

FOR IMMEDIATE RELEASE

AFRISAM EXPANDS ITS FOOTPRINT INTO AFRICA WITH MULTI-MILLION DOLLAR KILN PROJECT

AfriSam is poised to expand its footprint into Africa with the decision to go ahead with the construction of a second kiln at the Tanga Cement plant in Tanzania. AfriSam has a 62.5% shareholding in Tanzania-based Tanga Cement Company Limited (TCCL) and this company plays an important role in AfriSam's African growth strategy.

The construction of a second kiln, at an estimated cost of US165-million, was approved in May 2012 in response to the consistently high demand for cement both from the Tanzanian market and markets beyond the country's borders. Until now, TCCL has been obliged to import clinker to meet this demand and the new kiln will enable the company to produce enough clinker to supply all its own requirements and significantly reduce imports.

Once completed, the second kiln will increase the company's clinker production capacity by 600 000 tons per annum, more than doubling current capacity.

"The East African market is experiencing rapid economic development as a result of infrastructure improvements and housing needs, and this will give the company a significant competitive advantage by being the first to add clinker capacity to this market," Stephan Olivier, AfriSam CEO, says.

"We believe that the construction of the second kiln will not only benefit TCCL and AfriSam, but will also contribute greatly to the economic development of Tanzania and the East African region."

AfriSam's Technical Services Department will provide critical support during the construction of the new kiln, with commissioning scheduled for the first quarter of 2015. Two years ago TCCL increased its cement production capacity by commissioning a second cement mill, expanding capacity from 750 000 tons to more than 1.2 million tons per year.

About AfriSam

Black-controlled AfriSam is one of the most widely spread cement, aggregate and readymix groups in the southern African region, with operations in South Africa, Botswana, Lesotho, Swaziland and Tanzania. Founded in 1934, the company employs more than 2 000 staff members. AfriSam has an annual cement production capacity of 5.8 million tons produced from seven production facilities and distributed to customers through strategically located cement depots. AfriSam is a proud Level 2 Broad Based Black Economic Empowerment (BBBEE) contributor and has a 62.5 percent interest in Tanzania-based and listed Tanga Cement Company Limited.

EXPANDING FOOTPRINT PIC O1 : The Tanga Cement Company plant in Tanzania.

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