



Sephaku Holdings Limited  
(Incorporated in the Republic of South Africa)  
(Registration number: 2005/003306/06)  
Share code: SEP  
ISIN: ZAE000138459

## **Operational update**

### **Métier completes the fourth 70m<sup>3</sup>/hour plant in Gauteng**

Following the announcement on 21 August 2014, Sephaku Holdings Limited ("SepHold") is pleased to confirm that Métier Mixed Concrete (Pty) Ltd ("Métier") has completed the construction of the fourth plant with a 70m<sup>3</sup>/hour production capacity in the Gauteng province. Production commenced on 22 September 2014 bringing the total number of plants to eleven (11) with 7 located in KwaZulu Natal.

Métier's main objective is to achieve relatively high margins through the creation and production of specialised concretes. These high value concretes constituted 29% of revenue for the financial year ended 31 March 2014.

### **Delmas annualised capacity utilisation at 80%**

Clinker production at Sephaku Cement (Pty) Ltd's ("SepCem") Aganang integrated plant commenced successfully on 20 August 2014 and cement production is scheduled for October. The internally produced clinker is expected to significantly enhance the cost efficiencies and competitiveness of SepCem. To this end and depending on the production mix, SepCem is expected to achieve a substantial reduction in input costs.

The initial consignment of clinker was delivered to the Delmas milling plant within the first week of production in August 2014. In September 2014, Delmas plant reached an annualised production capacity utilisation of 80% which is an indication of the increasing sales ramp up rate since the beginning of the year. The demand for the SepCem brand has increased significantly in both the bulk and retail (bag) markets. The brand acceptance is reflected by its delivery to more than 1000 points in the targeted markets and approximately 500 order related calls per day being handled by the Company call centre. Marketing and sales activities have intensified in the North West province, Free State province and Botswana in anticipation of cement production at Aganang plant.

SepCem has received support from bag and bulk users and will ensure that its key selling proposition of consistent quality and exceptional service is extensively pursued. SepCem is producing cement in all strength classes and plans are in place to increase the 42.5R and 52.5N volumes targeting technical users.

**Authorised by**

Chief executive officer

Dr. Lelau Mohuba

1 October 2014

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Sponsor to Sephaku Holdings: Questco (Pty) Ltd

**About Sephaku Holdings Limited**

Sephaku Holdings Limited (SepHold) is a building and construction materials company with a portfolio of investments in the cement sector in South Africa. The company's core investments are a 36% stake in Sephaku Cement (Pty) Ltd and 100% in Métier Mixed Concrete (Pty) Ltd. SepHold's strategy is to generate income and realise value for shareholders through the production of cement and ready-mixed concrete in southern Africa.

[www.sephakuholdings.com](http://www.sephakuholdings.com)