

ANNUAL FINANCIAL RESULTS

PRESENTATION
for the year ended
31 December 2016

exxaro

POWERING POSSIBILITY



The operational and financial information on which any outlook or forecast statements are based has 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 operational and financial information. Exxaro undertakes no obligation to update or reverse any forward-looking statements, whether as a result of new information or future developments.

Where relevant, comments exclude transactions which make the results not comparable. These exclusions are the responsibility of the group's board of directors and have been presented to illustrate the impact of these transactions on the core operations' performance and hence may not fairly present the group's financial position, changes in equity, results of operations or cash flows. These exclusions have not been reviewed nor reported on by the group's external auditors.



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Strategic context

Mxolisi Mgojo, Chief Executive Officer

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Operational performance and markets

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Update on corporate activity

Riaan Koppeschaar, Finance Director

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Outlook

Mxolisi Mgojo, Chief Executive Officer

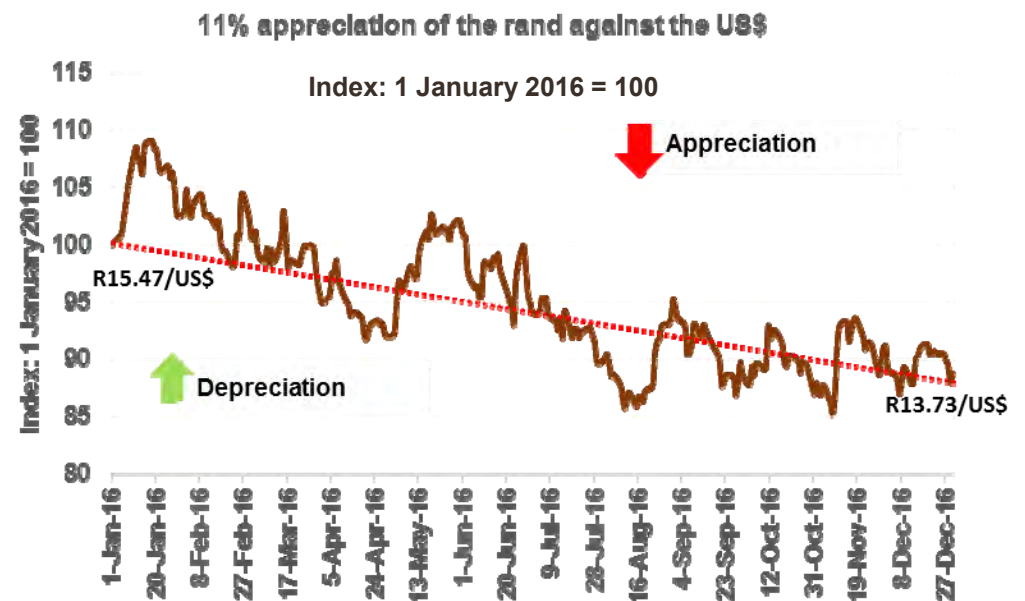
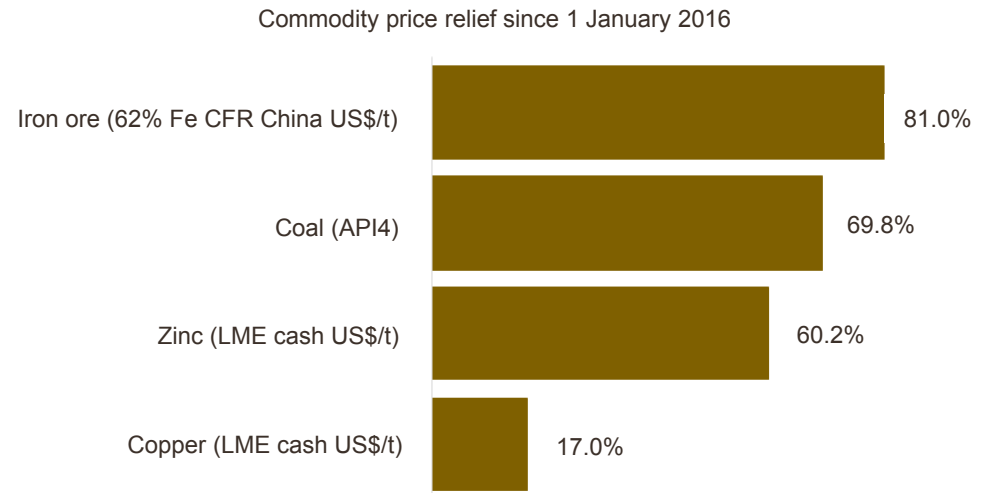
1







Strategic context

Mxolisi Mgojo

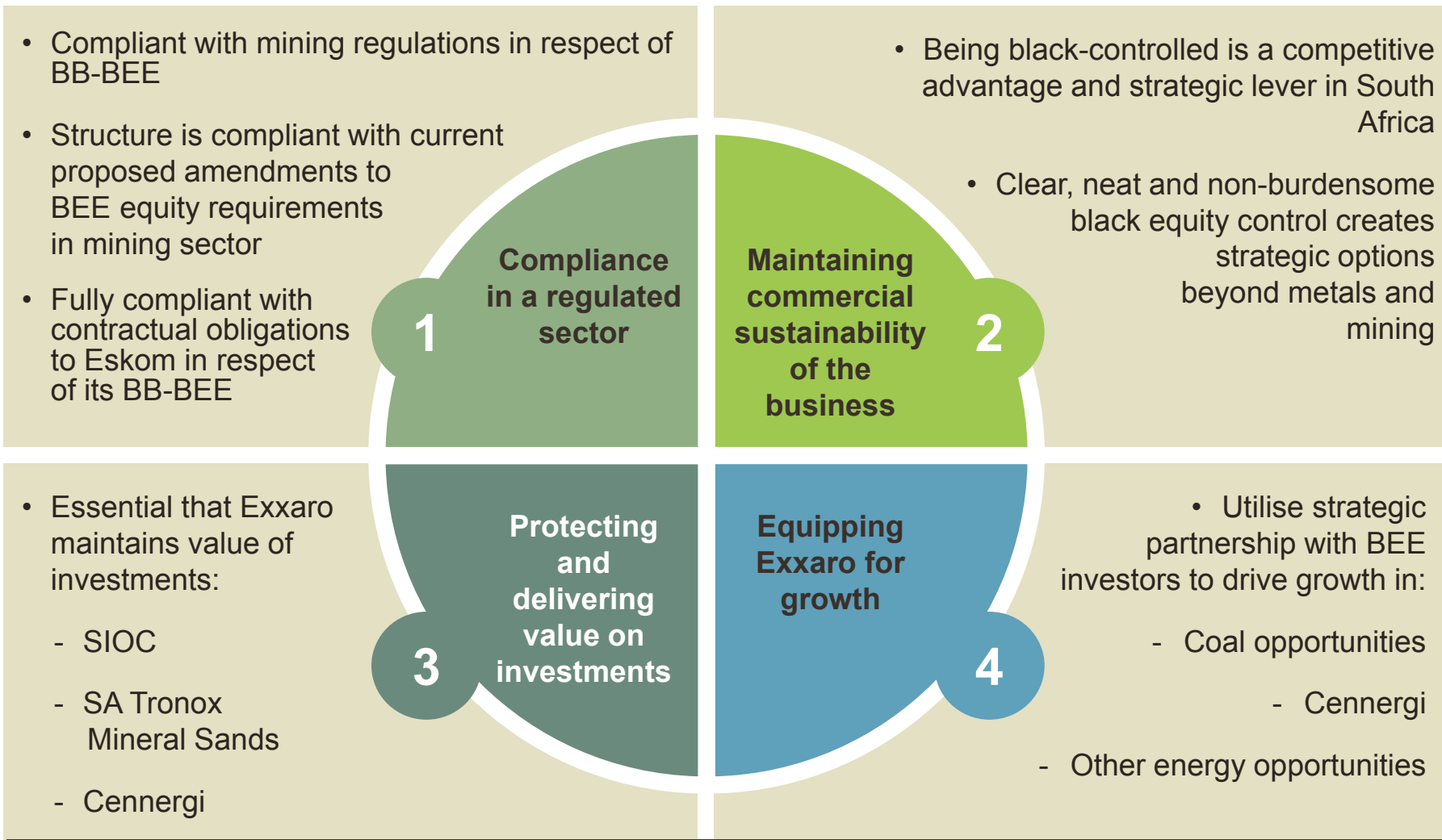


- Seaborne coal and iron price recovery supporting restructuring efforts
- Share price recovered to a high of R89/share as at 31 Dec 2016 from a low of R39/share in mid-Dec 2015
- Significant changes in global political and economic landscape – BREXIT referendum, US interest rates & European elections
- RSA real GDP growth for FY16 at 0,4% from 1,26% in FY15
- Continuing uncertainty of policy environment on black economic empowerment



	FY16 compared to	FY15
Second year of zero fatalities	<ul style="list-style-type: none"> Fatalities = zero LTIFR = 0,09 	<p>Fatalities = zero</p> <p> 47%</p>
Strategy delivering improved operational performance – production and cost	<ul style="list-style-type: none"> Export volumes at 7,9Mt Core NOP at R4,9 billion 	<p> 27%</p> <p> 46%</p>
Improved market conditions evidenced in equity portfolio	<ul style="list-style-type: none"> Income contribution from equity-accounted investments of R2,4 billion 	<p> >100%</p>
Returning cash to shareholders	<ul style="list-style-type: none"> HEPS of 1 302 cps Final dividend of 410 cps 	<p> 185%</p> <p> 382%</p>

Structure for resilience	Portfolio improvement	Capital allocation
<ul style="list-style-type: none"> • Efficiency improvements through Operational Excellence • Cost saving from Exxaro Improvement Project • Drive innovation through digitised platform • Coal product placement through Market Excellence • BEE unwind & replacement in process 	<ul style="list-style-type: none"> • Disposed Mayoko iron ore project • Evaluating Tronox and SIOC shareholding • Robust coal portfolio – evaluating possible non-core assets • Black Mountain, Moranbah and Chifeng – initiated disposal process 	<ul style="list-style-type: none"> • IRR and NPV differentiated • Prioritise capex for growth <ul style="list-style-type: none"> - Secure coal volume growth - Cleaner energy opportunities • Prudent debt management • Refinanced R8bn debt facilities • Maintained dividend distribution policy
<p>Minimise costs, maximise operational output and optimise portfolio</p>		



Ongoing empowerment critical to preserving and creating shareholder value

Refer to slide 49 for detail on BB-BEE composition of consortium

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Operational performance and markets

Nombasa Tsengwa



Safety and health

- No fatalities
- LTIFR improved by 47% to 0,09 against FY15
- Routine assessment of occupational and chronic diseases to actively manage

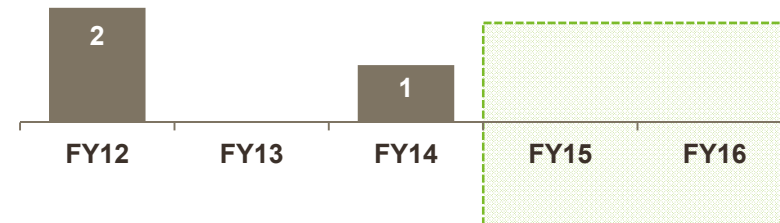
Key environmental risks

- Climate change
 - Alignment to COP-21 agreement continues
- Water stewardship
 - Water intensity improved by 13%
 - Matla and NBC water treatment plants ramped up

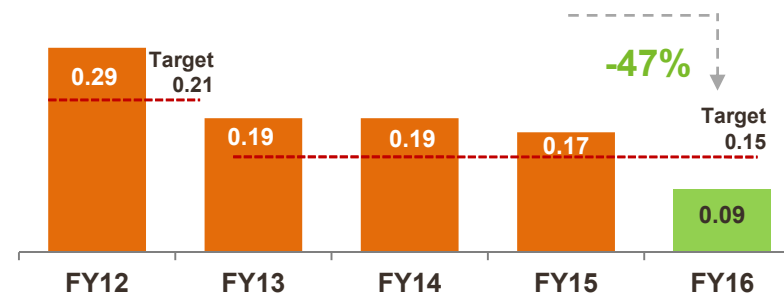
Community

- 99,2% of the approved R48,6m for SLP LED projects and corporate commitments spent
- Highest spend in Focus areas:
 - Education: 43%
 - Skills development: 18%
 - Sports and recreation: 12%

Reportable fatalities



LTIFR

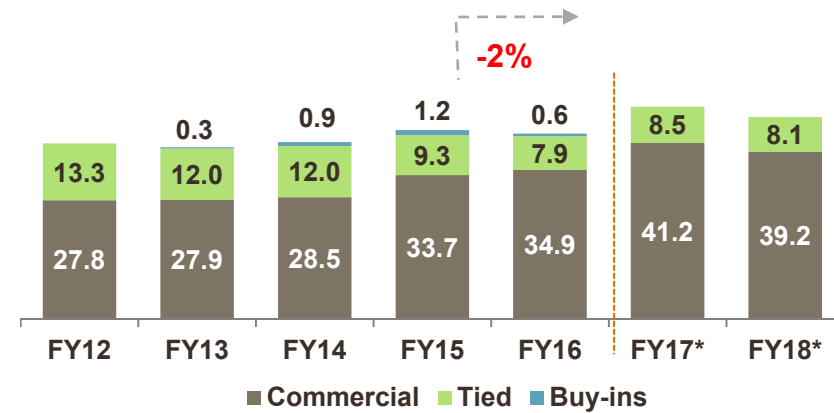


Continuing growth in coal production and sales volumes

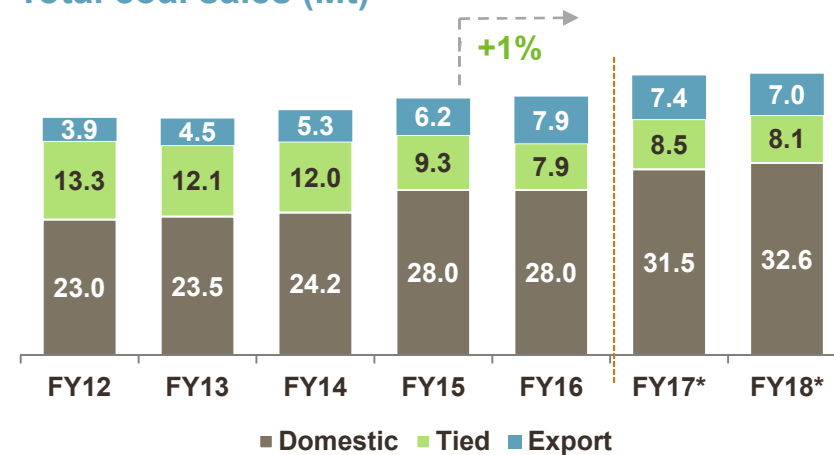
Tonnages movement (Mt)

	FY16 vs FY15	
	Production	Sales
Reduction due to closure	(2,4)	(2,6)
— Arnot	(1,4)	(1,4)
— Inyanda	(1,0)	(1,2)
Increase due to addition	2,5	2,5
— ECC (FY16 vs 4 months FY15)	2,5	2,5

Total coal production (Mt)



Total coal sales (Mt)



* Based on latest internal forecast

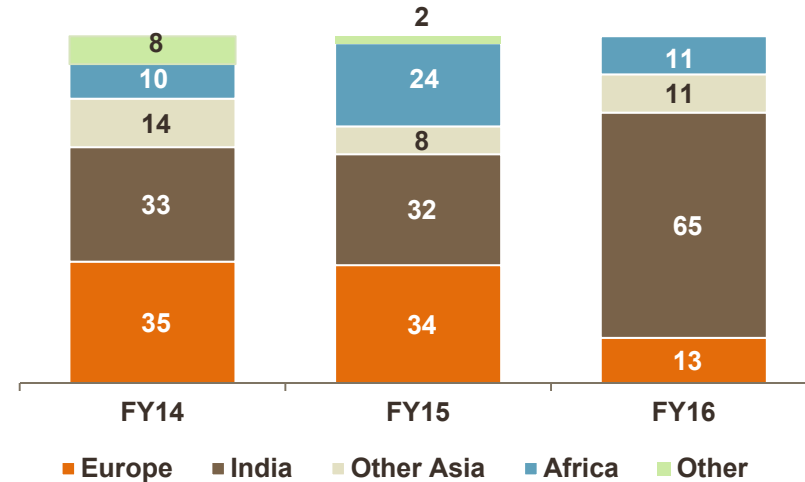
Refer to slides 36,37 and 38 for detailed production statistics

Export market volumes

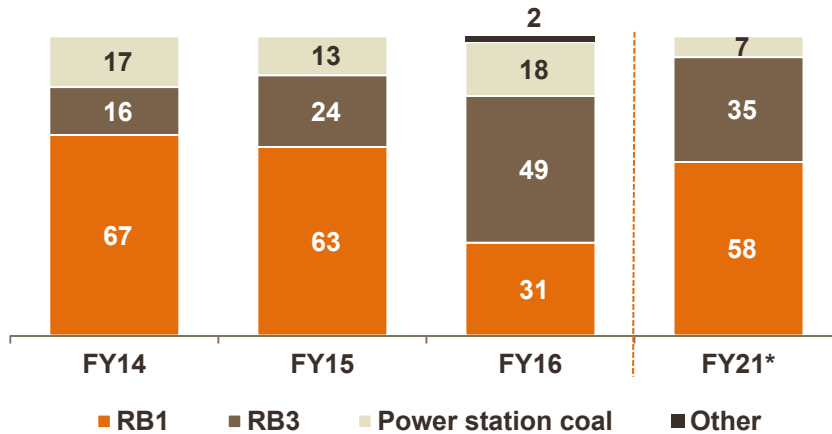
Export tonnage movements (Mt)

	FY16 vs FY15
Reduction due to closure	(1,1)
– Inyanda	(1,1)
Increased steam exports due to addition	1,7
– ECC (FY16 vs 4 months FY15)	1,7
Other power station exports	1,1
– Mafube	0,5
– Leeuwpán	0,3
– ECC	0,3

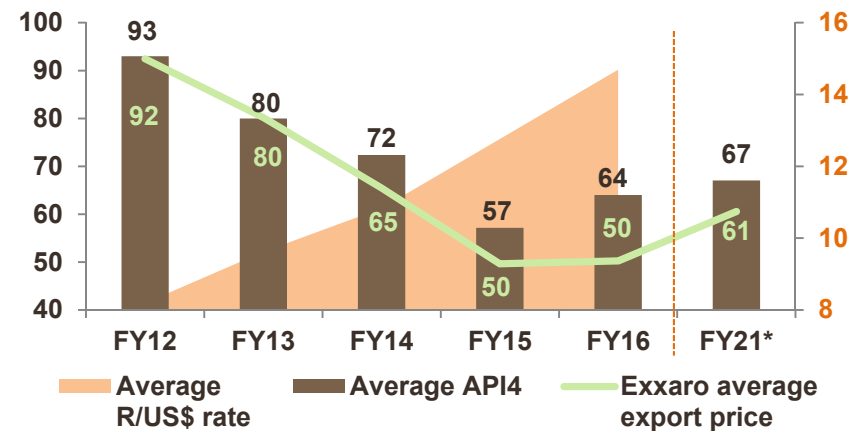
Export sales destinations (%)



Export product mix (%)



Average realised prices (US\$)

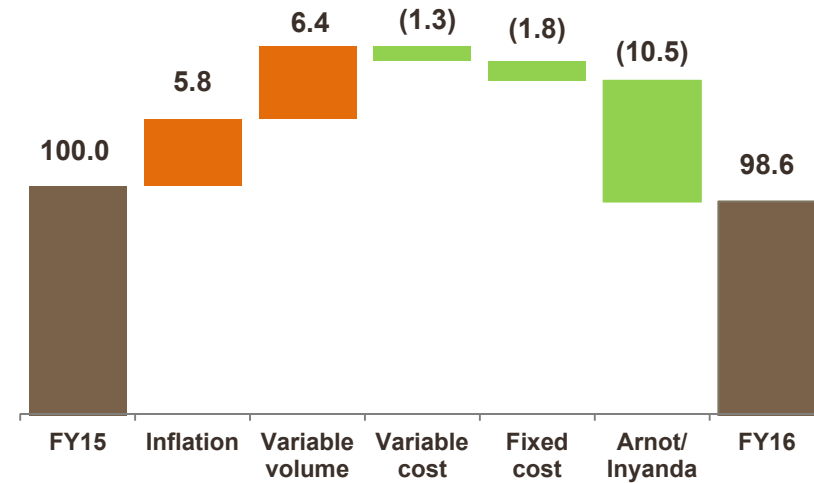


* Based on latest internal forecast

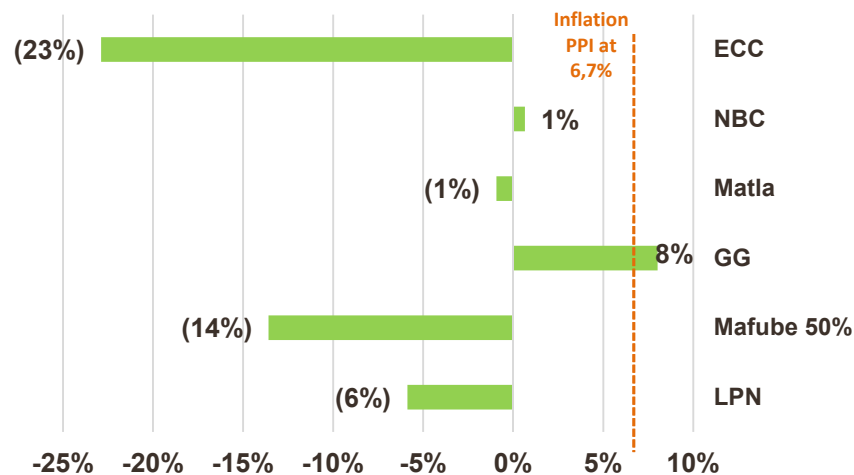
Refer to slide 36 and 37 for detailed sales volumes

- All BU's (except GG) showed significant cost savings, below inflation Y-o-Y
- GG: 8% increase (slightly above PPI):
 - Lower off-take from Eskom
 - Lower Addendum 9 tonnages

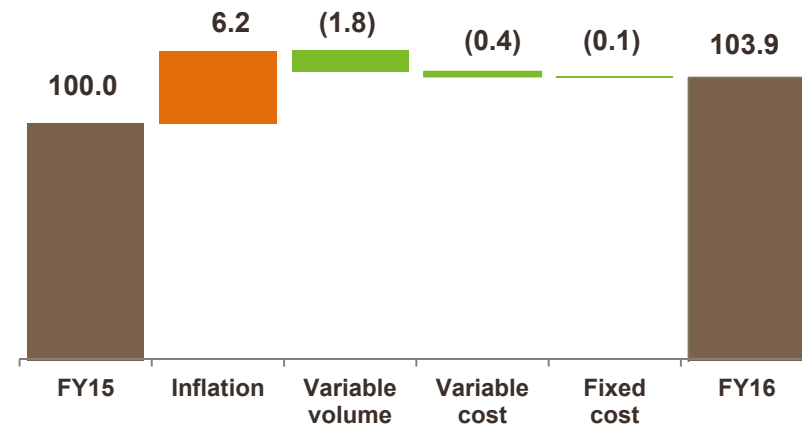
Coal cash cost (Rm indexed)



FY15 vs FY16 unit cash cost movement



Grootegeluk cash cost (Rm indexed)



Coal projects will drive growth*

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GG6 Phase 2

- Capex: R4,8 billion
- Product: 2,7Mtpa of semi soft coking coal
- 1st production: FY20

Belfast

- Capex: R3,2 billion
- Product: 2,7Mtpa of thermal coal
- 1st production: 4Q19

Thabametsi Phase 1

- Capex: R2,8 billion
- Product: 3,9Mtpa of thermal coal
- 1st production: FY20
- Thabametsi IPP – notice to proceed granted

Matla Mine 1 Relocation

- Capex: R1,7 billion
- 1st production: 3Q19

GG Rapid load out station

- Capex: R1,3 billion
- Load capacity: 12Mtpa
- 1st production: 2Q19

GG Discard Inpit Phase 2

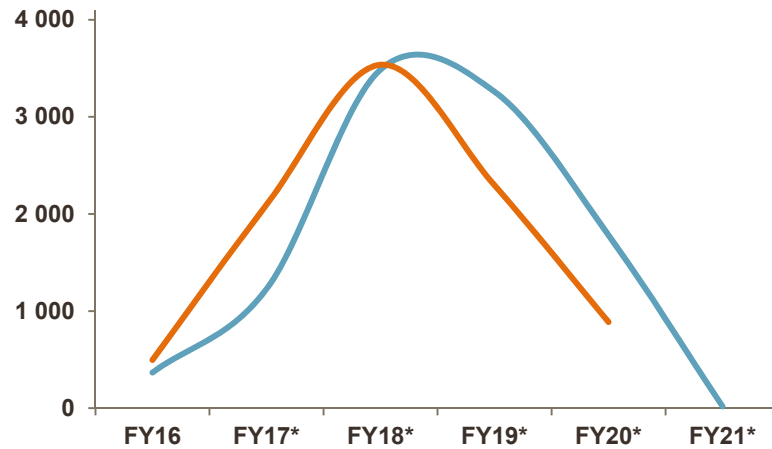
- Capex: R0,6 billion



* Based on latest internal forecast

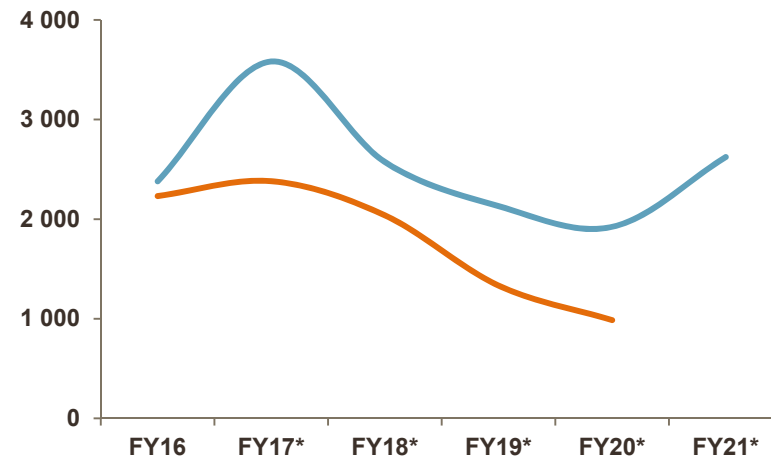
Refer to slide 39 for detailed project schedule

Expansion capital profile (Rm)



Waterberg	312	738	2 363	2 747	1 782	
Other	55	489	1 124	513	874	18
Total	367	1 227	3 487	3 260	2 656	18
Previous guidance	496	2 094	3 537	2 295	887	

Sustaining capital profile (Rm)



	1 940	2 652	2 030	1 620	1 460	2 145
	440	931	543	511	462	479
Total	2 380	3 583	2 573	2 131	1 922	2 624
Previous guidance	2 232	2 381	2 038	1 333	986	

* Based on latest internal forecast

Refer to slide 42 for additional detail

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Financial results

Riaan Koppeschaar



Financial overview: group IFRS

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<i>R million</i>	FY16	FY15	% change
Revenue	20 897	18 330	14
Operating expenses	(15 597)	(13 408)	(16)
Impairment charges	(100)	(1 749)	94
Net operating profit	5 200	3 173	64
Net operating profit margin (%)	25	17	8
Post-tax equity-accounted income/(loss)	2 373	(1 137)	
Attributable earnings: owners of parent	5 679	296	
Headline earnings*	4 621	1 623	185
EBITDA*	5 596	5 691	(2)
Cash generated from operations	5 549	4 526	23
Capital expenditure	2 780	2 390	16
Net debt*	1 322	3 012	(56)
Attributable earnings per share (cents)**	1 600	83	
Headline earnings per share (cents)**	1 302	457	185
Average R/US\$ rate			
– Realised	14.54	13.23	10
– Spot	14.69	12.76	15

* Non-IFRS number ** Based on weighted average number of shares of 355 million for both periods

Financial overview: non-core adjustments

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R million

Coal

- Sale of core assets
- Impairment charges
- (Loss)/gain on disposal of other non-core assets and VSPs

Ferrous

- Mayoko iron ore project
- Impairment charges
- Gain on disposal of other non-core assets and VSPs

Other

- ECC contingent consideration adjustment
- Foreign exchange gains: TCSA acquisition price and liquidation of foreign entities
- Loss on disposal of other non-core assets, VSPs and other

Non-core adjustment impact on net operating profit

Tax on items with impact on net operating profit

Post-tax equity-accounted income/(loss)

- SIOC
- RBCT
- Mafube
- Tronox

Total non-core adjustment impact on attributable earnings

	FY16	FY15
	248	(1 722)
	303	(1 749)
	(55)	27
	579	94
	670	11
	(100)	
	9	83
	(568)	1 411
	(445)	
		1 759
	(123)	(348)
	259	(217)
	40	28
	207	(1 025)
	192	(863)
	35	
	(15)	
	(5)	(162)
	506	(1 214)

Financial overview: group core*

19

R million

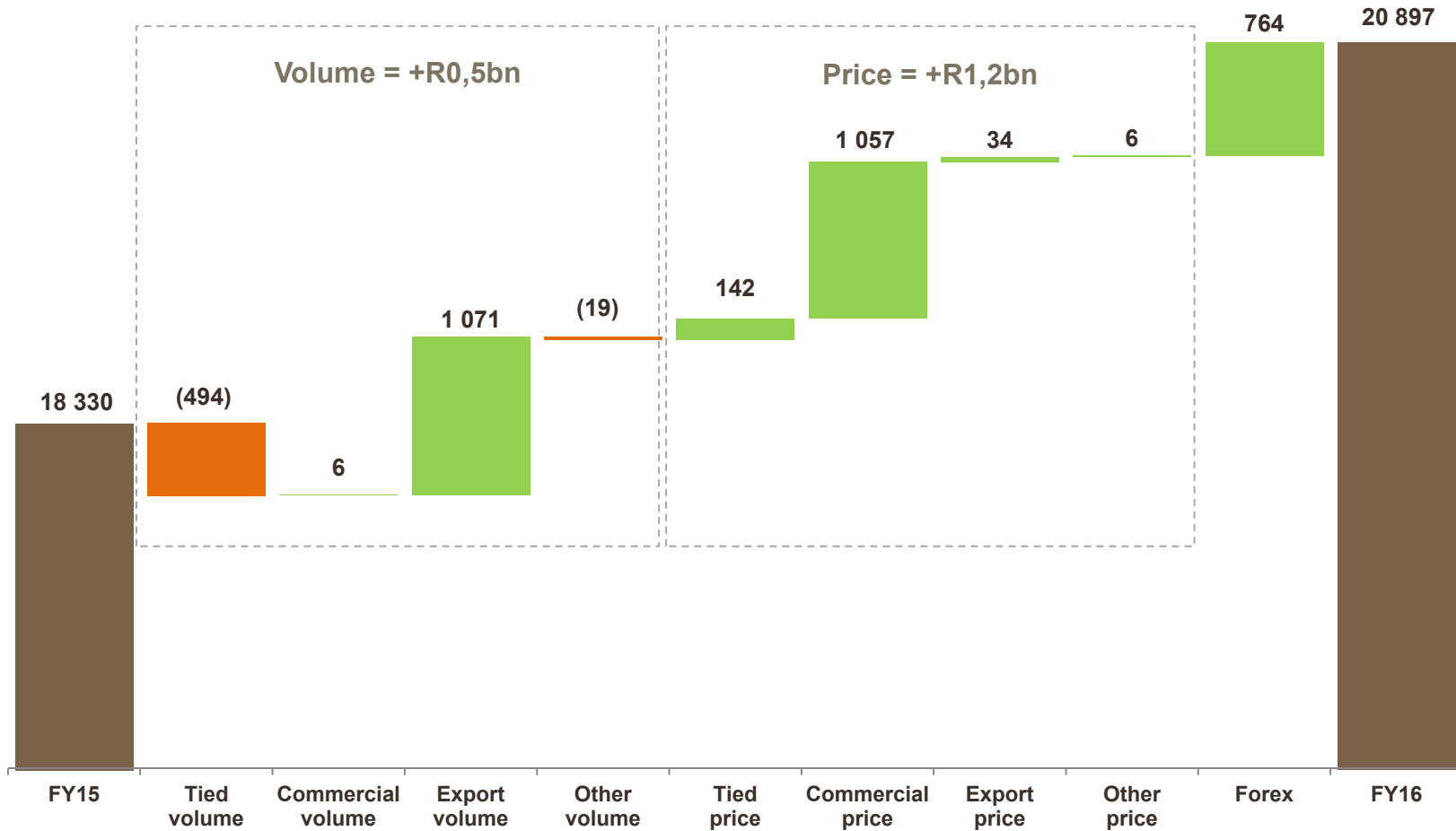
	FY16	FY15	% change
Revenue	20 897	18 330	14
Operating expenses	(15 956)	(14 940)	(7)
Net operating profit	4 941	3 390	46
Net operating profit margin (%)	24	18	6
Post-tax equity-accounted income/(loss)	2 166	(112)	
Headline earnings	5 173	1 510	
Headline earnings per share (cents)	1 457	425	
EBITDA	6 139	4 419	39
Capital expenditure	2 780	2 390	16
Net debt	1 322	3 012	(56)
Average API4 export price (US\$/tonne)	64	57	12
Average export price realised			
- US\$/tonne	50	50	
- R/tonne	738	662	11

* Non-IFRS

Refer to slide 41 to 48 for additional detail

Positive price and volume impact on revenue – FY15 vs FY16

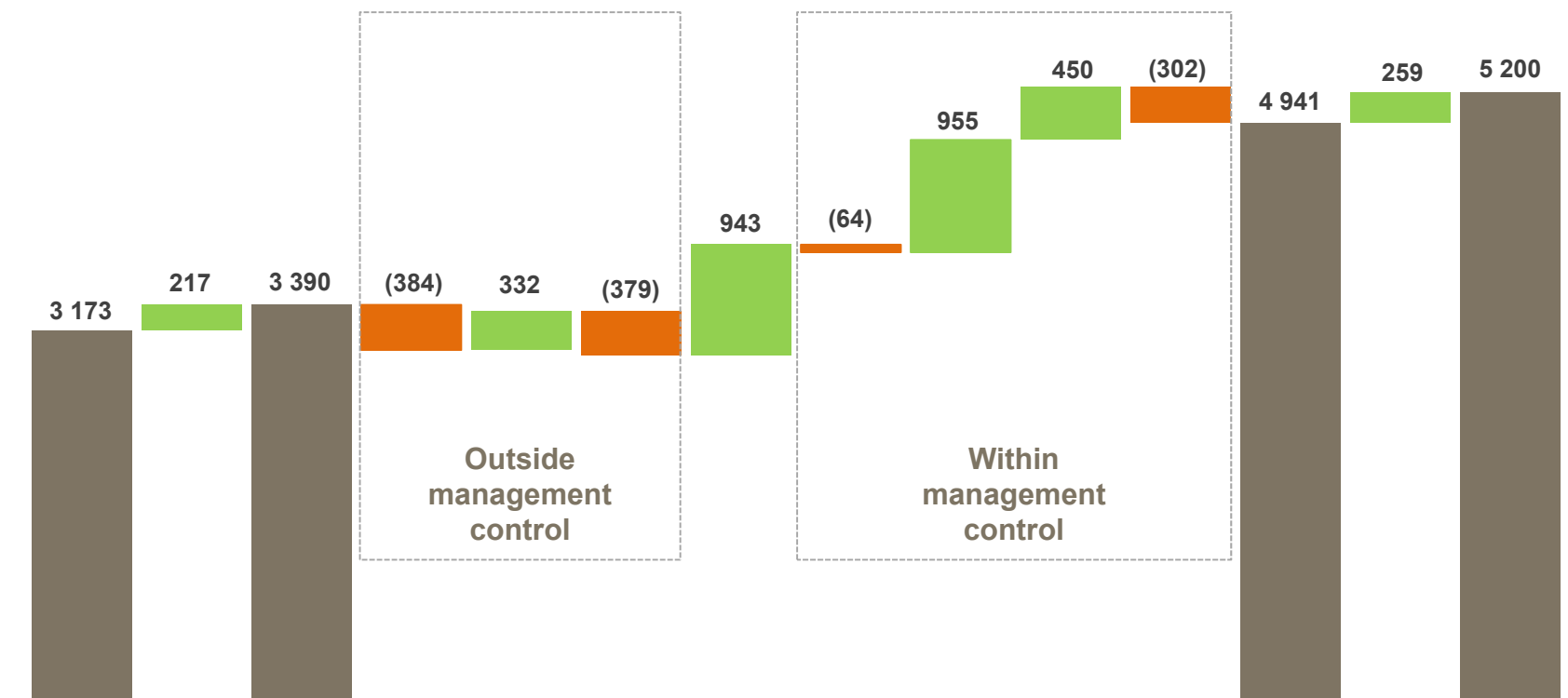
R million



...translating into group net operating profit: core – FY15 vs FY16

21

R million



	IFRS FY15	Non-core items	Core FY15	Inflation	Forex	Rehab	Price	Volume	Cost	ECC	Inyanda	Core FY16	Non-core items	IFRS FY16
Coal	2 574	1 722	4 296	(342)	13	(375)	931	(70)	317	450	(302)	4 918	248	5 166
Ferrous	(306)	(94)	(400)	(7)	24	1	12	(1)	358			(13)	579	566
Other	905	(1 411)	(506)	(35)	295	(5)		7	280			36	(568)	(532)
	3 173	217	3 390	(384)	332	(379)	943	(64)	955	450	(302)	4 941	259	5 200

Attributable earnings: core

22

R million

Net operating profit

Net financing cost

Income from other investments

Post-tax equity-accounted income/(loss)

- SIOC

- Tronox

- Mafube

- Cennergi

- Black Mountain

- RBCT

- SDCT

Tax

Non-controlling interests

Attributable earnings: owners of parent

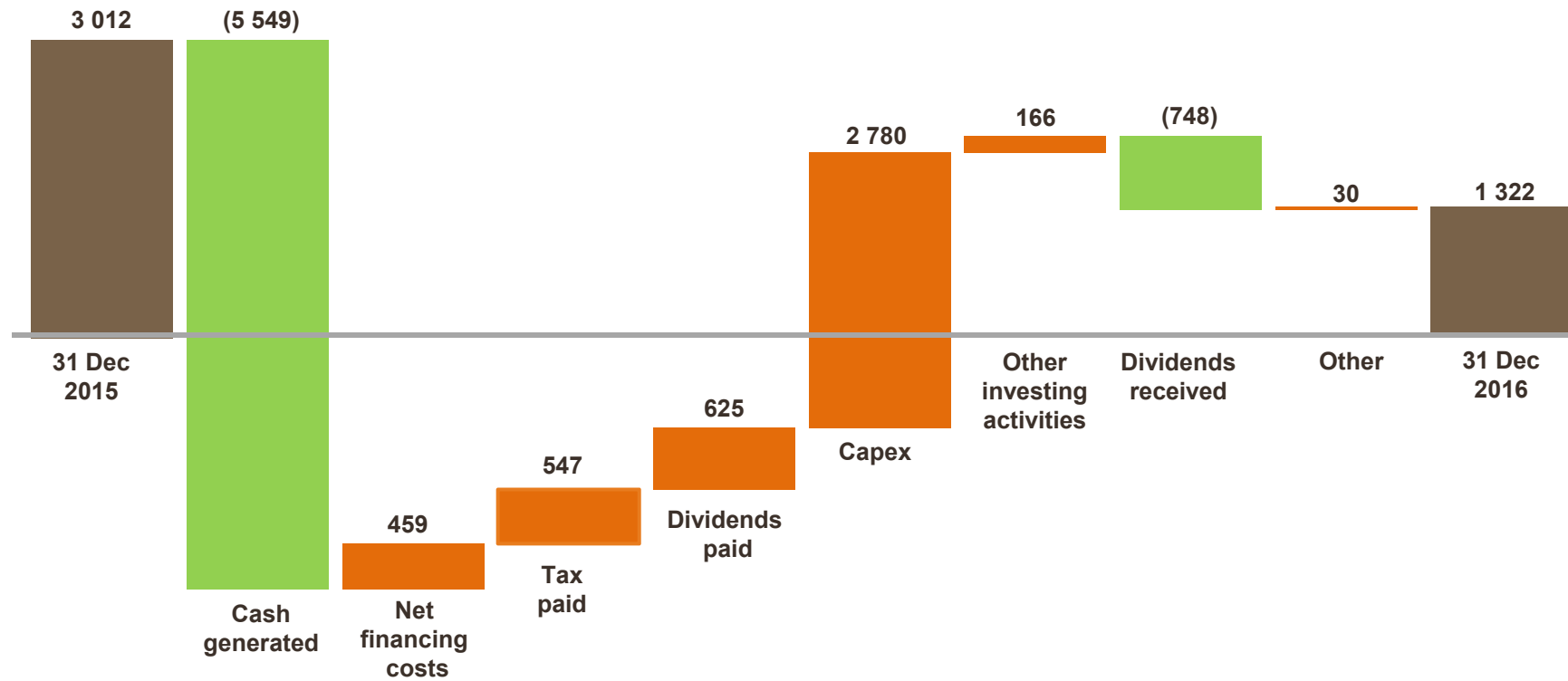
Attributable earnings per share (cents)

	FY16	FY15	% change
Net operating profit	4 941	3 390	46
Net financing cost	(628)	(668)	6
Income from other investments		1	
Post-tax equity-accounted income/(loss)	2 166	(112)	
• SIOC	2 224	967	130
• Tronox	(379)	(1 341)	72
• Mafube	253	253	
• Cennergi	3	(53)	106
• Black Mountain	100	64	56
• RBCT	(35)	(4)	
• SDCT		2	
Tax	(1 294)	(1 130)	(15)
Non-controlling interests	(12)	29	(141)
Attributable earnings: owners of parent	5 173	1 510	
Attributable earnings per share (cents)	1 457	425	

Refer to slide 41 to 48 for additional detail

Prudent net debt position...strong cash generation

R million



	Total dividend	Final dividend	Interim dividend
	FY16	FY16	1H16
Attributable earnings per share* (cents)	1 457	1 133	324
Dividend declared per share (cents)	500	410	90
Dividend cover* (times)	3,2	2,9	3,5
Dividend declared (Rm)	1 610	1 289	321
• BEE Holdco	653	486	167
• Anglo	32		32
• Public	911	792	119
• Employee empowerment (Mpower 2012)	14	11	3

* Adjusted for non-cash non-core items

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Update on corporate activity

Riaan Koppeschaar



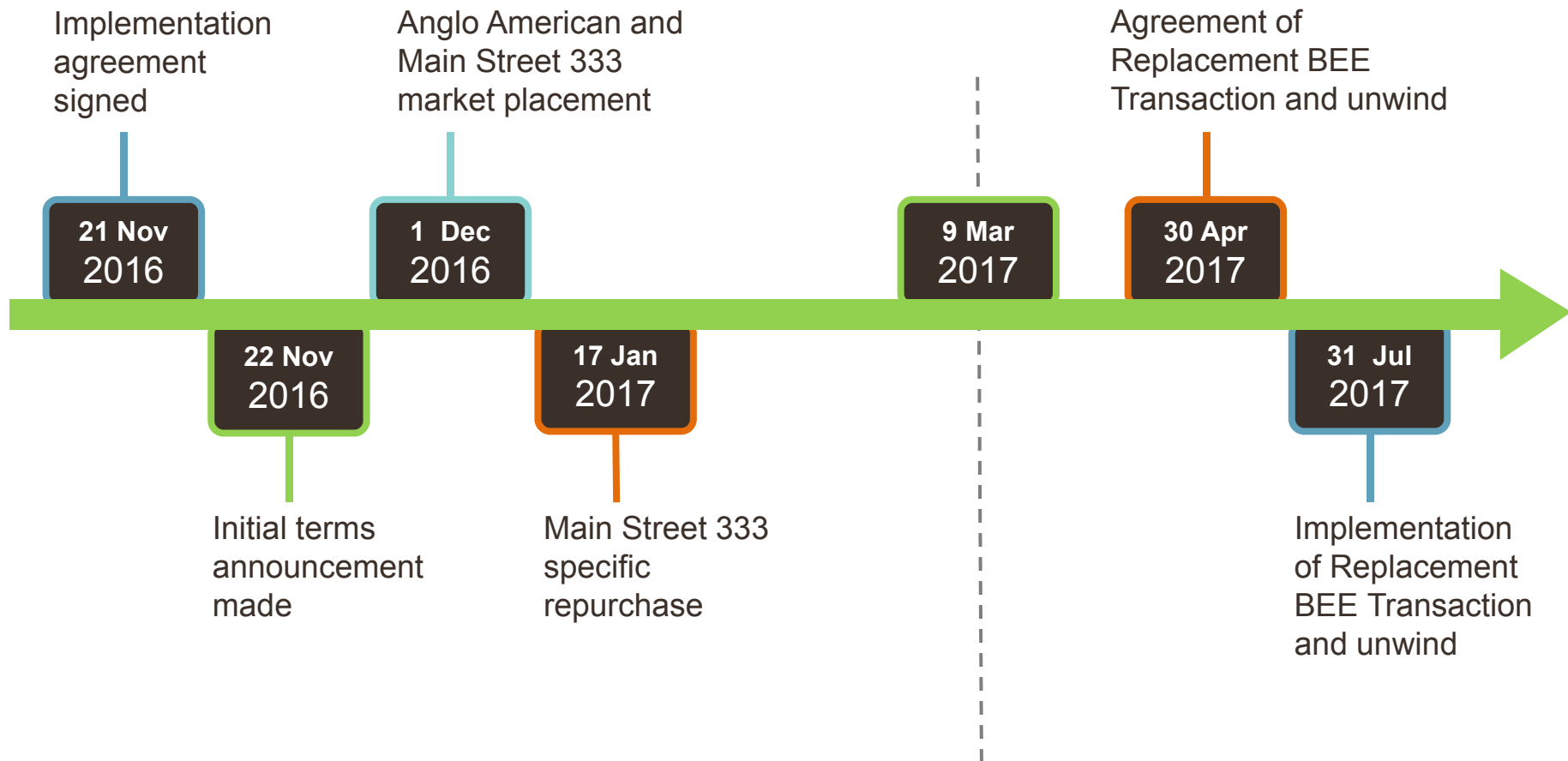
Merits of transaction

- Creates the world's largest and most integrated TiO₂ pigment producer
 - Pre-tax run-rate synergies of more than US\$200m in year three
 - EPS accretion of more than 100% expected in year one
 - Rapid deleveraging with no new debt expected
 - Expands global footprint - increases participation in faster growing emerging markets
 - Intent to begin a process to sell its Alkali chemical business
-


Impact on Exxaro

- Exxaro intends to vote in favour of transaction
- Dilutive to equity interest (44% to 33%)
- Facilitates strategic options
 - Monetise shareholding in an efficient staged process (focus on core operations and exercise prudent capital allocation decisions)

Where we are now:



Significant portion of overhang dealt:

	Main Street 333	Original Exxaro minority shareholders	New Exxaro minority shareholders	 AngloAmerican
Before	50.2%	40.1%		9.7%
After placement	45.3%	40.1%	14.6%	
After repurchase	37.7%	45.7%	16.6%	

- **14% shareholding accretion to (original) minority shareholders due to repurchase**
- **Substantial increase in free-float (40.1% → 62.3%)**
- **As part of the unwind, Exxaro is considering various liquidity mechanisms to manage the overhang of the unwind which may include:**
 - Further Main Street 333 placements
 - An additional Exxaro specific repurchase if the replacement BEE transaction is implemented

Empowerment at listed level strongly preferred:

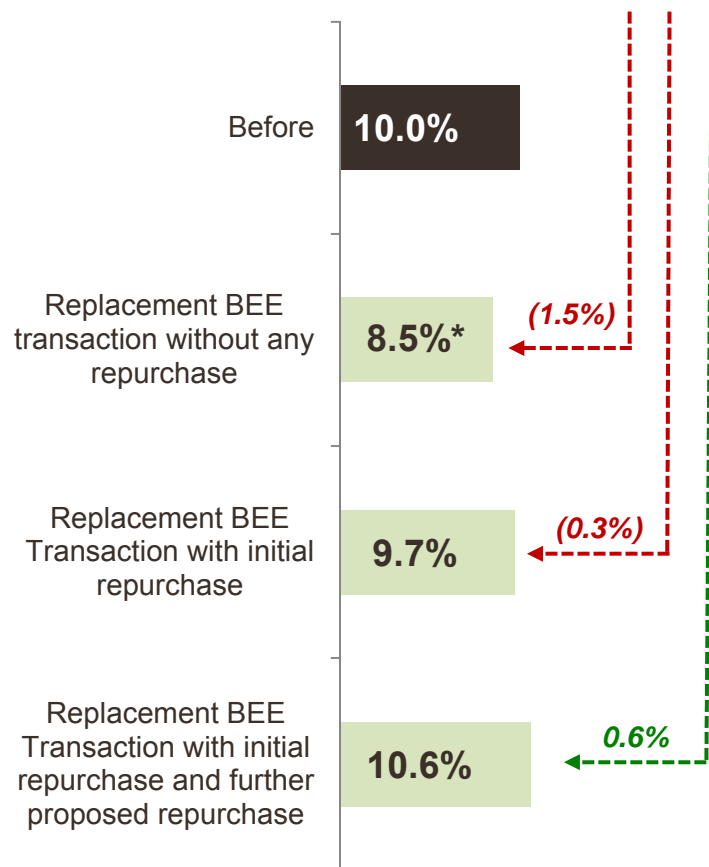
- Strategic BEE partner retains significant influence in Exxaro
- Allows existing shareholders to reinvest in a liquid instrument
- Enables third party funding of transaction on share cover
- Transparent valuation

Empowerment at subsidiary level is not efficient:

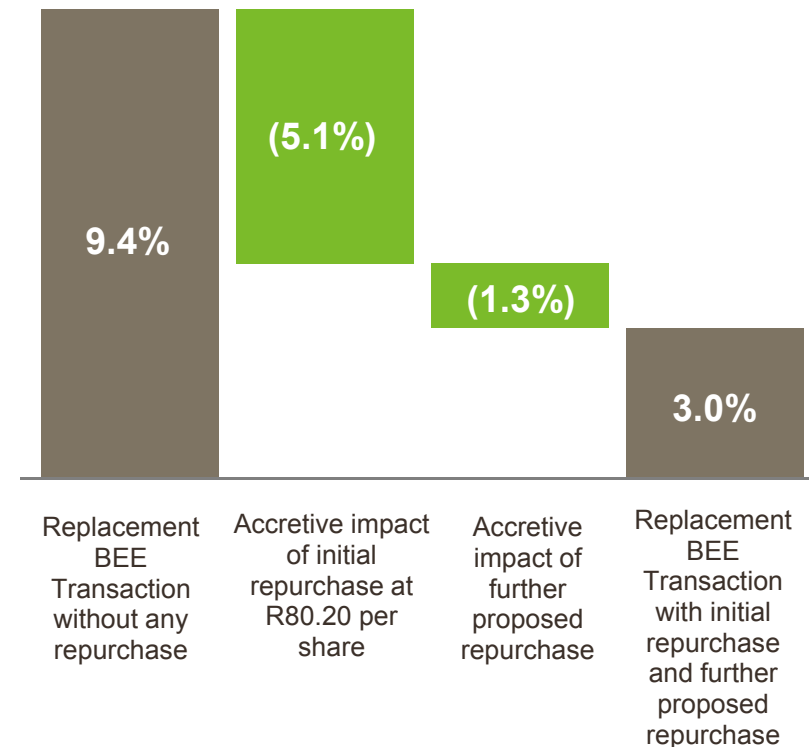
- Will require group restructure
- Will impair group's borrowing ability
- Administrative- and governance burden
- Cost likely to be higher:
 - Reduced third party funding;
 - Reduced BEE equity (if any); and
 - Transaction to occur at coal fair value

Managing dilution effect of Replacement BEE Transaction

Dilution impact of Replacement BEE Transaction on voting interests (i.e. number of shares)



Dilution impact of Replacement BEE Transaction on economic value (i.e. value per share)



* Assumption that further proposed repurchase occurs at 8% discount to R100 per share. Replacement BEE Transaction assumed to be implemented at R100 per share, R2,5bn equity reinvestment

5

Outlook Mxolisi Mgojo



- Supportive market conditions in coal expected
- Expected improvement in the coal business
- Volatile Rand exchange rate against the US dollar expected
- Investment portfolio (SIOC and Tronox) expected to be positively influenced by a favourable commodity price outlook



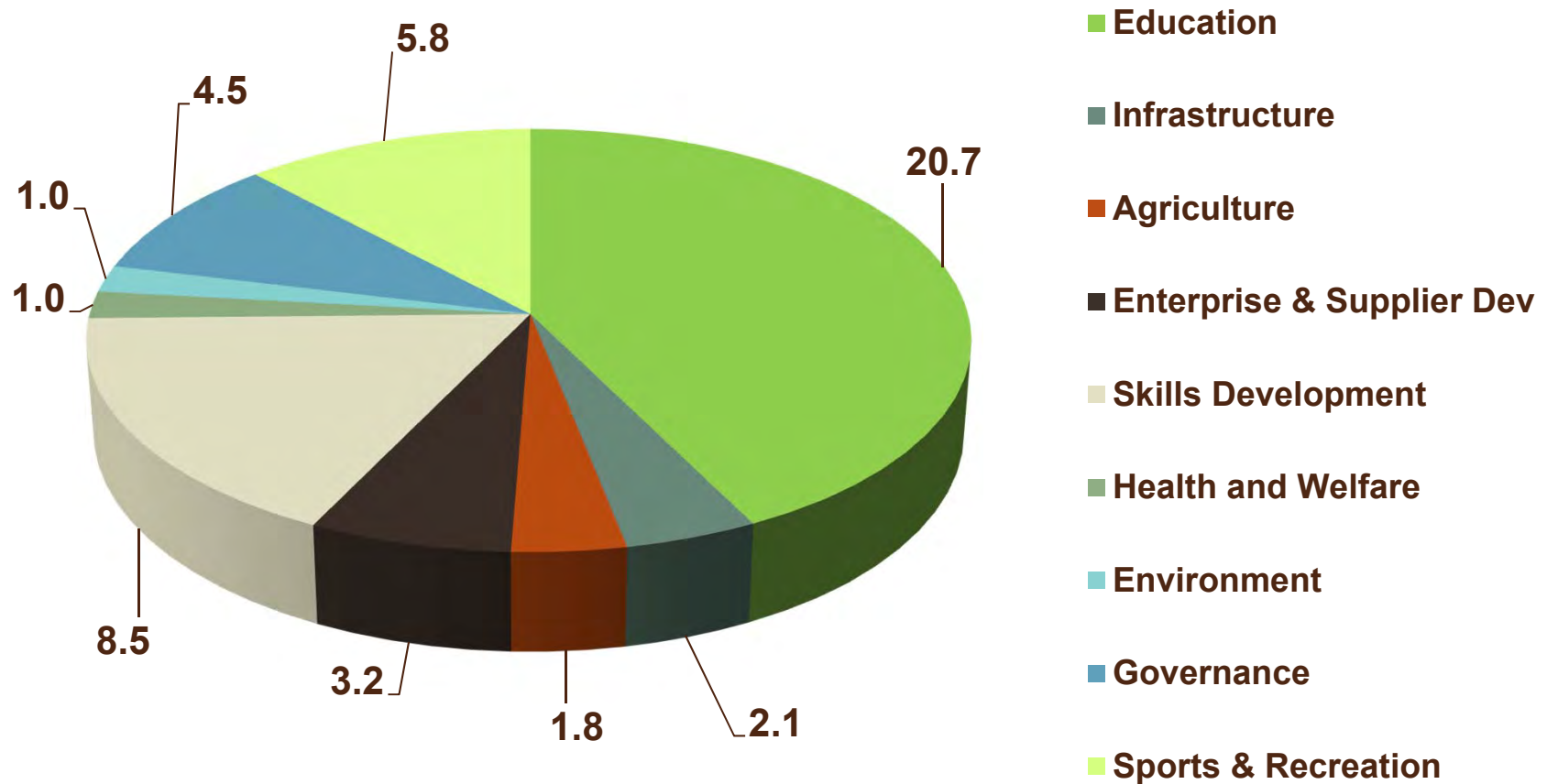
Thank you



Additional information



2016 Exxaro Contribution (Rm)



Thermal coal volumes

36

'000 tonnes	FY14	FY15	FY16	FY17*	FY18*
Production	38 217	41 100	40 811	47 217	44 817
• Grootegeeluk	16 719	21 637	20 616	26 028	26 995
• Matla	10 374	7 859	7 900	8 530	8 135
• ECC**		1 365	3 904	4 050	4 026
• Leeuwpán	4 107	3 786	3 774	3 806	4 094
• NBC	2 602	2 870	2 857	3 127	627
• Mafube#	1 342	1 147	1 760	1 676	940
• Arnot	1 440	1 401			
• Inyanda	1 633	1 035			
Buy-ins#	860	1 222	606		
Total thermal production (including buy-ins)	39 077	42 322	41 417	47 217	44 817
Sales to Eskom	31 483	33 377	29 922	33 484	33 942
• Grootegeeluk	15 306	19 521	18 914	22 105	25 122
• Matla	10 368	7 869	7 893	8 512	8 118
• NBC	2 531	2 732	2 699	2 867	702
• Leeuwpán	1 838	1 854	416		
• Arnot	1 440	1 401			
Other domestic sales	3 078	2 587	4 709	5 254	5 245
Exports	5 291	6 182	7 858	7 410	7 029
Total thermal coal sales	39 852	42 146	42 489	46 148	46 216

* Based on latest internal forecast ** Included for four months in FY15 # Reclassified Mafube production which was previously reported under buy-ins to Exxaro production

Metallurgical coal volumes

37

'000 tonnes

Production

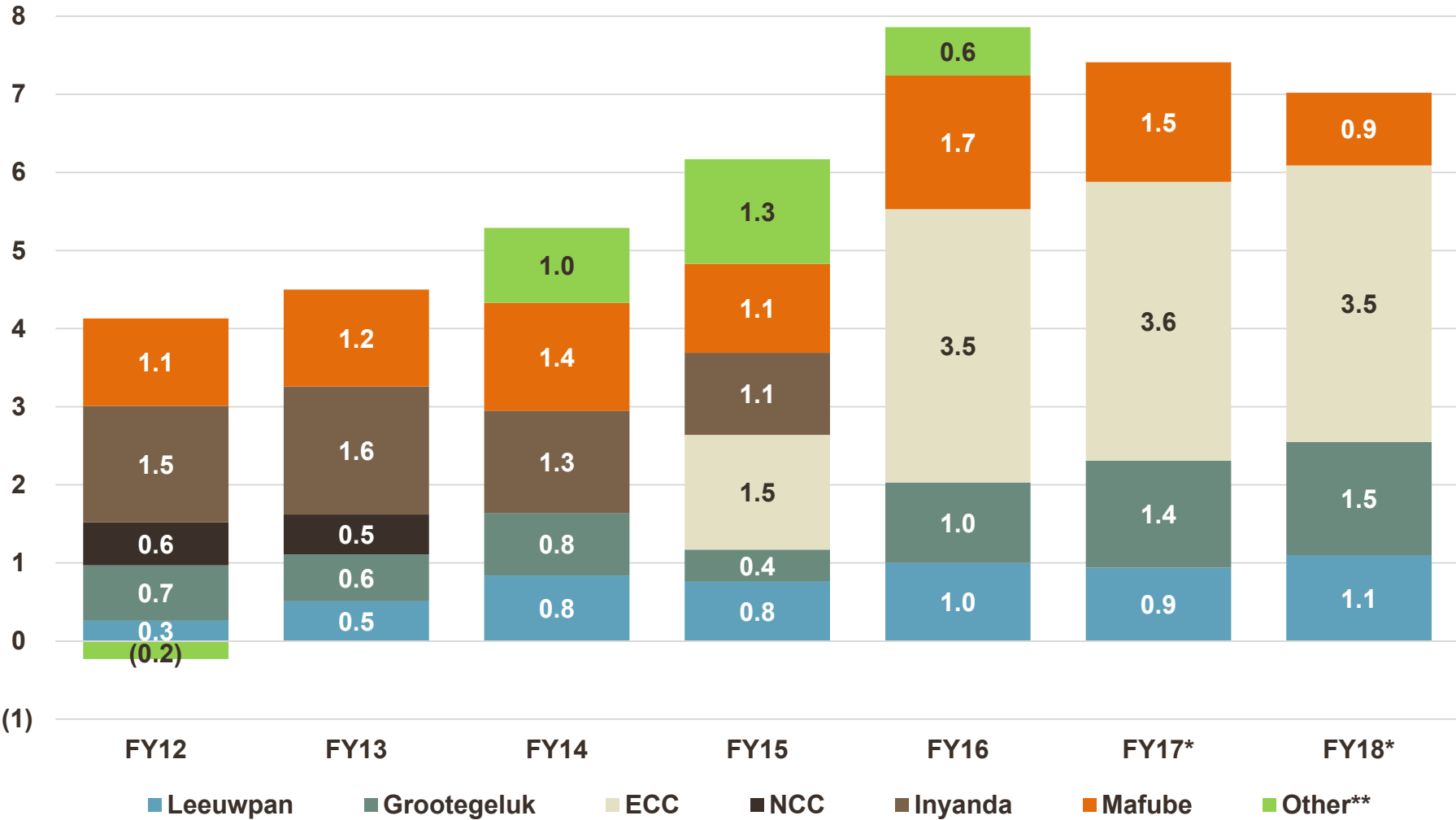
- Grootegeluk
- Tshikondeni

	FY14	FY15	FY16	FY17*	FY18*
Production	2 274	1 856	1 985	2 451	2 458
• Grootegeluk	2 120	1 856	1 985	2 451	2 458
• Tshikondeni	154				
Sales	1 689	1 341	1 298	1 296	1 453
• Domestic	1 689	1 341	1 298	1 296	1 453

* Based on latest internal forecast

Export market volumes per mine

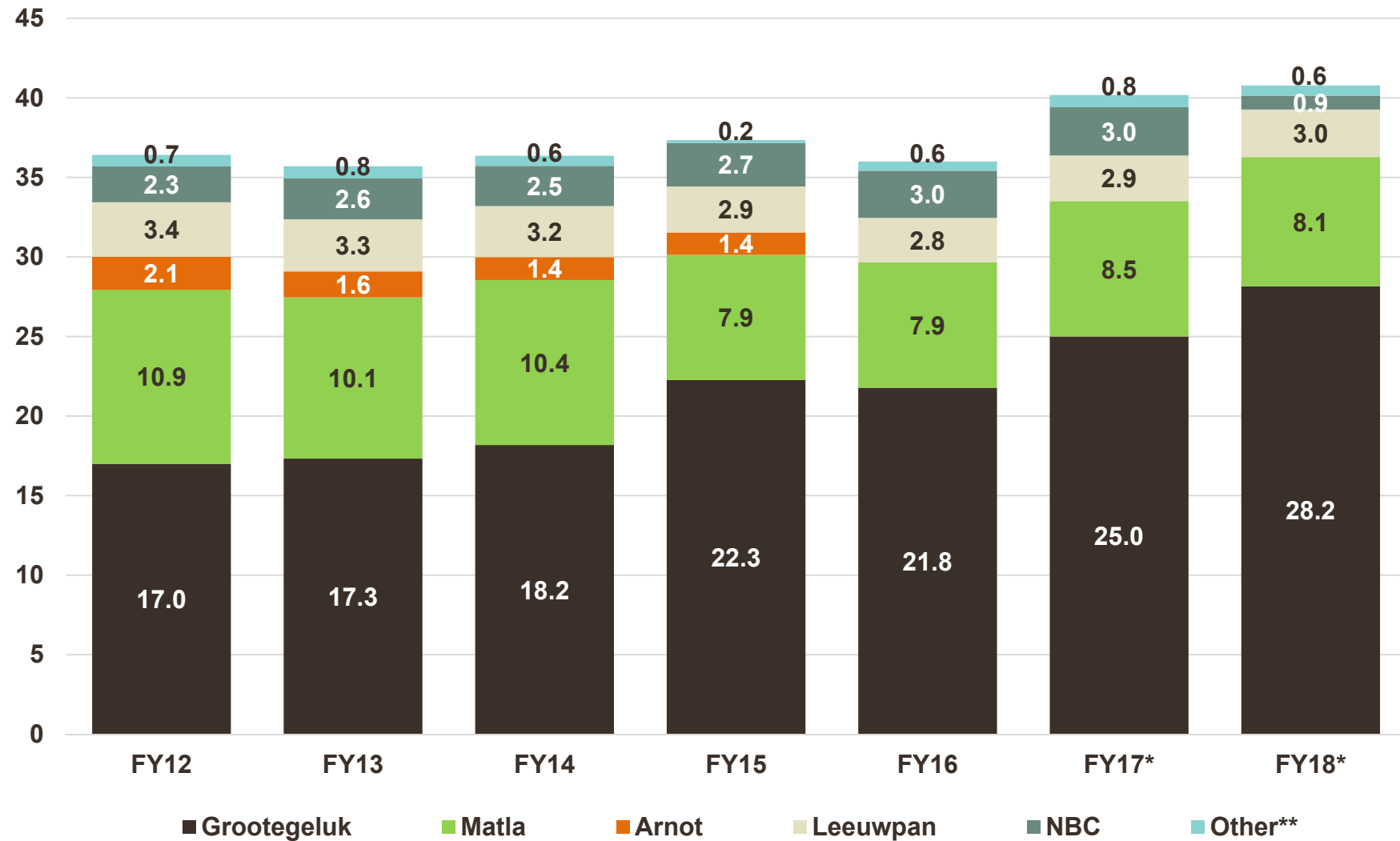
Million tonnes



* Based on latest internal forecast ** Buy-ins and inventory

Domestic market volumes per mine

Million tonnes



* Based on latest internal forecast ** Other consists of Tshikondeni, Inyanda, NCC, ECC, Mafube and Reductants

Grootegeluk 7/8 production and sales profile - Addendum 9 settlement 40

	Matimba (Mt)	Medupi (Mt)	Total (Mt)	Take-or-pay (Mt)	Premium (Rm)	Shortfall (Rm)
FY13	14,5		14,5			1 594
FY14	12,5	2,8	15,3	3,2	677	1 466
FY15	11,0	8,5	19,5	2,3	646	
FY16	12,7	6,8	19,5	6,9	1 237	
FY17	12,7	9,4	22,1	3,0	940	
FY18	12,7	12,5	25,2			
FY19 onwards	12,7	12,5	25,2			

1H17	<ul style="list-style-type: none"> • GG6 Phase 2 investment decision expected 1Q17 • Belfast rezoning appeal outcome expected 2Q17 • Thabametsi mine Phase 1 construction expected to commence 2Q17 • Matla Mine 1 Relocation – awaiting Eskom funding approval • GG rapid load out station construction continues • Grootegeluk Discard Inpit Project Phase 2 – construction continues
2H17	<ul style="list-style-type: none"> • GG6 Phase 2 construction expected to commence 3Q17 • Belfast construction expected to commence 3Q17 • Thabametsi mine Phase 1 – construction continues. Notice to proceed for full construction expected 4Q17 by Department of Energy • GG rapid load out station construction continues • Grootegeluk Discard Inpit phase 2 – project completion expected 4Q17
FY18	<ul style="list-style-type: none"> • GG6 Phase 2 construction continues • Belfast construction continues • Thabametsi mine Phase 1 construction continues • GG rapid load out station construction continues
FY19	<ul style="list-style-type: none"> • GG6 Phase 2 construction continues • Belfast first production 4Q19 • Thabametsi mine Phase 1 construction continues • Matla Mine 1 Relocation 1st production 3Q19 • GG rapid load out station commissioning 2Q19

GG6 Phase 2	<ul style="list-style-type: none"> • Capex: R4,8 billion • Product: 2,7Mtpa of semi soft coking coal • 1st production: FY20
Belfast	<ul style="list-style-type: none"> • Capex: R3,2 billion • Product: 2,7Mtpa of thermal coal • 1st production: 4Q19
Thabametsi Phase 1	<ul style="list-style-type: none"> • Capex: R2,8 billion • Product: 3,9Mtpa of thermal coal • 1st production: FY20
Matla Mine 1 Relocation	<ul style="list-style-type: none"> • Capex: R1,7 billion • 1st production: 3Q19
Rapid load out station	<ul style="list-style-type: none"> • Capex: R1,3 billion • Load capacity: 12Mtpa • 1st production: 2Q19
GG Discard Inpit Phase 2	<ul style="list-style-type: none"> • Capex: R0,6 billion

* Based on latest internal forecast

Capital expenditure: coal

42

<i>R million</i>	Actual		Forecast*				
	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Sustaining	1 597	2 380	3 583	2 573	2 131	1 922	2 624
• GG load out station	8	76	543	375	301		
• GG trucks, shovels and stacker reclaimers	833	596	1 080	355	558	520	817
• GG backfill Phase 2	115	400	200				
• GG other	401	868	829	1 300	761	940	1 328
• Leeuwpan OI reserve		86	303	73	48	9	
• ECC	82	200	300	227	305	175	197
• Other operations	158	154	328	243	158	278	282
Expansion	716	367	1 227	3 487	3 260	2 656	18
• GMEP	226						
• GG6 Phase 2	12	125	521	1 805	1 443	899	
• Other GG	370	184	150				
• Thabametsi Phase 1	1	3	67	558	1 304	883	
• Belfast	85	55	489	1 124	513	874	18
• Other	22						
Total coal capital expenditure	2 313	2 747	4 810	6 060	5 391	4 578	2 642
• Waterberg	1 966	2 252	3 390	4 393	4 367	3 242	2 145
• Other	347	495	1 420	1 667	1 024	1 336	497
Previous guidance		2 728	4 475	5 575	3 628	1 873	

* Based on latest internal forecast

Cash generated before working capital movements vs EBITDA

43

R million

EBITDA (core)

- Fair value adjustment of contingent consideration
- VSP's and termination costs
- Foreign exchange gains: TCSA acquisition price and liquidation of foreign entities
- Partial reversal of previous write-off of financial assets at Mayoko
- Other

EBITDA

- Unrealised foreign exchange and other fair value movements
- Fair value contingent consideration
- Provisions raised/(reversed)
- Impairment or write-down of receivable
- Indemnification asset movement
- Share-based payment expense
- Transaction cost amortised
- Other unrealised foreign exchange movements
- Cost recovery of tied mines not yet received and other

Cash generated before working capital movements

	FY16	FY15
	6 139	4 419
	(445)	
	(98)	(408)
		1 759
		11
		(90)
	5 596	5 691
	17	(1 479)
	445	
	898	(69)
	39	77
	(56)	
	269	137
	5	5
	(36)	411
	(895)	(353)
	6 282	4 420

Group depreciation, amortisation and EBITDA: core

44

R million

Depreciation and amortisation

Coal

- Tied operations
- Commercial operations

Ferrous

- FerroAlloys
- Other

Other

Total depreciation and amortisation

EBITDA

Coal

- Tied operations
- Commercial operations

Ferrous

- Iron ore
- FerroAlloys
- Other

Other

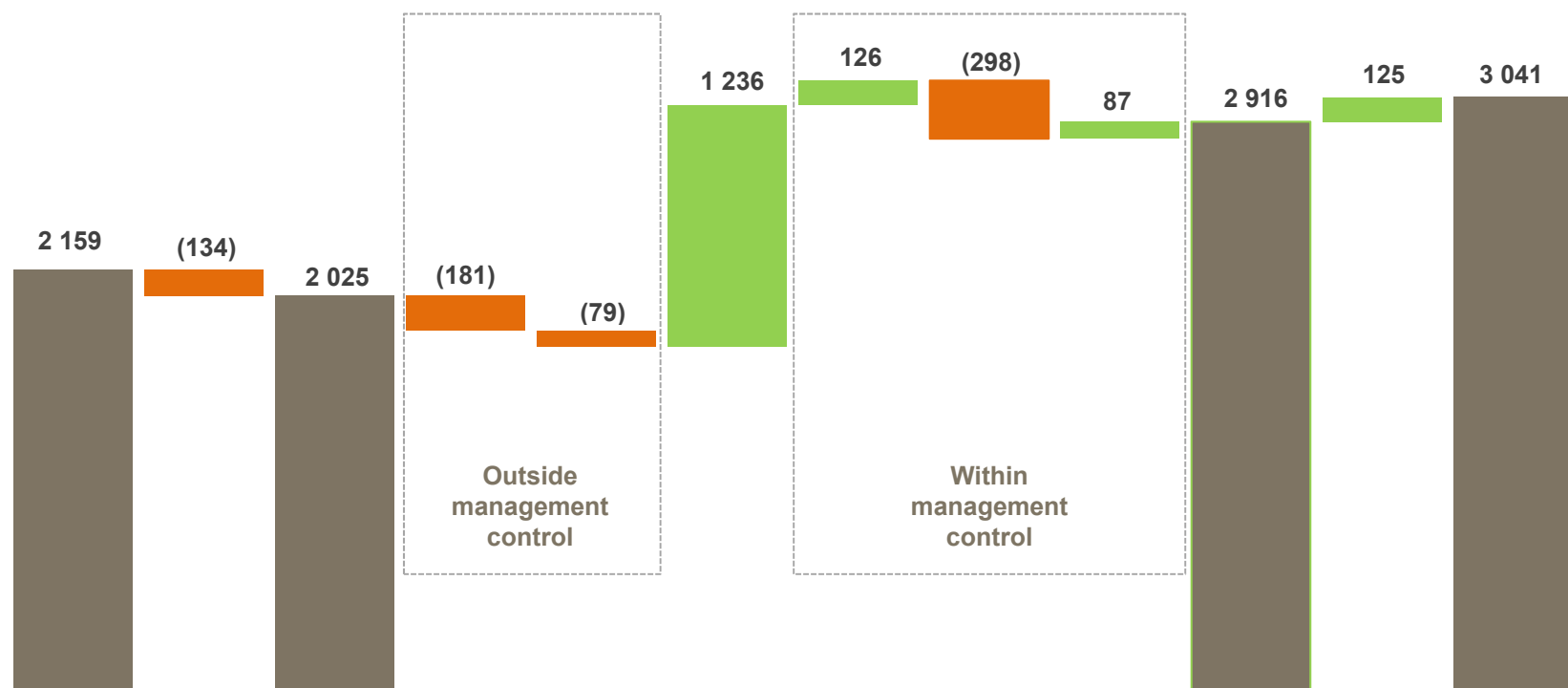
Total EBITDA

	FY16	FY15	% change
Coal	1 084	951	14
• Tied operations	12	24	(50)
• Commercial operations	1 072	927	16
Ferrous	7	11	(36)
• FerroAlloys	7	7	
• Other		4	
Other	107	67	60
Total depreciation and amortisation	1 198	1 029	16
Coal	6 002	5 247	14
• Tied operations	238	267	(11)
• Commercial operations	5 764	4 980	16
Ferrous	(6)	(389)	98
• Iron ore	(66)	(391)	83
• FerroAlloys	32	20	60
• Other	28	(18)	
Other	143	(439)	133
Total EBITDA	6 139	4 419	39

Group net operating profit: core - 1H16 vs 2H16

45

R million



	IFRS 1H16	Non-core items	Core 1H16	Inflation	Forex	Price	Volume	Cost	Rehab	Core 2H16	Non-core items	IFRS 2H16
Coal	2 232	(188)	2 044	(162)	(1)	1 269	48	(408)	84	2 874	60	2 934
Ferrous	(53)	(1)	(54)	(3)	(3)	(33)	95	35	2	39	578	617
Other	(20)	55	35	(16)	(75)		(17)	75	1	3	(513)	(510)
	2 159	(134)	2 025	(181)	(79)	1 236	126	(298)	87	2 916	125	3 041

HEPS contribution to group*

46

	FY16	%	FY15	%	(Decrease)/ increase % contribution
JSE HEPS	1 302	100	457	100	
• Coal	927	71	784	172	(101)
• Ferrous	598	46	153	33	13
• TiO ₂	(109)	(8)	(418)	(91)	83
• Other	(114)	(9)	(62)	(14)	5
Core HEPS	1 457	100	425	100	
• Coal	930	64	815	192	(128)
• Ferrous	598	41	160	38	3
• TiO ₂	(107)	(7)	(378)	(89)	82
• Other	36	2	(172)	(41)	43

* Based on group average number of shares of 355 million for both years

	Target	FY16	FY15
Bank covenants*			
• Net debt: equity (%)	<80	11	23
• EBITDA interest cover (times)	>4	11	12
• Net debt: EBITDA (times)	<3	1	1
Internal key performance indicators			
• EBITDA interest cover (times)	>4	9	9
• Return on equity: headline earnings (%)		13	6
• Return on capital employed (%)	>20	24	12
• Net debt: equity (%)	<40	4	9
• Net debt: EBITDA (times)	<2	0,2	0,5

* Including contingent liabilities except DMR guarantees, as well as dividends received from associates

Capital funding structure

48

R million

Facilities available

	<i>Drawn</i>	<i>Undrawn/ committed</i>	<i>Undrawn/ unissued</i>
Term loan and revolving facility*	5 500	2 500	
DMTN** programme	1 000		4 000
Interest bearing borrowings	6 500		
Finance lease liabilities	49		
Capitalised transaction costs	(44)		
Total interest bearing borrowings	6 505		
– Current	503		
– Non-current	6 002		
Net cash and cash equivalents	(5 183)		
Net debt	1 322		

Maturity profile of debt

Repayment year	6 505
FY17	503
FY18	5
FY19	514
FY20	(9)
FY21 onward	5 492

* Excludes additional R2bn accordion option ** Domestic medium-term note

ECC contingent consideration

49

Year	API4 coal price range (US\$/tonne)		Deferred payments (US\$m)	Expected coal price (US\$/tonne)*	Discount factor of 3%	Fair value adjustment (US\$m)	Net present value of the fair value adjustment (US\$m)
	Minimum	Maximum					
FY16	60	80	25	64,38	1,00	5,48	5,48
FY17	60	80	25	75,00	0,97	18,75	18,13
FY18	60	90	25	65,12	0,93	4,27	3,99
FY19	60	90	35	67,45	0,90	8,69	7,85
Total			110				35,45
					Total ZAR**		483
					Payable January 2017		75
					Payable beyond 2017		408

* Based on latest internal forecast ** Assuming closing US\$ exchange rate of R13.63 at 31 December 2016

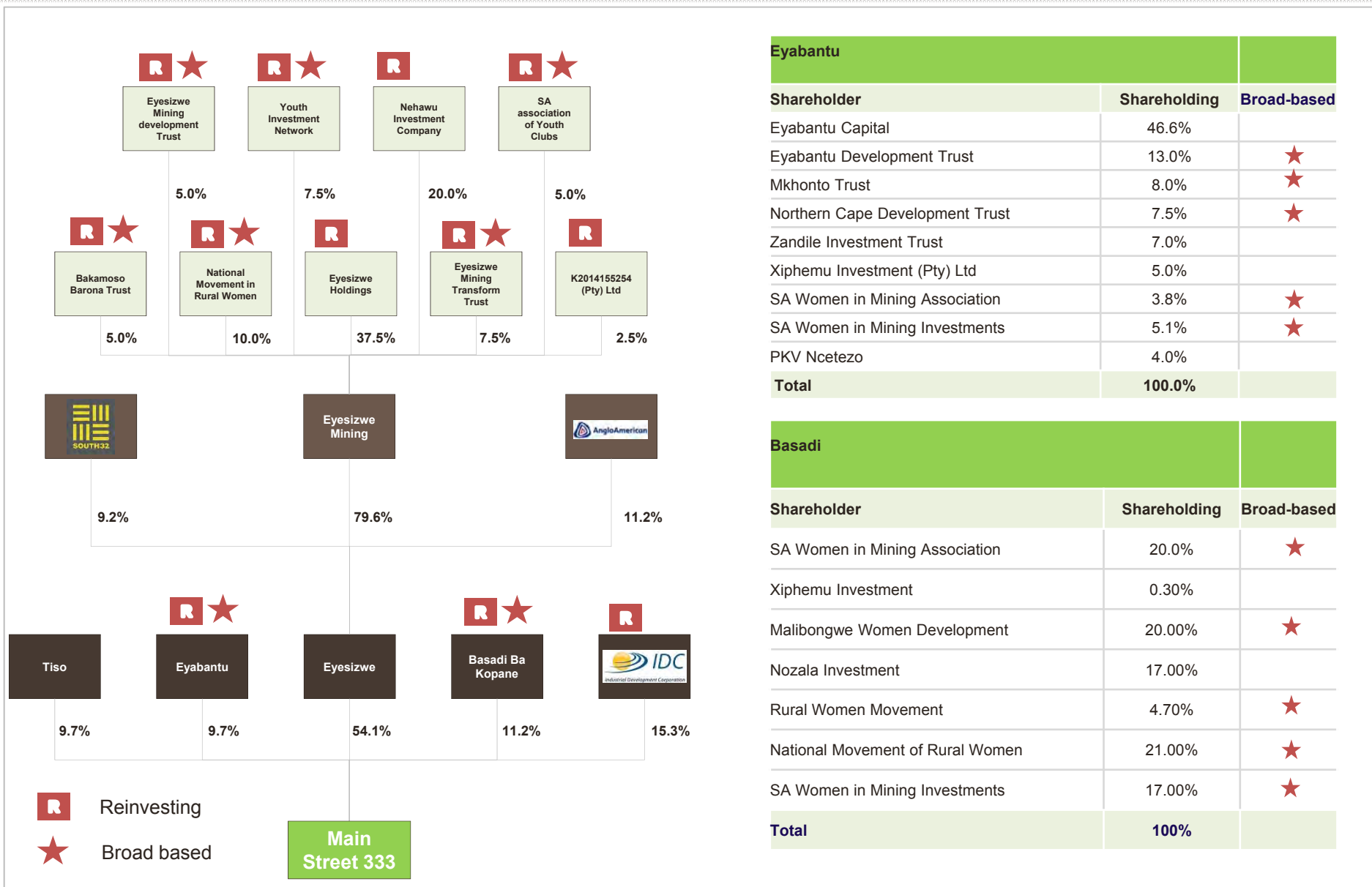
Tronox: US GAAP* reconciliation to IFRS

50

	FY16		FY15	
	US\$m	Rm	US\$m	Rm
US GAAP loss after tax as reported by Tronox	(58)		(307)	
IFRS adjustments	12		27	
• Reversal of amortisation on intangible asset	21		23	
• PPA step-up adjustments	4		(107)	
• Translation differences and other adjustments	(4)		32	
• Tax adjustments	(9)		79	
IFRS loss after tax	(46)		(280)	
• Non-core adjustments**	1		24	
Core loss after tax	(45)		(256)	
• Remainder of Tronox	(46)		(303)	
• SA operations	1		47	
Exxaro's share of core loss after tax	(20)	(379)	(105)	(1 341)
• Remainder of Tronox	(21)	(394)	(133)	(1 706)
• SA operations	1	15	28	365

* United States Generally Accepted Accounting Principles ** As defined by Exxaro

Replacement BEE Transaction broad-based reinvestment (indicative)



API4 - RBCT benchmark price reference for coal export

COP-21- Conference of Parties 21 (Paris)

Cps - Cents per share

DMR - Department of mineral resources

EBIT - Earnings before interest and tax

ECC - Exxaro Coal Central Proprietary Limited

EIA - Environmental impact assessment

ESG - Environmental, social and governance

FOB - Free on board

GDP - Gross domestic product

GG - Grootegeluk

GMEP - Grootegeluk Medupi expansion project

HEPS - Headline earnings per share

IFRS - International financial reporting standards

IPP - Independent power producer

IRR - Internal rate of return

IWUL - Integrated water-use licence

JSE - JSE Limited

LBMA - London bullion market association

LED - Local economic development

LME - London metal exchange

LTIFR - Lost time injury frequency rate

Main Street 333 - Main Street 333 Proprietary Limited

Mt - Million tonnes

NCC - New Clydesdale colliery

NOP - Net operating profit

OE - Operational excellence

PPI - Purchasing price index

Rb - Rand billion

RB1 - Richards Bay 1

RB3 - Richards Bay 2

RBCT - Richards Bay Coal Terminal Proprietary Limited

Rm - Rand million

SDCT - South Dunes Coal Terminal SOC Limited

SIOC - Sishen Iron Ore Company Proprietary Limited

TCSA - Total Coal South Africa Proprietary Limited

TFR - Transnet Freight Rail

TiO₂ - Titanium dioxide

TIPP1 - Thabametsi independent power producer 1

UHDMS - Ultra high dense medium separator

US\$ - United States dollars

VSP - Voluntary severance package

WACC - Weighted average cost of capital

ZAR - South African Rand