

The logo for PPC, consisting of the letters 'PPC' in a bold, red, sans-serif font, with a horizontal line underneath.

PPC ANNOUNCES PPC PHAKAMA – A R2.1 BILLION TOP-UP BEE TRANSACTION

- **PPC Phakama will increase PPC SA's BEE shareholding to an effective 30%**
 - **Structure caters for eligible employees, communities and black entrepreneurs**
 - **Funded by notional vendor funding**
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Thursday, 15 March 2018 – PPC Ltd. is pleased to announce a top-up black economic empowerment (“BEE”) scheme named PPC Phakama, meaning ‘*rise up*’ in isiZulu. PPC Phakama reflects the company’s strategic approach to ‘building a future that lasts’ through long-term investments and doing the right thing for its people and communities.

PPC Phakama will be implemented at the level of PPC South Africa Holdings (Pty) Ltd (“PPC SA”). The top-up transaction, together with the residual BEE shareholding from two previous transactions will result in an effective 30% BEE shareholding at the PPC SA level. The two previous transactions, BEE 1 and BEE 2, were implemented at the listed company level.

PPC Phakama will be broad-based in nature comprising of the PPC SA Employee Trust, a Community Development Trust and eligible black entrepreneurs.

The PPC Phakama transaction is valued at R2.1 billion based on a derived intrinsic equity value of R10.2 billion for PPC SA, before adjustments for a non-controlling and unlisted interest. This valuation was performed by an independent valuator and confirmed by management.

Johan Claassen, CEO commented: **“We are excited and proud to announce the PPC Phakama transaction which demonstrates our approach to long-term sustainable value creation. Our employees will hold approximately 10% direct shareholding in our South African businesses, allocated equally. It is my hope that PPC Phakama marks the opportunity to create value for employees and simultaneously grow and build PPC into a formidable company.”**

Furthermore, communities, through the Community Development Trust, will have an indirect equity shareholding of approximately 8% in PPC SA. The trust will consist of communities, which are still to be confirmed, residing in and around the areas in which PPC SA operates.

Eligible black entrepreneurs (still to be finalised), will be allocated about 7% direct equity shareholding in PPC SA.

“This transaction reflects our commitment to broad-based transformation in line with the country’s socio-economic imperatives” said Tryphosa Ramano, PPC CFO.

The transaction will be facilitated via a notional vendor funding (“NVF”) structure over a 10 year period for eligible employees, black entrepreneurs and a perpetual trust for communities. During the period of the transaction the participants with the exception of the Community Development Trust, will enjoy

a “trickle dividend” of 20%, to the extent that PPC SA declares a dividend which will be used to purchase PPC Ltd shares at the prevailing market price in the name of the individual participant. The Community Development Trust will receive a 20% “trickle dividend” in cash to be used for community development initiatives.

This sustainable structure will afford PPC SA strong BEE credentials for the duration of the scheme, ensuring the company’s compliance with the Mineral and Petroleum Resources Development Act, 28 of 2002 and the Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry.

The company has received a fairness opinion from an independent expert which confirms that the transaction is fair for PPC Ltd. shareholders. This opinion has been submitted and approved by the securities exchange operated by the JSE Limited.

“We have made a concerted effort over the past 18 months to ensure that the scheme is fair and equitable for eligible PPC SA employees and communities. The success of the PPC Phakama transaction and the size of the ultimate benefit to participants will be determined by PPC’s performance and the dividends over the 10 year period. The dividends are driven by the company’s profitability to which employees will make an invaluable contribution” concluded Claassen.

The PPC Phakama Transaction will become effective upon:

- the completion of all administrative matters common for transactions of this nature, including the execution of all the transaction agreements giving effect to the PPC Phakama Transaction (“Transaction Agreements”) and the Transaction Agreements becoming unconditional in accordance with their terms and conditions; and
- approval of the PPC Phakama Transaction by regulatory authorities, as may be required.

ENDS

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About PPC Ltd

A leading supplier of cement, lime and related products in southern Africa, PPC has 11 cement factories and a lime manufacturing facility in six African countries including South Africa, Botswana, DRC, Ethiopia, Rwanda and Zimbabwe. The recent commissioning of PPC's milling depot, located in Harare, Zimbabwe and new plants in the DRC and Ethiopia bring PPC's capacity to around eleven and a half million tonnes of cement products each year, compared to 8 million tonnes in 2015.

As part of its strategy and long-term vision, PPC is expanding its operations in South Africa with the modernisation of its PPC Slurry complex outside Mafikeng in the North West province.

PPC's Materials business, comprising of Pronto Holdings (including Pronto Building Materials, Ulula Ash and 3Q Mahuma Concrete), forms part of the company's channel management strategy for southern Africa. PPC's footprint in the readymix sector has grown to include 29 batching plants across South Africa and Mozambique and also has the capacity to produce half a million tonnes of fly ash. PPC also produces aggregates in South Africa and Botswana.

PPC Lime, one of the largest lime producers in the southern hemisphere, produces metallurgical-grade calcitic and dolomitic lime and sinter stone used mainly in the steel and related industries.

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