2 406**	**2 643**	**521**	**3 164**
Movement for the period	**52**	**211**	**(67)**	**7**	**5**	**177**	**385**	**14**	**399**
Dividends declared	–	–	–	–	–	(185)	(185)	–	(185)
IFRS 2 charges	–	–	–	–	31	–	31	–	31
Issuance of shares to fund an additional investment in Safika Cement	26	–	–	–	–	–	26	–	26
Total comprehensive income/(loss)	–	211	(67)	7	–	369	520	8	528
Transactions with non-controlling shareholders recognised directly in equity	–	–	–	–	–	(7)	(7)	6	(1)
Vesting of FSP incentive scheme awards	26	–	–	–	(26)	–	–	–	–
Balance at the end of the period	**(1 113)**	**1 245**	**14**	**34**	**265**	**2 583**	**3 028**	**535**	**3 563**

Consolidated statement of changes in equity continued

for the period ended 31 March 2016

	Stated capital Rm	Other reserves				Retained profit Rm	Equity attributable to shareholders of PPC Ltd Rm	Non-controlling interests Rm	Total equity Rm
		Foreign currency translation reserve Rm	Available-for-sale financial asset Rm	Hedging reserve Rm	Equity compensation reserve Rm				
September 2015									
Balance at the beginning of the year	(1 173)	416	84	–	233	2 255	1 815	603	2 418
Movement for the year	8	618	(3)	27	27	151	828	(82)	746
Dividends declared	–	–	–	–	–	(540)	(540)	(19)	(559)
IFRS 2 charges	–	–	–	–	59	–	59	–	59
Non-controlling interest recognised following investment in subsidiary	–	–	–	–	–	–	–	256	256
Put option recognised on non-controlling shareholder investment in subsidiary	–	–	–	–	–	–	–	(422)	(422)
Shares purchased in terms of the FSP incentive scheme treated as treasury shares	(24)	–	–	–	–	–	(24)	–	(24)
Total comprehensive income/(loss)	–	618	(3)	27	–	698	1 340	96	1 436
Transactions with non-controlling shareholders recognised directly in equity	–	–	–	–	–	(7)	(7)	7	–
Vesting of FSP incentive scheme awards	23	–	–	–	(23)	–	–	–	–
Vesting of shares held by BBBEE 1 entities	9	–	–	–	(9)	–	–	–	–
Balance at the end of the year	(1 165)	1 034	81	27	260	2 406	2 643	521	3 164

Consolidated statement of cash flows

for the period ended 31 March 2016

	Notes	Six months ended 31 March 2016 Rm	Twelve months ended 30 September 2015 Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation and equity-accounted earnings		**507**	1 068
Adjustments for:			
Amortisation of intangible assets	3	**45**	90
Depreciation	1	**348**	612
Dividends received	20	**(3)**	(11)
Finance costs (including fair value adjustments on financial instruments)	19	**330**	518
Gross impairments and other exceptional adjustments	21	**(112)**	81
IFRS 2 charges		**31**	59
Interest received	20	**(5)**	(17)
Other non-cash flow items		**(4)**	16
Operating cash flows before movements in working capital		**1 137**	2 416
Movements in inventories		**(72)**	(68)
Movements in trade and other receivables		**(66)**	156
Movements in trade and other payables and provisions		**(186)**	212
Cash generated from operations		**813**	2 716
Finance costs paid	25	**(292)**	(408)
Investment income received	20	**8**	28
Taxation paid	26	**(195)**	(489)
Cash available from operations		**334**	1 847
Dividends paid	27	**(185)**	(559)
Net cash inflow from operating activities		**149**	1 288
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of additional shares in equity-accounted investment	4	**(75)**	–
Acquisition of additional shares in subsidiary	14	**–**	(108)
Investments in intangible assets	3	**(12)**	(36)
Investments in property, plant and equipment	28	**(1 176)**	(2 856)
Movements in financial assets	29	**4**	–
Movement in other non-current assets		**(181)**	–
Proceeds from disposal of property, plant and equipment		**4**	5
Proceeds on sale of equity-accounted investment and available-for-sale financial asset		**153**	–
Net cash outflow from investing activities		**(1 283)**	(2 995)
Net cash outflow before financing activities		**(1 134)**	(1 707)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net long-term borrowings raised		**206**	660
Net short-term borrowings raised		**1 293**	1 136
Purchase of shares in terms of the FSP incentive scheme		**–**	(24)
Repayment of note		**(650)**	–
Net cash inflow from financing activities		**849**	1 772
Net (decrease)/increase in cash and cash equivalents		**(285)**	65
Cash and cash equivalents at beginning of the period		**718**	563
Exchange rate movements on opening cash and cash equivalents		**27**	90
Cash and cash equivalents at end of the period	9	**460**	718
Cash earnings per share (cents)	23	**63**	351

Segmental information

for the period ended 31 March 2016

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

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

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

	Group	
	31 March 2016 Rm	30 September 2015 Rm
Revenue		
South Africa	**3 219**	6 795
Rest of Africa	**1 367**	2 624
	4 586	9 419
Inter-segment revenue	**(85)**	(192)
Total revenue	**4 501**	9 227
Operating profit before items listed below	**764**	1 660
Empowerment transactions IFRS 2 charges	**18**	43
Restructuring costs	**13**	–
Operating profit	**733**	1 617
South Africa	**522**	1 120
Rest of Africa	**211**	497
Fair value (loss)/gain on financial instruments	**(20)**	22
Finance costs	**330**	518
Investment income	**12**	28
Profit before earnings from equity-accounted investments and exceptional items	**395**	1 149
Earnings from equity-accounted investments	**–**	(16)
Impairments and other exceptional adjustments	**112**	(81)
Profit before taxation	**507**	1 052
Taxation	**156**	391
Profit for the period	**351**	661
Depreciation and amortisation	**393**	702
EBITDA	**1 144**	2 362
South Africa	**793**	1 706
Rest of Africa	**351**	656
EBITDA margin (%)	**25.4**	25.6
Assets		
Non-current assets	**13 579**	12 202
South Africa	**5 205**	5 141
Rest of Africa	**8 374**	7 061
Current assets	**2 768**	2 979
Non-current asset held for sale	**42**	76
Total assets	**16 389**	15 257
South Africa	**6 753**	6 687
Rest of Africa	**9 636**	8 570
Investments in property, plant and equipment, and intangible assets	**1 188**	2 856
Capital commitments (refer note 30)	**3 283**	4 643
Liabilities		
Non-current liabilities	**6 729**	8 813
Current liabilities	**6 097**	3 280
Total liabilities	**12 826**	12 093
South Africa	**8 148**	8 343
Rest of Africa	**4 678**	3 750

[a] Includes head office activities.
[b] Aggregates and readymix have been aggregated in line with industry practices.
[c] Comprises BBBEE trusts and trust funding SPVs.

	Materials business							
	Cement[a]		Lime		Aggregates and readymix[b]		Other[c]	
	31 March 2016 Rm	30 September 2015 Rm	31 March 2016 Rm	30 September 2015 Rm	31 March 2016 Rm	30 September 2015 Rm	31 March 2016 Rm	30 September 2015 Rm
	2 386	4 999	378	853	455	943	–	–
	1 314	2 507	5	18	48	99	–	–
	3 700	7 506	383	871	503	1 042	–	–
	645	1 422	75	133	44	105	–	–
	18	43	–	–	–	–	–	–
	13	–	–	–	–	–	–	–
	614	1 379	75	133	44	105	–	–
	404	881	75	133	43	106	–	–
	210	498	–	–	1	(1)	–	–
	(20)	34	–	–	–	(12)	–	–
	282	382	2	4	4	29	42	103
	8	19	1	1	3	8	–	–
	320	1 050	74	130	43	72	(42)	(103)
	–	(16)	–	–	–	–	–	–
	113	(59)	–	–	(1)	(22)	–	–
	433	975	74	130	42	50	(42)	(103)
	129	325	21	35	6	31	–	–
	304	650	53	95	36	19	(42)	(103)
	340	594	21	45	32	63	–	–
	972	2 016	96	178	76	168	–	–
	624	1 364	96	178	73	164	–	–
	348	652	–	–	3	4	–	–
	26.3	26.9	25.0	20.4	15.1	16.1	–	–
	12 613	11 251	325	310	641	641	–	–
	4 280	4 231	325	310	600	600	–	–
	8 333	7 020	–	–	41	41	–	–
	2 343	2 536	187	185	237	254	1	4
	42	76	–	–	–	–	–	–
	14 998	13 863	512	495	878	895	1	4
	5 441	5 376	512	495	799	812	1	4
	9 557	8 487	–	–	79	83	–	–
	1 125	2 741	37	45	26	70	–	–
	3 219	4 588	5	28	59	27	–	–
	6 536	7 492	103	94	90	89	–	1 138
	5 038	2 921	90	105	125	162	844	92
	11 574	10 413	193	199	215	251	844	1 230
	6 921	6 692	193	199	190	222	844	1 230
	4 653	3 721	–	–	25	29	–	–

		Freehold and leasehold land, buildings and mineral rights Rm	Factory decommis-sioning assets Rm	Plant, vehicles, furniture and equipment Rm	Capitalised leased plant Rm	Total Rm
1.	**PROPERTY, PLANT AND EQUIPMENT**					
	March 2016					
	Cost	**1 276**	**134**	**15 586**	**158**	**17 154**
	Accumulated depreciation and impairments	**476**	**55**	**4 750**	**157**	**5 438**
		800	**79**	**10 836**	**1**	**11 716**
	Movements during the period					
	Net carrying value at the beginning of the period	**778**	**87**	**9 780**	**3**	**10 648**
	Additions	**19**	**–**	**1 103**	**–**	**1 122**
	To enhance existing operations	**15**	**–**	**177**	**–**	**192**
	To expand operations	**4**	**–**	**926**	**–**	**930**
	Depreciation	**(16)**	**(3)**	**(326)**	**(3)**	**(348)**
	Disposals	**–**	**–**	**(3)**	**–**	**(3)**
	Impairments	**–**	**–**	**(4)**	**–**	**(4)**
	Other movements	**–**	**(10)**	**–**	**1**	**(9)**
	Reallocation from inventory (refer note 7)	**–**	**–**	**10**	**–**	**10**
	Translation differences	**19**	**5**	**276**	**–**	**300**
	Net carrying value at the end of the period	**800**	**79**	**10 836**	**1**	**11 716**
	Translation differences comprise					
	Cost					**342**
	Accumulated depreciation					**(42)**
						300
	September 2015					
	Cost	1 229	138	14 198	157	15 722
	Accumulated depreciation and impairments	451	51	4 418	154	5 074
		778	87	9 780	3	10 648
	Movements during the year					
	Net carrying value at the beginning of the year	862	111	6 244	6	7 223
	Additions	49	–	3 216	4	3 269
	To enhance existing operations	13	–	385	4	402
	To expand operations	36	–	2 831	–	2 867
	Depreciation	(43)	(11)	(555)	(3)	(612)
	Disposals	–	–	(6)	–	(6)
	Other movements	5	(13)	–	(4)	(12)
	Impairments	(27)	–	(30)	–	(57)
	Reallocation to inventory (refer note 7)	–	–	(4)	–	(4)
	Reallocation to other intangible assets (refer note 3)	(115)	–	–	–	(115)
	Reclassification to non-current assets held for sale (refer note 6)	(40)	–	–	–	(40)
	Translation differences	87	–	915	–	1 002
	Net carrying value at the end of the year	778	87	9 780	3	10 648
	Translation differences comprise					
	Cost					1 108
	Accumulated depreciation					(106)
						1 002

1. PROPERTY, PLANT AND EQUIPMENT continued

Assets pledged as security

Property, plant and equipment with a net carrying value of R2 754 million, R2 140 million and R1 959 million (September 2015: R2 167 million, R2 166 million and R22 million) are encumbered and used as security for the borrowings in the DRC, Rwanda and Zimbabwe respectively (refer note 13).

Impairment of property, plant and equipment

Following reviews of property, plant and equipment for the period ended March 2016, other minor impairments of R4 million were processed, while in the prior reporting period the following impairments occurred:

– Costs of R27 million relating to a limestone quarry in Zimbabwe was impaired due to uncertainty of future development prospects.
– Post the group's decision to no longer pursue the Algeria expansion project, it was deemed appropriate that the costs capitalised of R15 million be impaired.
– An impairment of R14 million relating to the old plant at CIMERWA that would not be used post commissioning of the new plant.
– Other minor impairments to property, plant and equipment amounting to R1 million.

Other information

The cost of land included in the above amounts to R269 million (September 2015: R248 million).

Included in plant, vehicles, furniture and equipment is capital work in progress of R4 317 million (September 2015: R3 258 million), with R2 882 million (September 2015: R2 281 million), R6 million (September 2015: Rnil), R101 million (September 2015: R241 million) and R817 million (September 2015: R568 million) relating to the DRC, Rwanda, Slurry and Zimbabwe expansions respectively.

In the current period the useful life of certain assets was reviewed, as assets were being used longer than their estimated useful life. The remaining life of reserves was aligned with the useful life of the relevant assets and buildings and structural assets assumed a useful life of 30 years from 1 October 2015. The change in accounting estimate was applied prospectively and resulted in an annual decrease in depreciation in the current period of R37 million, with deferred taxation of approximately R10 million, and resultant increase in future periods.

Borrowing costs of R119 million (September 2015: R196 million) have been capitalised to property, plant and equipment (refer note 19). A capitalisation rate of 7,71% (September 2015: 7,71%) was used for general group borrowings.

Certain of the group's properties in South Africa are the subject of land claims. Discussions with the Land Claims Commissioner continue and the outcome of the claims referred to the Land Claims Court are still due. The claims are not expected to have a material impact on the group's operations.

For details on capital commitments at period end, refer note 30.

		31 March 2016 Rm	30 September 2015 Rm
2.	**GOODWILL**		
	Cost	**358**	356
	Accumulated impairment loss	**103**	102
		255	254
	Movements of goodwill		
	Net carrying value at the beginning of the period	**254**	268
	Impairments	**–**	(22)
	Translation differences	**1**	8
	Net carrying value at the end of the period	**255**	254
	Goodwill, net of impairments, is allocated to the following cash-generating units:		
	CIMERWA Limited	**50**	49
	Safika Cement Holdings (Pty) Ltd	**78**	78
	Pronto Holdings (Pty) Ltd	**127**	127
		255	254

Pronto Holdings (Pty) Ltd (Pronto)

The recoverable amount of R885 million (September 2015: R758 million) for the cash-generating unit was determined based on value-in-use calculations, using cash flow projections based on financial forecasts approved by management and covering an initial seven-year period, which is in line with the company's budgeting cycle time horizon as management believes this should provide a more accurate base for the value-in-use calculation. A discount rate of 18% (September 2015: 12%) and terminal growth rate of 5.4% (September 2015: 8%) have been used in the valuation.

Cash flow projections during the forecast period are based on similar pricing and margins to those currently being achieved by the business, with selling prices marginally below last year. Selling prices and cost of sales are forecast to increase at rates linked to local inflation forecasts and vary between 4% and 8% (September 2015: 2% and 3%). The values used reflect past experiences while the economic growth rates of approximately 3% (September 2015: 3%) per annum are management's best estimates that have been prepared using leading financial institutions' forecasts.

Following the goodwill impairment assessment review, the recoverable amount of Pronto was calculated to be higher than its carrying amount resulting in no impairment to goodwill. In the prior reporting period, the recoverable amount was calculated to be lower than its carrying value which resulted in an impairment of R22 million. Pronto is included under aggregates and readymix in the segmental analysis.

It is estimated that a decrease in growth rates by 10% to 13% (2015: 1% to 5%) in aggregate would result in the carrying amount of the cash-generating unit to exceed its recoverable amount.

CIMERWA Limited (CIMERWA)

The recoverable amount of R959 million (September 2015: R731 million) for this cash-generating unit was determined based on a value-in-use calculation, using cash flow projections based on financial forecasts approved by management and covering an initial seven-year period and a post-forecast period of eight years, bringing the total period of the cash flows to 15 years which is the estimated life of mine. The discount rate used in the valuation was 22% (September 2015: 20%).

Cash flow projections during the forecast period of seven years were based on improved margins and profitability, following the commissioning of the new plant in September 2015, taking cognisance of an appropriate ramp-up period. Selling prices and cost of sales were forecast to increase at applicable inflation rates varying between 3% and 7% (September 2015: 7% and 8%), impacted by anticipated competitor activity in the earlier phase of the planning horizon. The cash flow post the forecast period has been extrapolated using specific growth rates of 4% (September 2015: 4%) per annum, with the forecast period limited to the life of mine, currently estimated at around 15 years.

The forecast takes into consideration the future trends within the industry, geographical location, and expected growth in neighbouring countries. The values used reflect past experiences while the economic growth rates are management's best estimates that have been prepared using leading financial institutions' forecasts.

In both the current and prior reporting periods, the recoverable amount was deemed to be higher than the current carrying value, resulting in no impairment being charged against profit and loss. CIMERWA is included under cement in the segmental analysis.

There are no indications that any reasonable possible change in the key assumptions on which the recoverable amount has been calculated would cause the carrying amount to exceed the recoverable amount of this cash-generating unit.

2. GOODWILL continued

Safika Cement Holdings (Pty) Ltd (Safika)

The recoverable amount of R503 million (September 2015: R766 million) for the Safika cash-generating unit was determined based on value-in-use calculations, using cash flow projections based on financial forecasts approved by management and covering an initial seven-year period. A discount rate of 17% (September 2015: 12%) has been used in the valuation.

Cash flow projections during the forecast period are based on similar pricing and margins to those currently being achieved by the businesses, noting that selling prices have reflected a marginal decline from last year. Selling prices and cost of sales are forecast to increase at rates linked to local inflation forecasts varying between 5% and 6% (September 2015: 2% and 3%). The values used reflect past experiences while the economic growth rates of approximately 3% (September 2015: 3%) per annum are management's best estimates that have been prepared using leading financial institutions' forecasts.

Following the goodwill impairment assessment reviews, the recoverable amount was calculated to be higher than its carrying amount, resulting in no impairment. No impairment was recorded in the year ended September 2015.

It is estimated that a decrease in growth rates by 5% to 6% in aggregate would result in the carrying amount of the cash-generating unit to exceed its amount.

3. OTHER INTANGIBLE ASSETS

	Right of use of mineral asset Rm	ERP development and other software Rm	Brand, trademarks and customer relationships Rm	Total Rm
2016				
Cost	**218**	**336**	**553**	**1 107**
Accumulated amortisation and impairments	**4**	**196**	**141**	**341**
	214	**140**	**412**	**766**
Movements during the period				
Net carrying value at the beginning of the period	**191**	**143**	**438**	**772**
Additions	**–**	**12**	**–**	**12**
Amortisation	**(1)**	**(16)**	**(28)**	**(45)**
Translation differences	**24**	**1**	**2**	**27**
Net carrying value at the end of the period	**214**	**140**	**412**	**766**
2015				
Cost	194	320	551	1 065
Accumulated amortisation and impairments	3	177	113	293
	191	143	438	772
Movements during the year				
Net carrying value at the beginning of the year	54	132	495	681
Additions	–	36	–	36
Amortisation	(1)	(31)	(58)	(90)
Transfers and other movements[(a)]	115	3	–	118
Translation differences	23	3	1	27
Net carrying value at the end of the year	191	143	438	772

Brand, trademarks and customer relationships

Included in brand, trademarks and customer relationships are brand and trademarks of R339 million (September 2015: R332 million), contracted and non-contracted customer relationships of R73 million (September 2015: R106 million). Brands and trademarks are amortised over a period not exceeding 15 years, while customer relationships are amortised over a five-year period. Favourable lease terms are amortised over the remaining period of the lease.

The group does not have any indefinite useful life intangible assets, other than goodwill (refer note 2).

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

		31 March 2016 Rm	30 September 2015 Rm
4.	**EQUITY-ACCOUNTED INVESTMENTS**		
	Investments at cost at beginning of the period	**126**	133
	Investments made during the period	**75**	–
	Investments disposed during the period	**(1)**	–
	Transferred to non-current asset held for sale (refer note 6)	**–**	(7)
	Investments at cost at end of the period	**200**	126
	Share of retained loss:	**–**	(1)
	Retained (loss)/profit at the beginning of the period	**–**	44
	Share of current year's loss	**–**	(16)
	Transferred to non-current asset held for sale (refer note 6)	**–**	(29)
	Loans advanced	**–**	–
	Balance at the beginning of the period	**–**	46
	Interest capitalised	**–**	3
	Transferred to trade and other receivables (refer note 8)	**–**	(46)
	Repayments	**–**	(3)
		200	125
	Valuation of interest in equity-accounted investments		
	Fair value of unlisted equity-accounted investments, including loans advanced	**616**	397

Habesha Cement Share Company (Habesha) comprises the majority of the group's investment in equity-accounted investments and therefore only the valuation methodology and assumptions relating to the investment are disclosed.

The fair value of Habesha was determined using the discounted cash flow methodology. A discount rate of 19% (September 2015: 23%), relevant to Ethiopia and adjusted for project and business risk was used.

Investment made during the period

During the period, an additional investment of R75 million was made in Habesha as PPC took up its share of a rights offer made by the company. As not all shareholders followed their rights, PPC's shareholding subsequently increased to 35% from the 32% recorded at September 2015.

Loans advanced to associates

In the prior reporting period, the loan receivable from Afripack Limited of R46 million was reclassified to trade and other receivables.

		31 March 2016 Rm	30 September 2015 Rm
4.	**EQUITY-ACCOUNTED INVESTMENTS** continued		
	Key financial information of associates[a]		
	Non-current assets	**1 229**	735
	Current assets	**433**	467
	Total assets	**1 662**	1 202
	Total equity	**599**	505
	Non-current liabilities	**936**	628
	Current liabilities	**127**	70

		Interest			Carrying value, including loans advanced	
Name	**Nature of business**	**2016 %**	2015 %	Financial year end[b]	**2016 Rm**	2015 Rm
Incorporated in South Africa						
Olegra Oil (Pty) Ltd	Used oil collection and filling station	**29**	29	February	**3**	3
Hoekplaats Dolomite (Pty) Ltd[c]	Quarrying	**49**	49	February	**–**	1
Incorporated in Ethiopia						
Habesha Cement Share Company	Cement manufacturer	**35**	32	June	**197**	121
					200	125

Habesha is deemed to be a material equity-accounted investment as its carrying value approximates 97% of the group's equity-accounted investments and will have a material impact when fully operational.

[a] The financial information provided represents the full results of equity-accounted investments. As Habesha is not currently trading, no key financial information on the income statement is available.

[b] Management accounts together with the financial statements are used to align earnings in equity-accounted investments with PPC's period end.

[c] An impairment of R1 million was recorded against the investment in Hoekplaats Dolomite (Pty) Ltd during the reporting period.

		31 March 2016 Rm	30 September 2015 Rm
5.	**OTHER NON-CURRENT ASSETS**		
	Unlisted investment at fair value	–	82
	Unlisted collective investment	119	117
	Derivative asset	2	–
	VAT receivable	319	–
		440	199
	Loans advanced	–	1
	Advance payments for plant and equipment	142	148
	Investment in government bonds	8	7
		590	355
	Valuation of unlisted investments including loans advanced (excluding advance payments)	289	207

Unlisted investment at fair value
PPC Ltd disposed its 6.75% shareholding in Ciments du Bourbon, incorporated in Reunion, during the current reporting period, with the resulting gain of R83 million recorded in other exceptional items. Ciments du Bourbon was included under the cement segment in the segmental analysis.

Unlisted collective investment
Comprises an investment by the PPC Environmental Trust in local unit trusts, with fair value being calculated using the ruling unit trust prices on 31 March 2016. Put options are also held over the value of the investments in order to protect the capital of the portfolio. At 31 March 2016, the value of the put options were not material. During the period, a further R3 million (September 2015: R5 million) was reinvested into the unit trusts. These funds are held to fund PPC's South African environmental obligations.

Derivative asset
In order to hedge the group's exposure on its long-term share award programme, the group entered into a call option. At period end, a fair value adjustment of R8 million was recorded.

VAT receivable
The company has incurred VAT during the construction of the plant in the DRC and the amount receivable has been classified as non-current in the current reporting period in contrast to the prior reporting period where the full amount was classified as current. The change follows communication from the local revenue authorities around the delay in refund of VAT receivables.

Loans advanced
Loans have been advanced to fund enterprise development companies and bear interest at rates between prime less 2% and prime less 5%, and are secured by bonds over land and moveable assets.

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

Investment in government bonds
Represent government of Zimbabwe treasury bills carried at fair value. The treasury bills were issued in the prior year in exchange for funds previously expropriated by the government in 2007. The treasury bills have a face value of R10 million, repayable in three equal annual instalments from June 2017 to June 2019. A discount rate of 12% was applied in determining the fair value on initial recognition. Interest is paid biannually at a rate of 5% per annum.

		31 March 2016 Rm	30 September 2015 Rm
6.	**NON-CURRENT ASSETS HELD FOR SALE**		
	Equity-accounted investment (refer note 4)[a]	–	36
	Property, plant and equipment (refer note 1)[b]	**42**	40
		42	76

[a] During the current reporting period, the company finalised the sale of its 25% stake in Afripack for R70 million. The resultant profit of R34 million has been included in other exceptional items. In 2015, the carrying amount immediately before classification as held for sale was R36 million which was lower than its fair value less costs to sell of R70 million (which represented the estimated selling price per the sales agreement less estimated transaction costs). Afripack was included under the cement segment in the segmental analysis.

[b] In September 2015, the PPC Zimbabwe board approved the disposal of houses at its Colleen Bawn and Bulawayo factories which was anticipated to be finalised in 12 months. The disposal was initially planned to be finalised by June 2016 but is now anticipated to be completed by November 2016. 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 segment in the segmental analysis.

		31 March 2016 Rm	30 September 2015 Rm
7.	**INVENTORIES**		
	Raw materials	**169**	176
	Work in progress	**218**	188
	Finished goods	**472**	426
	Maintenance stores	**487**	455
	Inventory obsolescence	**(225)**	(216)
		1 121	1 029

Inventories are determined on the weighted average formula basis.

During the period, an amount of R10 million (September 2015: R4 million), for critical spares, was reclassified between property, plant and equipment and inventory (refer note 1).

The cost of inventories recognised as an expense in cost of sales during the year was R2 811 million (September 2015: R4 906 million).

No inventories have been pledged as security.

		31 March 2016 Rm	30 September 2015 Rm
8.	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables	**982**	931
	Allowances for doubtful debts	**(77)**	(70)
	Net trade receivables	**905**	861
	Loan relating to non-current assets held for sale – Afripack (refer note 6)	**–**	46
	Mark to market cash flow hedge	**48**	38
	Mark to market fair value hedge	**28**	13
	Other financial receivables	**111**	50
	Trade and other financial receivables	**1 092**	1 008
	Prepayments	**65**	75
	Taxation prepaid	**30**	8
	VAT receivable on plant and equipment imported into the DRC (refer note 5)	**–**	141
		1 187	1 232
	Net trade receivables comprise	**905**	861
	Trade receivables that are neither past due nor impaired	**712**	745
	Trade receivables that would otherwise be impaired whose terms have been renegotiated	**6**	1
	Trade receivables that are past due but not impaired	**187**	115

No receivables have been pledged as security.

No individual customer represents more than 10% of the group's revenue and exposure at period end. The group's largest customer comprises 5% (2015: 6%) of trade receivables.

Normal credit terms vary between 30 and 60 days. Allowance for doubtful debt is generally determined by the ageing on an account, financial position of the customer and security held. When a customer applies for business rescue or liquidates, the amount due is immediately provided for, if not already provided.

Before granting credit to a customer, the group uses an internal credit scoring system to assess the potential customer's credit quality and limit. The credit quality of a customer is assessed with reference to credit bureau reports, financial statements analysis, trade references, bank codes and securities. Accounts are reviewed annually with high-risk customers monitored more frequently. Collateral held comprises bank guarantees, cession of book debt, deed of surety, cross-company guarantees and notarial bonds.

		Cement Rm	Lime Rm	Aggregates and readymix Rm	Total Rm
8.	**TRADE AND OTHER RECEIVABLES** continued				
	Trade receivables that are neither past due nor impaired				
	2016	**532**	**76**	**104**	**712**
	2015	526	109	110	745
	There is no history of material default relating to trade receivables in this category.				
	Trade receivables that are past due but not impaired				
	2016				
	Ageing beyond normal terms	**161**	**16**	**10**	**187**
	1 – 30 days	**41**	**4**	**8**	**53**
	31 – 60 days	**72**	**–**	**–**	**72**
	61 – 90 days	**7**	**–**	**1**	**8**
	91 – 180 days	**15**	**12**	**1**	**28**
	Greater than 180 days	**26**	**–**	**–**	**26**
	Fair value of collateral held	**20**	**–**	**–**	**20**
	2015				
	Ageing beyond normal terms	89	13	13	115
	1 – 30 days	73	–	4	77
	31 – 60 days	5	–	2	7
	61 – 90 days	5	–	4	9
	91 – 180 days	–	13	2	15
	Greater than 180 days	6	–	1	7
	Fair value of collateral held	31	–	–	31
	Allowance for doubtful debts				
	2016				
	Balance at the beginning of the period	**50**	**13**	**7**	**70**
	Allowance raised through profit or loss	**11**	**–**	**–**	**11**
	Utilisation of allowance	**(4)**	**(1)**	**(2)**	**(7)**
	Translation of differences	**3**	**–**	**–**	**3**
	Balance at the end of the period	**60**	**12**	**5**	**77**
	2015				
	Balance at the beginning of the year	25	–	5	30
	Allowance raised through profit or loss	32	13	3	48
	Utilisation of allowance	(12)	–	(1)	(13)
	Translation of differences	5	–	–	5
	Balance at the end of the year	50	13	7	70

		31 March 2016 Rm	30 September 2015 Rm
9.	**CASH AND CASH EQUIVALENTS**		
	Cash and cash equivalents	**460**	718
	Currency analysis:		
	Botswana pula	**19**	58
	Mozambican metical	**17**	26
	Rwandan franc	**126**	194
	South African rand	**47**	72
	United States dollar	**251**	368
		460	718
	Amounts denominated in foreign currencies have been translated at ruling exchange rates at period end, (refer note 39).		
	Cash restricted for use relating to:		
	PPC Environmental Trust	**6**	4
	Consolidated BBBEE entities	**1**	7
	CIMERWA project finance	**247**	–
		254	11
	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.		

		31 March 2016 Shares	30 September 2015 Shares
10.	**STATED CAPITAL**		
	Authorised shares	**700 000 000**	700 000 000
	Number of ordinary shares and weighted average number of shares		
	Total shares in issue at beginning of the period	**605 379 648**	605 379 648
	Shares issued to non-controlling shareholders in Safika Cement on exercise of put option	**1 801 242**	–
	Total shares in issue at end of the period before adjustments for shares treated as treasury shares	**607 180 890**	605 379 648
	Adjustments for shares treated as treasury shares:		
	Shares held by consolidated participants of the second BBBEE transaction	**(37 382 193)**	(37 382 193)
	Shares held by consolidated BBBEE trusts and trust funding SPVs	**(34 477 308)**	(34 477 308)
	Shares held by consolidated Porthold Trust (Pvt) Ltd	**(1 284 556)**	(1 284 556)
	Shares purchased in terms of the FSP incentive scheme	**(5 563 488)**	(6 342 640)
	Total shares in issue (net of treasury shares)	**528 473 345**	525 892 951
	Authorised preference shares	**20 000 000**	20 000 000
	Twenty million preference shares of R1 000 each. No preference shares have been issued.		

	Rm	Rm
Stated capital		
Balance at the beginning of the period	**(1 165)**	(1 173)
Shares issued to non-controlling shareholders in Safika Cement on exercise of put option	**26**	–
Shares purchased in terms of the FSP incentive scheme	**–**	(24)
Vesting of shares held by certain BBBEE 1 entities	**–**	9
Vesting of shares held in terms of the FSP incentive scheme	**26**	23
Balance at the end of the period	**(1 113)**	(1 165)

10. STATED CAPITAL continued

Shares issued to non-controlling shareholders in Safika Cement on exercise of put option

At the annual general meeting held on 25 January 2016, shareholders approved the early settlement of the remaining put option held by management of Safika Cement Holdings (Pty) Ltd for R44 million, to be settled by issue of new shares of R26 million and cash of R18 million. The shares were issued on 31 March 2016.

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. During the year, no shares (2015: 287 361 shares) vested to beneficiaries.

Shares held by consolidated Porthold Trust (Pvt) Ltd

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, 5 563 488 shares (September 2015: 6 342 640 shares) are held in total for participants of this long-term incentive scheme. The shares are treated as treasury shares during the vesting periods of the awards. During the period, 779 152 shares (September 2015: 531 179 shares) vested and are therefore no longer treated as treasury shares.

In terms of IFRS requirements, 13 % (September 2015: 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.

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

Unissued shares (shares)

	Shares 2016	Shares 2015
Ordinary shares	**92 819 110**	94 620 352
Preference shares	**20 000 000**	20 000 000

Of the unissued ordinary shares at the end of the period, the directors have the authority until the next annual general meeting to allot a maximum of 30 250 000 shares subject to the provisions of the Companies Act and JSE Listings Requirements.

	31 March 2016 Rm	30 September 2015 Rm
11. PROVISIONS		
Factory decommissioning and quarry rehabilitation	**374**	361
Post-retirement healthcare benefits	**34**	39
	408	400

		Factory decommissioning and quarry rehabilitation Rm	Post-retirement healthcare benefits Rm	Total Rm
11.	**PROVISIONS** continued			
	Movement of provisions			
	March 2016			
	Balance at the beginning of the period	**361**	**39**	**400**
	Amounts added	**12**	**1**	**13**
	Amounts reversed/utilised	**(25)**	**(5)**	**(30)**
	Time value of money adjustments	**21**	**–**	**21**
	Transfer to short-term provision	**–**	**(2)**	**(2)**
	Translation differences	**5**	**1**	**6**
	Balance at the end of the period	**374**	**34**	**408**
	To be incurred:			
	Between two and five years	**32**	**7**	**39**
	More than five years	**342**	**27**	**369**
		374	**34**	**408**
	September 2015			
	Balance at the beginning of the year	339	35	374
	Amounts added	–	3	3
	Amounts reversed/utilised	(12)	–	(12)
	Other movements	(6)	–	(6)
	Time value of money adjustments	29	–	29
	Translation differences	11	1	12
	Balance at the end of the year	361	39	400
	To be incurred:			
	Between two and five years	20	–	20
	More than five years	341	39	380
		361	39	400

Factory decommissioning and quarry rehabilitation
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. To date, R66 million (September 2015: R66 million) has been contributed to the PPC Environmental Trust with the current value of the trust assets amounting to R119 million (September 2015: R117 million), refer note 5.

Post-retirement healthcare benefits
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.

Included in the provision are the following:

Cement and Concrete Institute employees
The provision relates to post-employment healthcare benefits in respect of former employees of the Cement and Concrete Institute and amounted to R16 million (September 2015: R10 million). This liability is revalued every three years; it was last actuarially valued during February 2013 and will be revalued during the next reporting period. The liability has been determined using the projected unit credit method.

Corner House Pension Fund and Lime Acres continuation members
The provision relates to post-employment healthcare benefits in respect of certain Corner House Pension Fund and Lime Acres continuation members and amounted to R10 million (September 2015: R21 million). This liability is revalued every three years and was last actuarially valued during February 2016. The liability has been determined using the projected unit credit method.

Porthold Post-retirement Medical Fund
The provision relates to healthcare benefits for both active and retired employees who joined the medical aid scheme on or after 1 October 2001 and amounted to R8 million (September 2015: R8 million). This liability is revalued every three years; it was last actuarially valued during September 2015. The liability has been determined using the projected unit credit method.

		31 March 2016 Rm	30 September 2015 Rm
12.	**DEFERRED TAXATION**		
	Net liability at the beginning of the period comprises:	**1 011**	1 021
	Deferred taxation asset	**48**	9
	Deferred taxation liability	**1 059**	1 030
	Income statement charge/(release)	**64**	(60)
	Prior year tax adjustment	**50**	49
	(Released)/charged directly to equity	**(13)**	6
	Translation differences	**14**	(5)
	Net liability at the end of the period comprises:	**1 126**	1 011
	Deferred taxation asset	**52**	48
	Deferred taxation liability	**1 178**	1 059
	Analysis of deferred taxation		
	Property, plant and equipment	**1 490**	1 019
	Other non-current assets	**164**	187
	Current assets	**(2)**	3
	Non-current liabilities	**(89)**	(89)
	Current liabilities	**(38)**	(74)
	Reserves	**(37)**	9
	Taxation losses[(a)]	**(362)**	(44)
		1 126	1 011

[(a)] In 2015, deferred taxation analysis included an amount of R84 million relating to reserves. The financial statements have been adjusted to show the deferred taxation relating to assessed taxation losses separately (R44 million), while a prior year adjustment relating to property, plant and equipment is now included in property, plant and equipment (R49 million) which reduced the previously reported number of R1 068 million to R1 019 million reflected above. Management believes this change provides improved disclosure for users of the financial statements.

CIMERWA has a net deferred taxation liability of R25 million at period end, which comprises capital allowances and net timing differences of R387 million reduced by taxation losses of R362 million. In terms of local legislation, taxation losses need to be utilised within five years from the initial year of assessment. At period end and based on the approved business plans, the company considered it probable that these taxation losses will be offset against future taxable profits. The utilisation of the taxation loss is highly dependent on economic growth in the region and performance of the business. If the economic growth or level of profitability is not achieved as anticipated, the company may need to write down the taxation losses in future reporting periods. Monitoring thereof will be done at each reporting period.

					31 March 2016 Rm	30 September 2015 Rm
13.	**LONG-TERM BORROWINGS**					
	Borrowings	**Terms**	**Security**	**Interest rate**		
	Notes[a]	Various, refer below	Unsecured	Various, refer below	**1 747**	2 398
	Long-term loan[b]	Interest is payable quarterly with a bullet capital repayment in September 2017	Unsecured	Variable rates at 400 basis points above JIBAR	**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**	–
	Long-term loan	Interest is payable biannually with a bullet capital repayment in December 2016	Unsecured	Fixed 10.86%	**1 417**	1 520
	Project funding				**3 372**	2 357
	Long-term loan	US dollar denominated, repayable in monthly instalments over a ten-year period starting March 2016	Secured by CIMERWA's property, plant and equipment (refer note 1)	Variable at 725 basis points above six-month US dollar LIBOR	**806**	641
	Long-term loan	Rwandan franc denominated, repayable in monthly instalments over a ten-year period starting March 2016	Secured by CIMERWA's property, plant and equipment (refer note 1)	Fixed 16%	**474**	357
	Long-term loan	US dollar denominated, interest payable biannually. First capital repayment in December 2016, thereafter biannual repayments in equal instalments over five years	Secured by PPC Zimbabwe's property, plant and equipment (refer note 1)	Six-month US dollar LIBOR plus 700 basis points	**550**	421
	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 (refer note 1)	Six-month US dollar LIBOR plus 725 basis points	**1 542**	938
	BEE transaction				**844**	1 227
	Preference shares	Dividends are payable biannually, with 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**	64
	Preference shares	Dividends are 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**	72
	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**	395
	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**	696
	Long-term borrowings				**8 835**	7 502
	Less: Short-term portion of long-term borrowings (refer note 15)				**(4 221)**	(791)
					4 614	6 711

		31 March 2016 Rm	30 September 2015 Rm
13.	**LONG-TERM BORROWINGS** continued		
	Maturity analysis of long-term liabilities obligations:		
	One year	**4 221**	791
	Two years	**1 777**	2 877
	Three years	**394**	303
	Four years	**393**	1 056
	Five and more years	**2 050**	2 475
		8 835	7 502
	Percentage loans linked to fixed interest rates	**66**	52
	Percentage loans linked to variable interest rates	**34**	48
	Assets encumbered are as follows:		
	Plant and equipment (refer note 1)	**6 853**	4 355

[a] **Notes**

Comprise three (2015: Four) unsecured notes, issued under the company's R6 billion domestic medium-term note programme, and are recognised net of capitalised transaction costs of R3 million (September 2015: R2 million):

Number	Issue date	Value	Term	Interest rate
PPC 002	December 2013	R750 million	5 years	3-month JIBAR plus 1.5%
PPC 003	July 2014	R750 million	5 years	3-month JIBAR plus 1.48%
PPC 004	July 2014	R250 million	7 years	9.86%

During the period PPC 001 of R650 million was redeemed.

On 30 May 2016, S&P Global Ratings (S&P) released a report on PPC which reflected a decline in ratings from zaA/zaA-2 to zaBB-/zaB long and short-term South Africa national scale. Due to the long-term rating falling below zaBBB-, the company was obliged to offer early redemption to noteholders in terms of the bond programme memorandum. The notes have therefore been reclassified from long-term to short-term borrowings.

During June 2016 the company has secured funding up to a maximum of R2 billion from Nedbank, Standard Bank, Rand Merchant Bank and Absa (the liquidity and guarantee facility agreement) which can only be used to reimburse the noteholders for the outstanding notes and related accrued finance costs.

The liquidity and guarantee facility will bear interest at JIBAR plus 10% and repayment is due from the proceeds of the proposed capital raise or 1 November 2016 if earlier. Post-reporting date, the company utilised this facility to repay noteholders. The facility incurred fees of R171 million which will be amortised to the income statement over the five-month period of the facility. Further details are included in note 38.

[b] **Long-term loan**

During the period the company secured funding of R2 billion repayable in September 2017. The funding was partly used to settle the first note repayment while the balance of the facility will be used to repay the remaining portion of the BBBEE liability due in December 2016 after which the company will receive proceeds from the compulsory subscription by the Strategic Black Partners and Community Service Groups in terms of the company's first BBBEE transaction. Transaction costs of R35 million were capitalised against the facility and will be amortised over the period of the funding.

The group is in compliance with its debt covenants for the March 2016 reporting period or where applicable received waivers in respect thereof. Refer to the going concern basis of preparation on page 20.

Further details of maturity analysis and interest rates are disclosed in note 35 on financial risk management.

		31 March 2016 Rm	30 September 2015 Rm
14.	**OTHER NON-CURRENT LIABILITIES**		
	Cash-settled share-based payment liability (refer note 33)	**3**	5
	Liability to non-controlling shareholder in subsidiary company	**17**	17
	Put option liabilities	**415**	464
	Retentions held for plant and equipment	**97**	204
		532	690
	Less: Short-term portion of other non-current liabilities	**(3)**	(47)
		529	643
	Put option liabilities		
	Balance at the beginning of the period	**464**	145
	Exercised during the period	**(42)**	(108)
	Put options issued	**–**	422
	Remeasurements	**(16)**	(14)
	Time value of money adjustments	**9**	19
	Balance at end of the period	**415**	464
	Comprising:		
	Safika Cement	**–**	42
	PPC Barnet DRC Holdings	**415**	422
		415	464

Liability to non-controlling shareholder in subsidiary company
Relates to 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 has been settled.

Retentions held for plant and equipment
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.

Put option liabilities
Safika Cement
With the purchase of the initial 69.3% equity stake in Safika Cement, PPC granted non-controlling shareholders individual put options, with different exercise dates, for the sale of their remaining shares in the company to PPC. One of the put options, was exercised during the 2015 financial year for R108 million. The remaining put option was anticipated to be exercised on the fifth anniversary of the transaction, but in September 2015 this was classified as a current liability as it was the intention to early settle the remaining put option. In January 2016, shareholders approved the early settlement of the remaining put option through the combination of a fresh share issue and cash payment. At March 2016, the put option liability (refer note 16) was Rnil (September 2015: R42 million). The put option liability was calculated using the company's forecast EBITDA applying an earnings multiple dependent on the level of EBITDA achieved less net debt.

PPC Barnet DRC Holdings
The International Finance Corporation (IFC) was issued a put option in 2015 in terms of which PPC is required to purchase all or part of the class C 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 put option value is based on the company's forecast EBITDA applying a forward multiple less net debt. Forecast 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. The forward multiple of eight was determined using comparison of publicly available information of other cement businesses operating in similar territories. The present value of the put option was calculated at R415 million (September 2015: R422 million).

		31 March 2016 Rm	30 September 2015 Rm
15.	**SHORT-TERM BORROWINGS**		
	Short-term loans and bank overdrafts	**336**	719
	Short-term portion of long-term borrowings (refer note 13)	**4 221**	791
		4 557	1 510
	Details of maturity analysis and interest rates are disclosed in note 35 on financial risk management.		
16.	**TRADE AND OTHER PAYABLES AND SHORT-TERM PROVISIONS**		
	Cash-settled share-based payment liability (short-term portion) (refer note 14)	**3**	5
	Capital expenditure payables[(a)]	**229**	147
	Derivative financial instruments	**1**	1
	Other financial payables	**89**	113
	Put option liability (refer note 14)	**–**	42
	Retentions held for plant and equipment	**67**	116
	Trade payables and accruals	**994**	924
	Trade and other financial payables	**1 383**	1 348
	Payroll accruals	**139**	310
	Taxation payable	**18**	112
		1 540	1 770

Trade and other payables, payroll accruals and regulatory obligations are payable within a 30 to 60-day period.

[(a)] In 2015, other financial liabilities of R260 million included capital expenditure accruals of R147 million. The financial statements have been adjusted to show the capital accruals separately which management believes will provide improved disclosure for users of the financial statements.

		31 March 2016 Rm	30 September 2015 Rm
17.	**OPERATING PROFIT**		
	Operating profit includes:		
	Amortisation of intangible assets (refer note 3)	**45**	90
	Auditors' remuneration	**12**	21
	Fees	**10**	18
	Other	**2**	3
	Depreciation (refer note 1)	**348**	612
	Cost of sales	**311**	543
	Operating costs	**37**	69
	Distribution costs included in cost of sales	**548**	1 058
	Exploration and research costs	**–**	1
	Operating lease charges – land and buildings	**13**	23
	Staff costs	**770**	1 325
	South Africa	**614**	1 116
	Rest of Africa	**156**	209
	Including:		
	Cash-settled share incentive scheme reversed (refer note 33)	**(2)**	(10)
	Equity-settled share incentive scheme charge	**20**	13
	Directors' remuneration[(a)]	**10**	26
	Employees' remuneration	**674**	1 190
	Restructuring costs	**13**	8
	Retirement benefit contributions (refer note 32)	**55**	98
		770	1 325
	Less: Costs capitalised to plant and equipment and intangibles	**(11)**	(8)
		759	1 317
	[(a)] For further details, refer to the abridged remuneration report on pages 97 to 99.		
18.	**FAIR VALUE ADJUSTMENTS ON FINANCIAL INSTRUMENTS**		
	Gain on remeasurement of put option liabilities (refer note 14)	**16**	14
	Loss on unlisted collective investments (refer note 5)	**–**	(2)
	(Loss)/gain on translation of foreign currency-denominated monetary items	**(36)**	10
		(20)	22
19.	**FINANCE COSTS**		
	Bank and other short-term borrowings	**49**	48
	Notes	**98**	189
	Long-term loans	**229**	313
		376	550
	Capitalised to plant and equipment and intangible assets	**(119)**	(196)
	Finance costs before BBBEE transaction and time value of money adjustments	**257**	354
	BBBEE transaction	**41**	116
	Dividends on redeemable preference shares	**19**	42
	Long-term borrowings	**22**	74
	Time value of money adjustments on rehabilitation and decommissioning provisions and put option liabilities	**32**	48
		330	518
	South Africa	**258**	488
	Rest of Africa	**72**	30
	The total finance costs, excluding time value of money adjustments, relate to borrowings held at amortised cost. For details of borrowings refer notes 13 and 35.		

		31 March 2016 Rm	30 September 2015 Rm
20.	**INVESTMENT INCOME**		
	Dividends on unlisted investments	**3**	11
	Interest received:		
	Cash and cash equivalents	**5**	13
	Overpayment of taxation	**4**	4
		12	28
	Interest received relates to assets held at amortised cost. For further details refer note 35.		
21.	**IMPAIRMENTS AND OTHER EXCEPTIONAL ADJUSTMENTS**		
	Impairment of goodwill (refer note 2)	**–**	(22)
	Impairment of financial asset	**–**	(1)
	Impairment of loans advanced	**(1)**	(1)
	Impairment of property, plant and equipment (refer note 1)	**(4)**	(57)
	Profit on disposal of equity-accounted investment and available-for-sale financial asset	**117**	–
	Gross impairments and other exceptional adjustments	**112**	(81)
	Taxation impact	**(24)**	15
	Net impairments and other exceptional adjustments	**88**	(66)
22.	**TAXATION**		
	South African normal taxation		
	Current taxation	**49**	314
	Current period	**42**	342
	Prior years	**(14)**	(28)
	Capital gains taxation	**21**	–
	Deferred taxation	**72**	(44)
	Current period	**72**	(25)
	Prior years	**–**	(19)
	Foreign normal taxation		
	Current taxation	**25**	125
	Current period	**25**	109
	Prior years	**–**	16
	Deferred taxation	**(11)**	(16)
	Current period	**(11)**	(16)
	Withholding taxation	**21**	12
	Taxation charge	**156**	391
		%	%
	Taxation rate reconciliation		
	Profit before taxation (excluding earnings from equity-accounted investments)	**30.8**	36.6
	Prior years' taxation impact	**2.8**	2.7
	Profit before taxation, excluding prior years' taxation adjustments	**33.6**	39.3
	Adjustment due to the inclusion of dividend income	**–**	0.3
	Effective rate of taxation	**33.6**	39.6
	Income taxation effect of:	**(5.6)**	(11.6)
	Disallowable charges, permanent differences and impairments	**(1.6)**	(8.9)
	Empowerment transactions and IFRS 2 charges not taxation deductible	**(1.0)**	(1.1)
	Finance costs on BBBEE transaction not taxation deductible	**(1.8)**	(2.1)
	Foreign taxation rate differential	**0.5**	1.6
	Capital gains differential on sale of non-core assets	**2.4**	–
	Withholding taxation	**(4.1)**	(1.1)
	South African normal taxation rate	**28.0**	28.0

		31 March 2016 Shares	30 September 2015 Shares
23.	**EARNINGS AND HEADLINE EARNINGS PER SHARE**		
23.1	**Number of shares and weighted average number of shares**		
	Number of shares		
	Total shares in issue	**605 379 648**	605 379 648
	Shares issued in terms of second BBBEE transaction treated as treasury shares	**(37 382 193)**	(37 382 193)
	Shares held by consolidated BBBEE trusts and trust funding SPVs treated as treasury shares	**(34 477 308)**	(34 477 308)
	Shares held by consolidated Porthold Trust (Pvt) Ltd treated as treasury shares	**(1 284 556)**	(1 284 556)
	Shares purchased in terms of the FSP incentive scheme treated as treasury shares	**(5 563 488)**	(6 342 640)
	Vesting of shares held by certain BBBEE 1 entities	**–**	(59 671)
	FSP incentive scheme weighted average number of shares	**(596 073)**	188 778
	Weighted average number of shares used for basic earnings per share calculation	**526 076 030**	526 022 059
	Dilutive adjustment for shares held in terms of the FSP incentive scheme	**5 563 488**	6 342 640
	FSP incentive scheme weighted average number of shares	**596 073**	(188 778)
	Timing of shares issued during the period	**1 801 242**	–
	Vesting of shares held by certain BBBEE 1 entities	**–**	59 671
	Weighted average number of shares used for dilutive earnings per share calculation	**534 036 833**	532 235 591
	Weighted average number of shares		
	Used for earnings and headline earnings per share	**526 076 030**	526 022 059
	Used for dilutive earnings and headline earnings per share	**534 036 833**	532 235 591
	Used for cash earnings per share	**527 877 272**	526 022 059

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

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

		Rm	Rm
23.2	**Basic earnings**		
	Net profit	**351**	661
	Attributable to:		
	Shareholders of PPC Ltd	**369**	698
	Non-controlling interests	**(18)**	(37)
		351	661
	Normalisation adjustments[(a)]	**(76)**	82
	Normalised net profit	**275**	743
	Attributable to:		
	Shareholders of PPC Ltd	**293**	775
	Non-controlling interests	**(18)**	(32)
		275	743
		Cents	Cents
23.3	**Earnings per share**		
	Basic	**70**	133
	Diluted	**69**	131
	Basic (normalised)	**56**	148
	Diluted (normalised)	**55**	147

		31 March 2016 Rm	30 September 2015 Rm
23.	**EARNINGS AND HEADLINE EARNINGS PER SHARE** continued		
23.4	**Headline earnings**		
	Headline earnings is calculated as follows:		
	Profit for the period	**351**	661
	Adjusted for:		
	Impairment loss on goodwill	**–**	22
	Impairment of loans advanced and financial assets	**1**	2
	Impairment of property, plant and equipment	**4**	57
	Realised gains on disposal of investments	**(117)**	–
	Taxation impact	**24**	(15)
	Headline earnings	**263**	727
	Attributable to:		
	Shareholders of PPC Ltd	**281**	759
	Non-controlling interests	**(18)**	(32)
		263	727
	Normalisation adjustments[(a)]	**13**	19
	Normalised headline earnings	**276**	746
	Attributable to:		
	Shareholders of PPC Ltd	**294**	778
	Non-controlling interests	**(18)**	(32)
		276	746
		Cents	Cents
23.5	**Headline earnings per share**		
	Basic	**53**	145
	Diluted	**52**	143
	Basic (normalised)	**56**	149
	Diluted (normalised)	**55**	147
23.6	**Cash earnings per share**	**63**	351
	Calculated on cash available from operations (Rm)	**334**	1 847

[(a)] Normalised earnings adjusts the reported earnings for the effects of empowerment transaction IFRS 2 charges, restructuring costs, impairments and other exceptional adjustments net of taxation and prior year taxation adjustments.

		31 March 2016 Rm	30 September 2015 Rm
24.	**DIVIDENDS**		
	Ordinary shares		
	Final number 224 – 33 cents per share (2015: 76 cents per share)	**185**	410
	Interim number 225 – nil cents per share (September 2015: 24 cents per share)	**–**	130
		185	540
	Dividends per share (cents)		
	Interim number 223 – declared 18 May 2015	**–**	24
	Final number 224 – declared 17 November 2015	**–**	33
		–	57
25.	**FINANCE COSTS PAID**		
	Finance costs as per income statement charge	**330**	518
	Time value of money adjustments	**(32)**	(48)
	BBBEE funding transaction finance costs capitalised	**(6)**	(62)
		292	408
26.	**TAXATION PAID**		
	Net amounts payable at the beginning of the period	**72**	97
	Charge per income statement (excluding deferred taxation)	**95**	451
	Impact of foreign rate differences and other non-cash flow movements	**1**	13
	Net amounts outstanding at the end of the period	**27**	(72)
		195	489
27.	**DIVIDENDS PAID**		
	Dividends declared to PPC shareholders	**185**	540
	Dividends declared by subsidiary to non-controlling interests	**–**	19
		185	559
28.	**ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT**		
	Freehold and leasehold land, buildings and mineral rights (refer note 1)	**19**	49
	Movement in advance payments to contractors (refer note 5)	**(6)**	(174)
	Movement in capital expenditure accruals	**(82)**	–
	Movement in retentions paid to contractors (refer notes 14 and 16)	**142**	(239)
	Plant, vehicles, furniture and equipment (refer note 1)	**1 103**	3 220
		1 176	2 856

		31 March 2016 Rm	30 September 2015 Rm
29.	**MOVEMENT IN INVESTMENTS AND LOANS**		
	Net movement	**(151)**	(156)
	Acquisition of equity-accounted investment	**75**	–
	Advance payments (refer note 5)	**(35)**	174
	Other non-cash flow movements	**(82)**	(47)
	Revaluation of available-for-sale financial asset directly in equity (refer note 5)	**6**	13
	Share of equity-accounted investments' losses	**31**	16
	Movement in VAT receivable	**160**	–
		4	–
30.	**COMMITMENTS**		
	Contracted capital commitments	**2 289**	3 594
	Approved capital commitments	**994**	1 049
	Capital commitments	**3 283**	4 643
	Operating lease commitments	**124**	171
		3 407	4 814
	Capital commitments		
	South Africa	**1 649**	2 409
	Rest of Africa	**1 634**	2 234
		3 283	4 643
	Capital commitments are anticipated to be incurred:		
	Within one year	**2 731**	2 758
	Between one and two years	**543**	1 518
	Greater than two years	**9**	367
		3 283	4 643

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.

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

The transaction to acquire a 100% shareholding in 3Q Mahuma Concrete (Pty) Ltd was concluded past the reporting date. The purchase consideration of R135 million will be settled via the issue of new PPC shares. Details of which are included in note 38.

30. COMMITMENTS continued

	2022 and thereafter Rm	2018 – 2021 Rm	2017 Rm	**Total 2016 Rm**	Total 2015 Rm
Operating lease commitments					
Land and buildings	42	58	19	**119**	160
Other	–	4	1	**5**	11
				124	171

In 2013, the company signed a ten-year lease for its head office and the lease comprises majority of the operating lease commitments at year end. The lease contains annual escalations of 8% for the offices and operating costs annual escalation of 10%. The lease has a five-year renewal period with initial renewal escalation rate at the prevailing market rate.

31. CONTINGENT LIABILITIES

Litigation, current or pending, is not considered likely to have a material adverse effect on the group.

32. RETIREMENT BENEFIT AND POST-RETIREMENT INFORMATION

It is the policy of the group to encourage, facilitate and contribute to the provision of retirement benefits for all permanent employees. To this end, the group's permanent employees are usually required to be members of a pension and/or a provident fund, depending on local requirements.

South African-based employees, except for Safika Cement and Pronto, belong to the PPC Retirement Fund, which consists of the Pretoria Portland Cement Defined Contribution Pension and Provident Funds. Safika Cement employees belong to the Liberty Provident Fund.

Botswana-based employees belong to Barloworld Botswana Retirement Fund.

Rwanda-based employees belong to Rwanda Social Board.

Zimbabwe-based employees belong to the National Social Security Authority Scheme and UNICEM Pension Fund.

Employees based in the DRC do not have a pension or provident fund, but belong to the National Institute of Social Security per the country requirements.

Defined contribution plans

The total cost charged to the income statement of R55 million (September 2015: R98 million) represents contributions payable to these schemes by the group at rates specified in the rules of the schemes. At 31 March 2016, all contributions due in respect of the current reporting period had been paid over to the schemes.

33. SHARE-BASED PAYMENTS

33.1 Cash settled

Executive directors and certain senior employees have been granted cash-settled share appreciation rights in terms of the PPC Long-Term Incentive Plan. The scheme was implemented during 2007, in recognition of services rendered, to encourage long-term shareholder value creation, and as an incentive for current and prospective employees to benefit from growth in the value of PPC in the medium and long term. All grants are approved by the remuneration committee.

Share appreciation rights granted

	Total	2013	2009[a]	2008[a]	2007[a]
Date of grant		30/9/2013	25/9/2009	17/11/2008	17/9/2008
Grant price (based on five-day volume weighted average price or zero) (rand)		–	35.35	31.80	43.00
Number of rights granted	**8 088 000**	170 000	2 166 000	2 212 000	3 540 000
Directors (with performance conditions)	**1 996 000**	170 000	360 000	435 000	1 031 000
Executives (with performance conditions)	**1 390 000**	–	458 000	456 000	476 000
Senior management	**4 702 000**	–	1 348 000	1 321 000	2 033 000
Movement during the period	**(99 000)**	–	(10 000)	(12 000)	(77 000)
Vested – directors	**–**	–	–	–	–
Forfeited – senior management	**(99 000)**	–	(10 000)	(12 000)	(77 000)
Movement in prior years	**(4 261 500)**	–	(1 027 000)	(1 130 500)	(2 104 000)
Unexercised[b]/unvested at 31 March 2016	**3 727 500**	170 000	1 129 000	1 069 500	1 359 000
Directors (with performance conditions)	**170 000**	170 000	–	–	–
Senior management	**3 557 500**	–	1 129 000	1 069 500	1 359 000
Vesting in thirds after the third, fourth and fifth anniversary of the grant date			Yes	Yes	Yes
Automatically exercised on the third anniversary of the grant date		Yes	Yes	Yes	Yes
Expiry date (lapse if not exercised)		30/9/2016	19/9/25	17/9/2018	8/8/2017
Share appreciation rights were valued using binomial option pricing, taking into account the following inputs:					
PPC share price of R12.20 at the end of the year					
Expected volatility of stock over remaining life of the option (%)			34.46	37.09	44.66
Risk-free rate (%)			8.50	8.20	7.50

[a] These rights have vested but have not been exercised as at 31 March 2016.
[b] Executives hold no unexercised rights.

Expected volatility is based on the historical share price over the past year.

Vesting of the zero grant price rights granted to directors is subject to individual performance conditions related to the directors' areas of responsibility.

		2016 Rm	2015 Rm
33.	**SHARE-BASED PAYMENTS** continued		
33.1	**Cash settled** continued		
	Reversal of previous charges recognised in the current year	**(2)**	(10)
	The carrying amount of the liability relating to cash-settled share appreciation rights as at 31 March 2016 (2015: 30 September) (refer note 14)	**3**	5

33.2 Equity settled

Executive directors and certain senior employees have been granted equity-settled share appreciation rights in terms of PPC's Long-Term Incentive Plan in recognition of services rendered, to encourage long-term shareholder value creation, and as an incentive to benefit from growth in the value of PPC in the medium and long term. The scheme was amended in 2015 to include equity-settled awards. All grants are approved by the remuneration committee. Shares will be purchased on the JSE Limited to settle the awards.

Share appreciation rights granted

	2016 Rm
Date of grant	**29/5/2015**
Grant price (based on five-day volume weighted average price) (rand)	**19.71**
Number of rights granted (all with performance conditions)	**9 923 152**
Directors	**2 914 952**
Management (including prescribed officers)	**7 008 200**
Forfeited during the year – management	**(322 227)**
Forfeited in prior year – management	**(135 515)**
Unvested at 31 March 2016	**9 465 410**
Directors	**2 914 952**
Management (including prescribed officers)	**6 550 458**
Vesting date	**19/2/2018**
Expiry date (lapse if not exercised)	**19/2/2021**

In terms of IFRS 2, the fair value of each equity-settled share appreciation right awarded, which will be expensed over the vesting period in return for services rendered, is based on the five-day volume weighted average price preceding the grant date and is not remeasured subsequently. The service and performance conditions are taken into account in the number of instruments that are expected to vest. Subsequent revisions are made for changes in estimated attrition and probability of satisfaction of performance conditions.

	2016 Rm	2015 Rm
The carrying amount of the equity-settled share appreciation rights at period end	–	3

33. SHARE-BASED PAYMENTS continued

33.3 Forfeitable share plan

The forfeitable share plan (FSP), a long-term incentive, was introduced in 2011 and extended in 2012 to executive directors and prescribed officers. Its purpose is to provide both an incentive to deliver the group's strategy over the long term and to be a retention mechanism. Participants will receive forfeitable shares for no consideration and will participate in dividends and shareholder rights from the date of grant, but may only dispose of the shares after the vesting date. Vesting of the retention awards is generally subject to employment for a period of three years, and vesting of the performance awards is additionally subject to satisfaction of certain performance conditions, failing which the employee will forfeit the shares and they may be sold by PPC and the net proceeds retained by the group. The performance conditions relate to growth in headline earnings per share measured over a three-year period. During the 2015 year, performance-linked awards were made using equity-settled share appreciation rights instead of forfeitable shares. No awards were made in the current period.

In terms of IFRS 2, the fair value of each share awarded, which will be expensed over the vesting period in return for services rendered, is based on the average market price of acquiring the share and is not remeasured subsequently. The service and performance conditions are taken into account in the number of instruments that are expected to vest. Subsequent revisions are made for changes in estimated attrition and probability of satisfaction of performance conditions.

	Total retention awards	Total performance awards	29 May 2015	18 February 2014		15 March 2013		16 February 2012	
			Retention awards	Retention awards	Performance awards	Retention awards	Performance awards	Retention awards	Performance awards
Date of grant:									
Number of shares granted to directors	**296 950**	**980 400**	182 050	40 100	329 200	36 600	322 900	38 200	328 300
Number of shares granted to management and prescribed officers	**4 977 400**	**2 423 800**	2 180 100	1 262 600	1 140 700	900 400	791 600	634 300	491 500
Average purchase price of shares acquired (R)			19.96	29.17	29.17	32.58	32.58	31.19	31.19
Estimated fair value per share at grant date (R)			19.96	29.17	29.17	32.58	32.58	31.19	31.19

Shares are purchased directly by PPC on the JSE Limited over a number of days following the grant date. The shares are held by an agent on behalf of the participants until the vesting date.

34. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The following amendments to published accounting standards are in issue but not yet effective. These revised standards and interpretations will be adopted by PPC in the future.

Revised statements in issue not yet effective	Effective date reporting period beginning on or after	Possible implication on PPC
For Adoption during 2017 financial year		
IAS 1 *Presentation of Financial Statements* (amendment) *Disclosure Initiative* – amendment to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes: – Clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply – Clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss – Additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.	1 January 2016	Disclosure impact
IFRS 14 *Regulatory Deferral Accounts* permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for "regulatory deferral account balances" in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements.	1 January 2016	No impact
Agriculture: Bearer Plants (amendments to IAS 16 and IAS 41) amends IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture* to: – Include "bearer plants" within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for as property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16 – Introduces a definition of "bearer plants" as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales – Clarifies that produce growing on bearer plants remains within the scope of IAS 41.	1 January 2016	No impact
IFRS 11 (amendment) *Accounting for Acquisition of Interests in Joint Operations* – the amendment requires an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 *Business Combinations*) to: Apply all of the business combinations accounting principles in IFRS 3 *Business Combinations* and other IFRS, except for those principles that conflict with the guidance in IFRS 11 *Joint Arrangement* – Disclose the information required by IFRS 3 and other IFRS for business combinations. The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured).	1 January 2016	No impact
Clarification of Acceptable Methods of Depreciation and Amortisation (amendment to IAS 16 and IAS 38) amends IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* to: – Clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment – Introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated – Add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.	1 January 2016	No impact

34. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES continued

Revised statements in issue not yet effective	Effective date reporting period beginning on or after	Possible implication on PPC
Investment Entities: Applying the Consolidation Exception (amendments to IAS 28, IFRS 10 and IFRS 12) amends IAS 28 *Investment in Associates and Joint Ventures*, IFRS 10 *Consolidated Financial Statements* and IFRS 12 *Disclosure of Interests in Other Entities* to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points: – The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value – A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity – When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries – An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.	1 January 2016	No impact
IAS 27 (amendment) *Equity Method in Separate Financial Statements* – amends IAS 27 *Separate Financial Statements* to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.	1 January 2016	Optional
IASB improvements to IFRS 2012 – 2014 makes amendments to the following standards: – IFRS 5 – Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued – IFRS 7 – Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements – IAS 19 – Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid – IAS 34 – Clarify the meaning of "elsewhere in the interim report" and require a cross-reference.	1 January 2016	No impact
For adoption during 2018 financial year		
IAS 7 *Statement of Cash Flows*: amendment as a result of the disclosure initiative	1 January 2017	Disclosure impact
IAS 12 *Income Taxes*: amendment regarding the recognition of deferred tax assets for unrealised losses	1 January 2017	Disclosure impact
For adoption during 2019 financial year		
IFRS 7 *Financial Instruments*: additional disclosure resulting from the introduction of the hedge accounting chapter in IFRS 9	1 January 2018	Disclosure impact
IFRS 9 *Financial Instruments*: classification and measurement	1 January 2018	Yes
IFRS 15 *Revenue from Contracts with Customers*	1 January 2018	Yes
For adoption during 2020 financial year		
IFRS 16 *Leases*	1 January 2019	Yes

35. FINANCIAL RISK MANAGEMENT

The group's financial instruments consist mainly of borrowings from financial institutions, deposits with banks, local money market instruments and accounts receivable and payable.

Forward exchange contracts and interest rate swaps are used by the group for hedging purposes. The group does not speculate in the trading of derivative instruments.

Capital risk management

The group manages its capital to ensure that entities in the group will continue as going concerns, while maximising the return to stakeholders through the optimisation of debt and equity.

The capital structure of the group consists of debt, which includes the borrowings disclosed in notes 13, cash and cash equivalents as disclosed in note 9, and equity attributable to PPC Ltd shareholders, comprising stated capital, reserves and retained profit.

A committee including PPC's senior financial executives review the capital structure on a quarterly basis. As part of this review, the cost of capital and the risks associated with each class of capital are considered. Based on recommendations of the committee, PPC balances its overall capital structure through issues of equity instruments, dividend cover reviews and the issue of new debt or the redemption of existing debt.

Treasury risk management

Senior financial executives meet on a regular basis to analyse currency and interest rate exposure and to re-evaluate treasury management strategies against latest economic forecasts. The group's treasury operation provides South African entities with access to local markets and provides local subsidiaries with the benefit of bulk financing and depositing.

Foreign currency management

Trade and capital commitments

The group is exposed to exchange rate fluctuations as it undertakes transactions denominated in foreign currencies in the normal course of business. Exchange rate exposures are managed within approved policy parameters utilising forward exchange contracts. Where possible, entities in the group cover forward all material foreign currency commitments unless there is a natural hedge.

Forward exchange contracts are carried at fair value with the resultant profit or loss included in income. The only exception relates to the effective portion of cash flow hedges, where profits or losses are recognised as other comprehensive income and are either included in the initial acquisition cost of the hedged assets, or are transferred to profit or loss when the hedged transaction affects the income statement where appropriate. Fair value gain of the forward exchange contracts at reporting date is R8 million.

Cash flow hedge accounting applied in respect of foreign currency risk

	2016 Rm	2015 Rm
Fair value of asset – foreign currency forward exchange	**48**	38

The amounts below represent forward exchange contract commitments to purchase foreign currencies:

	< 1 year Rm	1 to 3 years Rm	Total Rm
2016	**449**	**–**	**449**
2015	479	–	479

Total forward exchange contracts comprise the following:

	2016	2015
Euro (€m)	**–**	1
Average rate (R/€)	**16.54**	14.76
US dollar (US$m)	**29.0**	34
Average rate (R/US$)	**13.13**	12.99

The average rates shown above include the cost of forward cover.

PPC is exposed to translation risk as its foreign subsidiaries report in different currencies to that of the holding company. This is managed primarily through borrowings denominated in the relevant foreign currencies to the extent that such funding is available on reasonable terms in the local capital markets.

35. FINANCIAL RISK MANAGEMENT continued

Interest rate management

The group is exposed to interest rate risk arising from fluctuations in financing costs on loans which are at variable interest rates. As part of the process of maintaining a balance between the group's fixed and variable rate borrowings, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are structured according to expected movements in interest rates. The profile of total borrowings is as follows:

Description	Years of repayment	2016 Rm	2015 Rm
Secured			
BBBEE transaction (refer note 13)	2016 – 2017	**844**	1 229
Long-term loans denominated in foreign currencies (refer note 13)	2016 – 2025	**3 372**	2 357
		4 216	3 586
Unsecured			
Long-term loans (refer note 13)	2017	**2 872**	1 520
Short-term loans and bank overdrafts (refer note 15)	2016	**336**	719
Bonds (refer note 13)	2016 – 2021	**1 747**	2 396
		4 955	4 635

The group entered into an interest rate swap agreement in 2008 in which a variable rate was swapped for a fixed rate of 9.37%.

Unsecured, short-term loans bear interest at market rates.

As at March 2016, the following interest rate swap contract was held in respect of the consolidated debt of the BBBEE trusts and trust funding SPVs:

Related underlying liability	Currency	Notional amount Rm	Fixed interest rate (nacs) %	Maturity date Rm	Fair value of liability 2016 Rm	Fair value of liability 2015 Rm
A preference shares (rate linked to prime)	ZAR	14	9.37	2016	–	1
Total					–	1

Movements on cash flow hedges amounting to R12 million (September 2015: R27 million), net of taxation, were recognised in other comprehensive income during the year.

Sensitivity analysis

Interest rate risk

At 31 March 2016, if all floating interest rates on interest-bearing loan receivables, short-term cash investments, short-term loans payable and bank overdrafts had been 100 basis points higher, with all other variables held constant, attributable earnings would have been R25 million (earnings per share: 5 cents) lower. Conversely, at 31 March 2016, if all floating interest rates at that date had been 100 basis points lower, with all other variables held constant, the attributable earnings would have been R25 million (earnings per share: 5 cents) higher.

Equity price risk – cash-settled share appreciation rights

At 31 March 2016, if the PPC share price had been R5.89 higher, with all other variables held constant, attributable earnings would have been R4 million (earnings per share: 1 cents) lower. Conversely, at 31 March 2016, if the PPC share price had been R5.89 lower, with all other variables held constant, attributable earnings would have been R1 million (earnings per share: 1 cent) higher.

35. FINANCIAL RISK MANAGEMENT continued

Fair values of financial assets and liabilities

The carrying values of certain financial assets and liabilities, which are accounted for at historical cost, may differ from their fair values.

	Notes	Cement Carrying amount Rm	Cement Fair value Rm
March 2016			
Financial assets			
Loans and receivables		**1 355**	**1 355**
Investment in government bonds	5	**8**	**8**
Derivative financial instruments (cash flow and fair value hedges)	5/8	**78**	**78**
Trade and other financial receivables	8	**861**	**861**
Cash and cash equivalents	9	**408**	**408**
At fair value through profit and loss		**161**	**161**
Unlisted collective investment (held for trading)	5	**119**	**119**
Non-current assets held for sale	6	**42**	**42**
Financial liabilities			
At amortised cost		**9 664**	**9 663**
Long-term borrowings	13	**4 614**	**4 614**
Short-term borrowings	15	**3 713**	**3 712**
Trade and other financial payables	14/16	**1 337**	**1 337**
At fair value through profit and loss		**418**	**418**
Cash-settled share-based payment liability	14	**3**	**3**
Put option liabilities	14	**415**	**415**
Derivatives		**1**	**1**
Derivative financial instrument	16	**1**	**1**
September 2015			
Financial assets			
Available for sale		82	82
Unlisted investments at fair value	5	82	82
Loans and receivables		1 571	1 571
Investment in government bonds	5	7	7
Loans advanced	5	1	1
Loans relating to non-current assets held for sale	8	46	46
Derivative financial instruments (cash flow and fair value hedges)	8	51	51
Trade and other financial receivables	8	793	793
Cash and cash equivalents	9	673	673
At fair value through profit and loss		193	227
Unlisted collective investment (held for trading)	5	117	117
Non-current assets held for sale	6	76	110
Financial liabilities			
At amortised cost		8 239	8 255
Long-term borrowings	13	5 573	5 589
Short-term borrowings	15	1 419	1 419
Trade and other financial payables	14/16	1 247	1 247
At fair value through profit and loss		469	469
Cash-settled share-based payment liability	14	5	5
Put option liabilities	14	464	464
Derivatives		–	–
Derivative financial instrument	16	–	–

Lime		Aggregates and readymix		Other		Total	
Carrying amount Rm	Fair value Rm	Carrying amount Rm	Fair value Rm	Carrying amount Rm	Fair value Rm	Carrying amount Rm	Fair value Rm
101	**101**	**90**	**90**	**1**	**1**	**1 547**	**1 547**
–	**–**	**–**	**–**	**–**	**–**	**8**	**8**
–	**–**	**–**	**–**	**–**	**–**	**78**	**78**
95	**95**	**45**	**45**	**–**	**–**	**1 001**	**1 001**
6	**6**	**45**	**45**	**1**	**1**	**460**	**460**
–	**–**	**–**	**–**	**–**	**–**	**161**	**161**
–	**–**	**–**	**–**	**–**	**–**	**119**	**119**
–	**–**	**–**	**–**	**–**	**–**	**42**	**42**
85	**85**	**53**	**53**	**845**	**845**	**10 647**	**10 646**
–	**–**	**–**	**–**	**–**	**–**	**4 614**	**4 614**
–	**–**	**–**	**–**	**844**	**844**	**4 557**	**4 556**
85	**85**	**53**	**53**	**1**	**1**	**1 476**	**1 476**
–	**–**	**–**	**–**	**–**	**–**	**418**	**418**
–	**–**	**–**	**–**	**–**	**–**	**3**	**3**
–	**–**	**–**	**–**	**–**	**–**	**415**	**415**
–	**–**	**–**	**–**	**–**	**–**	**1**	**1**
–	**–**	**–**	**–**	**–**	**–**	**1**	**1**
–	–	–	–	–	–	82	82
						82	82
99	99	60	60	4	4	1 734	1 734
–	–	–	–	–	–	7	7
–	–	–	–	–	–	1	1
–	–	–	–	–	–	46	46
–	–	–	–	–	–	51	51
91	91	27	27	–	–	911	911
8	8	33	33	4	4	718	718
–	–	–	–	–	–	193	227
–	–	–	–	–	–	117	117
–	–	–	–	–	–	76	110
108	108	148	148	1 230	1 230	9 725	9 741
–	–	–	–	1 138	1 138	6 711	6 727
–	–	–	–	91	91	1 510	1 510
108	108	148	148	1	1	1 504	1 504
–	–	–	–	–	–	469	469
–	–	–	–	–	–	5	5
–	–	–	–	–	–	464	464
–	–	–	–	1	1	1	1
–	–	–	–	1	1	1	1

35. FINANCIAL RISK MANAGEMENT continued

Credit risk management

The potential exposure to credit risk is represented by the carrying amounts of trade receivables, short-term cash investments and derivative assets in the statement of financial position. Trade receivables comprise a large, widespread customer base and credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk, the granting of credit is controlled by application and account limits, and the group only deals with creditworthy customers supported by appropriate collateral. The group credit committee, chaired by the group CFO, meets on a quarterly basis to monitor trade receivables and approve granting of account limits. The group annually re-evaluates counterparty limits and the financial reliability of its customers. Provision is made for specific doubtful debts where appropriate, and as at 31 March 2016, management did not consider there to be any material credit risk exposure that was not already covered by security or a doubtful debt provision.

The group only deposits short-term cash with financial institutions of high-quality credit standing.

The following table highlights the split of maximum credit exposure:

	Cement Rm	Lime Rm	Aggregates and readymix Rm	Head office and other Rm	Total Rm
Maximum credit risk exposure					
March 2016	**1 356**	**101**	**90**	**1**	**1 548**
September 2015	1 689	8	33	4	1 734

Liquidity risk management

Liquidity risk is the risk of the group being unable to meet its payment obligations when they fall due. The group manages liquidity risk centrally by maintaining an appropriate balance between long-term and short-term debt, ensuring borrowing facilities are adequate to meet its liquidity requirements at all times, and by monitoring forecast and actual cash flows.

The company had borrowing facilities of R2 560 million and utilised 46% of these facilities at 31 March 2016. At year end, R1 393 million of borrowing facilities remain unutilised. These numbers exclude facilities in respect of debt consolidation as a result of BBBEE funding-related guarantees and project finance in Rwanda, the DRC and Zimbabwe. The company has a R6 billion domestic medium-term note programme of which R2.4 billion has been issued.

The following table details the group's remaining contractual maturity for its financial liabilities. The table has been prepared based on undiscounted cash flows at the earliest date on which the group can be required to pay. The amounts include both interest accrued and capital.

	< 1 year Rm	1 to 3 years Rm	> 3 years Rm	Total Rm
March 2016				
Long-term borrowings	**4 221**	**2 171**	**2 443**	**8 835**
Short-term borrowings	**336**	**–**	**–**	**336**
Trade and other payables	**1 540**	**–**	**–**	**1 540**
September 2015				
Long-term borrowings	791	3 180	3 531	7 502
Short-term borrowings	719	–	–	719
Trade and other payables	1 770	–	–	1 770

Refer note 13 for borrowings details.

35. FINANCIAL RISK MANAGEMENT continued

Methods and assumptions used by the group in determining fair values

The estimated fair value of financial instruments is determined, at discrete points in time, by reference to the mid-price in an active market wherever possible. Where no such active market exists for the particular asset or liability, the group uses valuation techniques to arrive at fair value, including the use of prices obtained in recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

The fair value of unlisted investment has been valued based on the purchase agreement following the decision to dispose of the investment, while unlisted collective investment is valued using the closing unit price at period end. Investment in government bonds is valued using the discounted face value of the bills. Further details are disclosed in note 5.

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

The fair values of cash and cash equivalents, trade and other financial receivables and trade and other financial payables approximate the respective carrying amounts of these financial instruments because of the short period to maturity.

Put option liabilities have been calculated using EBITDA forecasts prepared by management and discounted to present value. Further details are disclosed in note 14.

The fair value of derivative financial instruments relating to cash-settled share appreciation rights is determined with reference to valuations performed by third-party financial institutions at reporting date, using an actuarial binomial pricing model. The inputs into the model are shown in note 33.

Fair value hierarchy disclosures

	Notes	Level 1	Level 2	Level 3	Total
March 2016					
Financial assets					
Loans and receivables					
Investment in government bonds	5	–	8	–	8
Derivative financial instruments	5/8	78	–	–	78
Trade and other financial receivables	8	–	1 001	–	1 001
Cash and cash equivalents	9	460	–	–	460
At fair value through profit and loss					
Unlisted collective investments at fair value (held for trading)	5	119	–	–	119
Non-current assets held for sale	6	–	42	–	42
Total financial assets		657	1 051	–	1 708
Financial liabilities					
At amortised cost					
Long-term borrowings	13	–	4 614	–	4 614
Short-term borrowings	15	2 086	2 470	–	4 556
Trade and other financial payables and retentions	16	–	1 476	–	1 476
At fair value through profit and loss					
Derivative instruments – current (held for trading)	14	–	3	–	3
Put option liabilities	14	–	–	415	415
Derivatives					
Derivative financial instruments	16	–	1	–	1
Total financial liabilities		2 086	8 564	415	11 065

35. FINANCIAL RISK MANAGEMENT continued

Fair value hierarchy disclosures continued

	Notes	Level 1	Level 2	Level 3	Total
September 2015					
Financial assets					
Available for sale					
Unlisted investments at fair value	5	–	82	–	82
Loans and receivables					
Investment in government bonds	5	–	7	–	7
Loans advanced	5	–	1	–	1
Loans relating to non-current assets held for sale	8	–	46	–	46
Derivative financial instruments	8	51	–	–	51
Trade and other financial receivables	8	–	911	–	911
Cash and cash equivalents	9	718	–	–	718
At fair value through profit and loss					
Unlisted collective investments at fair value (held for trading)	5	117	–	–	117
Non-current assets held for sale	6	–	110	–	110
Total financial assets		886	1 157	–	2 043
Financial liabilities					
At amortised cost					
Long-term borrowings	13	2 396	4 331	–	6 727
Short-term borrowings	15	1 510	–	–	1 510
Trade and other financial payables and retentions	16	–	1 504	–	1 504
At fair value through profit and loss					
Derivative instruments – current (held for trading)	14	–	5	–	5
Put option liabilities	14	–	–	464	464
Derivatives					
Derivative financial instruments	16	–	1	–	1
Total financial liabilities		3 906	5 841	464	10 211

Level 1 – financial assets and liabilities that are valued accordingly to unadjusted market prices for similar assets and liabilities. Market prices in this instance are readily available and the price represents regularly occurring transactions which have been concluded on an arm's length transaction.

Level 2 – financial assets and liabilities are valued using observable inputs, other than the market prices noted in the level 1 methodology, and make reference to pricing of similar assets and liabilities in an active market or by utilising observable prices and market related data.

Level 3 – financial assets and liabilities that are valued using unobservable data, and requires management judgement in determining the fair value. Refer notes 5 and 14 for quantitative information and significant assumptions on the unobservable inputs used to determine fair values for financial assets and liabilities respectively.

The unlisted investment at fair value has been transferred from level 3 to level 2 because observable market data became available (refer note 5).

35. FINANCIAL RISK MANAGEMENT continued

Level 3 sensitivity analysis

Financial instrument	Valuation technique	Main assumptions	Carrying value Rm	Increase Rm	Decrease Rm
Put option liabilities	Earnings multiple	EBITDA and net debt	415	74	74

If the key unobservable inputs to the valuation model, being estimated EBITDA and net debt, were 1% higher/lower while all the other variables were held constant, the carrying amount of the put option liabilities would decrease/increase by R74 million.

The sensitivities are based only on the DRC put option as the Safika Cement put options have been settled at period end.

Movements in level 3 financial instruments

	2016 Rm	2015 Rm
Financial assets (refer note 5)		
Balance at the beginning of the period	–	95
Remeasurements	–	(13)
Transfer to level 2	–	(82)
Balance at the end of the period	–	–
Financial liabilities (refer note 14)		
Balance at the beginning of the period	**464**	145
Exercised during the year	**(42)**	(108)
Put options issued	–	422
Remeasurements	**(16)**	(14)
Time value of money adjustments	**9**	19
Balance at the end of the period	**415**	464

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

		Parent company of reporting entity Rm	Subsidiary of reporting entity Rm
36.	**RELATED-PARTY TRANSACTIONS**		
	2016		
	Interest received		
	Afripack Limited	**1**	–
	Goods and services purchased		
	Afripack Limited	**32**	–
	2015		
	Interest received		
	Afripack Limited	–	3
	Goods and services purchased/(sold)		
	Afripack Limited	87	–
	Amounts due (to)/from as at the end of the period		
	Afripack Limited	(9)	46

Group companies, in the ordinary course of business, entered into purchase transactions with associates and subsidiaries. The terms and conditions of these transactions are determined on an arm's length basis.

In addition to the above related-party transactions, dividends of R14 million (September 2015: R42 million) were paid to the PPC SBP Consortium Funding SPV (Pty) Ltd. This company owns 41 956 330 shares in PPC, including 1 967 404 shares issued in terms of the second BBBEE transaction which participate in only 20% of the dividend declared. SK Mhlarhi is a common director of both PPC and the PPC SBP Consortium Funding SPV (Pty) Ltd.

37. ADDITIONAL DISCLOSURE

Directors, prescribed officers and key management

The executive directors and prescribed officers of PPC are regarded as key management personnel. Details regarding directors' and prescribed officers' remuneration and interest are disclosed in the abridged remuneration report on pages 97 to 99.

Shareholders

The principal shareholders of the company are disclosed on page 100.

38. EVENTS AFTER THE REPORTING DATE

Liquidity and going concern

Following the finalisation of the liquidity guarantee facility, the company early redeemed R1 614 million of the outstanding notes on 15 July 2016, with the balance of the outstanding notes of R136 million (excluding transaction costs) following the original terms of the respective notes.

On 1 August 2016, the shareholders approved the following resolutions at a general meeting of shareholders:
- The increase of the authorised stated capital from 700 000 000 shares to 10 000 000 000 shares
- The amendment to the MOI reflecting the increase in the authorised stated capital
- The authorisation to issue additional shares that will exceed 30% of the existing voting power of the shares that were in issue
- The granting of a general authority to directors to issue the required number of shares for purposes of implementing the proposed rights offer.

Following these approvals, the company was able to proceed with the proposed rights offer.

On 24 August 2016, the proposed R4 billion rights offer was fully underwritten by the banks which is subject to standard material adverse change clauses. The company believes that the proceeds from the rights issue provides it with the necessary funding to continue as a going concern for the foreseeable future.

38. EVENTS AFTER THE REPORTING DATE continued

Business combination

On 1 July 2016, all terms and conditions on the transaction to acquire 100% of 3Q Mahuma Concrete (Pty) Ltd (3Q) were achieved and 3Q became a wholly owned subsidiary. The acquisition consideration was settled via the issuance of 17 565 872 new PPC shares. The fair value of the shares issued for the 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 a conduit to grow and sustain cement sales volumes. At the time of acquisition, 3Q was the largest independent readymix concrete provider in South Africa and provides PPC with a further complementary platform to grow our 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 will assist PPC achieving its vision.

The company is in the process of finalising the fair value of the assets and liabilities as on the acquisition date. Provisional fair values of assets and liabilities are reflected below:

Non-current assets	113
Current assets	108
Non-current liabilities	(9)
Current liabilities	(77)
Total consideration	135

39. CURRENCY CONVERSION GUIDE

Approximate value of foreign currencies relative to the rand at 31 March

	2016	2015
Botswana pula	**1.36**	1.32
Euro	**16.76**	15.42
US dollar	**14.71**	13.82
Rwandan franc	**0.02**	0.02
Mozambican metical	**0.29**	0.33

Subsidiaries and non-controlling interests

for the period ended 31 March 2016

SUBSIDIARIES AND NON-CONTROLLING INTERESTS

The consolidated annual financial statements for the period ended 31 March 2016 include the results and statements of financial position of the company and all of its subsidiaries.

The group consists of subsidiaries, either directly or indirectly held by the company, and holds the majority of voting rights in all subsidiaries. Except for the respective BBBEE entities consolidated in terms of IFRS 10, voting rights are aligned to the proportionate ownership. Non-controlling shareholders have significant interests in two of the group's subsidiaries, namely CIMERWA Limited (CIMERWA) and PPC Barnet DRC Holdings. Following the further investment in Safika Cement Holdings (Pty) Ltd (Safika Cement) during the period, via the exercise of a put option, non-controlling interest in Safika Cement is not considered significant in the current period.

The key trading subsidiaries, their activities and respective holding companies are:

Name of subsidiary	Principal activity
PPC Zimbabwe Limited	Manufacturer and supplier of both bag and bulk cement for use within Zimbabwe and surrounding countries
PPC Botswana (Pty) Ltd	Manufacturer, wholesaler and distributor of cementitious products, both bag and bulk, within Botswana
PPC International Holdings (Pty) Ltd	Holding company for PPC's rest of Africa investments
PPC Lime Limited	Manufacturer and supplier of highly reactive lump lime, burnt lime and burnt dolomite for use in South Africa and other surrounding countries
Pretoria Portland Cement International Holdings	Holding company for PPC's investments in Mozambique and PPC Aggregates Quarries Botswana
Pronto Building Materials (Pty) Ltd	Manufacture and supplier of readymix concrete and dry mortar mix in Gauteng
Ulula Ash (Pty) Ltd	Manufacture and supplier of fly ash
Safika Cement Holdings (Pty) Ltd[a]	Manufacturer and supplier of blended cement within South Africa
PPC Aggregate Quarries (Pty) Ltd	Manufacturer and supplier of stone, sand, road layer material and special aggregate-related products in Gauteng
PPC Aggregate Quarries Botswana (Pty) Ltd	Manufacturer and supplier of stone, sand, road layer material and special aggregate-related products in Gaborone and Francistown
Kgale Quarries (Pty) Ltd	Manufacturer and supplier of stone, sand, road layer material and special aggregate-related products in Gaborone
CIMERWA Limited	Manufacturer and supplier of both bag and bulk cement for use within Rwanda and surrounding countries
PPC Barnet DRC Holdings[b]	Holding company for PPC's expansion into the DRC cement market
PPC Barnet DRC Trading SA	Supplier of bag cement for use within the DRC and surrounding countries
PPC Barnet DRC Manufacturing SA	Manufacturer of both bag and bulk cement for use within the DRC and surrounding countries[c]
PPC Barnet DRC Quarrying SA	Owner of the mineral right in the DRC and responsible for the primary phase of quarrying[c]
PPC Mozambique SA	Supplier of cement, sourced primarily from Zimbabwe and South Africa, into the Mozambique market mainly into the Maputo and Tete regions

[a] The other put options, representing 9.59% shareholding in Safika Cement, were anticipated to be exercised on the fifth anniversary of the transaction, but in January 2016, shareholders approved the early settlement of the put options with the combination of a fresh share issue and cash payment. During 2015, one of the non-controlling shareholders exercised its put option and sold 21.1% of Safika Cement to PPC Ltd. For details, refer note 14. In order to retain and incentivise the Safika Cement management team, a notional vendor funding transaction was concluded for 5% of the business and is for five years. Put option percentages are as per the original agreements and have not been adjusted for the impact of the NVF that was concluded post the original purchase date.

[b] In the year ended September 2015, Barnet Group SARL and IFC subscribed for equity in PPC Barnet DRC Holdings. There is an agreement whereby the IFC can put its shares to PPC in future. Refer note 14.

[c] It is foreseen that the entities will commence with their primary activities at the end of the 2016 calendar year upon completion of the plant.

Other than the normal regulations and exchange controls applicable in the various countries in which the group operates, there are no significant restrictions that could materially impact the ability to access or use assets and settle liabilities in foreign jurisdictions.

Country of incorporation	Proportion of ownership interest and voting power held by the group 2016 %	2015 %	Holding company
Zimbabwe	70	70	PPC Ltd
Botswana	100	100	PPC Ltd
South Africa	100	100	PPC Ltd
South Africa	100	100	PPC Ltd
Mauritius	100	100	PPC Ltd
South Africa	100	100	Pronto Holdings (Pty) Ltd
South Africa	100	100	Pronto Building Materials (Pty) Ltd
South Africa	95	85	PPC Ltd
South Africa	100	100	PPC Ltd
Botswana	100	100	Pretoria Portland Cement International Holdings
Botswana	100	100	PPC Botswana (Pty) Ltd
Rwanda	51	51	PPC International Holdings (Pty) Ltd
Mauritius	69	69	PPC International Holdings (Pty) Ltd
Democratic Republic of the Congo	100	100	PPC Barnet DRC Holdings
Democratic Republic of the Congo	100	100	PPC Barnet DRC Holdings
Democratic Republic of the Congo	100	100	PPC Barnet DRC Holdings
Mozambique	100	100	PPC Mozambique Holdings

SUBSIDIARIES AND NON-CONTROLLING INTERESTS continued

The following summarised financial information is presented for PPC Barnet DRC Holdings and CIMERWA Limited (CIMERWA) and, based on their respective consolidated financial statements which were prepared in accordance with IFRS, modified for fair value adjustments to financial assets and liabilities at the acquisition date. The information is before intergroup eliminations with other group entities. These entities are deemed material due to their respective non-controlling shareholders being a major component of the value reflected on the consolidated statement of financial position.

	PPC Barnet DRC Holdings 31 March 2016 Rm	**CIMERWA 31 March 2016 Rm**	PPC Barnet DRC Holdings 30 September 2015 Rm	CIMERWA 30 September 2015 Rm
Revenue	**34**	**328**	107	265
EBITDA	**(16)**	**107**	(27)	(20)
Net loss for the period	**(30)**	**(30)**	(132)	(35)
Net loss attributable to non-controlling interests	**(6)**	**(15)**	(38)	(17)
Total assets	**2 415**	**2 558**	2 836	2 434
Total liabilities	**2 225**	**1 410**	2 649	1 274
Equity attributable to non-controlling interests	**(159)**	**629**	(170)	635

PPC acquired 9.59% (2015: 21.1%) additional interest in Safika Cement, increasing its shareholding to 95%. An amount of R44 million (2015: R108 million), being the proportionate share of the carrying amount of the net assets, has been transferred from non-controlling interest, which also represents the amount paid.

In the September 2015 financial year, shares were issued to non-controlling shareholders amount of R256 million, being the proportionate share of the carrying amount of the net assets, has been transferred to non-controlling interests, which also represents the value amount and assets received.

ATTRIBUTABLE INTEREST IN SUBSIDIARIES

	2016 Rm	**2015 Rm**
Attributable interest in the aggregate amount of profits and losses of subsidiaries, after taxation and non-controlling interest:		
Profits	**3**	183
Losses	**(21)**	(146)

Company statement of financial position
as at 31 March 2016

	Notes	31 March 2016 Rm	30 September 2015 Rm
ASSETS			
Non-current assets		**5 443**	5 491
Property, plant and equipment	1	**3 779**	3 709
Intangible assets	2	**128**	128
Other non-current assets	3	**1 536**	1 654
Non-current asset held for sale	4	**–**	7
Current assets		**3 171**	3 121
Inventories	5	**507**	489
Trade and other receivables	6	**653**	658
Amounts owing by subsidiaries	3	**1 967**	1 970
Taxation receivable		**44**	–
Cash and cash equivalents		**–**	4
Total assets		**8 614**	8 619
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	7	**(678)**	(730)
Other reserves		**78**	91
Retained profit		**1 292**	1 144
Total equity		**692**	505
Non-current liabilities		**2 766**	5 613
Provisions	10	**255**	252
Deferred taxation liabilities	8	**641**	555
Long-term borrowings	9	**1 454**	4 384
Other non-current liabilities	11	**416**	422
Current liabilities		**5 156**	2 501
Short-term borrowings	12	**4 259**	1 274
Taxation payable		**–**	64
Trade and other payables	13	**714**	888
Amounts owing to subsidiaries	3	**183**	275
Total equity and liabilities		**8 614**	8 619

Company income statement

for the period ended 31 March 2016

	Notes	Six months ended 31 March 2016 Rm	Twelve months ended 30 September 2015 Rm
Revenue		**2 531**	5 536
Cost of sales		**1 814**	3 864
Gross profit		**717**	1 672
Administration and other operating expenditure		**1**	294
Operating profit before BBBEE IFRS 2 charges	14	**716**	1 378
BBBEE IFRS 2 charges		**17**	35
Operating profit		**699**	1 343
Fair value adjustments on financial instruments	15	**20**	32
Finance costs	16	**286**	535
Investment income	17	**7**	16
Profit before impairments and other exceptional adjustments		**440**	856
Impairments and other exceptional adjustments	18	**(24)**	(16)
Profit before taxation		**416**	840
Taxation	19	**82**	197
Profit for the period		**334**	643

Company statement of other comprehensive income
for the period ended 31 March 2016

	Available-for-sale financial assets Rm	Hedging reserve Rm	Retained profit Rm	Total comprehensive income Rm
2016				
Profit for the period	–	–	334	334
Items that will be reclassified to profit or loss	(67)	8	–	(59)
Reclassification of gain on sale of available-for-sale financial asset to profit and loss	(82)	–	–	(82)
Taxation impact on reclassification of profit on sale of available-for-sale financial asset to profit and loss	15	–	–	15
Cash flow hedge	–	11	–	11
Taxation on cash flow hedge	–	(3)	–	(3)
Other comprehensive profit net of taxation	(67)	8	–	(59)
Total comprehensive income	(67)	8	334	275
2015				
Profit for the year	–	–	643	643
Items that will be reclassified to profit or loss	(10)	27	–	17
Revaluation of available-for-sale financial asset	(13)	–	–	(13)
Taxation on the revaluation of available-for-sale financial asset	3	–	–	3
Cash flow hedge	–	38	–	38
Taxation on cash flow hedge	–	(11)		(11)
Other comprehensive profit net of taxation	(10)	27	–	17
Total comprehensive income	(10)	27	643	660

Company statement of changes in equity

for the period ended 31 March 2016

		Other reserves					
	Stated capital Rm	Available-for-sale financial assets Rm	Equity compen-sation reserve Rm	Hedging reserve Rm	Put options Rm	Retained profit Rm	Total Rm
March 2016							
Balance at the beginning of the period	**(730)**	**278**	**251**	**27**	**(465)**	**1 144**	**505**
Movement for the period	**52**	**(67)**	**4**	**8**	**42**	**148**	**187**
Dividends declared	–	–	–	–	–	(186)	(186)
BBBEE IFRS 2 charges	–	–	10	–	–	–	10
Exercise of put option	–	–	–	–	42	–	42
FSP IFRS 2 charges	–	–	20	–	–	–	20
Issuance of shares to fund an additional investment in Safika Cement	26	–	–	–	–	–	26
Total comprehensive (loss)/income	–	(67)	–	8	–	334	275
Vesting of FSP incentive scheme awards	26	–	(26)	–	–	–	–
Balance at 31 March 2016	**(678)**	**211**	**255**	**35**	**(423)**	**1 292**	**692**
September 2015							
Balance at the beginning of the year	(729)	288	223	–	(137)	1 050	695
Movement for the year	(1)	(10)	28	27	(328)	94	(190)
BBBEE IFRS 2 charges	–	–	35	–	–	–	35
Dividends declared	–	–	–	–	–	(563)	(563)
Exercise of put option	–	–	–	–	94	–	94
FSP IFRS 2 charges	–	–	16	–	–	–	16
FSP incentive scheme treated as treasury shares^	(24)	–	–	–	–	–	(24)
Movement recognised directly in retained income	–	–	–	–	–	14	14
Put option recognised on non-controlling shareholder investment in subsidiary company	–	–	–	–	(422)	–	(422)
Total comprehensive (loss)/income	–	(10)	–	27	–	643	660
Vesting of FSP incentive scheme awards	23	–	(23)	–	–	–	–
Balance at 30 September 2015	(730)	278	251	27	(465)	1 144	505

^ For further details on the FSP incentive scheme, refer note 33 in the consolidated financial statements.

Company statement of cash flows

for the period ended 31 March 2016

	Notes	Six months ended 31 March 2016 Rm	Twelve months ended 30 September 2015 Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before exceptional adjustments		**440**	856
Adjustments for:			
Amortisation of intangible assets	2	**12**	22
IFRS 2 charges		**30**	51
Depreciation	1	**177**	395
Dividends received	17	**–**	(5)
Fair value gains on financial instruments	15	**(20)**	(32)
Finance costs	16	**286**	535
Income from subsidiary companies	14	**(315)**	(419)
Interest received	17	**(7)**	(11)
Operating cash flows before movements in working capital		**603**	1 392
Movement in inventories		**(18)**	(55)
Movement in trade and other receivables		**33**	103
Movement in trade and other payables		**(174)**	171
Cash generated from operations		**444**	1 611
Dividends received	17	**–**	5
Finance costs paid	20	**(233)**	(405)
Income received from subsidiary companies	14	**315**	419
Interest received	17	**7**	11
Taxation paid	21	**(142)**	(124)
Cash available from operations		**391**	1 517
Dividends paid		**(186)**	(563)
Net cash inflow from operating activities		**205**	954
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of additional shares in subsidiary		**–**	(108)
Investments in intangible assets	2	**(12)**	(35)
Investments in property, plant and equipment	22	**(244)**	(657)
Movement in financial assets		**5**	–
Movement in net amounts owing by subsidiary companies	3	**(167)**	(362)
Proceeds from disposal of property, plant and equipment		**1**	1
Proceeds on disposal of equity-accounted investment and available-for-sale financial asset		**153**	–
Net cash outflow from investing activities		**(264)**	(1 161)
Net cash outflow before financing activities		**(59)**	(207)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net borrowings raised/(repaid)		**705**	232
Repayment of notes	9	**(650)**	–
Purchase of shares in terms of the FSP incentive scheme	7	**–**	(24)
Net cash inflow from financing activities		**55**	208
Net (decrease)/increase in cash and cash equivalents		**(4)**	1
Cash and cash equivalents at the beginning of the period		**4**	3
Cash and cash equivalents at the end of the period		**–**	4

		Freehold and leasehold land, buildings and mineral rights Rm	Factory decommis-sioning assets Rm	Plant, vehicles, furniture and equipment Rm	Capitalised leased plant Rm	Total Rm
1.	**PROPERTY, PLANT AND EQUIPMENT**					
	March 2016					
	Cost	**601**	**57**	**6 798**	**154**	**7 610**
	Accumulated depreciation and impairments	**274**	**26**	**3 381**	**150**	**3 831**
		327	**31**	**3 417**	**4**	**3 779**
	Movements during the period					
	Net carrying value at the beginning of the period	**327**	**38**	**3 340**	**4**	**3 709**
	Additions	**7**	**–**	**237**	**–**	**244**
	Depreciation	**(6)**	**(1)**	**(168)**	**(2)**	**(177)**
	Disposals	**–**	**–**	**(1)**	**–**	**(1)**
	Impairments	**–**	**–**	**(4)**	**–**	**(4)**
	Other movements/reallocation	**(1)**	**(6)**	**13**	**2**	**8**
	Net carrying value at the end of the period	**327**	**31**	**3 417**	**4**	**3 779**
	September 2015					
	Cost	594	63	6 561	153	7 371
	Accumulated depreciation and impairments	267	25	3 221	149	3 662
		327	38	3 340	4	3 709
	Movements during the year					
	Net carrying value at the beginning of the year	326	40	3 101	7	3 474
	Additions	18	–	639	–	657
	Depreciation	(17)	(1)	(374)	(3)	(395)
	Disposals	–	–	(1)	–	(1)
	Impairments	–	–	(16)	–	(16)
	Other movements/reallocation	–	(1)	(9)	–	(10)
	Net carrying value at the end of the year	327	38	3 340	4	3 709

Included in plant, vehicles, furniture and equipment is capital work in progress of R202 million (September 2015: R357 million).

Following reviews of property, plant and equipment for the period ended 31 March 2016 other minor impairments of R4 million (September 2015: R1 million) were processed, and is reflected in other movements/reallocation.

A significant portion of the impairment loss recognised in 2015 relates to Algeria project costs that were capitalised in prior years. Following the group's decision to no longer pursue the current Algeria project, it was deemed appropriate that the costs capitalised of R15 million be impaired.

Certain of the company's properties are the subject of land claims. Discussion with the Land Claims Commissioner continues and outcomes of the claims referred to the Land Claims Court are still due. The claims are not expected to have a material impact on the company's operations.

During the period, an amount of R10 million (September 2015: R4 million) for critical spares was reclassified between property, plant and equipment and inventory.

Borrowing costs of R13 million (September 2015: R3 million) have been capitalised to property, plant and equipment (refer note 16).

Refer to the consolidated results for additional disclosures on property, plant and equipment and impairments.

In the current period, the useful life of certain assets was reviewed, as assets were being used longer than their estimated useful life. The remaining life of reserves was aligned with the useful life of the relevant assets and buildings and structural assets assumed a useful life of 30 years from 1 October 2015. The change in accounting estimate was applied prospectively and resulted in an annual decrease in depreciation in the current and future periods of R34 million with deferred taxation approximately R10 million.

		31 March 2016 Rm	30 September 2015 Rm
2.	**INTANGIBLE ASSETS**		
	ERP development and other software		
	Cost	**257**	257
	Accumulated amortisation and impairments	**129**	129
		128	128
	Net carrying value at the beginning of the period	**128**	112
	Additions	**12**	35
	Amortisation	**(12)**	(22)
	Transfers and other movements	**–**	3
	Net carrying value at the end of the period	**128**	128
3.	**OTHER NON-CURRENT ASSETS**		
	Investments in subsidiaries and other		
	Investments in subsidiaries at the beginning of the period	**1 527**	1 420
	Investment in Safika Cement	**44**	108
	Impairment of subsidiaries	**(79)**	–
	Investments in subsidiaries at the end of the period	**1 492**	1 528
	Unlisted investments	**44**	126
	Unlisted investment at fair value	**–**	82
	Contributions to PPC Environmental Trust	**44**	44
		1 536	1 654
	Comprising:		
	Other non-current assets	**1 536**	1 572
	Other non-current financial assets	**–**	82
		1 536	1 654
	Interests in subsidiaries		
	Shares at cost less amounts written off and dividends received at the beginning of the period	**1 535**	1 427
	Add: Investments in Safika Cement	**44**	108
		1 579	1 535
	Add: Amounts owing by subsidiaries	**1 967**	1 970
		3 546	3 505
	Less: Amounts owing to subsidiaries	**(183)**	(275)
		3 363	3 230

Safika Cement

With the purchase of the initial 69.3% stake in Safika Cement, PPC granted non-controlling shareholders individual put options, with different exercise dates, for the sale of their remaining shares in the company to PPC. One of the put options was exercised during the 2015 financial year for R108 million. The remaining put option, was anticipated to be exercised on the fifth anniversary of the transaction, but in September 2015, this was classified as a current liability as it was the intention to early settle the remaining put option. In January 2016, shareholders approved the early settlement of the remaining put option with the combination of a fresh share issue and cash payment. At March 2016, the put option liability (refer note 16) was Rnil (September 2015: R42 million). The put option liability was calculated using the company's forecast EBITDA applying an earnings multiple dependent on the level of EBITDA achieved less net debt.

(Put option percentages are as per the original agreement and have not been adjusted for the impact of the NVF that was concluded post the original purchase date.)

3. OTHER NON-CURRENT ASSETS continued

Unlisted investments at fair value

The company disposed its 6.75% shareholding in Ciments du Bourbon, incorporated in Reunion, during the current reporting period, with the resulting gain of R83 million recorded in other exceptional items.

Contributions to PPC Environmental Trust

These contributions are invested with independent financial institutions in a collective investment scheme and cash investments, and can be utilised on approval from the Department of Mineral and Energy Affairs for rehabilitation costs. The carrying value of the underlying trust's investments is R94 million (September 2015: R92 million).

Amounts owing by and to subsidiaries

The loans have no fixed terms of repayment, are unsecured and, where appropriate, interest is calculated using ruling market-related interest rates.

	31 March 2016 Rm	30 September 2015 Rm
4. EQUITY-ACCOUNTED INVESTMENTS		
Investments at cost	–	7
Transferred to non-current asset held for sale[a]	–	(7)
	–	–

[a] During the current reporting period, the company finalised the sale of its 25% stake in Afripack for R70 million. The resultant profit of R63 million has been included in other exceptional items. In 2015, the carrying amount immediately before classification as held for sale was R36 million which was lower than its fair value less costs to sell of R70 million (which represented the estimated selling price per the sales agreement less estimated transaction costs).

5. INVENTORIES		
Raw materials	**50**	79
Work in progress	**121**	120
Finished goods	**124**	78
Maintenance stores	**312**	311
Inventory obsolescence	**(100)**	(99)
	507	489
Amount of inventories recognised as an expense during the period	**1 341**	2 810

Inventories are determined on the weighted average formula bases.

During the period, an amount of R10 million (September 2015: R4 million) for critical spares was reclassified to property, plant and equipment (refer note 1).

No inventories have been pledged as security.

		31 March 2016 Rm	30 September 2015 Rm
6.	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables	**542**	579
	Allowances for doubtful debts	**(10)**	(16)
	Net trade receivables	**532**	563
	Mark to market cash flow hedge	**68**	38
	Other financial receivables	**32**	27
	Trade and other financial receivables	**632**	628
	Prepayments	**21**	30
		653	658
	Normal credit terms vary between 30 and 60 days. Allowance for doubtful debt is generally determined by the ageing on an account, financial position of the customer and security held. When a customer applies for business rescue or liquidates, the amount due is immediately provided for, if not already provided. No receivables have been pledged as security.		
	Net trade receivables comprise	**532**	563
	Trade receivables that are neither past due nor impaired^	**458**	488
	Trade receivables that are past due but not impaired	**74**	75
	^ There is no history of material default relating to trade receivables in this category.		
	Trade receivables that are past due but not impaired		
	Ageing beyond normal credit terms	**74**	75
	1 – 30 days	**41**	68
	31 – 60 days	**18**	2
	61 – 90 days	**–**	2
	More than 180 days	**15**	3
	Fair value of collateral held	**20**	31
	The majority of collateral held consists of bank guarantees, with the balance comprising suretyships, mortgage bonds, notarial bonds and cessions.		
	Impairment of trade receivables		
	Balance at the beginning of the period	**16**	7
	Allowance raised through profit or loss	**(6)**	9
	Balance at the end of the period	**10**	16

		31 March 2016 Shares	30 September 2015 Shares
7.	**STATED CAPITAL**		
	Authorised shares	**700 000 000**	700 000 000
	Issued ordinary shares		
	Total shares in issue at the beginning of the period	**605 379 648**	605 379 648
	Shared issued to non-controlling shareholders in Safika Cement on exercise of put option	**1 801 242**	–
	Total shares in issued at the end of the period	**607 180 890**	605 379 648
	Adjustments for shares treated as treasury shares		
	Shares purchased in terms of the FSP incentive scheme	**(5 563 488)**	(6 342 640)
	Shares held by consolidated BBBEE trusts and trust funding SPVs	**(26 480 950)**	(26 480 950)
	Total shares in issue (net of treasury shares)	**575 136 432**	572 556 058
	Authorised preference shares	**20 000 000**	20 000 000
	Twenty million preference shares of R1 000 each. No preference shares have been issued.		

	Rm	Rm
Stated capital		
Balance at the beginning of the period	**(730)**	(729)
Shares issued to non-controlling shareholders in Safika Cement on exercise of put option	**26**	–
Shares purchased in terms of the FSP incentive scheme treated as treasury shares	**–**	(24)
Vesting of shares held in terms of the FSP incentive scheme	**26**	23
Balance at the end of the period	**(678)**	(730)

Shares issued to non-controlling shareholders in Safika Cement on exercise of put option.
At the annual general meeting held on 25 January 2016, shareholders approved the early settlement of the remaining put option held by management of Safika Cement Holdings (Pty) Ltd for R44 million, to be settled by issue of new shares of R26 million and cash for R18 million. The shares were issued on 31 March 2016.

Shares held by consolidated BBBEE trusts and trust funding SPVs
In terms of the BBBEE transaction that was effected during December 2008, PPC provided guarantees to the holders of the A preference shares issued by the Black Managers Trust funding SPV, the holders of the B preference shares issued by the respective trust funding SPVs, and all of the long-term loans issued to the Black Managers Trust and the respective trust funding SPVs. The funding raised by the Black Managers Trust and SPV was used to purchase shares in PPC at market value, in terms of a scheme of arrangement. In substance, the shares purchased by the Black Managers Trust and trust funding SPV were indirectly funded by PPC. The shares are accordingly reflected as treasury shares and the corresponding long-term borrowings were raised (refer note 9).

FSP incentive scheme
In terms of the forfeitable share plan (FSP) incentive scheme, 5 583 488 shares (September 2015: 6 342 640 shares) are held for participants of this long-term incentive scheme. The shares are treated as treasury shares during the vesting periods of the awards. A total of 779 152 shares (September 2015: 531 179 shares) vested during the period and are no longer treated as treasury shares.

		31 March 2016 Shares	30 September 2015 Shares
7.	**STATED CAPITAL** continued		
	Unissued shares		
	Ordinary shares	**92 819 110**	94 620 352
	Preference shares	**20 000 000**	20 000 000

Of the unissued ordinary shares at the end of the period, the directors have the authority until the next annual general meeting to allot a maximum of 30 250 000 shares subject to the provisions of the Companies Act and JSE Listings Requirements.

		Rm	Rm
8.	**DEFERRED TAXATION LIABILITIES**		
	Movement		
	Balance at the beginning of the period	**555**	571
	(Released from)/charged directly to equity	**(12)**	8
	Charged/(released) to income statement	**48**	(24)
	Prior year tax adjustment	**50**	–
	Balance at the end of the period	**641**	555
	Analysis of deferred taxation		
	Property, plant and equipment	**695**	629
	Other non-current assets	**4**	32
	Current assets	**15**	5
	Non-current liabilities	**(64)**	(66)
	Current liabilities	**(21)**	(54)
	Reserves[(a)]	**12**	9
		641	555

[(a)] In 2015, reserves included an amount of R49 million relating to property, plant and equipment and has now been included in property, plant and equipment which reduced the previously reported R678 million to R629 million reflected above. Management believes this change provides improved disclosure for users of the financial statements.

					31 March 2016 Rm	30 September 2015 Rm
9.	**LONG-TERM BORROWINGS**					
	Borrowings	**Terms**	**Security**	**Interest rate**		
	Notes[a]	Various, refer below	Unsecured	Various, refer below	**1 747**	2 398
	Long-term loan[b]	Interest is payable quarterly with a bullet capital repayment in September 2017	Unsecured	Variable rated at 400 basis points above JIBAR	**555**	–
	Long-term loan	Interest is payable bi-annually with a bullet capital repayment in December 2016	Unsecured	Fixed 10.86%	**1 417**	1 520
	Long-term loan	Interest is payable monthly with the capital amount being payable 18 months after notice period	Unsecured	Variable rated at 125 basis points above JIBAR	**900**	–
	BBBEE funding transaction				**828**	1 115
	A preference shares	Dividends are payable bi-annually with capital redeemable from surplus cash. Compulsory annual redemptions are effective until December 2016	Secured by guarantee from PPC	Variable rates at 81.4% of prime	**33**	24
	B preference shares	Both capital and dividends are payable in December 2016, with capital capped at R400 million	Secured by guarantee from PPC	Variable rates at 78% of prime	**393**	395
	Long-term loans	Both capital and interest are payable in December 2016, with capital capped at R700 million	Secured by guarantee from PPC	Variable rates at 285 basis points above JIBAR	**402**	696
	Long-term borrowings				**5 447**	5 033
	Less: Short-term portion of long-term borrowings (refer note 12)				**(3 993)**	(649)
					1 454	4 384
	Maturity analysis of obligations:					
	One year				**3 993**	649
	Two years				**1 454**	2 637
	Three years				**–**	–
	Four years				**–**	749
	Five and more years				**–**	998
					5 447	5 033

9. LONG-TERM BORROWINGS continued

(a) Notes

Comprise three (September 2015: four) unsecured notes, issued under the company's R6 billion domestic medium-term note programme, and are recognised net of capitalised transaction costs of R3 million (September 2015: R2 million):

Number	Issue date	Value	Term	Interest rate
PPC 002	December 2013	R750 million	5 years	3-month JIBAR plus 1.5%
PPC 003	July 2014	R750 million	5 years	3-month JIBAR plus 1.48%
PPC 004	July 2014	R250 million	7 years	9.86%

During the period, PPC 001 of R650 million was redeemed.

On 30 May 2016, S&P Global Ratings (S&P) released a report on PPC which reflected a decline in ratings from zaA/zaA-2 to zaBB-/zaB long and short-term South Africa national scale. Due to the long-term rating falling below zaBBB-, the company was obliged to offer early redemption to noteholders in terms of the bond programme memorandum. The notes have therefore been reclassified from long-term to short-term borrowings.

During June 2016 the company has secured funding up to a maximum of R2 billion from Nedbank, Standard Bank, Rand Merchant Bank and Absa (the liquidity and guarantee facility agreement) which can only be used to reimburse the noteholders for the outstanding notes and related accrued finance costs.

The liquidity guarantee facility will bear interest at JIBAR plus 10% and repayment is due from the proceeds of the proposed capital raise or 1 November 2016 if earlier. Post-reporting date, the company utilised this facility to repay noteholders. The facility incurred fees of R171 million which will be amortised to the income statement over the five-month period of the facility. Further details are included in note 38 in the consolidated financial statements.

(b) Long-term loan

During the period, the company secured funding of R2 billion for an 18-month period. The funding was partly used to settle the first bond repayment while the balance of the facility will be used to repay the remaining portion of the BBBEE liability due in December 2016 after which the company will receive proceeds from the compulsory subscription by the Strategic Black Partners and Community Service Groups in terms of the company's first BBBEE transaction. Transaction costs of R35 million were capitalised against the facility and will be amortised over the period of the funding.

BBBEE funding transaction

PPC provided guarantees to the holders of the A preference shares issued by the Black Managers Trust funding SPV, the holders of the B preference shares issued by the respective trust funding SPVs, and all of the long-term loans issued by the Black Managers Trust and the respective trust funding SPVs.

		31 March 2016 Rm	30 September 2015 Rm
10.	**PROVISIONS**		
	Factory decommissioning and quarry rehabilitation	**228**	221
	Post-retirement healthcare benefits	**27**	31
		255	252

		Factory decommissioning and quarry rehabilitation Rm	Post-retirement healthcare Rm	Total Rm
10.	**PROVISIONS** continued			
	March 2016			
	Balance at the beginning of the period	**221**	**31**	**252**
	Amounts added	**–**	**1**	**1**
	Amounts reversed/utilised	**(9)**	**(5)**	**(14)**
	Time value of money adjustments	**16**	**–**	**16**
	Balance at the end of the period	**228**	**27**	**255**
	To be incurred:			
	Between two and five years	**7**	**7**	**14**
	More than five years	**221**	**20**	**241**
		228	**27**	**255**
	September 2015			
	Balance at the beginning of the period	213	28	241
	Amounts added	–	3	3
	Amounts reversed/utilised	(4)	–	(4)
	Other movements	(6)	–	(6)
	Time value of money adjustments	18	–	18
	Balance at the end of the period	221	31	252
	To be incurred:			
	Between two and five years	6	–	6
	More than five years	215	31	246
		221	31	252

Factory decommissioning and quarry rehabilitation

The company is 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 to administer the funds required to fund the expected cost of decommissioning or restoration. To date, R44 million (September 2015: R44 million) has been contributed to the PPC Environmental Trust refer note 3.

Post-retirement healthcare benefits

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.

Included in the provision are the following:

Cement and Concrete Institute employees

The provision relates to PPC's proportionate share of the post-employment healthcare benefits in respect of former employees of the Cement and Concrete Institute and amounted to R16 million (September 2015: R10 million). The liability was last revalued during February 2013 and will be revalued during the next reporting period. The liability has been determined using the projected unit credit method.

Corner House Pension Fund and Lime Acres continuation members

The provision relates to post-employment healthcare benefits in respect of certain Corner House Pension Fund and Lime Acres continuation members, and amounted to R10 million (September 2015: R21 million). The liability is revalued every three years and was last actuarially valued during February 2016. The liability has been determined using the projected unit credit method.

		31 March 2016 Rm	30 September 2015 Rm
11.	**OTHER NON-CURRENT LIABILITIES**		
	Cash-settled share-based payment liability	**3**	5
	Put option liabilities	**416**	464
		419	469
	Less: Short-term portion	**(3)**	(47)
		416	422
	For further details on the cash-settled share-based payment liability, refer note 34 in the consolidated results.		
	Movement in put option liabilities		
	Balance at the beginning of the period	**422**	145
	Fair value adjustments on remeasurements	**(16)**	(14)
	Put options exercised	**–**	(108)
	Put options granted	**–**	422
	Time value of money adjustments	**10**	19
	Balance at the end of the period	**416**	464
	Comprising:		
	Safika Cement	**–**	42
	PPC Barnet DRC Holdings	**416**	422
		416	464

Put option liabilities

Safika Cement

With the purchase of the initial 69.3% equity stake in Safika Cement, PPC granted non-controlling shareholders individual put options, with different exercise dates, for the sale of their remaining shares in the company to PPC. One of the put options was exercised during the 2015 financial year for R108 million. The remaining put option, was anticipated to be exercised on the fifth anniversary of the transaction, but in September 2015, this was classified as a current liability as it was the intention to early settle the remaining put option. In January 2016, shareholders approved the early settlement of the remaining put option with the combination of a fresh share issue and cash payment. At March 2016, the put option liability (refer note 16) was Rnil (September 2015: R42 million). The put option liability was calculated using the company's forecast EBITDA applying an earnings multiple dependent on the level of EBITDA achieved less net debt.

PPC Barnet DRC

The International Finance Corporation (IFC) was issued a put option in 2015 in terms of which PPC is required to purchase all or part of the class C 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 put option value is based on the company's forecast EBITDA applying a forward multiple less net debt. Forecast 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. The forward multiple of eight was determined using comparison of publicly available information of other cement businesses operating in similar territories. The present value of the put option was calculated at R415 million (September 2015: R422 million).

		31 March 2016 Rm	30 September 2015 Rm
12.	**SHORT-TERM BORROWINGS**		
	Short-term loans and bank overdraft	266	625
	Short-term portion of long-term borrowings (refer note 9)	3 993	649
		4 259	1 274
13.	**TRADE AND OTHER PAYABLES**		
	Cash-settled share-based payment liability	3	5
	Derivative financial instruments (cash flow hedge)	1	1
	Finance costs accrued	54	49
	Other financial payables	128	95
	Put option liability (refer note 11)	–	42
	Trade payables and accruals	442	473
	Trade and other financial payables	628	665
	Payroll accruals	70	195
	VAT payable	16	28
		714	888
	Trade and other payables are payable within the normal trade terms of 30 to 60-day period.		
14.	**OPERATING PROFIT**		
	Operating profit includes:		
	Amortisation of intangible assets (refer note 2)	12	22
	Auditors' remuneration	6	7
	Fees	4	6
	Other	2	1
	Depreciation (refer note 1)	177	395
	Cost of sales	166	361
	Operating costs	11	34
	Distribution costs included in cost of sales	360	767
	Exploration and research costs	1	1
	Income from subsidiary companies	315	419
	Fees	38	64
	Interest	1	94
	Dividends	276	261
	Operating lease charges – land and buildings	6	18
	Loss on disposal of plant and equipment	(1)	–
	Staff costs		
	Equity-settled share incentive scheme charge	20	13
	Cash-settled share incentive scheme charge[a]	(2)	7
	Directors' remuneration[b]	10	26
	Employees' remuneration	395	721
	Restructuring costs paid to employees	–	8
	Retirement benefit contributions	36	71
		459	846
	Less: Costs capitalised to plant and equipment and intangibles	(3)	(8)
		456	838
	[a] Refer note 33 of group financial statements.		
	[b] For further details, refer to the abridged remuneration report on pages 97 to 99.		
15.	**FAIR VALUE ADJUSTMENTS ON FINANCIAL INSTRUMENTS**		
	Gain on remeasurement of put option liabilities (refer note 11)	16	14
	Gain on derivatives designated as economic hedging instruments	–	14
	Gain on translation of foreign currency-denominated monetary items	4	4
		20	32

		31 March 2016 Rm	30 September 2015 Rm
16.	**FINANCE COSTS**		
	Bank and other short-term borrowings	**46**	41
	Notes	**98**	186
	Long-term loans	**84**	166
		228	393
	Capitalised to plant and equipment and intangible assets	**(13)**	(3)
	Finance costs before BBBEE transaction, subsidiary companies and time value of money adjustments	**215**	390
	BBBEE transaction	**39**	96
	Dividends on redeemable preference shares	**17**	34
	Long-term borrowings	**22**	62
	Subsidiary companies	**5**	12
	Time value of money adjustments	**27**	37
	On rehabilitation provisions	**16**	18
	On the put-option	**11**	19
		286	535
17.	**INVESTMENT INCOME**		
	Dividends on unlisted investments	**–**	5
	Interest on deposits and non-current assets	**7**	11
		7	16
18.	**IMPAIRMENTS AND OTHER EXCEPTIONAL ADJUSTMENTS**		
	Impairment of other non-current assets (refer note 3)	**(79)**	–
	Impairment of intercompany loans	**(87)**	–
	Impairment of property, plant and equipment (refer note 1)	**(4)**	(16)
	Profit on sale of investments (refer note 3 and 4)	**146**	–
		(24)	(16)
19.	**TAXATION**		
	Current taxation	**13**	209
	Current period	**6**	231
	Prior year	**(14)**	(22)
	Capital gains taxation	**21**	–
	Deferred taxation	**48**	(24)
	Current period	**48**	(5)
	Prior year	**–**	(19)
	Withholding taxation	**21**	12
	Total taxation charge	**82**	197
		%	%
	Reconciliation of taxation rate:		
	Profit before taxation	**19.4**	23.5
	Prior year taxation impact	**3.3**	4.9
	Profit before taxation, excluding prior year taxation adjustments	**22.7**	28.4
	Adjustment due to the inclusion of dividend income	**–**	8.9
	Effective rate of taxation	**22.7**	37.3
	Income taxation effect of:	**5.3**	(9.3)
	Disallowable charges, permanent differences and impairments	**(0.6)**	(6.2)
	Empowerment transactions and IFRS 2 charges not taxation deductible	**(1.1)**	(1.7)
	Capital gains differential on sale of non-core assets	**12**	–
	Withholding taxation	**(5.0)**	(1.4)
	South African normal taxation rate	**28.0**	28.0

		31 March 2016 Rm	30 September 2015 Rm
20.	**FINANCE COSTS PAID**		
	Finance costs as per income statement charge (refer note 16)	**286**	535
	Interest capitalised to plant and equipment	**13**	3
	Time value of money adjustments	**(27)**	(37)
	BBBEE funding transaction finance costs capitalised	**(39)**	(96)
	Redeemable preference share dividends capitalised	**(17)**	(34)
	Interest on long-term borrowings capitalised	**(22)**	(62)
		233	405
21.	**TAXATION PAID**		
	Net amounts payable/(receivable) at the beginning of the period	**64**	(33)
	Charge per income statement excluding deferred taxation (refer note 19)	**34**	221
	Net amounts payable at the end of the period	**44**	(64)
		142	124
22.	**ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT**		
	Freehold and leasehold land, buildings and mineral rights (refer note 1)	**7**	18
	Plant, vehicles, furniture and equipment (refer note 1)	**237**	639
		244	657
23.	**MOVEMENTS IN INVESTMENTS AND LOANS**		
	Net movement	**117**	(95)
	Revaluation of available-for-sale financial assets directly in equity	**–**	(13)
	Disposal of investment held for sale	**(82)**	–
	Investment in subsidiary companies	**44**	108
	Impairment of financial investment	**(79)**	–
		–	–

24. CONTINGENT LIABILITIES

Litigation, current or pending, is not considered likely to have a material adverse effect on the company.

PPC Ntsika Fund (Pty) Ltd and PPC Black Managers Trust Funding SPV (Pty) Ltd, wholly owned subsidiary companies, are technically insolvent. The company has provided guarantees in the way of a subordination agreement relating to the loans that are receivable from these companies.

The company has provided security for general banking facilities of PPC Lime and PPC Aggregate Quarries (Pty) Ltd in aggregate of R900 million.

For details on guarantees provided by PPC Ltd in terms of the BBBEE transaction, refer note 9.

25. FINANCIAL RISK MANAGEMENT

Fair values of financial assets and liabilities

The carrying values of certain financial assets and liabilities, which are accounted for at historical cost, may differ from their fair values.

The estimated fair values have been determined using available market information and approximate valuation methodologies.

	Note	March 2016 Carrying amount Rm	March 2016 Fair value Rm	September 2015 Carrying amount Rm	September 2015 Fair value Rm
Financial assets					
Unlisted investment at fair value	3	–	–	82	82
Trade and other financial receivables	6	**564**	**564**	590	590
Cash flow hedge	6	**68**	**68**	38	38
Amounts owing by subsidiary companies	3	**1 967**	**1 967**	1 970	1 970
Cash and cash equivalents		–	–	4	4
Financial liabilities					
Long-term borrowings	9	**1 454**	**1 454**	4 384	4 384
Short-term borrowings	12	**4 259**	**4 258**	1 274	1 274
Amounts owing to subsidiary companies	3	**183**	**183**	275	275
Trade and other financial payables	13	**627**	**627**	622	622
Put option liabilities	11/13	**415**	**415**	464	464
Derivative instruments – current (cash flow hedge)	11/13	**1**	**1**	1	1

	March 2016 Rm	September 2015 Rm
Credit risk management		
Maximum credit risk exposure^	**2 620**	2 632

^ Maximum credit risk exposure includes long-term receivables, trade and other receivables and cash and cash equivalents.

25. FINANCIAL RISK MANAGEMENT continued

Fair value hierarchy disclosures

	Valuation with reference to prices quoted in an active markets Level 1 Rm	Valuation based on observable inputs Level 2 Rm	Valuation based on unobservable inputs Level 3 Rm	Total Rm
March 2016				
Financial assets				
Loans and receivables				
Amounts owing by subsidiary companies	–	1 967	–	1 967
Trade and other financial receivables	–	564	–	564
Derivative financial instruments	–	68	–	68
Total financial assets	–	2 599	–	2 599
Financial liabilities				
Amounts owing to subsidiary companies	–	183	–	183
Long-term borrowings	1 161	293	–	1 454
Short-term borrowings	–	3 993	–	3 993
Put option liabilities	–	–	415	415
Trade and other financial payables	–	627	–	627
Derivative financial instruments – current (cash flow hedge)	–	1	–	1
Total financial liabilities	1 161	5 097	415	6 673
For movements and disclosure of level 3 items, refer note 35 in the consolidated financial statements.				
September 2015				
Financial assets				
Available for sale				
Unlisted investments at fair value	–	82	–	82
Loans and receivables				
Amounts owing by subsidiaries	–	1 970	–	1 970
Trade and other financial receivables	–	590	–	590
Derivative financial instruments		38		38
Cash and cash equivalents	4	–	–	4
Total financial assets	4	2 680	–	2 684
Financial liabilities				
Amounts owing to subsidiaries	–	275	–	275
Long-term borrowings	1 747	2 637	–	4 384
Short-term borrowings	649	625	–	1 274
Put option liabilities	–	–	464	464
Trade and other financial payables	–	622	–	622
Derivative financial instruments – current (cash flow hedge)	–	1	–	1
Total financial liabilities	2 396	4 160	464	7 020

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.

		31 March 2016 Rm	30 September 2015 Rm
26.	**RELATED-PARTY TRANSACTIONS**		
	In addition to the related-party transactions disclosed in the consolidated results, the company had the following related-party transactions:		
	Goods sold to		
	PPC Barnet DRC Trading Company SA	**17**	60
	PPC Botswana (Pty) Ltd	**151**	343
	PPC Zimbabwe Limited	**30**	61
	PPC Lime Limited	**4**	8
	PPC Mozambique SA	**–**	1
	Pronto Building Materials (Pty) Ltd	**68**	150
	Safika Cement Holdings (Pty) Ltd	**306**	645
	Goods purchased from		
	PPC Lime Limited	**18**	40
	Afripack Limited	**22**	87
	PPC Zimbabwe Limited	**–**	21
	Technical services provided to		
	PPC Lime Limited	**17**	8
	Kgale Quarries (Pty) Ltd	**1**	1
	PPC Botswana (Pty) Ltd	**1**	2
	PPC Aggregate Quarries (Pty) Ltd	**5**	2
	PPC Zimbabwe Limited	**3**	6
	PPC Barnet DRC Trading Company SA	**10**	11
	CIMERWA Limited	**2**	5
	Interest received from		
	PPC International Holdings	**–**	94
	Interest paid to		
	PPC Aggregate Quarries (Pty) Ltd	**1**	3
	PPC Nstika Fund (Pty) Ltd	**–**	1
	Community Service Groups and Strategic Black Partners	**79**	166
	Pronto Holdings (Pty) Ltd	**2**	3
	Safika Cement Holdings (Pty) Ltd	**–**	1
	PPC Lime Limited	**2**	4
	Dividends received from		
	PPC Lime Limited	**60**	43
	PPC Aggregate Quarries (Pty) Ltd	**26**	16
	PPC Zimbabwe Limited	**127**	62
	Safika Cement Holdings (Pty) Ltd	**–**	86
	Pronto Holdings (Pty) Ltd	**40**	50
	Slurrylink (Pty) Ltd	**–**	4

		31 March 2016 Rm	30 September 2015 Rm
26.	**RELATED-PARTY TRANSACTIONS** continued		
	Dividends paid		
	Porthold Trust (Pty) Limited	–	1
	In terms of the first BBBEE transaction		
	The PPC Black Managers Trust	3	10
	PPC Team Benefit Trust Funding SPV (Pty) Ltd	–	3
	PPC Construction Industry Associations Trust Funding SPV (Pty) Ltd	3	11
	PPC Education Trust Funding SPV (Pty) Ltd	1	6
	PPC Community Trust Funding SPV (Pty) Ltd	1	4
	Community Service Groups and Strategic Black Partners	16	49
	In terms of the second BBBEE transaction		
	PPC Masakhane Trust	1	5
	PPC Bafati Trust	–	1
	Strategic Black Partners	–	2
	Trade amounts due from		
	PPC Barnet DRC Trading Company SA	7	19
	PPC Botswana (Pty) Ltd	24	35
	PPC Zimbabwe Limited	23	19
	PPC Mozambique SA	3	3
	PPC Lime Limited	–	1
	Safika Cement Holdings (Pty) Ltd	13	9
	Pronto Building Materials (Pty) Ltd	13	16
	Amounts due by/to		
	PPC Aggregate Quarries (Pty) Ltd	(28)	(63)
	PPC Lime Limited	(92)	(121)
	PPC Botswana (Pty) Ltd	2	2
	Slurrylink (Pty) Ltd	–	5
	PPC International Holdings (Pty) Ltd	1 919	1 846
	Pronto Holdings (Pty) Ltd	(34)	(55)
	Safika Cement Holdings (Pty) Ltd	(27)	(12)
	Community Service Groups and Strategic Black Partners	(1 429)	(1 532)
	Long-term loan (refer note 9)	(1 417)	(1 520)
	Interest capitalised	(12)	(12)

The terms and conditions of these transactions are determined on an arm's length basis.

27. ADDITIONAL DISCLOSURE

Refer to the consolidated financial statements for additional disclosure on the following:

- Accounting policies
- Commitments
- Directors' remuneration and interest
- Events after reporting date
- Financial risk management
- Foreign exchange gains and losses
- Related-party transactions
- Retirement benefit information
- Share-based payments.

Abridged remuneration report

for the period ended 31 March 2016

KEY PRINCIPLES OF THE REMUNERATION POLICY

PPC recognises that one of its competitive sources of value is its employees. To meet our business objectives, therefore, remuneration and reward policies and practices must be based on the following principles:

- Encourage organisational, team and individual performance
- Be designed to drive a high-performance culture
- Be based on the premise that employees should share in the success of the company
- Be designed to attract and retain high-calibre individuals with the optimum mixture of competencies
- Takes into account industry benchmarks and practices of comparable companies of a similar size.

The policy conforms to King III and is based on the following principles:

- Remuneration practices are aligned with corporate strategy
- Total rewards are set at competitive levels in the relevant market
- Incentive-based rewards are earned by achieving demanding performance conditions consistent with shareholder interests over the short, medium and long term
- Incentive plans, performance measures and targets are structured to operate effectively throughout the business cycle
- The design of long-term incentives is prudent and does not expose shareholders to unreasonable financial risk.

Further details on the group's remuneration policy can be found in the company's integrated report.

Remuneration paid to executive directors and prescribed officers in 2016 (six months ended March 2016)

R000	Salary	TGP retirement and medical contri-butions	Car allowance	STI[10]	LTI[9] realised	Other[11]	Total
Executive directors							
DJ Castle	2 546	305	–	–	–	8	**2 859**
MMT Ramano	1 605	475	98	–	–	4	**2 182**
Prescribed officers[8]							
PL Booysen[1]	374	102	81	–	–	1	**558**
HN Buthelezi[12]	1 303	152	–	–	–	4	**1 459**
N Caldwell[2]	224	53	–	–	–	1	**278**
JT Claassen	1 275	240	150	–	143	5	**1 813**
EJ de Beer[13]	152	40	16	–	–	–	**208**
AC Lowan	912	90	–	–	66	–	**1 068**
NL Lekula[3]	863	115	–	–	140	1	**1 119**
KPP Meijer[4]	388	116	39	–	–	4 352	**4 895**
FK Molefe	924	189	–	–	–	–	**1 113**
NF Nepfumbada[5]	306	54	–	–	–	1	**361**
RM Rein	1 202	195	168	–	–	2	**1 567**
T Sibisi[6]	525	92	–	–	–	84	**701**
JHDLR Snyman	936	118	59	–	116	1	**1 230**
JJ Taljaard[7]	543	97	73	–	–	1	**714**
	14 078	**2 433**	**684**	**–**	**465**	**4 465**	**22 125**

Notes

[1] Following an internal restructure, December 2015 was the last month as a member on the group exco.
[2] Appointed February 2016.
[3] Appointed December 2015.
[4] Resigned effective December 2015. Other comprises negotiated mutual separation package made up as follows: Annual leave pay – R127 000. Negotiated separation package – R2.5 million. Notice pay – R813 000. Balance of restraint of trade – R813 000.
[5] Appointed February 2016.
[6] Resigned effective December 2015. Other comprises encashed leave.
[7] Following an internal restructure, December 2015 was the last month as a member on the group exco.
[8] Following remuneration committee deliberation, going forward prescribed officers will be reduced to core decision makers only, in line with the Companies Act.
[9] LTI realised refers to: FSP retention shares that vested in February 2016.
[10] No STI paid in the period.
[11] Other represents sundry expenses relating to medical aid gap cover, executive holiday accommodation expenses, etc. except in the instance of T Sibisi and KPP Meijer (see note 4 and 6).
[12] Resigned effective 31 July 2016.
[13] Appointed to group exco in March 2016.

Abridged remuneration report continued

for the period ended 31 March 2016

Remuneration paid to executive directors and prescribed officers in 2015 (12 months ended September 2015)

R000	Salary	Retirement and medical contri-butions	Car allowance	STI	LTI realised	Other	Total
Executive directors							
DJ Castle[1]	3 520	420	–	1 853	–	2	**5 795**
MMT Ramano	3 026	881	240	1 821	3 248[2]	11	**9 227**
BL Sibiya[3]	862	–	–	–	–	–	**862**
Prescribed officers							
PL Booysen	1 386	390	324	854	137[4]	6	**3 097**
HN Buthelezi	2 434	291	50	1 140	–	701[5]	**4 616**
JT Claassen	2 137	424	360	1 289	215[4]	1 021[6]	**5 446**
AC Lowan	1 812	162	–	782	–	87	**2 627**
KPP Meijer	2 235	663	232	1 244	202[4]	789[5]	**5 365**
FK Molefe	1 832	268	–	789	–	–	**2 889**
RM Rein[7]	1 605	96	214	–	–	378	**2 293**
T Sibisi	2 315	310	–	1 000	–	–	**3 195**
JHDLR Snyman	1 766	217	117	869	294[4]	5	**3 268**
JJ Taljaard	2 076	375	320	1 047	207[4]	2	**4 027**
RS Tomes[8]	299	53	38	–	–	288	**678**
	27 305	4 550	1 895	12 688	4 303	3 290	**54 031**

Notes
[1] Appointed 12 January 2015.
[2] Vesting of restricted share units granted in 2012.
[3] Reimbursement to permanent employer while performing the role of executive chairman for three months.
[4] Vesting of FSP with no performance conditions, granted in 2012.
[5] Restraint-of-trade payment.
[6] Restraint-of-trade payment and relieving allowance.
[7] Seconded from Safika Cement from March 2015, other comprises secondment allowance.
[8] Resigned in October 2014; other comprises leave pay.

NON-EXECUTIVE DIRECTORS' FEES

Non-executive directors' fees are as approved at the previous annual general meeting (AGM) and valid from that date until the next AGM.

Total emoluments to non-executive directors for the six-month period ended 31 March 2016

			Committee								
R000	Board fees	Chair-man fees	Nomina-tions	Audit	Risk and com-pliance	Remune-ration	Social, ethics and transfor-mation	Invest-ment	Special meetings	Total
S Dakile-Hlongwane[1]	51	–	–	–	–	–	–	–	40	**91**
N Goldin	137	–	–	–	–	73	–	31	40	**281**
ZJ Kganyago[2]	82	–	–	–	–	–	–	–	–	**82**
TJ Leaf-Wright	137	–	–	–	38	–	45	31	79	**330**
MP Malungani[2]	104	–	–	–	–	–	45	62	–	**211**
T Mboweni	137	–	98	–	–	–	77	–	140	**452**
SK Mhlarhi	137	–	–	–	–	92	–	31	59	**319**
B Modise	137	–	–	87	77	–	–	–	80	**381**
T Moyo	137	–	89	87	–	–	–	–	60	**373**
CH Naude	137	–	–	–	38	92	–	–	119	**386**
PG Nelson	137	–	–	87	–	187	–	–	238	**649**
TDA Ross	179	–	–	174	38	–	–	43	196	**630**
BL Sibiya[2]	–	431	187	–	–	53	–	31	40	**742**
	1 512	**431**	**374**	**435**	**191**	**497**	**167**	**229**	**1 091**	**4 927**

Notes
[1] Appointed January 2016.
[2] Resigned January 2016.

Total emoluments to non-executive directors for the year ending 30 September 2015 were

			Committee								
R000	Board fees	Chair-man fees	Nomi-nations	Audit	Risk and com-pliance	Remune-ration	Social, ethics and transfor-mation	Invest-ment	Special meetings	Total
DJ Castle[1]	50	–	–	48	–	–	–	18	215	**331**
N Goldin	223	–	–	–	–	119	–	19	–	**361**
ZJ Kganyago[2]	252	–	–	37	–	–	–	18	480	**787**
NB Langa Royds[3]	82	–	43	–	–	108	72	–	332	**637**
TJ Leaf-Wright	202	–	–	–	63	–	56	38	–	**359**
MP Malungani	273	–	–	–	–	–	87	148	215	**723**
T Mboweni	202	–	40	–	–	–	99	–	–	**341**
SK Mhlarhi	294	–	–	–	–	169	–	74	215	**752**
B Modise	252	–	–	94	179	–	–	–	215	**740**
T Moyo	294	–	96	57	–	–	–	–	215	**662**
CH Naude	223	–	–	–	63	119	–	–	–	**405**
PG Nelson	223	–	–	57	–	244	–	–	–	**524**
TDA Ross	367	–	52	210	88	–	–	55	567	**1 339**
J Shibambo[4]	82	–	43	–	28	53	35	–	215	**456**
BL Sibiya	–	1 221	142	–	–	33	45	55	538	**2 034**
D Ufitikirezi[5]	138	–	24	–	–	–	–	–	–	**162**
	3 157	**1 221**	**440**	**503**	**421**	**845**	**394**	**425**	**3 207**	**10 613**

Notes
[1] Served as non-executive director for three months before becoming CEO.
[2] Alternate director to BL Sibiya.
[3] Retired January 2015.
[4] Retired January 2015.
[5] Resigned September 2015.

INTERESTS OF EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS IN SHARE CAPITAL

The aggregate direct beneficial holdings of directors and their immediate families (none of whom holds over 1%) in the issued ordinary shares of the company are detailed below. There are no indirect holdings by directors and their immediate families. There have been no material changes in these shareholdings since that date.

Name	Number of shares at 31 March 2016	Number of shares at 30 Sept 2015
Current directors		
MMT Ramano	**134 143**	134 143
Prescribed officer		
JHDLR Snyman	**24 100**	24 100

Interests of directors and prescribed officers in BBBEE schemes

In 2008, in terms of the company's first BBBEE transaction, certain executive directors and prescribed officers were granted participation rights in the loan-funded Black Managers Trust which owns shares that are subject to vesting conditions and a lock-in period restricting transferability which expires on 15 December 2016. In addition, in the 2012 financial year, they each received rights to 2 541 shares in a trust owning donated shares which were subject to a lock-in expiring on 15 December 2013. Certain non-executive directors received vested rights in 2008 in a trust owning donated shares which were subject to vesting conditions and a lock-in expiring annually in thirds from 15 December 2012 to 15 December 2014.

In the 2013 financial year, after implementation of the company's second BBBEE transaction, executive directors and prescribed officers were included among South African employees granted participation rights in a notional loan-funded trust owning shares that are subject to vesting conditions and a lock-in period restricting transferability which expires in September 2019.

Participation rights	BEE 1	BEE 2
Executive directors		
MMT Ramano	335 249	372 737
Prescribed officers[1]		
PL Booysen[2]	–	16 322
HN Buthelezi[5]	–	218 676
JT Claassen	–	22 501
AC Lowan	–	118 850
KPP Meijer[3]	–	28 488
FK Molefe	–	171 490
T Sibisi[4]	–	188 639
JHDLR Snyman	–	18 167
JJ Taljaard	–	25 384
NL Lekula	109 531	220 634
EJ de Beer	–	20 235

Notes:
[1] Following remuneration committee deliberations, going forward prescribed officers will be reduced to core decision-makers only, in line with the Companies Act.
[2] No longer a prescribed officer following internal restructure.
[3] Paid out 10% of market value at date of separation, in lieu of forfeiting 100% full value of participation at vesting date in 2019.
[4] Rights forfeited on date of resignation.
[5] Resigned effective 31 July 2016.

PPC Ltd shareholder analysis

as at 31 March 2016

Issued share capital: 607 180 890 shares

SHAREHOLDER SPREAD	Number of shareholders	%	Number of shares	%
1 – 1 000 shares	6 878	55,85	2 780 264	0,46
1 001 – 10 000 shares	4 374	35,51	14 200 125	2,34
10 001 – 100 000 shares	750	6,09	21 524 784	3,55
100 001 – 1 000 000 shares	232	1,88	74 248 109	12,23
1 000 001 shares and over	82	0,67	494 427 608	81,43
Total	**12 316**	**100**	**607 180 890**	**100**
DISTRIBUTION OF SHAREHOLDERS				
Banks	100	0,81	149 765 657	24,67
Broad-based black ownership	17	0,14	144 839 159	23,85
Brokers	63	0,51	24 338 848	4,01
Close corporations	113	0,92	826 547	0,14
Endowment funds	35	0,28	1 464 919	0,24
Individuals	9 859	80,05	26 485 076	4,36
Insurance companies	65	0,53	10 107 530	1,66
Investment companies	9	0,07	253 441	0,04
Medical aid schemes	8	0,06	356 062	0,06
Mutual funds	183	1,49	95 075 475	15,66
Nominees and trusts	1 340	10,88	7 550 469	1,24
Other corporations	73	0,59	884 701	0,15
Pension funds	197	1,60	131 235 966	21,61
Private companies	253	2,05	13 966 190	2,30
Sovereign wealth fund	1	0,01	30 850	0,01
Total	**12 316**	**100**	**607 180 890**	**100**
PUBLIC/NON-PUBLIC SHAREHOLDERS				
Non-public shareholders	21	0,17	230 439 694	37,95
Directors' holdings	3	0,02	163 243	0,03
Broad-based black ownership	17	0,14	144 839 159	23,85
Strategic holdings (10% or more)	1	0,01	85 437 292	14,07
Public shareholders	12 295	99,83	376 741 196	62,05
Total	**12 316**	**100**	**607 180 890**	**100**

BENEFICIAL SHAREHOLDERS HOLDING 3% OR MORE OF THE ISSUED SHARE CAPITAL	Number of shares in September 2015	% September 2015
Public Investment Corporation Limited	**85 437 292**	**14,07**
PPC SBP Consortium Funding SPV (Pty) Limited.	**39 988 926**	**6,59**
PPC Masakhane Employee Share Trust	**26 757 780**	**4,41**

Corporate information

PPC LTD
(Incorporated in the Republic of South Africa)
Company registration number: 1892/000667/06
JSE code: PPC

DIRECTORS
Executive: DJ Castle (chief executive officer),
MMT Ramano (chief financial officer)

Non-executive: PG Nelson (interim chairman),
S Dakile-Hlongwane, N Goldin, TJ Leaf-Wright, MP Malungani,
T Mboweni, SK Mhlarhi, B Modise, T Moyo*, CH Naude, TDA Ross
*Zimbabwean

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Woodmead, Sandton
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Telefax +27 11 386 9001
Email jaco.snyman@ppc.co.za

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Telephone +27 11 305 5555
Telefax +27 11 305 5600

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Computershare Services (Pty) Ltd
70 Marshall Street
Marshalltown
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Marshalltown, 2107, South Africa
Telephone +27 11 370 5000
Telefax +27 11 688 5200
Email web.queries@computershare.co.za

TRANSFER SECRETARIES: ZIMBABWE
Corpserve (Pvt) Ltd
4th Floor, Intermarket Centre
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Harare, Zimbabwe
Telephone +263 4 758 193/751 559
Telefax +263 4 752 629

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PO Box 1475
Harare, Zimbabwe
Telephone +263 4 790 090
Telefax +263 4 791 345

Financial calendar

The company changed its year end to March with effect from the 2016 financial year	
Financial year end	31 March
Annual general meeting	31 October 2016
Reports	
Interim results for half year to September	Publish November
Preliminary announcement of annual results	Publish June
Annual financial statements	Publish July
Dividends	
Interim	If declared November
Final	If declared June