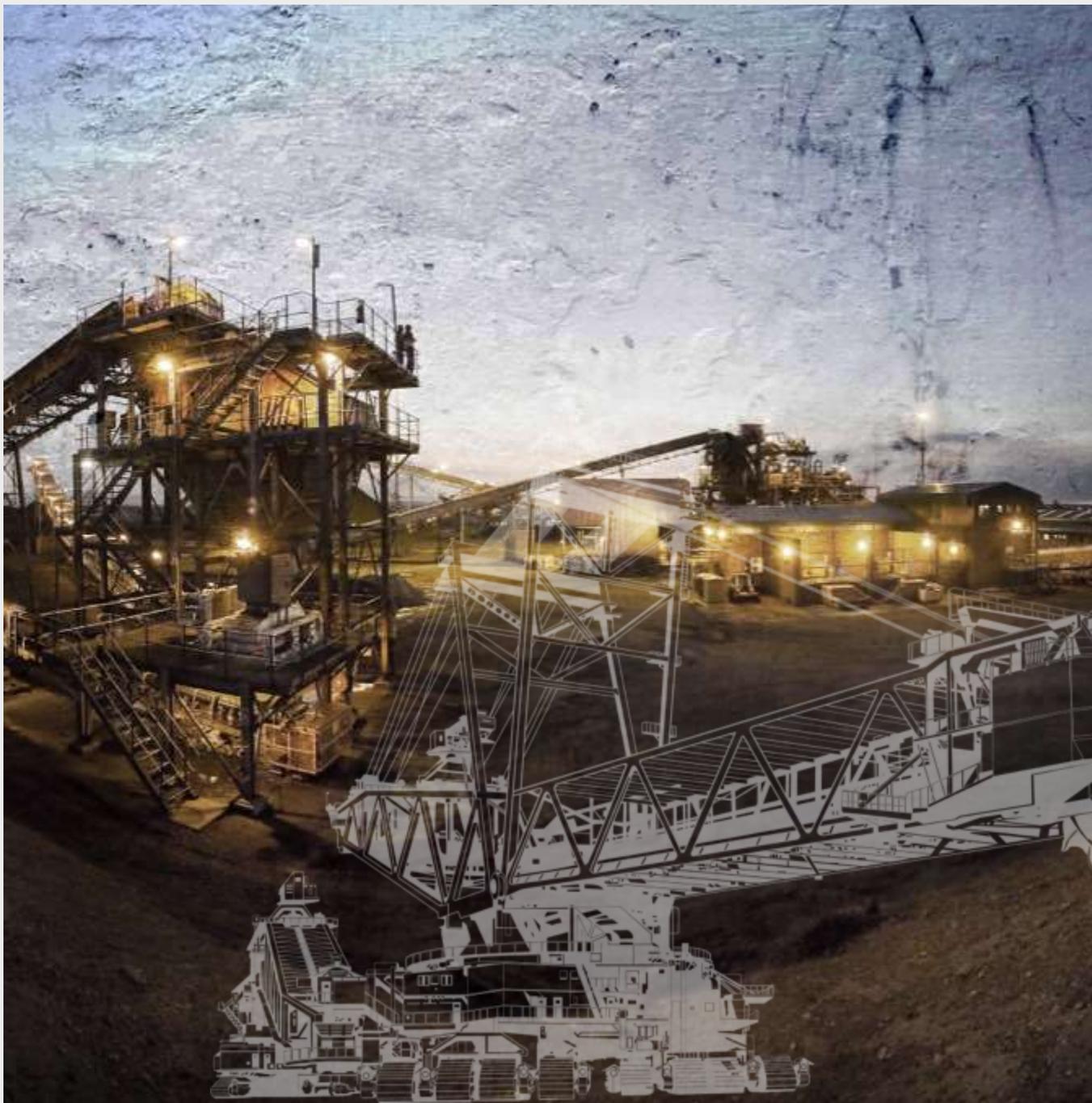
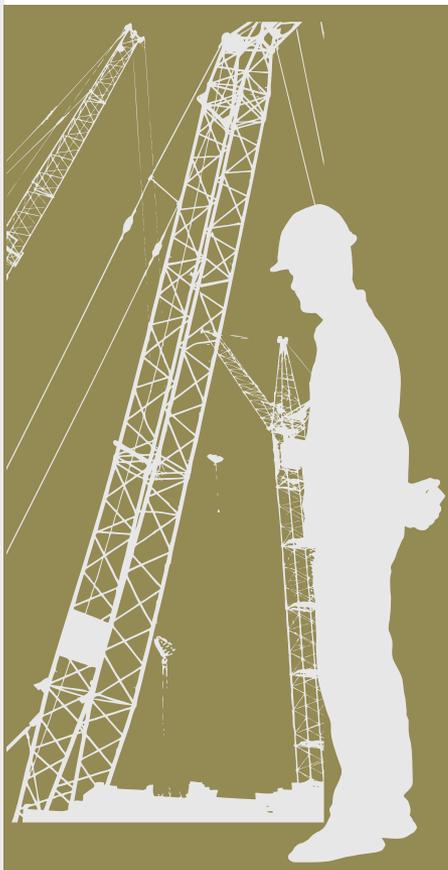


**ANNUAL RESULTS  
PRESENTATION**  
for the year ended  
31 December 2014



**exxaro**  
POWERING POSSIBILITY



## OWNER-CONTROLLED OPERATIONS

### Coal

- Two tied operations
- Four commercial operations
- GMEP\* ramp-up

- Secure supply to Eskom
- Increase domestic supply
- Manage mines in closure responsibly
- Increase exports
- Increase productivity

### Ferrous

- Mayoko Project
- FerroAlloys

- Review Mayoko
- Apply UHDMS\*\* technology

## NON-CONTROLLED INVESTMENTS

### Investments:

- 20% in SIOC#
- 44% in Tronox
- 26% in Black Mountain
- 50:50 Joint Venture:
  - Mafube with Anglo
  - Cennergi with Tata

- Maintain SIOC investment
- Analyse and review the long-term fundamentals of the titanium dioxide industry
- Divest from Black Mountain and Chifeng

Optimise the operating model

# Exxaro strategy

## **Exxaro positioned for growth**

- Well established as a significant player in the South African coal sector

## **Coal commodity**

- Stable performance under difficult market conditions
- A strong coal portfolio that remains on track for optimisation
- Quality assets with growth potential

## **Energy**

- Strategically placed to take advantage of energy development opportunities in the country

## **Investments and projects**

- Strategic investments and project portfolio under review

## **Operating model**

- Outcomes of re-structuring being implemented
- Cost reduction imperative

# Demonstrating responsibility and accountability

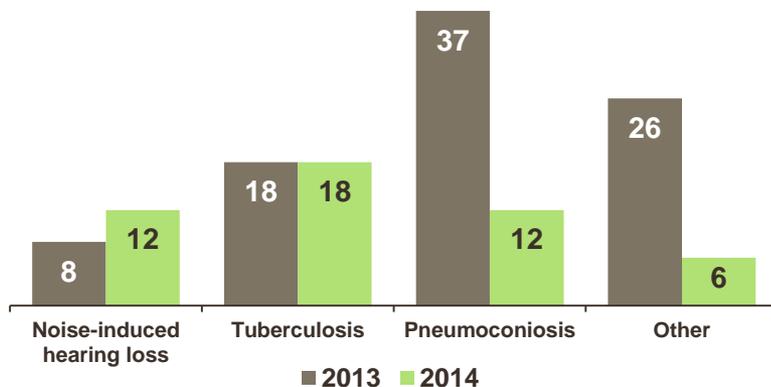
## Safety

- One reportable fatality
- LTIFR\* stable at 0,19
- Seven business units LTI\*\* free
- 10% decrease in the number of LTIs

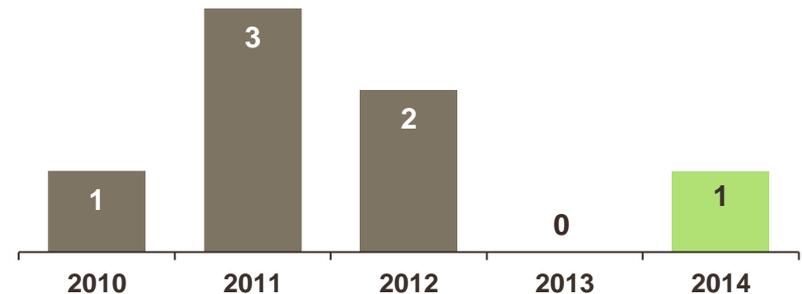
## Health

- Reportable occupational disease cases down by 46%
- HIV/Aids prevalence rate at 9%
- HIV/Aids programme enrolment up 22%

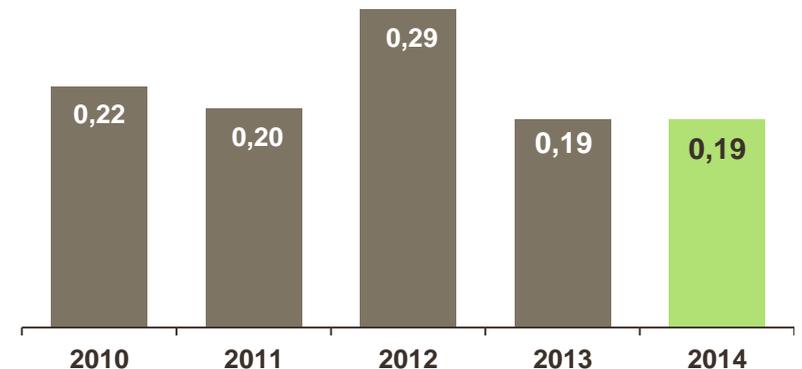
## Reported occupational disease cases



## Reportable fatalities



## LTIFR



# Demonstrating responsibility and accountability (continued)

## Responding to community challenges

- Spent R88 million on SLP\* initiatives during 2014, up 54%

## Water stewardship

- Secure availability for own use
- Prevent pollution and negative socio-economic impact
- Water treatment projects in progress

## Mines in closure

- Tshikondeni ceased production in September 2014 and post mine closure is underway for 2015
- Inyanda to be closed in August 2015 and closure plans are in progress

## Achievements

- Among Top 10 global leaders of CPLI\*\*
- Top position in Nkonki integrated reporting awards
- Best corporate governance award in the mining category in the Africa region for 2015

# Optimising our portfolio: emphasis on coal

## 1H15

- GMEP ramp-up in terms of Addendum 9
- TCSA\* conditions precedent
- Belfast re-zoning appeals finalisation
- FerroAlloys new facility ramp-up
- Tronox standstill period expires

## 2H15

- Semi-coke retorts 5 and 6 BFS\*\* completion
- Belfast detailed engineering
- Inyanda closure
- Thabametsi mine phase 1 BFS completion
- Grootegeluk10 construction

## 2016

- Belfast construction
- Thabametsi mine phase 1 construction
- Thabametsi mine phase 2 PFS#
- Grootegeluk backfill phase 2 construction
- Cennergi: construction of two wind projects completed
- Grootegeluk10 commissioning

## 2017

- Thabametsi mine phase 2 BFS
- Belfast commissioning
- Grootegeluk backfill phase 2 commissioning
- Semi-coke retorts 5 and 6 commissioning

# Optimising our portfolio: immediate response to market

Delay

- Thabametsi phase 2 PFS and BFS
- Moranbah South
- Reductants: retorts 7 and 8
- Underground coal gasification
- Mayoko

Sell/close

- Botswana gas (2013)
- Zincor (2013)
- NCC\* (2013)
- Tshikondeni (3Q14)
- Inyanda (3Q15)
- Amsterdam office (2H14)

Acquire

- TCSA

Discontinue

- AlloyStream™

Cost reduction

- Brisbane office
- Corporate office and support functions
- Project pipeline

# Optimising our portfolio: owner-controlled coal operations

## ***Belfast***

- IWUL\* granted in 4Q14
- Re-zoning negotiations in process

## ***TCSA***

- Three conditions precedent have been fulfilled
- Section 11 outstanding

## ***Waterberg***

- GMEP ramp-up continues with optimisation
- Increase exports

## ***Thabametsi phase 1***

- BFS commenced in 2H14
- Construction planned for 2016

# Optimising our portfolio: owner-controlled ferrous operations

## **Mayoko timeline**

- Mining convention extended
- Independent technical review concluded
- Next steps:
  - Continue dialogue with RoC\* government
  - Second amendment to mining convention
  - Review RoC government port and rail solution
  - Reconsider timing of PFS

## **AlloyStream™**

- Discontinued

## **FerroAlloys**

- Successful UHDMs application at SIOC
- Ferrosilicon expansion project completed
- Potential for further technology application investigated

# Optimising our portfolio: non-controlled investments

## Iron ore

### *SIOC*

- Maintain investment

## Titanium dioxide

### *Tronox*

- End of standstill period by June 2015
- Acquisition of Alkali Chemicals\*

## Coal

### *Mafube*

- Maintain investment

## Renewable energy: wind

### *Cennergi*

- Construction of Tsitsikamma and Amakhala wind projects

## Base metals

### *Zinc*

- Divestment from Black Mountain and Chifeng

## Expected project timeline

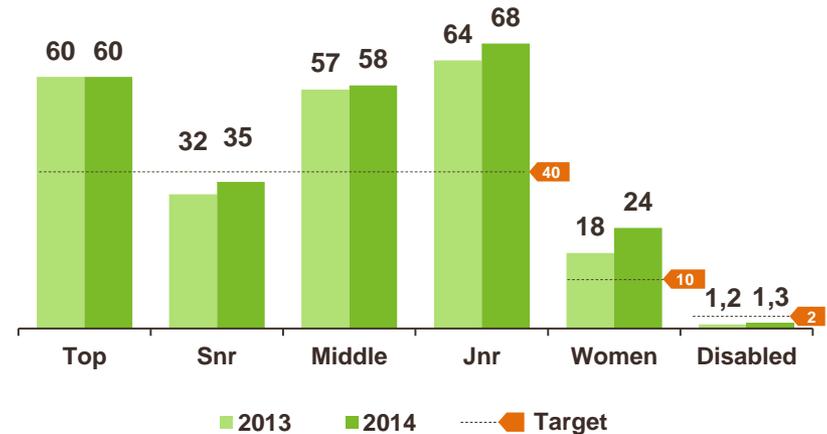
1H15	<ul style="list-style-type: none"><li>• Tronox standstill period expiry and investment review</li></ul>
2H15	<ul style="list-style-type: none"><li>• Cennergi: Tsitsikamma project construction complete</li></ul>
2016	<ul style="list-style-type: none"><li>• Black Mountain and Chifeng divestments</li><li>• Cennergi:<ul style="list-style-type: none"><li>– Amakhala project construction complete</li><li>– Commissioning wind projects</li></ul></li></ul>

# Broad-based stakeholder value-add

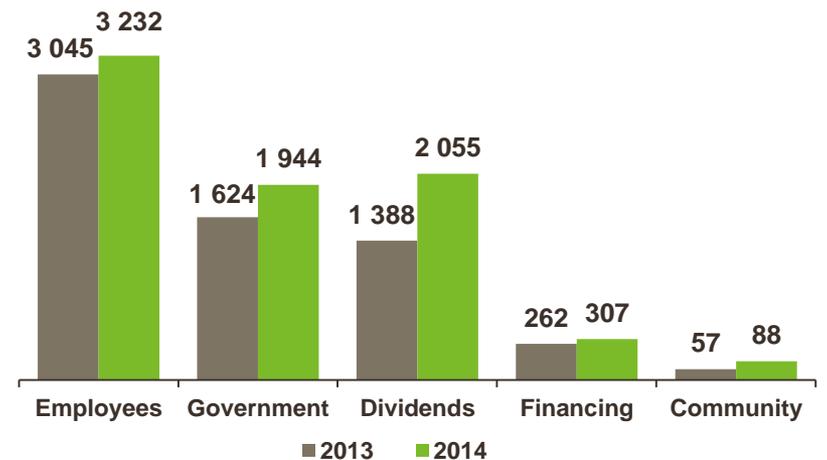
## Main features

- Mining Charter performance
- 2014 training interventions
- R13,1 billion economic value generated\*\*
- R7,6 billion value re-distributed
- R5,5 billion re-invested
- Mpower 2012

## HDSA\* statistics (%)



## Economic value distributed\*\* (Rm)



## FINANCIAL AND OPERATIONAL PERFORMANCE

*Disclaimer:*

*The financial information on which any outlook statements are based have not been reviewed nor reported on by the external auditors. These forward-looking statements are based on management's current beliefs and expectations and are subject to uncertainty and changes in circumstances. The forward-looking statements involve risks that may affect the group's operations, markets, products, services and prices.*

*Exxaro undertakes no obligation to update or reverse the forward-looking statements, whether as a result of new information or future developments.*

*Where relevant, comments exclude events which make the results not comparable. The exclusions are the responsibility of the group's board of directors and have been presented to illustrate the impact of these key events and transactions on the core operations' performance and hence may not fairly present the group's operational and financial results. These exclusions have not been reviewed nor reported on by the group's external auditors.*

# Operational and financial excellence: highlights

## Owner-controlled operations

### Coal

- Revenue of R16,2 billion, up 21%
- Core NOP\* at R3,3 billion, up 14%
- Coal production at 39,1 million tonnes, up 1%
- Weaker export prices

## Non-controlled operations

### SIOC

- R2 billion dividend declared, down 42%
- R2,8 billion post-tax equity income, down 32%

### Tronox

- R562 million dividend declared
- R568 million post-tax equity loss, down 11%

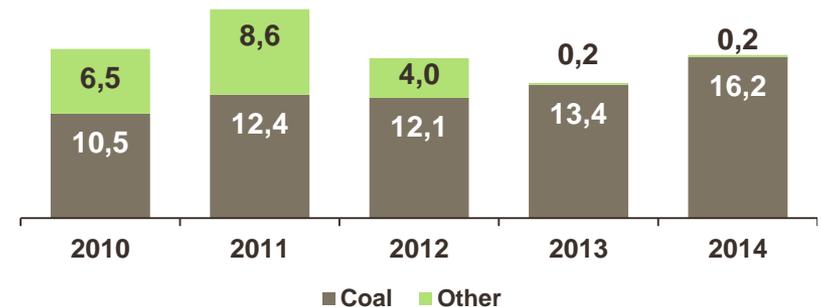
## Dividend

- Final dividend: 210 cents per share
- Total dividend: 470 cents per share, down 15%

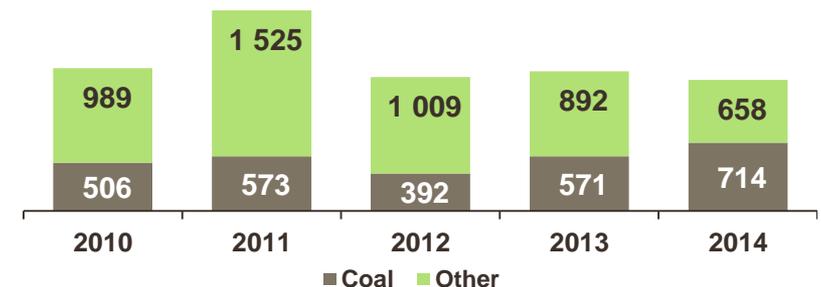
## Capital funding structure

- Net debt of R1,1 billion
- Net debt to equity ratio of 3%
- R1 billion raised through DMTN\*\* programme

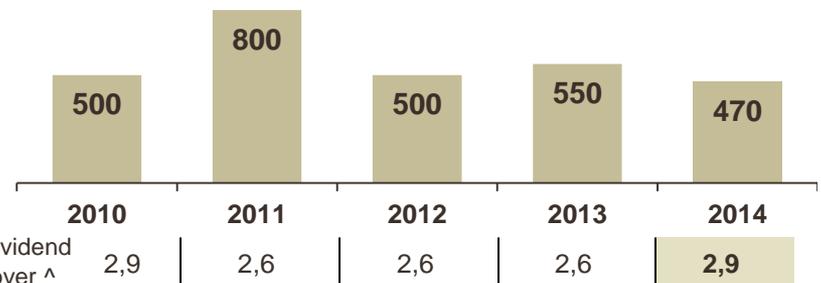
## Revenue (Rb)



## HEPS# (cps##)



## Dividend (cps)



# Financial overview\*: IFRS\*\*

<i>R million</i>	FY14	FY13	% change
<b>Revenue</b>	<b>16 401</b>	13 568	<b>21</b>
<b>Operating expenses</b>	<b>(15 197)</b>	(12 515)	<b>(21)</b>
<b>Other income</b>	<b>1 466</b>	1 594	<b>(8)</b>
<b>Impairment charges</b>	<b>(5 962)</b>	(45)	
<b>Profit on sale of subsidiary</b>		964	
<b>Net operating (loss)/profit</b>	<b>(3 292)</b>	3 566	<b>(192)</b>
<b>Net operating (loss)/profit margin (%)</b>	<b>(20)</b>	26	
<b>Post-tax equity-accounted income</b>	<b>2 515</b>	3 631	<b>(31)</b>
<b>Attributable (losses)/earnings: owners of parent</b>	<b>(883)</b>	6 217	<b>(114)</b>
<b>Headline earnings<sup># ^</sup></b>	<b>4 869</b>	5 194	<b>(6)</b>
<b>Cash generated from operations</b>	<b>4 083</b>	2 173	<b>88</b>
<b>Capital expenditure</b>	<b>3 197</b>	4 764	<b>(33)</b>
<b>Attributable (losses)/earnings per share (cents)</b>	<b>(249)</b>	1 751	<b>(114)</b>
<b>Headline earnings per share (cents)<sup># ^</sup></b>	<b>1 372</b>	1 463	<b>(6)</b>
<b>Average ZAR/US\$ rate</b>			
– Realised	<b>10,86</b>	9,48	<b>15</b>
– Spot	<b>10,83</b>	9,62	<b>13</b>

\* Including discontinued operations in FY13 \*\* International financial reporting standards # Based on group weighted average number of shares of 355 million for both years

^ Non-IFRS numbers

# Financial overview: non-core adjustments

*R million*

## Coal

- NCC impairment
- Loss on sale of other non-core assets and VSP\*

## Ferrous

- Mayoko project impairment and write-off
- Loss on sale of other non-core assets and VSP

## Other

### Non-core adjustment impact on net operating profit

### Post-tax equity-accounted (loss)/income

- SIOC
- Tronox
- Mafube
- Cennergi
- Black Mountain

## Tax

### Total non-core adjustment impact on attributable earnings (post tax)

	FY14	FY13
	(22)	(152)
		(143)
	(22)	(9)
	(5 817)	
	(5 803)	
	(14)	
	(327)	1 048
	(6 166)	896
	(154)	181
	(113)	72
	(41)	142
		1
		(31)
		(3)
	559	13
	(5 761)	1 090

## Financial overview: core\*

*R million*

	<b>FY14</b>	<b>FY13</b>	<b>% change</b>
<b>Revenue</b>	<b>16 401</b>	13 568	<b>21</b>
<b>Operating expenses</b>	<b>(14 993)</b>	(12 492)	<b>(20)</b>
<b>Other income</b>	<b>1 466</b>	1 594	<b>(8)</b>
<b>Net operating profit</b>	<b>2 874</b>	2 670	<b>8</b>
<b>Net operating profit margin (%)</b>	<b>18</b>	20	
<b>Post-tax equity-accounted income</b>	<b>2 669</b>	3 450	<b>(23)</b>
<b>Headline earnings</b>	<b>4 878</b>	5 127	<b>(5)</b>
<b>Headline earnings per share (cents)</b>	<b>1 374</b>	1 444	<b>(5)</b>
<b>Capital expenditure</b>	<b>3 197</b>	4 764	<b>(33)</b>
<b>Net debt</b>	<b>1 071</b>	3 377	<b>(68)</b>

## Financial overview: HEPS contribution\*

Cents					Increase/ (decrease)
	FY14	% contribution	FY13	% contribution	% contribution FY14 vs FY13
<b>JSE** HEPS</b>	<b>1 372</b>	<b>100</b>	<b>1 463</b>	<b>100</b>	
– Coal	714	52	571	39	13
– Ferrous	746	54	1 144	78	(24)
– TiO <sub>2</sub> #	(114)	(8)	(21)	(14)	6
– Other	26	2	(41)	(3)	5
<b>CORE HEPS</b>	<b>1 374</b>	<b>100</b>	<b>1 444</b>	<b>100</b>	
– Coal	716	52	571	39	13
– Ferrous	759	55	1 124	78	(23)
– TiO <sub>2</sub>	(148)	(11)	(219)	(15)	4
– Other	47	4	(32)	(2)	6

## Financial overview: coal core

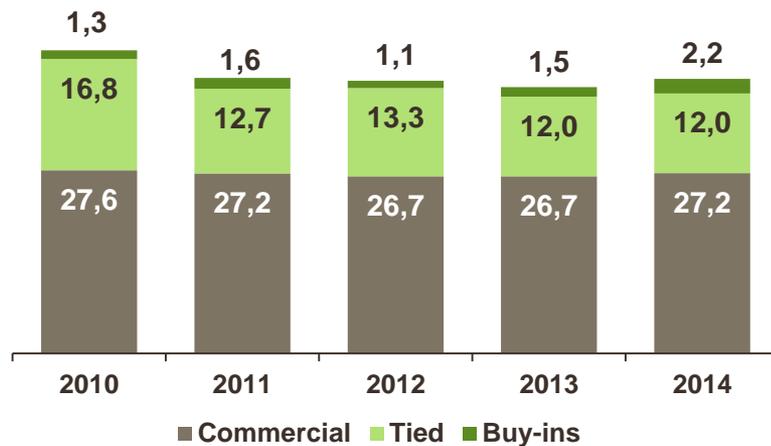
<i>R million</i>	FY14	FY13	% change
<b>Revenue</b>	16 176	13 362	21
– Tied operations	4 577	3 917	17
– Commercial operations	11 599	9 445	23
<b>Net operating profit</b>	3 319	2 921	14
– Tied operations	319	215	48
– Commercial operations	3 000	2 706	11
<b>Net operating profit margin (%)</b>	21	22	
<b>Post-tax equity-accounted income*</b>	268	128	109
<b>Capital expenditure</b>	2 576	2 996	(14)
<b>Headline earnings contribution to group</b>	2 540	2 027	25
<b>HEPS contribution to group (cents)</b>	716	571	25
<b>Average export price US\$/tonne realised**</b>	65	80	(19)
<b>Average export price R/tonne realised</b>	709	771	(8)

# Coal production volumes

## Main features

- Production tonnes stable
- Medupi production ramping up
- 19% increase in trains allocated to Grootegeluk
- Closure: Tshikondeni and NCC
- Buy-ins up 50%

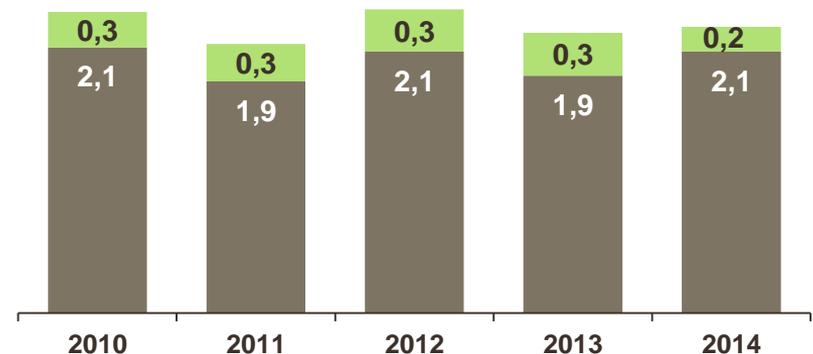
## Total coal production (Mt)\*



## Thermal coal production (Mt)



## Metallurgical coal production (Mt)

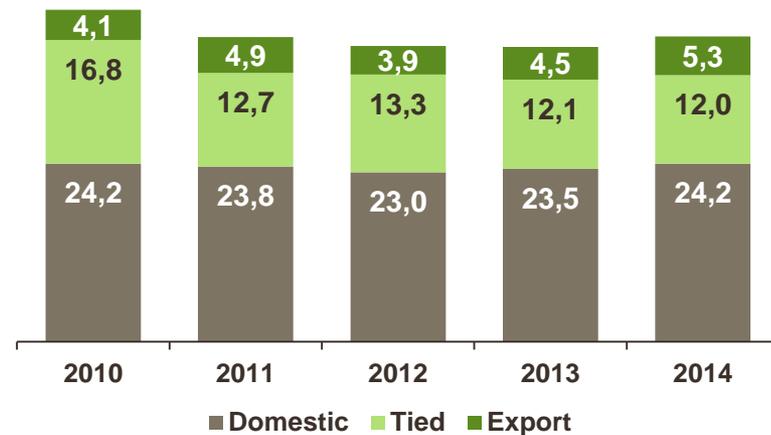


# Coal market and sales volumes

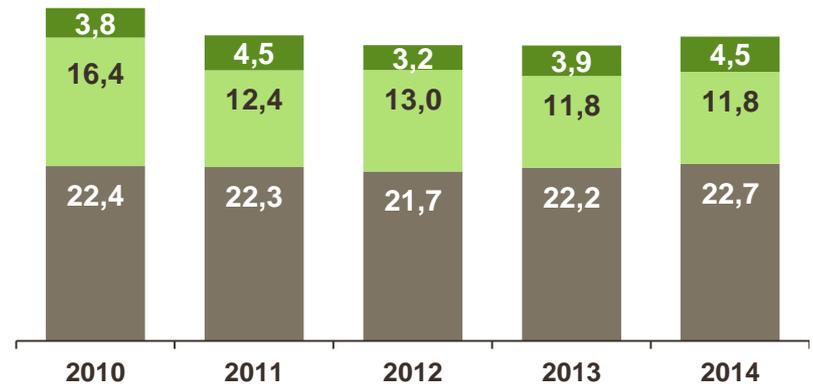
## Main features

- Thermal coal sales up 3%
- Domestic metallurgical coal sales up 15%
- Export coal sales volumes up 19%
- 8% lower rand prices
- Low margins on buy-ins

## Total coal sales (Mt)



## Thermal coal sales (Mt)

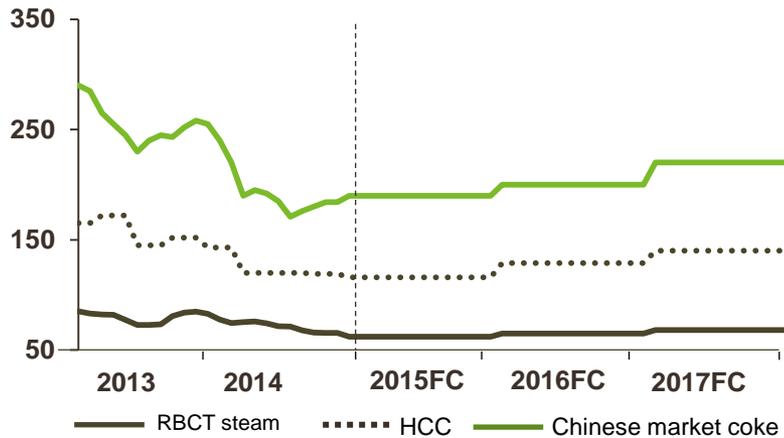


## Metallurgical coal sales (Mt)

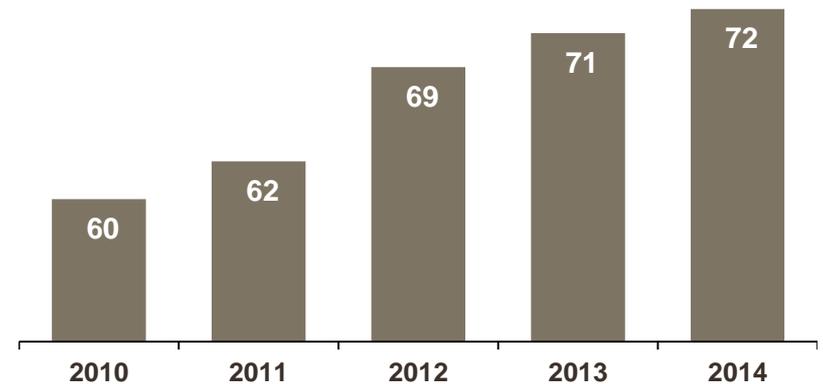


# Coal market and sales trends

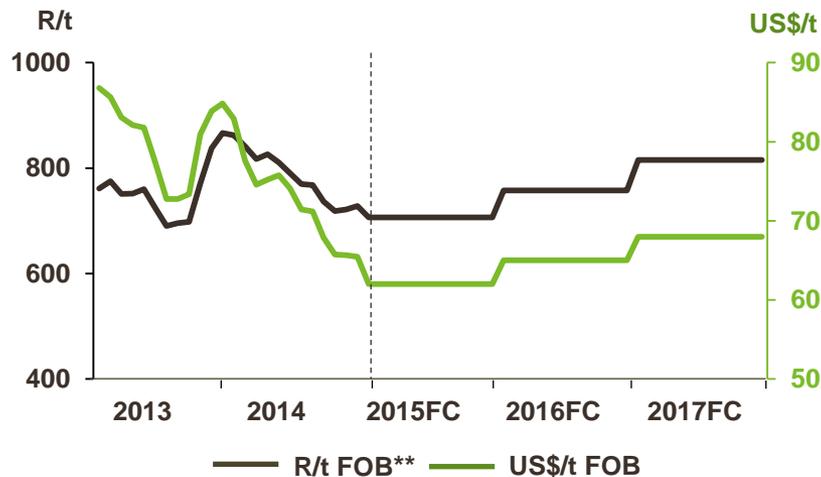
## Coal and market coke prices (US\$/t)\*



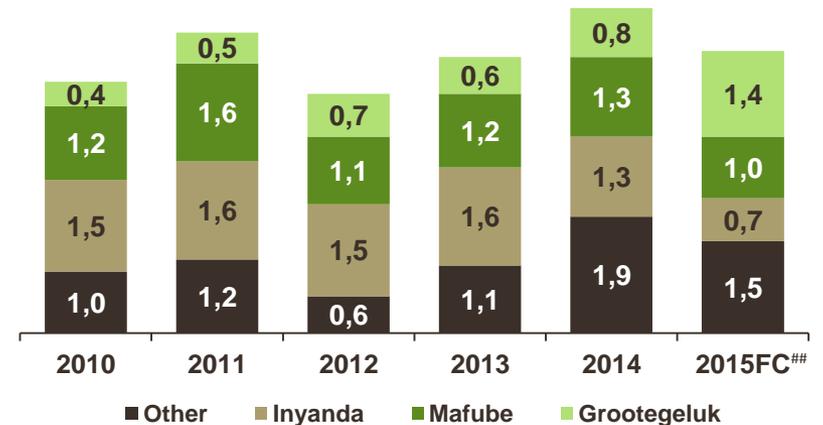
## TFR# railings received by RBCT (Mt)



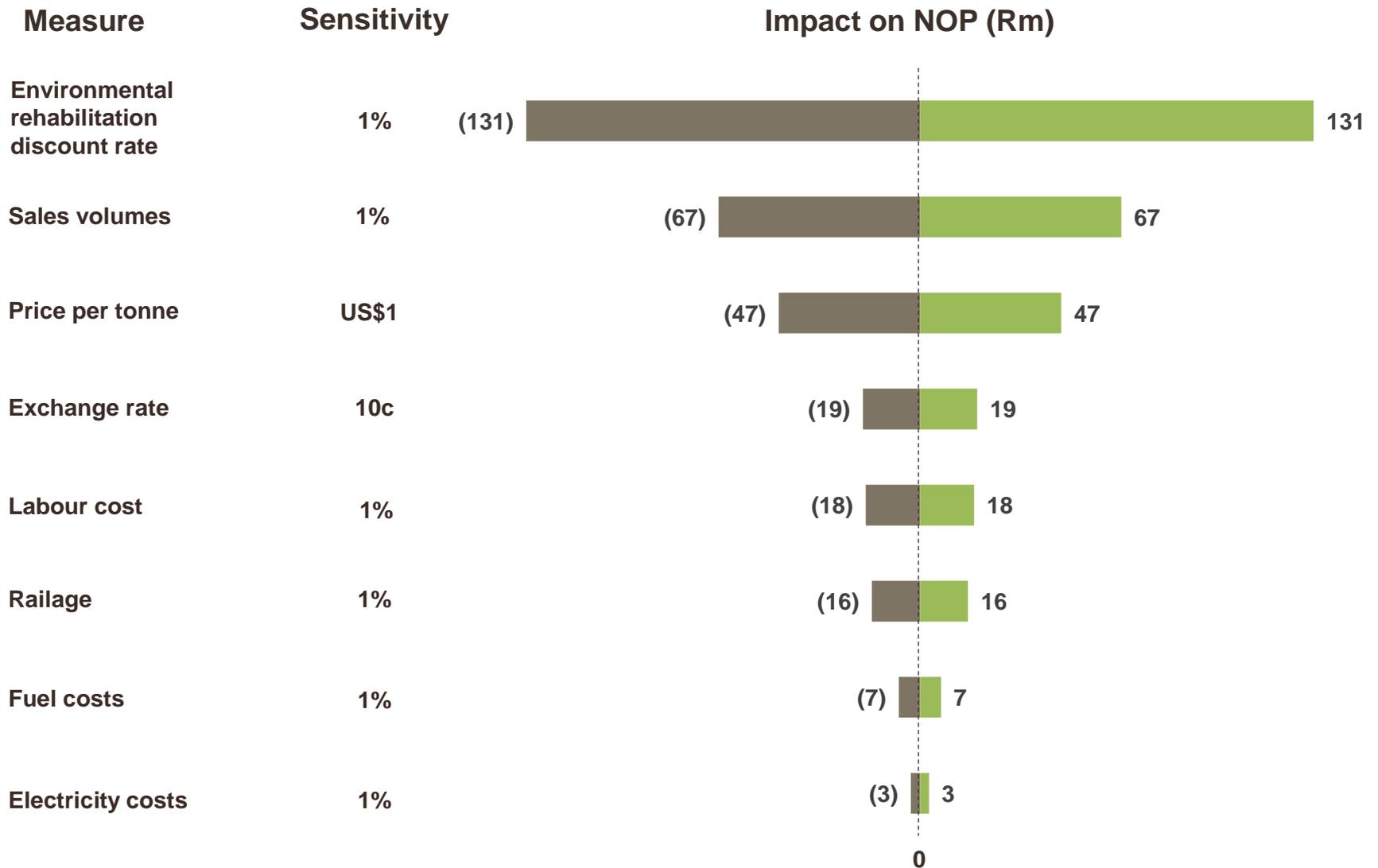
## API4 comparison\*



## Exports per mine (Mt)



# Coal sensitivities

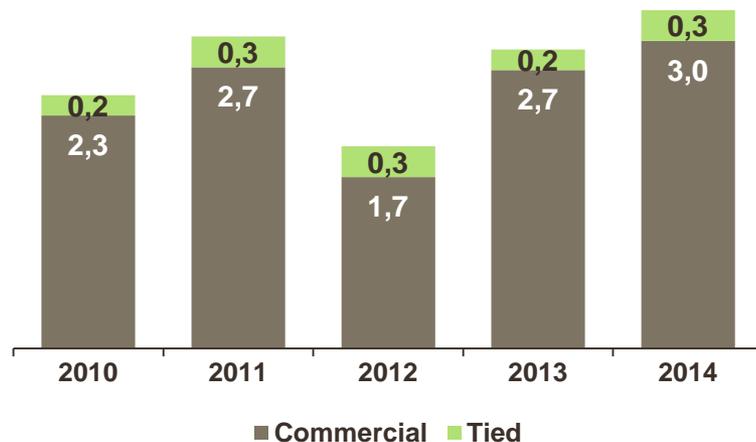


# Coal contribution: core (owner-controlled)

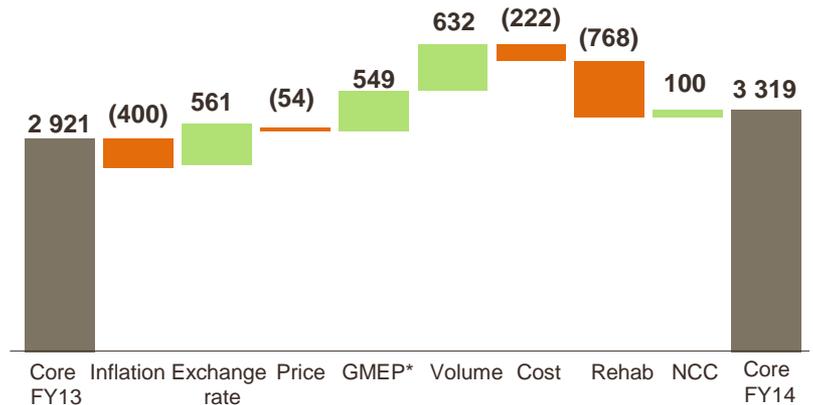
## Main features

- 14% increase in NOP
- Eskom shortfall income of R1,5 billion
- Eskom take or pay of R676 million
- R561 million positive impact of ZAR/US\$ exchange rate
- Inflationary cost pressures prevails

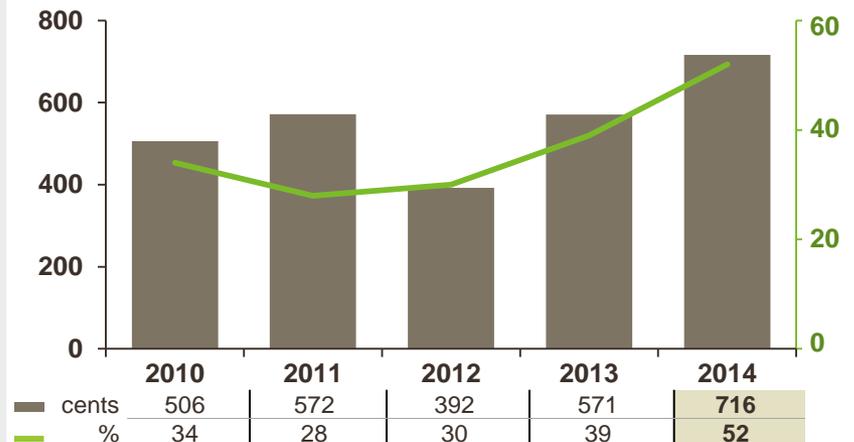
## Net operating profit contribution (Rb)



## Net operating profit variance analysis (Rm)



## HEPS contribution to group



\* Shortfall and take or pay

# Coal capital project: GMEP

## Developments

- Total capital expenditure at R10,2 billion
- Contractual commitments on time and within budget
- 34,6 million fatality free hours worked
- LTIFR at 0,17
- Addendum 9 approved during 3Q14
- Shortfall of R1,5 billion
- R677 million take or pay income received on 3,2 million tonnes

Sales (Mt)	Matimba	Medupi	Total
2013	14,5		14,5
2014	12,4	3,1	15,5
2015	12,7	8,9	21,6
2016	12,7	7,2	19,8
2017	12,7	9,4	22,1
2018 onwards	12,7	12,5	25,2
<b>Minimum MGJ*</b>	<b>260</b>	<b>255</b>	

## Addendum 9 settlement

	Production (Mt)	Take or pay (Mt)
2014	3,1	3,2
2015	8,9	2,3
2016	7,2	6,9
2017	9,4	3,0
2018	12,5	1,7
<b>Total</b>	<b>41,1</b>	<b>17,0</b>

## Medupi shortfall

	Mt	Take or pay (Rm)	Shortfall (Rm)
2013			1 594
2014	3,2	677	1 466
2015	2,3	485** plus PPI#	

## Coal capital expenditure: other

<i>R million</i>	Actual		Estimate*		
	FY13	FY14	FY15	FY16	FY17
<b>Sustaining</b>	908	<b>1 240</b>	2 177	2 886	2 007
– Grootegeluk projects	48	<b>268</b>	196	756	1 082
– Leeuwan			168	799	80
– Plant, buildings, vehicles and equipment**	860	<b>972</b>	1 813	1 331	845
<b>Expansion</b>	2 088	<b>1 336</b>	1 253	3 777	5 221
– GMEP	1 652	<b>277</b>	107		
– Grootegeluk backfill phase 1	359	<b>58</b>	54	56	
– Grootegeluk backfill phase 2				574	165
– Thabametsi		<b>22</b>		160	718
– Other Grootegeluk		<b>839</b>	777	884	2 741
– Belfast		<b>89</b>	315	2 067	1 276
– Other	77	<b>51</b>		36	321
<b>Total coal capital expenditure</b>	2 996	<b>2 576</b>	3 430	6 663	7 228
<b>Previous guidance</b>		<b>2 799</b>	4 488	7 272	
<b>Committed</b>			722	155	124

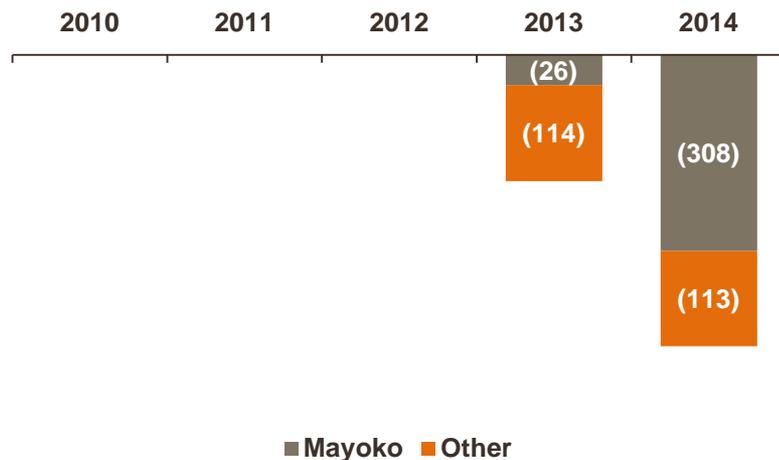
\* Based on latest internal forecast \*\* Future sustaining capital for truck equipment replacement mainly at Grootegeluk

# Ferrous contribution: core (owner-controlled)

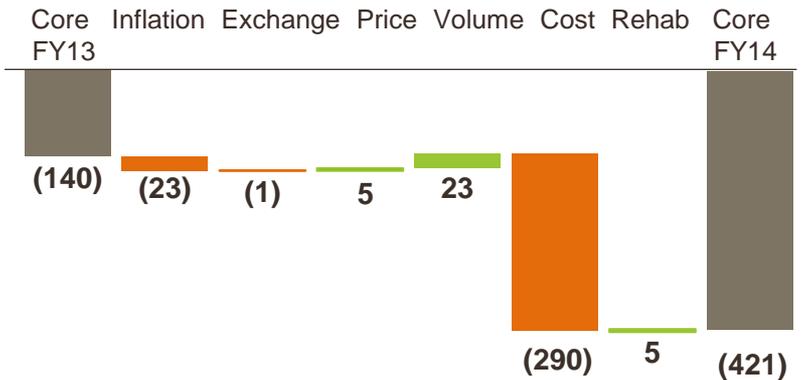
## Main features

- Net operating loss R421 million
- UHDMS income of R61 million
- 8% increase in FerroAlloys production
- Termination of AlloyStream™ Letaba

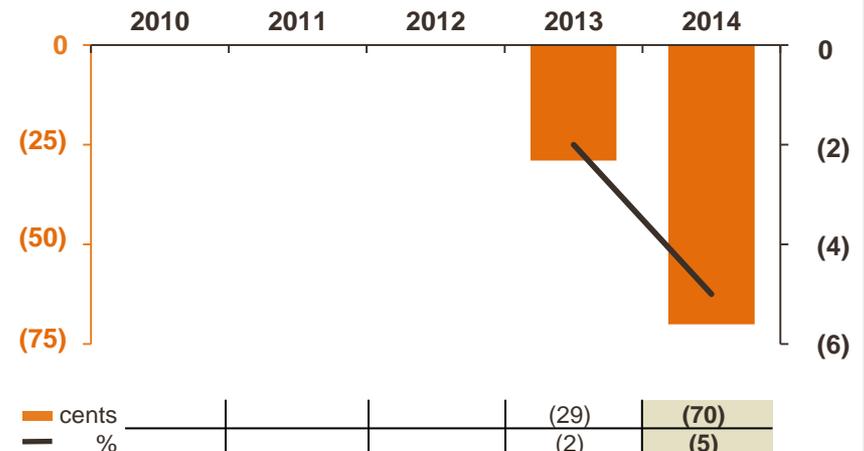
## Net operating loss contribution (Rm)



## Net operating loss variance analysis (Rm)

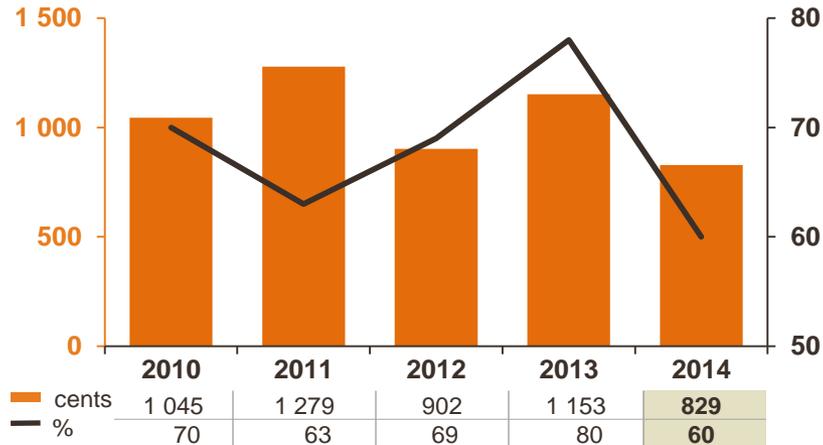


## HEPS contribution to group

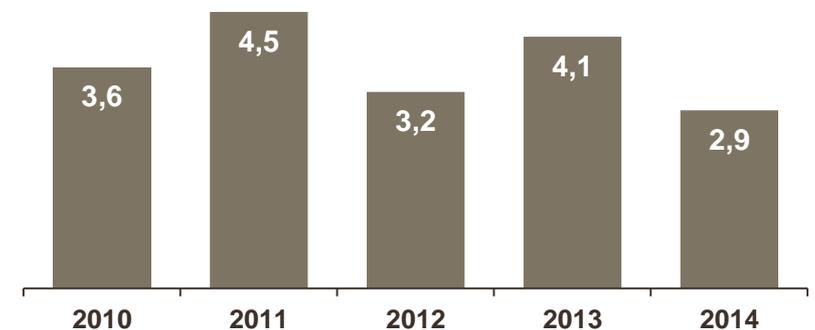


# Ferrous contribution: core (non-controlled investments)

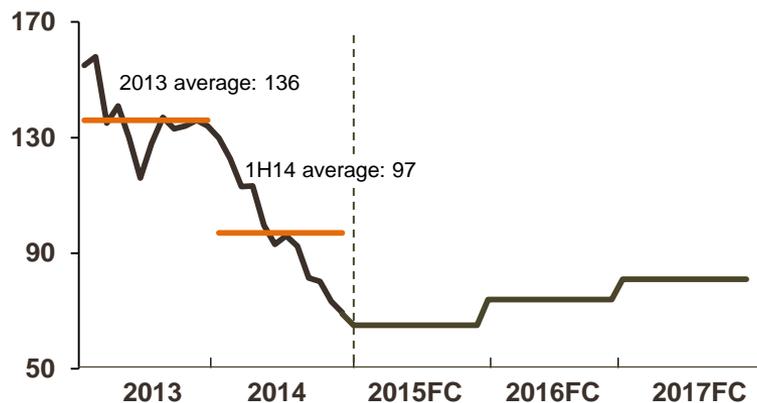
## SIOC HEPS contribution



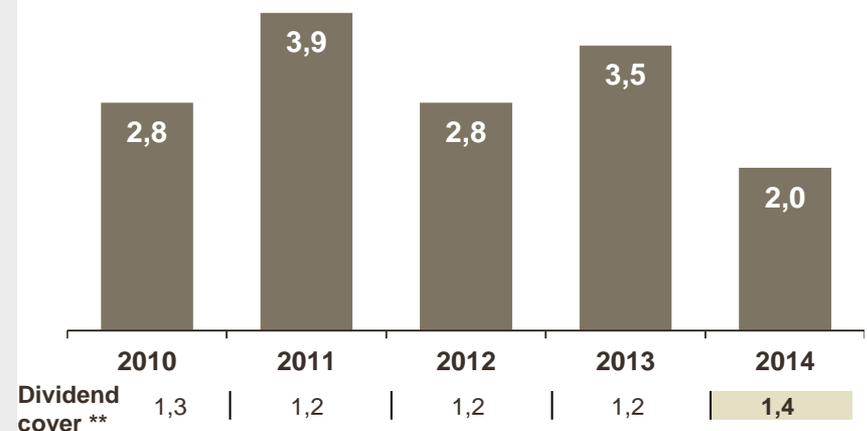
## SIOC post-tax equity contribution (Rb)



## 62% Fe Platts CFR China (US\$/t FOB)\*



## SIOC dividend declared (Rb)



Year	Dividend cover **
2010	1,3
2011	1,2
2012	1,2
2013	1,2
2014	1,4

\* Sources: Wood Mackenzie and CRU \*\* Times

# Titanium dioxide contribution: core (non-controlled investments)

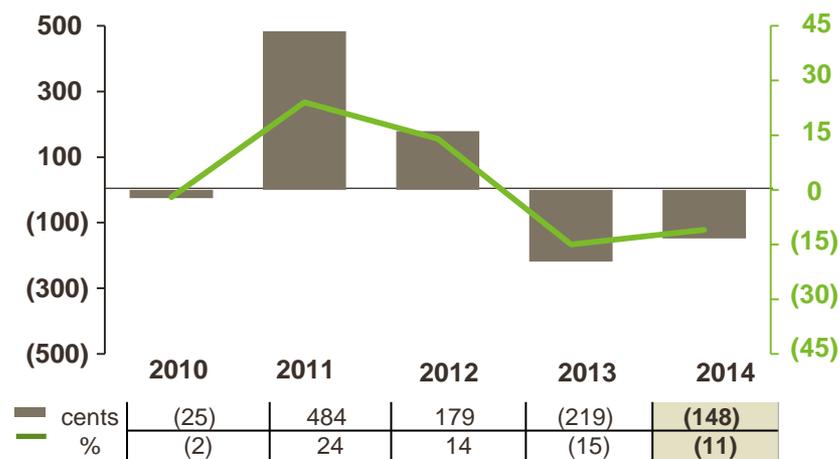
## Main features

- Flat commodity prices and lower volumes
- Rand losses worsened by exchange rate impact
- Fairbreeze mine commissioning in 4Q15
- Acquisition of Alkali Chemicals
  - US\$1,64 billion all-cash transaction
  - adds stability and diversification
  - accretive to EBITDA\*, cash flow and earnings
  - expected close in 1Q15
  - US\$30-US\$60 million synergies annually

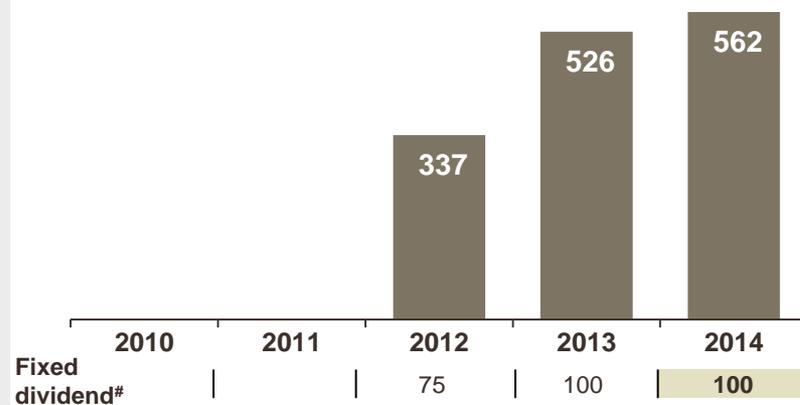
## Tronox contribution 2014 (Rm)

	Effective share	Tronox (remainder)	Tronox SA
Equity-accounted (loss)/income	(527)	(745)	218
Add back PPA**	337	116	221
<b>Contribution excluding PPA</b>	<b>(190)</b>	<b>(629)</b>	<b>439</b>

## HEPS contribution

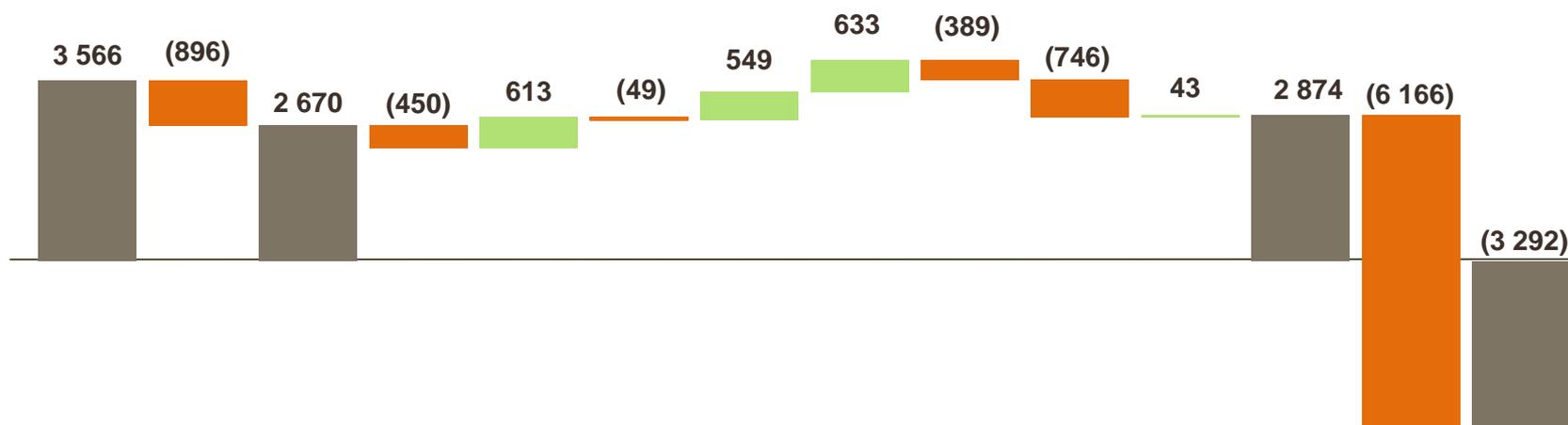


## Dividends declared (Rm)



# Group net operating profit: core (FY13 vs FY14)

R million



	IFRS FY13	Non-core items	Core FY13	Inflation	Exchange	Price	GMEP*	Volume	Cost	Rehab	NCC and Zincor**	Core FY14	Non-core items	IFRS FY14
Coal	2 769	152	2 921	(400)	561	(54)	549	632	(222)	(768)	100	3 319	(22)	3 297
Ferrous	(140)		(140)	(23)	(1)	5		23	(290)	5		(421)	(5 817)	(6 238)
Other	937	(1 048)	(111)	(27)	53			(22)	123	17	(57)	(24)	(327)	(351)
<b>Total</b>	<b>3 566</b>	<b>(896)</b>	<b>2 670</b>	<b>(450)</b>	<b>613</b>	<b>(49)</b>	<b>549</b>	<b>633</b>	<b>(389)</b>	<b>(746)</b>	<b>43</b>	<b>2 874</b>	<b>(6 166)</b>	<b>(3 292)</b>

\* Shortfall and take or pay \*\* Discontinued operation: Zincor sold in FY13

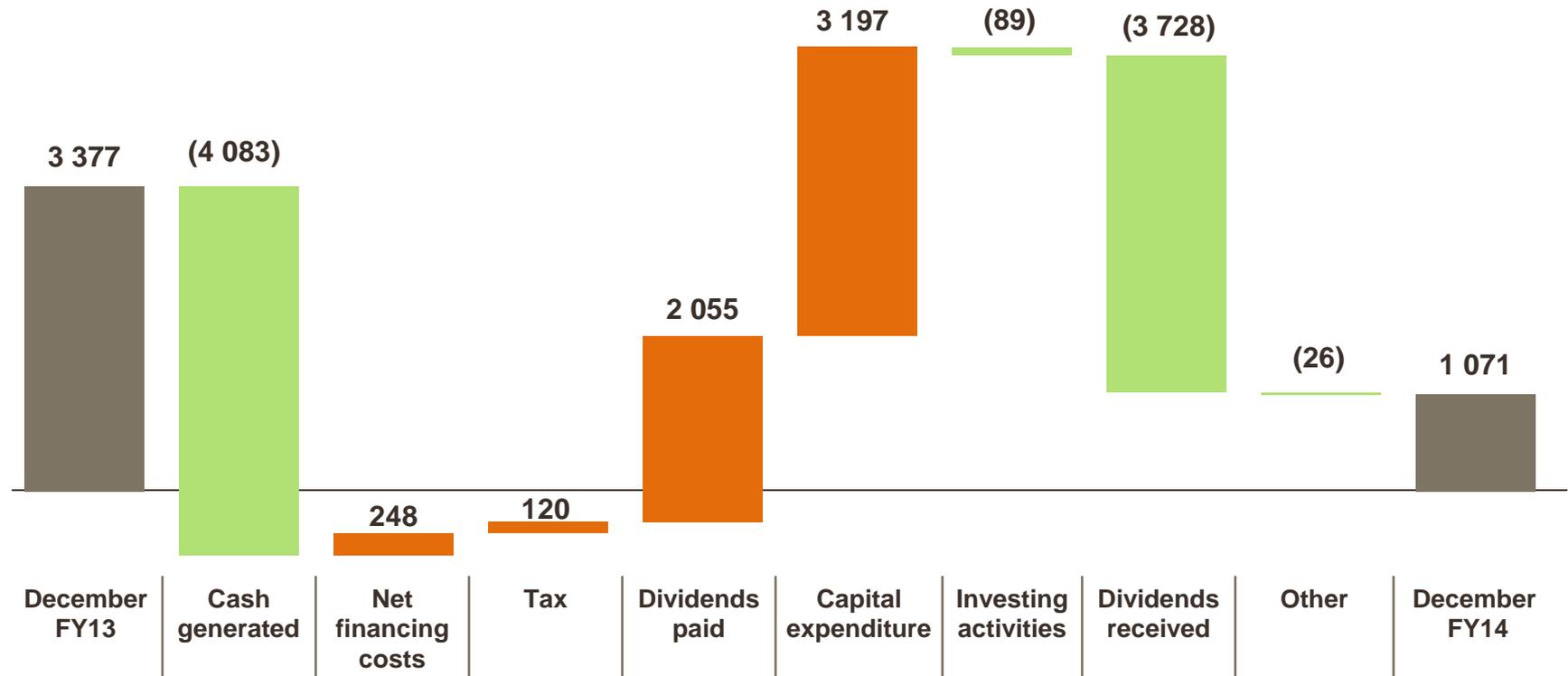
## Attributable earnings: core

*R million*

	FY14	FY13	% change
<b>Net operating profit</b>	<b>2 874</b>	2 670	<b>8</b>
<b>Net financing cost</b>	<b>(103)</b>	(360)	<b>71</b>
<b>Income from investments</b>	<b>9</b>	12	<b>(25)</b>
<b>Post-tax equity-accounted income</b>	<b>2 669</b>	3 450	<b>(23)</b>
– SIOC	<b>2 943</b>	4 094	<b>(28)</b>
– Tronox	<b>(527)</b>	(780)	<b>32</b>
– Mafube	<b>267</b>	130	<b>105</b>
– Cennergi	<b>(92)</b>	(72)	<b>(28)</b>
– Black Mountain	<b>77</b>	80	<b>(4)</b>
– South Dunes Coal Terminal	<b>1</b>	(2)	<b>150</b>
<b>Tax</b>	<b>(571)</b>	(658)	<b>13</b>
<b>Profit after tax</b>	<b>4 878</b>	5 114	<b>(5)</b>
<b>Non-controlling interest</b>		13	
<b>Attributable earnings: owners of parent</b>	<b>4 878</b>	5 127	<b>(5)</b>
<b>Attributable earnings per share (cents)</b>	<b>1 374</b>	1 444	<b>(5)</b>
<b>Total dividend per share declared (cents)</b>	<b>470</b>	550	<b>(15)</b>

# Group: net debt variance

R million



# Capital funding structure

<i>Ratios*</i>	Target	FY14	FY13
Net financing cost cover (times): EBITDA	>4	36	10
Return on equity: headline earnings (%)		14	16
Return on capital employed (%) **	>20	14	23
Net debt: market capitalisation exposure (%)		3	6
Net debt: equity (%)	<40	3	9

<i>R million</i>	Facilities available			Maturity profile of debt	
	Drawn	Undrawn/ committed	Undrawn/ unissued	Repayment year	
Term loan and revolving facility	2 000	6 000		2015	34
DMTN programme	1 000		4 000	2016	392
Interest bearing borrowings	3 000	6 000	4 000	2017	874
Net capitalised transaction costs	10			2018	395
Total interest bearing borrowings	3 010			2019	917
Current	34			After 2019	398
Non-current	2 976				3 010
Net cash and cash equivalents	(1 939)				
Net debt	1 071				

# Dividend

	<b>Total dividend 31 Dec 2014</b>	<b>Final dividend 31 Dec 2014</b>	<b>Interim dividend 30 June 2014</b>
<b>Attributable earnings per share* (cents)</b>	<b>1 374</b>	568	806
<b>Dividend declared per share (cents)</b>	<b>470</b>	210	260
<b>Dividend cover* (times)</b>	<b>2,9</b>	2,7	3,1
<b>Dividend declared (Rm)</b>	<b>1 683</b>	752	931
- BEE Holdco	<b>877</b>	392	485
- Anglo**	<b>163</b>	73	90
- Public	<b>629</b>	281	348
- Mpower 2012	<b>14</b>	6	8

## OUTLOOK



# Optimising our portfolio: medium term response

Challenge	Response
Safety	<ul style="list-style-type: none"><li>• Focus on “Safety always all the way”</li><li>• Intensified safety awareness and training</li></ul>
Economic conditions	<ul style="list-style-type: none"><li>• Diligent group-wide cost management</li><li>• Business improvement</li><li>• Spread risk amongst coal, iron ore and titanium dioxide</li><li>• Hedged from the low US\$ coal price through exposure to Eskom</li><li>• Strong internal cash flow to counter lower dividend from SIOC</li></ul>
Project execution	<ul style="list-style-type: none"><li>• Meticulous project management</li></ul>
Capital project execution	<ul style="list-style-type: none"><li>• Capital allocation discipline</li></ul>
Lapse of BEE* structure	<ul style="list-style-type: none"><li>• Consultation and development of a sustainable replacement for current transaction</li></ul>
Regulatory uncertainty	<ul style="list-style-type: none"><li>• Dialogue and collaboration with key role players</li></ul>
Infrastructure	<ul style="list-style-type: none"><li>• Close collaboration with TFR on scheduling of trains</li></ul>



THANK  
YOU



**exxaro**  
POWERING POSSIBILITY

## ADDITIONAL INFORMATION



# Key events

	FY14	FY13
<b>January</b>	<ul style="list-style-type: none"> <li>• NCC assets disposal agreement signed</li> <li>• Mayoko mining convention signed</li> </ul>	
<b>February</b>		<ul style="list-style-type: none"> <li>• NCC impairment</li> </ul>
<b>June</b>	<ul style="list-style-type: none"> <li>• Exxaro's offer to acquire TCSA announced (subject to terms and conditions)</li> <li>• Mayoko impairment</li> </ul>	
<b>December</b>	<ul style="list-style-type: none"> <li>• Intellectual property and other non-core asset impairments</li> <li>• Dilution of Tronox shareholding to 43,98%</li> </ul>	<ul style="list-style-type: none"> <li>• Partial impairment reversal at:               <ul style="list-style-type: none"> <li>– Zincor</li> <li>– NCC</li> </ul> </li> <li>• Sale of Zincor</li> <li>• Dilution of Tronox investment to 44,40%</li> </ul>

# Group cash flow

*R million*

	FY14	FY13**	% change
<b>Cash generated from operations</b>	<b>4 083</b>	2 173	<b>88</b>
<b>Net financing cost</b>	<b>(248)</b>	(192)	<b>29</b>
– Interest paid	<b>(307)</b>	(262)	<b>17</b>
– Interest received	<b>59</b>	70	<b>16</b>
<b>Tax paid</b>	<b>(120)</b>	(158)	
<b>Dividends paid</b>	<b>(2 055)</b>	(1 387)	
<b>Net cash from operating activities</b>	<b>1 660</b>	436	
<b>Capital expenditure</b>	<b>(3 197)</b>	(4 764)	<b>33</b>
<b>Intangible assets increase</b>	<b>(25)</b>	(201)	
<b>Decrease in non-current financial assets</b>	<b>214</b>	222	<b>4</b>
<b>Dividend income from investments</b>	<b>3 728</b>	3 241	<b>15</b>
<b>Proceeds from disposal of PPE*</b>	<b>8</b>	17	<b>47</b>
<b>Proceeds from disposal of subsidiaries</b>		87	
<b>Increase in investments in joint ventures</b>	<b>(108)</b>	(82)	<b>32</b>
<b>Net interest-bearing borrowings (repaid)/raised</b>	<b>(604)</b>	800	<b>176</b>
<b>Other</b>		(85)	
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1 676</b>	(329)	

# Capital expenditure: other

*R million*

	Actual		Estimate*		
	FY13	FY14	FY15	FY16	FY17
<b>Sustaining</b>	150	125	106	154	117
– Ferrous	14				
– Information management	104	64	75	150	117
– Research and development	11	11	26	4	
– Buildings, vehicles and equipment	21	50	5		
<b>Expansion</b>	1 618	497			
– Mayoko	1 597	456			
– Other	21	41			
<b>Total other capital expenditure</b>	1 768	622	106	154	117

\* Based on latest internal forecast

## Group depreciation and amortisation: core

*R million*

### Coal

- Tied operations
- Commercial operations

### Ferrous

- Mayoko
- FerroAlloys
- Other

### Other

### Total depreciation and amortisation

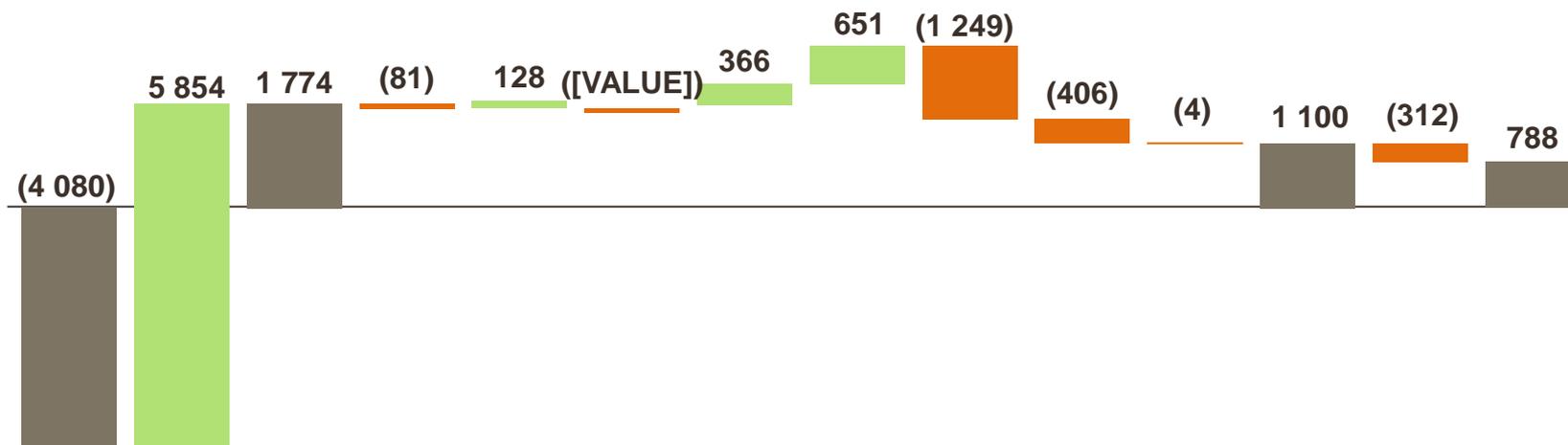
	FY14	FY13	% change
	777	665	17
	43	41	5
	734	624	18
	16	16	
	8	8	
	4	3	33
	4	5	(20)
	96	175	
	889	856	4

## Group EBITDA: core

<i>R million</i>	FY14	FY13	% change
<b>Coal</b>	<b>4 096</b>	3 586	<b>14</b>
– Tied operations	<b>362</b>	255	<b>42</b>
– Commercial operations	<b>3 734</b>	3 331	<b>12</b>
<b>Ferrous</b>	<b>(405)</b>	(124)	
– Mayoko	<b>(300)</b>	(19)	
– FerroAlloys	<b>(91)</b>	(58)	<b>(57)</b>
– Other	<b>(14)</b>	(47)	<b>(70)</b>
<b>Other</b>	<b>72</b>	64	<b>11</b>
– Base metals	<b>(1)</b>	35	
– Other	<b>73</b>	29	<b>152</b>
<b>Total EBITDA</b>	<b>3 763</b>	3 526	<b>7</b>

# Group net operating profit: core (1H14 vs 2H14)

R million



	IFRS 1H14	Non-core items	Core FY13	Inflation	Exchange	Price	GMEP*	Volume	Cost	Rehab	NCC	Core FY14	Non-core items	IFRS 2H14
Coal	1 836	13	1 849	(67)	91	(84)	366	638	(916)	(403)	(4)	1 470	(9)	1 461
Ferrous	(5 916)	5 807	(109)	(5)	(1)	5		5	(206)	(1)		(312)	(10)	(322)
Other		34	34	(9)	38			8	(127)	(2)		(58)	(293)	(351)
<b>Total</b>	<b>(4 080)</b>	<b>5 854</b>	<b>1 774</b>	<b>(81)</b>	<b>128</b>	<b>(79)</b>	<b>366</b>	<b>651</b>	<b>(1 249)</b>	<b>(406)</b>	<b>(4)</b>	<b>1 100</b>	<b>(312)</b>	<b>788</b>

# Titanium dioxide: non-controlled investment

## US GAAP\* reconciliation to IFRS

	FY14 US\$m	FY14 Rm	FY13 US\$m	FY13 Rm
<b>US GAAP loss after tax as reported by Tronox</b>	(417)		(90)	
<b>IFRS and PPA adjustments</b>	299		(106)	
– Reversal of amortisation on intangible asset	23		23	
– PPA step-up adjustments	(49)		(133)	
– Translation differences and other adjustments	4		(6)	
– Tax effect of adjustments	283		10	
– Change in accounting policy	38			
<b>IFRS loss after tax</b>	(118)		(196)	
– Non-core adjustments**	(4)		(25)	
<b>Core loss after tax</b>	(122)		(221)	
– Remainder of Tronox	(160)		(360)	
– SA operations	38		139	
<b>Exxaro's share of core loss after tax</b>	(48)	(527)	(78)	(780)
– Remainder of Tronox	(69)	(745)	(160)	(1 549)
– SA operations	21	218	82	769
<b>Exxaro's share of PPA adjustment</b>	34	337	98	938
<b>Exxaro's share of core (loss)/profit after tax (after PPA adjustment)</b>	(14)	(190)	20	158
– Remainder of Tronox	(56)	(629)	(87)	(851)
– SA operations	42	439	107	1 009

# Thermal coal: production and sales volumes

'000 tonnes

	FY14	FY13	FY12
<b>Production</b>	<b>36 875</b>	36 553	37 641
– Grootegeluk	16 719	15 904	15 489
– Matla	10 374	10 133	10 948
– Leeuwpán	4 107	3 804	3 844
– NBC	2 602	2 668	2 717
– Inyanda	1 633	1 992	1 845
– Arnot	1 440	1 633	2 081
– NCC		419	717
<b>Buy-ins</b>	<b>2 202</b>	1 470	1 111
<b>Total thermal production (buy-ins included)</b>	<b>39 077</b>	38 023	38 752
<b>Sales to Eskom</b>	<b>31 483</b>	30 785	31 367
– Grootegeluk	15 306	14 513	14 174
– Matla	10 368	10 135	10 941
– NBC	2 531	2 571	2 249
– Leeuwpán	1 838	1 933	1 922
– Arnot	1 440	1 633	2 081
<b>Other domestic sales</b>	<b>3 078</b>	3 187	3 363
<b>Exports</b>	<b>4 510</b>	3 887	3 199
<b>Total thermal coal sales</b>	<b>39 071</b>	37 859	37 929

# Metallurgical coal: production and sales volumes

*'000 tonnes*

	FY14	FY13	FY12
<b>Production</b>	<b>2 274</b>	2 251	2 366
– Grootegeluk	<b>2 120</b>	1 908	2 027
– Tshikondeni	<b>154</b>	343	339
<b>Sales</b>	<b>2 470</b>	2 215	2 326
– Domestic	<b>1 689</b>	1 643	1 630
– Export	<b>781</b>	572	696

# Salient dates

Last day to trade cum dividend

Shares trade ex-dividend

Record date

Payment date

**Friday, 10 April 2015**

**Monday, 13 April 2015**

**Friday, 17 April 2015**

**Monday, 20 April 2015**

# Definitions

## **Average SPOT rate**

The average spot rate is determined by using the closing spot rate at the end of each day during the year of assessment. This rate is applied consistently within that year of assessment.

## **Average REALISED (hedged) rate**

The average realised rate is determined by using the hedged rate at the end of each day during the year of assessment. This rate is applied consistently within the year of assessment.

## **Buy-ins (slides 19, 20 and 45)**

Inventory bought for re-sale purposes.

## **Discontinued operation (slides 7 and 29)**

A component of an entity that either has been closed, disposed of or is classified as held-for-sale.

## **Economic value generated (slide 11)**

Gross revenue from the sale of products and services (including value-added tax), income from investments and interest received, net of operating costs.

## **Economic value distributed (slide 11)**

Distribution of economic value generated, to employees, government, providers of finance, shareholders and communities in which we operate.

## **Net financing cost cover – EBITDA (slides 28, 32 and 42)**

Net operating profit (before interest, tax, depreciation, amortisation, impairment charges and net deficit/surplus on sale of investments and assets) divided by net financing cost.

## **Net debt to equity ratio (slides 13 and 32)**

Interest-bearing debt less cash and cash equivalents as a percentage of total equity.

## **Non-core (slides 15, 29, 33, 43 and 44)**

Items not part of normal operating activities of either the group or equity-accounted investments of the group as defined by management.

## **Operating margin (slides 16 and 18)**

Net operating profit as a percentage of revenue.

## **Return on equity: headline earnings (slides 14,16,18 and 32)**

Headline earnings as a percentage of average equity attributable to owners of the parent (Exxaro).

## **Return on capital employed (slide 32)**

Net operating profit plus income from non-equity-accounted investments plus income from investments in associates as a percentage of average capital employed.

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