



**Reviewed condensed group
interim financial statements and
unreviewed production and sales
volumes information**

for the six-month period ended
30 June 2016

exxaro

POWERING POSSIBILITY

SALIENT FEATURES

Owner-controlled operations

- Coal sales at 22Mt, up 9%
- Core coal NOP of R2 billion, up 22%

SIOC

- R745 million core post-tax equity-accounted income, up 17%
- No dividends declared for 1H16

Tronox

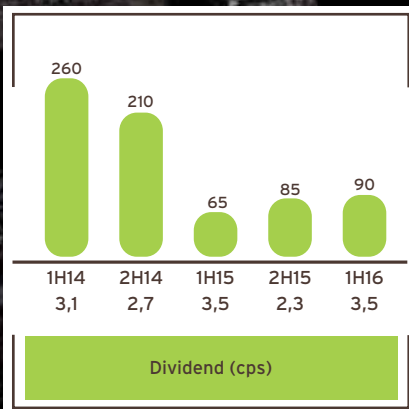
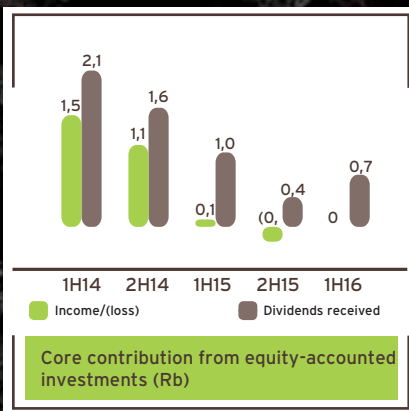
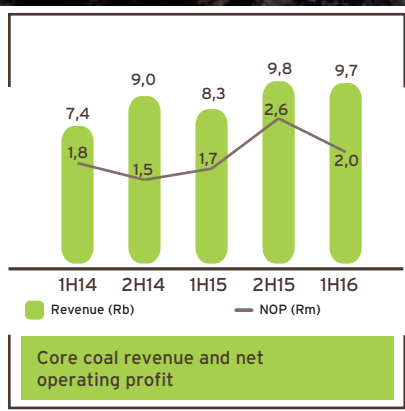
- R921 million core post-tax equity losses
- Dividend of R233 million

Mafube

- R450 million dividend received

Group

- Net debt: equity of 6,5%
- Cost savings
 - R110 million labour bill savings since VSP*
 - R150 million reduction in procurement costs
- Interim dividend of 90cps, up 38%



*Voluntary severance and termination packages **per annum #Core numbers

Please refer to the inside back cover for an explanation of the acronyms used throughout this book.

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CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30 June 2016 Reviewed Rm	6 months ended 30 June 2015 Reviewed (Re-presented) Rm	12 months ended 31 December 2015 Audited (Re-presented) Rm
Revenue	9 762	8 324	18 330
Operating expenses	(7 557)	(6 473)	(13 116)
Operating profit (note 7)	2 205	1 851	5 214
Impairment charges of non-current assets (note 8)			(1 749)
Net operating profit	2 205	1 851	3 465
Finance income (note 9)	83	33	102
Finance costs (note 9)	(417)	(359)	(770)
Income from financial assets		1	1
Share of (loss)/income from equity- accounted investments (note 10)	(9)	83	(1 137)
Profit before tax	1 862	1 609	1 661
Income tax expense	(490)	(399)	(1 102)
Profit for the period from continuing operations	1 372	1 210	559
Loss for the period from discontinued operations (note 6)	(121)	(43)	(292)
Profit for the period	1 251	1 167	267
Other comprehensive (loss)/income, net of tax	(91)	561	2 167
<i>Items that will not be reclassified to profit or loss:</i>	31	16	124
– Remeasurements of post-employment benefit obligation			(17)
– Share of comprehensive income from equity-accounted investments	31	16	141
<i>Items that may be subsequently reclassified to profit or loss:</i>	(122)	545	2 043
– Unrealised gains on translation of foreign operations	25	28	329
– Revaluation of financial assets available-for-sale	(2)	14	(141)
– Share of comprehensive (loss)/income from equity-accounted investments	(145)	503	1 855
Total comprehensive income for the period	1 160	1 728	2 434

	6 months ended 30 June 2016 Reviewed Rm	6 months ended 30 June 2015 Reviewed (Re-presented) Rm	12 months ended 31 December 2015 Audited (Re-presented) Rm
Profit/(loss) attributable to:			
Owners of the parent	1 285	1 167	296
– Continuing operations	1 406	1 210	588
– Discontinued operations	(121)	(43)	(292)
Non-controlling interests	(34)		(29)
– Continuing operations	(34)		(29)
Profit for the period	1 251	1 167	267
Total comprehensive income/(loss) attributable to:			
Owners of the parent	1 194	1 728	2 463
– Continuing operations	1 226	1 769	2 768
– Discontinued operations	(32)	(41)	(305)
Non-controlling interests	(34)		(29)
– Continuing operations	(34)		(29)
Total comprehensive income for the period	1 160	1 728	2 434

	6 months ended 30 June 2016 Reviewed cents	6 months ended 30 June 2015 Reviewed (Re-presented) cents	12 months ended 31 December 2015 Audited (Re-presented) cents
Attributable earnings/(losses) per share			
Aggregate			
– Basic	362	329	83
– Diluted	360	328	83
Continuing operations			
– Basic	396	341	165
– Diluted	394	340	165
Discontinued operations			
– Basic	(34)	(12)	(82)
– Diluted	(34)	(12)	(82)

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	At 30 June 2016 Reviewed Rm	At 30 June 2015 Reviewed Rm	At 31 December 2015 Audited Rm
ASSETS			
Non-current assets	46 126	41 638	46 482
Property, plant and equipment	21 073	19 018	20 412
Biological assets	52	84	51
Intangible assets	43	30	56
Investments in associates (note 14)	19 687	18 118	19 690
Investments in joint ventures (note 15)	1 195	1 104	1 662
Financial assets	3 638	2 766	4 067
Deferred tax	438	518	544
Current assets	6 492	9 987	6 016
Financial assets (note 19)	452		
Inventories	1 213	995	1 240
Trade and other receivables	2 281	1 906	2 666
Current tax receivable	185	102	55
Cash and cash equivalents	2 361	6 984	2 055
Non-current assets held-for-sale (note 16)	142	314	128
Total assets	52 760	51 939	52 626
EQUITY AND LIABILITIES			
Capital and other components of equity			
Share capital	2 460	2 435	2 445
Other components of equity	6 901	6 581	6 911
Retained earnings	26 651	26 413	25 670
Equity attributable to owners of the parent	36 012	35 429	35 026
Non-controlling interests	(834)		(800)
Total equity	35 178	35 429	34 226
Non-current liabilities	11 940	12 638	12 701
Interest-bearing borrowings (note 17)	3 039	5 931	4 185
Non-current provisions	3 297	2 373	3 112
Post-retirement employee obligations	228	167	217
Financial liabilities	73	82	116
Deferred tax	5 303	4 085	5 071
Current liabilities	4 298	3 645	4 655
Trade and other payables	2 515	2 465	3 546
Current shareholder loans	21		21
Interest-bearing borrowings (note 17)	1 584	465	882
Current tax payable	35	14	48
Current provisions	127	168	158
Overdraft (note 17)	16	533	
Non-current liabilities held-for-sale (note 16)	1 344	227	1 044
Total equity and liabilities	52 760	51 939	52 626

CONDENSED GROUP STATEMENT OF CASH FLOWS

	6 months ended 30 June 2016 Reviewed Rm	6 months ended 30 June 2015 Reviewed Rm	12 months ended 31 December 2015 Audited Rm
Cash flows from operating activities	1 380	1 297	3 011
Cash generated by operations	2 183	2 330	4 526
Interest paid	(252)	(230)	(500)
Interest received	45	23	54
Tax paid	(292)	(74)	(85)
Dividends paid	(304)	(752)	(984)
Cash flows from investing activities	(607)	(178)	(5 130)
Property, plant and equipment to maintain operations (note 13)	(993)	(703)	(1 663)
Property, plant and equipment to expand operations (note 13)	(179)	(298)	(727)
Increase in investment in intangible assets			(34)
Proceeds from disposal of property, plant and equipment	3	73	198
Increase in investments in other non-current assets	(34)	(158)	(106)
Increase in loans to related parties			(400)
Proceeds from disposal of operation			70
Proceeds from disposal of joint venture	200		
Increase in investment in joint venture	(54)	(77)	(374)
Increase in investment in associate	(233)		
Acquisition of subsidiaries			(3 436)
Income from investments in associates and joint ventures	683	984	1 341
Dividend income from financial assets		1	1
Cash flows from financing activities	(443)	3 350	2 000
Interest-bearing borrowings raised (note 17)	1 066	4 320	4 320
Interest-bearing borrowings repaid (note 17)	(1 509)	(970)	(2 320)
Net increase/(decrease) in cash and cash equivalents	330	4 469	(119)
Cash and cash equivalents at beginning of the period	2 055	1 939	1 939
Translation difference on movement in cash and cash equivalents	(40)	43	235
Cash and cash equivalents at end of the period	2 345	6 451	2 055
Cash and cash equivalents	2 361	6 984	2 055
Overdraft	(16)	(533)	

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Other components of equity			
	Share capital Rm	Foreign currency translation Rm	Financial instruments revaluation Rm	Equity-settled Rm
At 31 December 2014 (Audited)	2 409	4 167	116	1 695
Profit for the period				
Other comprehensive income		28		
Share of comprehensive income/(loss) from equity-accounted investments		384	(23)	116
Issue of share capital	26			
Share-based payments movement				2
Dividends paid				
At 30 June 2015 (Reviewed)	2 435	4 579	93	1 813
Loss for the period				
Other comprehensive income/(loss)		301		
Share of comprehensive income from equity-accounted investments		1 054	148	99
Issue of share capital	10			
Share-based payments movement				96
Reclassification of equity				
Dividends paid				
Acquisition of subsidiaries				
Liquidation of subsidiaries		(1 012)		
At 31 December 2015 (Audited)	2 445	4 922	241	2 008
Profit/(loss) for the period				
Other comprehensive income/(loss)		25		
Share of comprehensive (loss)/income from equity-accounted investments		(80)	(192)	127
Issue of share capital ¹	15			
Share-based payments movement				81
Dividends paid				
At 30 June 2016 (Reviewed)	2 460	4 867	49	2 216

¹ Vesting of Mpower 2012 treasury shares to good leavers.

Final dividend paid per share (cents) in respect of the 2015 financial year	85
Interim dividend paid per share (cents) in respect of the 2015 interim period	65
Dividend payable per share (cents) in respect of the 2016 interim period	90

Foreign currency translation

Arises from the translation of the financial statements of foreign operations within the group.

Financial instruments revaluation

Comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments where the hedged transaction has not yet occurred.

Equity-settled

Represents the fair value, net of tax, of services received from employees and settled by equity instruments granted.

Retirement benefit obligation

Comprises remeasurements, net of tax, on the post-retirement obligation.

Available-for-sale revaluation

Comprises fair value adjustments, net of tax, on the available-for-sale financial assets.

Retirement benefit obligation Rm	Available-for-sale revaluation Rm	Retained earnings Rm	Attributable to owners of the parent Rm	Non-controlling interests Rm	Total equity Rm
(329)	382	25 985	34 425		34 425
		1 167	1 167		1 167
	14		42		42
16	13	13	519		519
			26		26
			2		2
		(752)	(752)		(752)
(313)	409	26 413	35 429		35 429
		(871)	(871)	(29)	(900)
(17)	(155)		129		129
125	51		1 477		1 477
			10		10
			96		96
	(360)	360			
		(232)	(232)		(232)
				(771)	(771)
			(1 012)		(1 012)
(205)	(55)	25 670	35 026	(800)	34 226
		1 285	1 285	(34)	1 251
	(2)		23		23
31			(114)		(114)
			15		15
			81		81
		(304)	(304)		(304)
(174)	(57)	26 651	36 012	(834)	35 178

RECONCILIATION OF GROUP HEADLINE EARNINGS

	Gross Rm	Tax Rm	Net Rm
6 months ended 30 June 2016 (Reviewed)			
Profit for the period attributable to owners of the parent			1 285
Adjusted for:	(184)	(5)	(189)
– IAS 16 Net losses on disposal of property, plant and equipment	13	(1)	12
– IAS 28 Gain on disposal of joint venture	(203)		(203)
– IAS 28 Loss on dilution of investment in associate	29		29
– IAS 28 Excess of fair value over cost of investment in associate	(35)		(35)
– IAS 28 Share of equity-accounted investments' separate identifiable remeasurements	12	(4)	8
Headline earnings/(loss)			1 096
– Continuing operations			1 218
– Discontinued operations			(122)
6 months ended 30 June 2015 (Reviewed) (Re-presented)			
Profit for the period attributable to owners of the parent			1 167
Adjusted for:	(90)		(90)
– IAS 16 Net gains on disposal of property, plant and equipment	(66)	(2)	(68)
– IAS 16 Compensation from third parties for items of property, plant and equipment impaired, abandoned or lost	(5)	2	(3)
– IAS 21 Gains on translation differences recycled to profit or loss on the liquidation of a foreign subsidiary	(33)		(33)
– IAS 28 Loss on dilution of investment in associate	11		11
– IAS 28 Share of equity-accounted investments' separate identifiable remeasurements	3		3
Headline earnings/(loss)			1 077
– Continuing operations			1 193
– Discontinued operations			(116)
12 months ended 31 December 2015 (Audited) (Re-presented)			
Profit for the year attributable to owners of the parent			296
Adjusted for:	1 683	(356)	1 327
– IFRS 10 Gain on disposal of an operation	(112)	31	(81)
– IAS 16 Net gains on disposal of property, plant and equipment	(158)	2	(156)
– IAS 16 Compensation from third parties for items of property, plant and equipment impaired, abandoned or lost	(5)	2	(3)
– IAS 21 Gains on translation differences recycled to profit or loss on the liquidation of a foreign subsidiary	(1 012)		(1 012)
– IAS 28 Loss on dilution of investment in associate	10		10
– IAS 28 Share of equity-accounted investments' separate identifiable remeasurements	1 211	(328)	883
– IAS 36 Impairment of property, plant and equipment	225	(63)	162
– IAS 36 Impairment of goodwill acquired in a business combination in terms of IFRS 3	1 524		1 524
Headline earnings/(loss)			1 623
– Continuing operations			2 035
– Discontinued operations			(412)

	6 months ended 30 June 2016 Reviewed cents	6 months ended 30 June 2015 Reviewed (Re-presented) cents	12 months ended 31 December 2015 Audited (Re-presented) cents
Headline earnings/(loss) per share			
Aggregate			
– Basic	309	303	457
– Diluted	307	303	456
Continuing operations			
– Basic	343	336	573
– Diluted	341	336	572
Discontinued operations			
– Basic	(34)	(33)	(116)
– Diluted	(34)	(33)	(116)

Refer to note 12 for details regarding the number of shares.

1. CORPORATE BACKGROUND

Exxaro, a public company incorporated in South Africa, is a diversified resources group with interests in the coal (controlled and non-controlled), TiO₂ and Alkali chemicals (non-controlled), ferrous (controlled and non-controlled) and energy (non-controlled) markets. These reviewed condensed group interim financial statements as at and for the six-month period ended 30 June 2016 comprise the company and its subsidiaries (together referred to as the group) and the group's interest in associates and joint ventures.

2. BASIS OF PREPARATION

Statement of compliance

The reviewed condensed group interim financial statements as at and for the six-month period ended 30 June 2016 have been prepared in accordance with IFRS, IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The reviewed condensed group interim financial statements as at and for the six-month period ended 30 June 2016 have been prepared under the supervision of PA Koppeschaar (CA)SA, SAICA registration number: 00038621.

The reviewed condensed group interim financial statements should be read in conjunction with the group annual financial statements as at and for the year ended 31 December 2015, which have been prepared in accordance with IFRS as issued by the IASB. The reviewed condensed group interim financial statements have been prepared on the historical cost basis, excluding financial instruments and biological assets, which are at fair value.

The reviewed condensed group interim financial statements of Exxaro and its subsidiaries as at and for the six-month period ended 30 June 2016 were authorised for issue by the board of directors on 16 August 2016.

Judgements and estimates

In preparing these reviewed condensed group interim financial statements, management made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the group's accounting policies and the key source of estimation uncertainty were similar to those applied to the group annual financial statements as at and for the year ended 31 December 2015.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the reviewed condensed group interim financial statements are consistent with those followed in the preparation of the group annual financial statements as at and for the year ended 31 December 2015. Amendments to IFRS effective for the financial year ending 31 December 2016 are not expected to have a material impact on the group.

New accounting standards and amendments issued to accounting standards and interpretations which are relevant to the group, but not yet effective on 30 June 2016, have not been adopted. The group continuously evaluates the impact of these standards and amendments.

Taxes on income in the interim period are accrued using the tax rate that would be applicable to expected total annual profit or loss.

4. RE-PRESENTATION OF COMPARATIVE PERIODS

The prior periods of the condensed group statement of comprehensive income have been re-presented as a result of the ferrous iron ore operating segment being identified as discontinued operations. Refer note 6 on discontinued operations.

5. SEGMENTAL INFORMATION

Operating segments are reported on in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the reportable operating segments. The chief operating decision-maker has been identified as the group executive committee. Operating segments reported are based on the group's different products and operations.

Total operating segment revenue, which excludes VAT, represents the gross value of goods invoiced, services rendered and includes operating revenues directly and reasonably allocable to the segments. Export revenue is recorded according to the relevant sales terms, when the risks and rewards of ownership are transferred.

Segment revenue includes sales made between segments. These sales are made on a commercial basis. Segment operating expenses, assets and liabilities represent direct or reasonably allocable operating expenses, assets and liabilities. Segment net operating profit equals segment revenue less operating segment expenses, less impairment charges, plus impairment reversals.

The group has four reportable operating segments, as described below. These offer different products and services, and are managed separately based on commodity, location and support function grouping. The group executive committee reviews internal management reports on these divisions at least quarterly.

Coal

The coal operations are mainly situated in the Waterberg and Mpumalanga regions and are split between coal commercial operations and coal tied operations, a 50% joint venture interest in Mafube (a joint venture with Anglo South Africa Capital Proprietary Limited) as well as a 10,82% (31 December 2015: 9,37%) effective equity interest in RBCT. The coal operations produce thermal, metallurgical and SSCC.

Ferrous

The ferrous segment comprises the Mayoko iron ore project in the RoC (iron ore operating segment), a 19,98% equity interest in SIOC (located in South Africa) reported within the other ferrous operating segment as well as the FerroAlloys operations (referred to as Alloys). Although the SIOC investment is an investment in an iron ore commodity company and the executive committee classifies the investment as a non-controlled business, it is classified within the other ferrous segment where investments and other are reviewed by the executive committee. The iron ore operating segment met the criteria to be classified as held-for-sale and has been disclosed as a discontinued operation for 30 June 2016 (refer note 6 and 16).

TiO₂ and Alkali chemicals

Exxaro holds a 43,71% (30 June 2015: 43,84%; 31 December 2015: 43,87%) equity interest in Tronox and a 26% equity interest in Tronox SA (each of the South African-based operations) as well as a 26% member's interest in Tronox UK.

Other

This operating segment comprises the 50% investment in Cennergi (a South African joint venture with Tata Power Company Limited), 26% equity interest in Black Mountain (located in the Northern Cape province), an effective investment of 11,7% in Chifeng (located in the PRC) as well as the corporate office which renders services to customers.

5. SEGMENTAL INFORMATION CONTINUED

The following table presents a summary of the group's segmental information:

	Coal		Ferrous			TiO ₂ and Alkali chemicals	Other		Total
	Tied operations Rm	Commercial operations Rm	Iron ore Rm	Alloys Rm	Other ferrous Rm	Rm	Base metals Rm	Other Rm	Rm
For the six months ended 30 June 2016 (Reviewed)									
External revenue (continuing operations)	1 659	8 059		13				31	9 762
Segment net operating profit/(loss)	122	2 110	(46)	(7)				(20)	2 159
– Net operating profit/(loss) from continuing operations	122	2 110		(7)				(20)	2 205
– Net operating loss from discontinued operations			(46)						(46)
External finance income (note 9)	1	14		1				67	83
External finance costs (note 9)	(52)	(121)						(244)	(417)
Income tax (expense)/benefit	(19)	(421)	(75)	2				(52)	(565)
Depreciation and amortisation (note 7)	(6)	(511)		(4)				(43)	(564)
Write-off and impairment of trade and other receivables (note 7)		(6)		(5)				(6)	(17)
Cash generated by/(utilised in) operations	167	2 422	(11)	(34)	(9)			(352)	2 183
Share of income/(loss) from equity-accounted investments (note 10)		109			736	(930)	39	37	(9)
Capital expenditure (note 13)		(1 158)		(10)				(4)	(1 172)
At 30 June 2016 (Reviewed)									
Segment assets and liabilities									
Deferred tax	37	31		124	109			137	438
Investments in associates (note 14)		2 242			5 874	11 111	460		19 687
Investments in joint ventures (note 15)		683						512	1 195
External assets ¹	1 953	26 109	52	225	28		199	2 732	31 298
Total assets	1 990	29 065	52	349	6 011	11 111	659	3 381	52 618
Non-current assets held-for-sale (note 16)			14					128	142
Total assets as per statement of financial position	1 990	29 065	66	349	6 011	11 111	659	3 509	52 760
External liabilities	1 735	5 833		33	47			3 252	10 900
Deferred tax ²	(28)	5 392		3				(64)	5 303
Current tax payable ²		35							35
Total liabilities	1 707	11 260		36	47			3 188	16 238
Non-current liabilities held-for-sale (note 16)		1 072	272						1 344
Total liabilities as per statement of financial position	1 707	12 332	272	36	47			3 188	17 582

¹ Excluding deferred tax, investments in associates and joint ventures and non-current assets held-for-sale.

² Off-set per legal entity and tax authority.

5. SEGMENTAL INFORMATION CONTINUED

	Coal		Ferrous			TiO ₂ and Alkali chemicals	Other		Total
	Tied operations Rm	Commercial operations Rm	Iron ore Rm	Alloys Rm	Other ferrous Rm	Rm	Base metals Rm	Other Rm	Rm
For the six months ended 30 June 2015 (Reviewed)									
External revenue (continuing operations)	1 847	6 370		83				24	8 324
Segment net operating profit/(loss) (Re-presented)	102	1 562	(40)	3	(11)			195	1 811
– Net operating profit/(loss) from continuing operations	102	1 562		3	(11)			195	1 851
– Net operating loss from discontinued operations			(40)						(40)
External finance income (note 9)	2	15						16	33
External finance costs (note 9)	(29)	(65)						(265)	(359)
Income tax (expense)/benefit	(15)	(427)	(3)	(2)	8			37	(402)
Depreciation and amortisation (note 7)	(12)	(367)		(2)				(30)	(411)
Write-off and impairment of trade and other receivables (note 7)		(3)							(3)
Cash generated by/(utilised) in operations	233	2 078	(65)	(16)	(15)			115	2 330
Share of income/(loss) from equity-accounted investments (note 10)		132			633	(659)	9	(32)	83
Capital expenditure (note 13)		(966)		(10)				(35)	(1 001)
At 30 June 2015 (Reviewed)									
Segment assets and liabilities									
Deferred tax	9	33		125	111			240	518
Investments in associates (note 14)					5 498	12 255	365		18 118
Investments in joint ventures (note 15)		935						169	1 104
External assets ¹	1 742	22 813	106	146	32		305	6 741	31 885
Total assets	1 751	23 781	106	271	5 641	12 255	670	7 150	51 625
Non-current assets held-for-sale (note 16)		314							314
Total assets as per statement of financial position	1 751	24 095	106	271	5 641	12 255	670	7 150	51 939
External liabilities	1 366	3 564	165	43	75			6 971	12 184
Deferred tax ²	(78)	4 143	3	7				10	4 085
Current tax payable ²		8	2					4	14
Total liabilities	1 288	7 715	170	50	75			6 985	16 283
Non-current liabilities held-for-sale (note 16)		227							227
Total liabilities as per statement of financial position	1 288	7 942	170	50	75			6 985	16 510

¹ Excluding deferred tax, investments in associates and joint ventures and non-current assets held-for-sale.

² Off-set per legal entity and tax authority.

5. SEGMENTAL INFORMATION CONTINUED

	Coal		Ferrous			TiO ₂ and Alkali chemicals	Other		Total
	Tied operations Rm	Commercial operations Rm	Iron ore Rm	Alloys Rm	Other ferrous Rm	Rm	Base metals Rm	Other Rm	Rm
For the 12 months ended 31 December 2015 (Audited)									
External revenue (continuing operations)	3 835	14 258		173				64	18 330
Segment net operating profit/(loss) (Re-presented)	195	2 379	(292)	10	(24)			905	3 173
– Net operating profit/(loss) from continuing operations	195	2 379		10	(24)			905	3 465
– Net operating loss from discontinued operations			(292)						(292)
External finance income (note 9)	3	38						61	102
External finance costs (note 9)	(63)	(154)						(553)	(770)
Income tax (expense)/benefit	(17)	(1 115)		(3)	6			27	(1 102)
Depreciation and amortisation (note 7)	(24)	(927)		(7)	(4)			(67)	(1 029)
Impairment charges – goodwill (note 8)		(1 524)							(1 524)
Impairment charges – non-current assets (excluding financial assets and goodwill) (note 8)		(225)							(225)
Write-off and impairment of trade and other receivables (note 7)	(4)	(3)	11					(81)	(77)
Cash generated by/(utilised in) operations	332	4 300	(285)	(38)	(74)			291	4 526
Share of income/(loss) from equity-accounted investments (note 10)		251			104	(1 503)	64	(53)	(1 137)
Capital expenditure (note 13)		(2 313)		(28)				(49)	(2 390)
At 31 December 2015 (Audited)									
Segment assets and liabilities									
Deferred tax	39	47		124	109			225	544
Investments in associates (note 14)		1 919			5 081	12 270	420		19 690
Investments in joint ventures (note 15)		1 067						595	1 662
External assets ¹	1 934	25 948	114	189	29		210	2 178	30 602
Total assets	1 973	28 981	114	313	5 219	12 270	630	2 998	52 498
Non-current assets held-for-sale (note 16)								128	128
Total assets as per statement of financial position	1 973	28 981	114	313	5 219	12 270	630	3 126	52 626
External liabilities	1 775	5 179	286	37	52			4 908	12 237
Deferred tax ²	(30)	5 094	1	5				1	5 071
Current tax payable ²	(100)	145	3						48
Total liabilities	1 645	10 418	290	42	52			4 909	17 356
Non-current liabilities held-for-sale (note 16)		1 044							1 044
Total liabilities as per statement of financial position	1 645	11 462	290	42	52			4 909	18 400

¹ Excluding deferred tax, investments in associates and joint ventures and non-current assets held-for-sale.

² Off-set per legal entity and tax authority.

6. DISCONTINUED OPERATIONS

Exxaro entered into a sale of shares agreement for the sale of its interest in Exxaro Australia Iron Holdings Proprietary Limited and Mayoko Investment Company on 22 July 2016 for a purchase consideration of US\$2 million. This sales agreement is subject to the fulfilment of conditions precedent. The disposal group met the relevant recognition criteria to be classified as a non-current asset held-for-sale on 30 June 2016. The disposal group represents a major geographical area of operation since it represents the iron ore operating segment within the ferrous reportable segment (which includes the Mayoko iron ore project) as well as a separate major line of business. The disposal group met the recognition criteria to be classified as a discontinued operation.

Financial information relating to the discontinued operations for the reporting period is set out below:

	6 months ended 30 June 2016 Reviewed Rm	6 months ended 30 June 2015 Reviewed (Re-presented) Rm	12 months ended 31 December 2015 Audited (Re-presented) Rm
The financial performance and cash flow information			
Operating expenses	(46)	(40)	(292)
Net operating loss	(46)	(40)	(292)
Income tax expense	(75)	(3)	
Loss for the period from discontinued operations	(121)	(43)	(292)
Cash flow attributable to operating activities	(16)	(85)	(326)
Cash flow attributable to investing activities	1	73	119
Cash flow attributable to discontinued operations	(15)	(12)	(207)
7. SIGNIFICANT ITEMS INCLUDED IN OPERATING PROFIT			
Depreciation and amortisation	(564)	(411)	(1 029)
Net realised foreign currency exchange (losses)/gains	(74)	38	1 336
Net unrealised foreign currency exchange (losses)/gains	(47)	312	510
Net gains/(losses) on derivative instruments held-for-trading	19	9	(125)
Write-off and impairment of trade and other receivables	(17)	(3)	(88)
Royalties	(53)	(53)	(126)
Gain on disposal of investment in joint venture (note 11)	203		
Net (losses)/gains on disposal of property, plant and equipment	(13)	(8)	39
Loss on dilution of investment in associate	(29)	(11)	(10)
Gain on disposal of an operation			112
Termination benefits ¹	(34)	(40)	(372)

¹ Include voluntary severance package and other termination costs incurred and accrued for.

	6 months ended 30 June 2016 Reviewed Rm	6 months ended 30 June 2015 Reviewed Rm	12 months ended 31 December 2015 Audited Rm
8. IMPAIRMENT CHARGES OF NON-CURRENT ASSETS			
ECC			
Impairment, net of tax			1 524
– Goodwill			1 524
Reductants			
Impairment, net of tax			162
– Property, plant and equipment			225
– Tax effect			(63)
Net impairment charges per statement of comprehensive income			1 749
Net tax effect			(63)
Net effect on attributable earnings			1 686

ECC

Exxaro acquired TCSA on 20 August 2015 and renamed it ECC. The PPA was completed and goodwill of R1 524 million was recognised at acquisition. The goodwill was assessed for impairment on 31 December 2015 and was fully impaired on that date.

Reductants

The decline in demand, lower FeCr prices and rising production costs drastically impacted local producers. This, coupled with continued declining imported semi-coke and cheaper market coke prices resulted in producers increasing market coke usage and further reducing semi-coke demand. The char plant was fully impaired based on the cessation of production.

	6 months ended 30 June 2016 Reviewed Rm	6 months ended 30 June 2015 Reviewed Rm	12 months ended 31 December 2015 Audited Rm
9. NET FINANCING COSTS			
Total finance income	83	33	102
– Interest income	78	27	91
– Finance lease interest income	5	6	11
Total finance costs	(417)	(359)	(770)
– Interest expense	(245)	(260)	(546)
– Unwinding of discount rate on rehabilitation cost	(173)	(96)	(220)
– Interest on finance leases	(2)		
– Amortisation of transaction costs	(4)	(5)	(10)
– Borrowing costs capitalised ¹	7	2	6
Total net financing costs	(334)	(326)	(668)
¹ Borrowing costs capitalisation rate.	9,02%	6,93%	6,94%

	6 months ended 30 June 2016 Reviewed Rm	6 months ended 30 June 2015 Reviewed Rm	12 months ended 31 December 2015 Audited Rm
10. SHARE OF (LOSS)/INCOME FROM EQUITY-ACCOUNTED INVESTMENTS			
Associates	(130)	(17)	(1 339)
<i>Listed investments</i>	(947)	(713)	(1 646)
– Tronox	(947)	(713)	(1 646)
<i>Unlisted investments</i>	817	696	307
– SIOC	736	633	104
– Tronox SA	(41)	3	40
– Tronox UK	58	51	103
– RBCT ¹	25		(4)
– Black Mountain	39	9	64
Joint ventures	121	100	202
– Mafube	84	132	253
– SDCT			2
– Cennerg	37	(32)	(53)
Share of (loss)/income from equity-accounted investments	(9)	83	(1 137)

¹ 30 June 2016 includes R35 million excess of fair value over the cost of the investment which arose on the increase in the shareholding in RBCT (refer note 14).

11. GAIN ON DISPOSAL OF INVESTMENT IN JOINT VENTURE

	6 months ended 30 June 2016 (Reviewed)	
	SDCT Rm	Total Rm
<i>Consideration received or receivable</i>		
Cash	200	200
Total disposal consideration	200	200
Carrying amount of investment disposal (note 15)		
Equity-accounted losses realised on disposal	3	3
Gain on disposal¹	203	203

¹ After tax of nil.

12. DIVIDEND DISTRIBUTION

Total dividends paid in 2015 amounted to R984 million, made up of a final dividend of R752 million which related to the year ended 31 December 2014, paid in April 2015, as well as an interim dividend of R232 million, paid in September 2015. A final dividend relating to the 2015 year of 85 cents per share (amounting to R304 million) was paid to shareholders in April 2016.

An interim cash dividend number 27, for 2016 of 90 cents per share (2015: 65 cents per share) was approved by the board of directors on 17 August 2016. The dividend is payable on 12 September 2016 to shareholders who will be on the register at 9 September 2016. This interim dividend, amounting to approximately R322 million (2015: R232 million), has not been recognised as a liability in these reviewed condensed group interim financial statements. It will be recognised in shareholders' equity in the year ending 31 December 2016.

The dividend declared will be subject to a dividend withholding tax of 15% for all shareholders who are not exempt from or do not qualify for a reduced rate of dividend withholding tax. The net local dividend payable to shareholders, subject to dividend withholding tax at a rate of 15% amounts to 76,50 cents per share. The dividend withholding tax amounts to 13,50000 cents per share (30 June 2015: 9,750000 cents per share; 31 December 2015: 12,75000 cents per share). The number of ordinary shares in issue at the date of this declaration is 358 115 505 (2015: 358 115 505). Exxaro company's tax reference number is 9218/098/14/4.

	At 30 June 2016 Reviewed	At 30 June 2015 Reviewed	At 31 December 2015 Audited
Issued shares as at declaration date (number)	358 115 505	358 115 505	358 115 505
Ordinary shares (million)			
– Weighted average number of shares	355	355	355
– Diluted weighted average number of shares	357	356	356
	At 30 June 2016 Reviewed Rm	At 30 June 2015 Reviewed Rm	12 months ended 31 December 2015 Audited Rm
13. CAPITAL EXPENDITURE			
<i>Incurred</i>	1 172	1 001	2 390
– To maintain operations	993	703	1 663
– To expand operations	179	298	727
<i>Contracted</i>	1 506	2 715	2 162
– Contracted for the group (owner-controlled)	1 203	1 580	1 721
– Share of capital commitments of equity-accounted investments	303	1 135	441
<i>Authorised, but not contracted</i>	760	581	1 376

	At 30 June 2016 Reviewed Rm	At 30 June 2015 Reviewed Rm	At 31 December 2015 Audited Rm
14. INVESTMENTS IN ASSOCIATES			
<i>Listed investments</i>	7 818	9 075	8 997
– Tronox ¹	7 818	9 075	8 997
<i>Unlisted investments</i>	11 869	9 043	10 693
– SIOC	5 874	5 498	5 081
– Tronox SA	1 795	1 792	1 833
– Tronox UK	1 498	1 388	1 440
– RBCT ²	2 242		1 919
– Black Mountain	460	365	420
Total carrying value of investments in associates	19 687	18 118	19 690

¹ Fair value based on a listed price (Level 1 within the IFRS 13 Fair Value Measurement fair value hierarchy) (Rm)

3 349 9 183 3 095

Listed share price (US\$ per share)

4,41 14,63 3,91

The recoverable amount (value in use) of this investment was determined based on Exxaro's share of the present value of Tronox's cash flows, and resulted in no impairment charge being recognised on 30 June 2016. Subsequent to 30 June 2016, the Tronox share price improved to US\$8,36 per share on 15 August 2016, an increase of 90%.

² On 31 March 2016, Exxaro restructured the shareholding in SDCT for a direct interest in RBCT. The restructuring resulted in a R203 million gain on disposal of SDCT and a R35 million excess of fair value over cost of the investment in RBCT on the additional 20 000 shares acquired in RBCT. The total purchase consideration of the additional RBCT investment amounted to R297 million, comprising R233 million cash consideration and R64 million non-cash consideration.

	At 30 June 2016 Reviewed Rm	At 30 June 2015 Reviewed Rm	At 31 December 2015 Audited Rm
15. INVESTMENTS IN JOINT VENTURES			
– Mafube	683	935	1 067
– SDCT ¹			
– Cennergil	512	169	595
Total carrying value of investments in joint ventures	1 195	1 104	1 662
¹ The investment in SDCT was sold on 31 March 2016. Refer note 11.			
The carrying value of the investment was below R1 million (R1 333) for the comparative periods and included in financial assets, was a loan to SDCT which was settled on the disposal of the investment:		90	105

16. NON-CURRENT ASSETS AND LIABILITIES HELD-FOR-SALE

Ferrous offshore

The Exxaro board approved a divestment strategy of the ferrous offshore entities (which includes the Mayoko iron ore project and all related legal entities) and a sale of shares agreement with a Congolese consortium for the sale of its interest in Exxaro Australia Iron Holdings Proprietary Limited and Mayoko Investment Company on 22 July 2016 for a purchase consideration of US\$2 million. The disposal group met the relevant recognition criteria to be classified as a non-current asset held-for-sale on 30 June 2016. Refer note 6.

EMJV

Exxaro concluded the purchase of ECC in 2015, and as part of this acquisition Exxaro acquired non-current liabilities held-for-sale relating to the EMJV. The sale of the EMJV is conditional on section 11 approval required in terms of the MPRDA for transfer of the new-order mining right to the new owners, Scinta Energy Proprietary Limited as well as section 43(2) approval for the transfer of environmental liabilities and responsibilities. The EMJV remains a non-current liability held-for-sale for the Exxaro group on 30 June 2016.

The EMJV does not meet the criteria to be classified as a discontinued operation since it does not represent a separate major line of business, nor does it represent a major geographical area of operation.

Corporate centre

The land and buildings situated at corporate centre were classified as a non-current asset held-for-sale on 31 December 2015. The sale was subject to the fulfilment of suspensive conditions which were not met and the sales agreement subsequently lapsed.

A new agreement was entered into with Growthpoint Properties Limited (Growthpoint) in June 2016. The sale to Growthpoint is conditional on Exxaro entering into a leaseback agreement with Growthpoint for a minimum of two years. The land and buildings situated at corporate centre remains classified as a non-current asset held-for-sale on 30 June 2016.

16. NON-CURRENT ASSETS AND LIABILITIES HELD-FOR-SALE CONTINUED

The major classes of assets and liabilities classified as non-current assets and liabilities held-for-sale are as follows:

	At 30 June 2016 Reviewed Rm	At 30 June ¹ 2015 Reviewed Rm	At 31 December 2015 Audited Rm
Assets			
Property, plant and equipment	128	149	128
Deferred tax		79	
Financial assets		75	
Inventories		8	
Trade and other receivables	14	3	
– Trade receivables		1	
– Other receivables	6		
– Non-financial instrument receivables	8	2	
Total assets	142	314	128
Liabilities			
Non-current provisions	(1 069)	(158)	(1 027)
Post-retirement employee obligations	(18)	(4)	(17)
Deferred tax	(1)		
Trade and other payables	(163)	(16)	
– Trade payables	(41)	(7)	
– Other payables	(122)	(3)	
– Non-financial instrument payables		(6)	
Current tax payable	(73)	(9)	
Current provisions	(20)	(40)	
Total liabilities	(1 344)	(227)	(1 044)
Net (liabilities)/assets held-for-sale	(1 202)	87	(916)

¹ Relates to the NCC operation which was sold on 31 July 2015.

17. INTEREST-BEARING BORROWINGS

Loans

Senior loan facility

During April 2012, Exxaro secured a senior loan facility of R8 billion. The senior loan facility comprises a:

- Term loan facility of R5 billion for a duration of 97 months
- Revolving credit facility of R3 billion for a duration of 62 months.

Interest is based on JIBAR plus a margin of 2,75% for the term loan, and JIBAR plus a margin of 2,50% for the revolving credit facility. The effective interest rate for the transaction costs for the term loan is 0,47%. Interest is paid on a six-monthly basis for the term loan, and on a monthly basis for the revolving credit facility.

The undrawn portion relating to the term loan amounts to R1,5 billion (30 June 2015: R1 billion; 31 December 2015: R1 billion). The undrawn portion of the revolving credit facility amounts to R3 billion (30 June 2015: R1,65 billion; 31 December 2015: R3 billion).

Bond issue

In terms of Exxaro's R5 billion DMTN programme, a senior unsecured floating rate note (bond) of R1 billion was raised during May 2014. The bond comprises a:

- R480 million senior unsecured floating rate note due 19 May 2017
- R520 million senior unsecured floating rate note due 19 May 2019.

Interest on the bond is based on JIBAR plus a margin of 1,70% for the R480 million bond and JIBAR plus a margin of 1,95% for the R520 million bond. The effective interest rate for the transaction costs is 0,13% for the R480 million bond and 0,08% for the R520 million bond. Interest is paid on a quarterly basis for both bonds.

Finance lease

Included in the 2016 interest-bearing borrowings are obligations relating to a finance lease for mining equipment.

	At 30 June 2016 Reviewed Rm	At 30 June 2015 Reviewed Rm	At 31 December 2015 Audited Rm
Summary by financial year of redemption			
2016		465	882
2017 ¹	1 584	2 622	1 274
2018	1 012	795	795
2019	1 529	1 316	1 317
2020 onwards	498	1 198	799
Total interest-bearing borrowings	4 623	6 396	5 067
– Current ²	1 584	465	882
– Non-current ³	3 039	5 931	4 185
¹ The repayment in the 2017 year comprises a portion of the term loan, as well as the full repayment of the revolving credit facility that is drawn at the end of the reporting period, and the R480 million senior unsecured floating rate note.			
² The current portion represents	1 584	465	882
– Capital repayments	1 507	400	800
– Interest capitalised	85	74	90
– Reduced by the amortised transaction costs	(8)	(9)	(8)
³ The non-current portion includes the following amounts in respect of transaction costs that will be amortised using the effective interest rate method, over the term of the facilities:	12	28	15

17. INTEREST-BEARING BORROWINGS CONTINUED

	At 30 June 2016 Reviewed Rm	At 30 June 2015 Reviewed Rm	At 31 December 2015 Audited Rm
Minimum finance lease payments:			
– Not later than one year	31		
– Later than one year, but not later than five years	33		
Total	64		
Less: future finance charges	(7)		
Present value of finance lease liabilities	57		
– Current	27		
– Non-current	30		
Total present value of finance lease liabilities	57		
Overdraft			
Bank overdraft	16	533	

The bank overdraft is repayable on demand and interest payable is based on current South African money market rates.

There were no defaults or breaches in terms of interest-bearing borrowings during the reporting periods.

	At 30 June 2016 Reviewed Rm	At 30 June 2015 Reviewed Rm	At 31 December 2015 Audited Rm
18. NET (DEBT)/CASH			
Net (debt)/cash is presented by the following items on the statement of financial position (excluding assets and liabilities classified as held-for-sale):	(2 278)	55	(3 012)
– Cash and cash equivalents	2 361	6 984	2 055
– Non-current interest-bearing borrowings	(3 039)	(5 931)	(4 185)
– Current interest-bearing borrowings	(1 584)	(465)	(882)
– Overdraft	(16)	(533)	
Calculation of movement in net debt:			
Cash inflow/(outflow) from operating and investing activities:	773	1 119	(2 119)
Add:			
– Non-cash flow movement for interest accrued not yet paid	5	(31)	(47)
– Non-cash flow of amortisation of transaction costs	(4)	(5)	(10)
– Translation differences of movements in cash and cash equivalents	(40)	43	235
Decrease/(increase) in net debt	734	1 126	(1 941)

19. FINANCIAL INSTRUMENTS

(a) Carrying amounts and fair values

The carrying amounts and fair values of financial assets and financial liabilities in the condensed group statement of financial position, are as follows:

	At 30 June 2016	
	Carrying amount Reviewed Rm	Fair value Reviewed Rm
ASSETS		
Non-current assets		
Financial assets, consisting of:	3 499	3 499
– Environmental rehabilitation funds	1 370	1 370
– KIO	10	10
– Chifeng	199	199
– Indemnification asset	1 072	1 072
– Non-current receivables	848	848
Current assets¹	4 876	4 876
Financial assets, consisting of:		
– Loan to BEE shareholder ²	452	452
Trade and other receivables	2 054	2 054
Derivative financial assets	9	9
Cash and cash equivalents	2 361	2 361
Non-current assets held-for-sale (note 16)	6	6
Total financial instrument assets	8 381	8 381
LIABILITIES		
Non-current liabilities	3 009	3 009
Interest-bearing borrowings	3 009	3 009
Current liabilities¹	3 512	3 512
Trade and other payables	1 917	1 917
Current shareholder loans	21	21
Derivative financial liabilities	1	1
Interest-bearing borrowings	1 557	1 557
Overdraft	16	16
Non-current liabilities held-for-sale (note 16)	163	163
Total financial instrument liabilities	6 684	6 684

¹ Carrying amounts approximate the fair values due to the short-term nature of the maturities of these financial assets and financial liabilities.

² The loan has been classified as current for the reporting period ended 30 June 2016. During 2015 Exxaro provided Main Street 333 with a loan. The loan is repayable by April 2017 and attracts interest at prime plus 5%.

19. FINANCIAL INSTRUMENTS CONTINUED

(a) Carrying amounts and fair values continued

	At 30 June 2015	
	Carrying amount Reviewed Rm	Fair value Reviewed Rm
ASSETS		
Non-current assets		
Financial assets, consisting of:	2 612	2 612
– Environmental rehabilitation funds	876	876
– Loans to joint ventures	90	90
– KIO	13	13
– Chifeng	305	305
– RBCT	739	739
– Non-current receivables	589	589
Current assets¹	8 617	8 617
Trade and other receivables	1 630	1 630
Derivative financial assets	3	3
Cash and cash equivalents	6 984	6 984
Non-current assets held-for-sale (note 16)	76	76
Total financial instrument assets	11 305	11 305
LIABILITIES		
Non-current liabilities	5 931	5 931
Interest-bearing borrowings	5 931	5 931
Current liabilities¹	2 868	2 868
Trade and other payables	1 868	1 868
Derivative financial liabilities	2	2
Interest-bearing borrowings	465	465
Overdraft	533	533
Non-current liabilities held-for-sale (note 16)	10	10
Total financial instrument liabilities	8 809	8 809

¹ Carrying amounts approximate the fair values due to the short-term nature of the maturities of these financial assets and financial liabilities.

19. FINANCIAL INSTRUMENTS CONTINUED

(a) Carrying amounts and fair values continued

	At 30 December 2015	
	Carrying amount Audited Rm	Fair value Audited Rm
ASSETS		
Non-current assets		
Financial assets, consisting of:	3 921	3 921
– Environmental rehabilitation funds	1 329	1 329
– Loans to joint ventures	105	105
– KIO	4	4
– Chifeng	210	210
– Indemnification asset	1 044	1 044
– Loan to BEE shareholder	426	426
– Non-current receivables	803	803
Current assets¹	4 411	4 411
Trade and other receivables	2 355	2 355
Derivative financial assets	1	1
Cash and cash equivalents	2 055	2 055
Total financial instrument assets	8 332	8 332
LIABILITIES		
Non-current liabilities	4 224	4 224
Interest-bearing borrowings	4 185	4 185
Non-current derivative financial liability	39	39
Current liabilities¹	3 629	3 629
Trade and other payables	2 685	2 685
Current shareholder loans	21	21
Derivative financial liabilities	41	41
Interest-bearing borrowings	882	882
Total financial instrument liabilities	7 853	7 853

¹ Carrying amounts approximate the fair values due to the short-term nature of the maturities of these financial assets and financial liabilities.

19. FINANCIAL INSTRUMENTS CONTINUED

(b) Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation techniques used. The different levels are defined as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the group can access at the measurement date

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
At 30 June 2016 (Reviewed)				
Financial assets held-for-trading at fair value through profit or loss		9		9
– Current derivative financial assets		9		9
Financial assets designated at fair value through profit or loss	1 160			1 160
– Environmental rehabilitation funds	1 150			1 150
– KIO	10			10
Available-for-sale financial assets			199	199
– Chifeng			199	199
Financial liabilities held-for-trading at fair value through profit or loss		(1)		(1)
– Current derivative financial liabilities		(1)		(1)
Net financial assets held at fair value	1 160	8	199	1 367
At 30 June 2015 (Reviewed)				
Financial assets held-for-trading at fair value through profit or loss		3		3
– Current derivative financial assets		3		3
Financial assets designated at fair value through profit or loss	964			964
– Environmental rehabilitation funds	876			876
– Environmental rehabilitation fund held-for-sale	75			75
– KIO	13			13
Available-for-sale financial assets			1 044	1 044
– Chifeng			305	305
– RBCT			739	739
Financial liabilities held-for-trading at fair value through profit or loss		(2)		(2)
– Current derivative financial liabilities		(2)		(2)
Net financial assets held at fair value	964	1	1 044	2 009

19. FINANCIAL INSTRUMENTS CONTINUED

(b) Fair value hierarchy continued

At 31 December 2015 (Audited)	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Financial assets held-for-trading at fair value through profit or loss		1		1
– Current derivative financial assets		1		1
Financial assets designated at fair value through profit or loss	1 117			1 117
– Environmental rehabilitation funds	1 113			1 113
– KIO	4			4
Available-for-sale financial assets			210	210
– Chifeng			210	210
Financial liabilities held-for-trading at fair value through profit or loss		(41)		(41)
– Current derivative financial liabilities		(41)		(41)
Financial liabilities designated at fair value through profit or loss			(39)	(39)
– Non-current derivative financial liability			(39)	(39)
Net financial assets/(liabilities) held at fair value	1 117	(40)	171	1 248

Transfers

The group recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the transfer has occurred.

There were no transfers between Level 1 and Level 2 nor between Level 2 and Level 3 of the fair value hierarchy during the periods ended 30 June 2016, 30 June 2015 and 31 December 2015, as shown in the reconciliation below.

During 2015, the RBCT investment was transferred out of Level 3 of the fair value hierarchy and classified as an investment in associate following the acquisition of an additional interest in RBCT through the ECC acquisition.

Valuation process applied by the group

The fair value computations of the investments are performed by the group's corporate finance department, reporting to the finance director, on a six-monthly basis. The valuation reports are discussed with the chief operating decision-maker and the audit committee in accordance with the group's reporting governance.

Current derivative financial instruments

Level 2 fair values for simple over-the-counter derivative financial instruments are based on market quotes. These quotes are assessed for reasonability by discounting estimated future cash flows using the market rate for similar instruments at measurement date.

19. FINANCIAL INSTRUMENTS CONTINUED

(b) Fair value hierarchy continued

Reconciliation of financial assets and liabilities within level 3 of the hierarchy

	Non-current derivative financial liability Rm	Chifeng Rm	RBCT Rm	Total Rm
At 1 January 2015 (Audited)		267	973	1 240
<i>Movement during the period</i>				
Gain/(loss) recognised for the period in OCI (pre-tax effect) ¹		29	(18)	11
Reclassification of loan repayments			(216)	(216)
Exchange gains for the period recognised in OCI		9		9
At 30 June 2015 (Reviewed)		305	739	1044
<i>Movement during the period</i>				
Losses recognised for the period in OCI (pre-tax effect) ¹		(132)	(43)	(175)
Reclassification of loan repayments			(13)	(13)
Acquisition of subsidiaries	(33)			(33)
Exchange gains for the period recognised in OCI		37		37
Exchange losses for the period recognised in profit or loss	(6)			(6)
Transfers out of Level 3			(683)	(683)
At 31 December 2015 (Audited)	(39)	210		171
<i>Movement during the period</i>				
Losses recognised for the period in OCI (pre-tax effect) ¹		(1)		(1)
Gains recognised for the period in profit or loss	38			38
Exchange losses for the period recognised in OCI		(10)		(10)
Exchange gains for the period recognised in profit or loss	1			1
At 30 June 2016 (Reviewed)		199		199

¹ Tax on RBCT amounts to nil (30 June 2015: R3 million; 31 December 2015: R23 million).

19. FINANCIAL INSTRUMENTS CONTINUED

(c) Valuation techniques used in the determination of fair values within Level 3 of the hierarchy, as well as significant inputs used in the valuation models

Chifeng

Chifeng is classified within Level 3 of the fair value hierarchy as there is no quoted market price or observable price available for this investment. This unlisted investment is valued as the present value of the estimated future cash flows, using a discounted cash flow model. The valuation technique is consistent to that used in previous reporting periods.

The significant observable and unobservable inputs used in the fair value measurement of the investment in Chifeng are rand/RMB exchange rate, RMB/US\$ exchange rate, Zinc LME price, production volumes, operational costs and the discount rate.

At 30 June 2016 (Reviewed)	Inputs	Sensitivity of inputs and fair value measurement ¹	Sensitivity analysis of a 10% increase in the inputs is demonstrated below ² Rm
Observable inputs			
Rand/RMB exchange rate	R2,23/RMB1	Strengthening of the rand to the RMB	20
RMB/US\$ exchange rate	RMB6,28 to RMB6,99/US\$1	Strengthening of the RMB to the US\$	196
Zinc LME price (US\$ per tonne in real terms)	US\$1 740 to US\$2 100	Increase in price of zinc concentrate	196
Unobservable inputs			
Production volumes (tonnes)	85 000 tonnes	Increase in production volumes	25
Operational costs (US\$ million per annum in real terms)	US\$60,39 to US\$74,76	Decrease in operations costs	(171)
Discount rate (%)	10,17%	Decrease in discount rate	(14)
At 30 June 2015 (Reviewed)			
Observable inputs			
Rand/RMB exchange rate	R1,88/RMB1	Strengthening of the rand to the RMB	30
RMB/US\$ exchange rate	RMB6,28 to RMB7,18/US\$1	Strengthening of the RMB to the US\$	175
Zinc LME price (US\$ per tonne in real terms)	US\$2 000 to US\$2 400	Increase in price of zinc concentrate	175
Unobservable inputs			
Production volumes (tonnes)	85 000 tonnes	Increase in production volumes	44
Operational costs (US\$ million per annum in real terms)	US\$64 to US\$83	Decrease in operations costs	(139)
Discount rate (%)	9,94%	Decrease in discount rate	(25)

¹ Change in observable/unobservable input which will result in an increase in the fair value measurement.

² A 10% decrease in the respective inputs would have an equal but opposite effect on the above, on the basis that all other variables remain constant.

19. FINANCIAL INSTRUMENTS CONTINUED

(c) Valuation techniques used in the determination of fair values within Level 3 of the hierarchy, as well as significant inputs used in the valuation models continued

Chifeng continued

At 31 December 2015 (Audited)	Inputs	Sensitivity of inputs and fair value measurement ¹	Sensitivity analysis of a 10% increase in the inputs is demonstrated below ² Rm
Observable inputs			
Rand/RMB exchange rate	R2,31/RMB1	Strengthening of the rand to the RMB	21
RMB/US\$ exchange rate	RMB6,26 to RMB7,12/US\$1	Strengthening of the RMB to the US\$	203
Zinc LME price (US\$ per tonne in real terms)	US\$1 611 to US\$2 200	Increase in price of zinc concentrate	203
Unobservable inputs			
Production volumes (tonnes)	85 000 tonnes	Increase in production volumes	31
Operational costs (US\$ million per annum in real terms)	US\$56,94 to US\$75,22	Decrease in operations costs	(173)
Discount rate (%)	9,93%	Decrease in the discount rate	(19)

¹ Change in observable/unobservable input which will result in an increase in the fair value measurement.

² A 10% decrease in the respective inputs would have an equal but opposite effect on the above, on the basis that all other variables remain constant.

Inter-relationships

Any inter-relationships between unobservable inputs are not considered to have a significant impact within the range of reasonably possible alternative assumptions for the periods ended 30 June 2016, 30 June 2015 and 31 December 2015.

Non-current derivative financial liability

The non-current derivative financial liability, arising on the contingent consideration relating to the acquisition of ECC during 2015, is classified within Level 3 of the fair value hierarchy as there is no quoted market price or observable price available for this financial instrument. This financial instrument is valued as the present value of the estimated future cash flows, using a discounted cash flow model.

The significant observable and unobservable inputs used in the fair value measurement of this financial instrument are rand/US\$ exchange rate, API4 export price and the discount rate.

19. FINANCIAL INSTRUMENTS CONTINUED

(c) Valuation techniques used in the determination of fair values within Level 3 of the hierarchy, as well as significant inputs used in the valuation models continued

Non-current derivative financial liability continued

At 30 June 2016 (Reviewed)	Inputs	Sensitivity of inputs and fair value measurement ¹	Sensitivity analysis of a 10% increase in the inputs is demonstrated below ² Rm
Observable inputs			
Rand/US\$ exchange rate	R14,85/US\$1	Strengthening of the rand to the US\$	
API4 export price (price per tonne)	US\$50,00 to US\$51,62	Increase in API4 export price per tonne	
Unobservable inputs			
Discount rate (%)	3,44%	Decrease in the discount rate	
At 31 December 2015 (Audited)			
Observable inputs			
Rand/US\$ exchange rate	R15,48/US\$1	Strengthening of the rand to the US\$	4
API4 export price (price per tonne)	US\$51,15 to US\$62,50	Increase in API4 export price per tonne	175
Unobservable inputs			
Discount rate (%)	3,44%	Decrease in the discount rate	(1)

¹ Change in observable/unobservable input which will result in an increase in the fair value measurement.

² A 10% increase or decrease in the respective inputs had no impact on the fair value as at 30 June 2016. A 10% decrease in the respective inputs would have an equal but opposite effect on the above, on the basis that all other variables remain constant.

Inter-relationships

Any inter-relationships between unobservable inputs are not considered to have a significant impact within the range of reasonably possible alternative assumptions for the reporting period.

RBCT

For the period ended 30 June 2015, RBCT was classified within Level 3 of the fair value hierarchy as there was no quoted market price or observable price available for this investment. This unlisted investment was valued as the present value of the estimated future cash flows, using a discounted cash flow model. It was not anticipated that the RBCT investment would be disposed of in the near future. The valuation technique was consistent to that used in previous reporting periods.

The significant observable and unobservable inputs used in the fair value measurement of the investment in RBCT are rand/US\$ exchange rate, API4 export price, Transnet Market Demand Strategy, annual utilisation factor and the discount rate.

19. FINANCIAL INSTRUMENTS CONTINUED

(c) Valuation techniques used in the determination of fair values within Level 3 of the hierarchy, as well as significant inputs used in the valuation models continued

RBCT continued

At 30 June 2015 (Reviewed)	Inputs	Sensitivity of inputs and fair value measurement ¹	Sensitivity analysis of a 10% increase in the inputs is demonstrated below ² Rm
Observable inputs			
Rand/US\$ exchange rate	R11,81 to R20,43/US\$1	Strengthening of the rand to the US\$	209
API4 export price (US\$ steam coal A-grade price per tonne in real terms)	US\$60,30 to US\$85	Increase in API4 export price per tonne	140
Unobservable inputs			
Transnet Market Demand Strategy for the terminal (Mtpa)	77Mtpa to 81Mtpa	Acceleration of TFR performance, ie: reach full capacity sooner	74
Discount rate (%)	13% to 17%	Decrease in the discount rate	(125)
Annual utilisation factor (safety and rail delay factor) (%)	90%	Increase in annual utilisation factor	99

¹ Change in observable/unobservable input which will result in an increase in the fair value measurement.

² A 10% decrease in the respective inputs would have an equal but opposite effect on the above, on the basis that all other variables remain constant.

Inter-relationships

Any inter-relationships between unobservable inputs are not considered to have a significant impact within the range of reasonably possible alternative assumptions for the period ended 30 June 2015.

	At 30 June 2016 Reviewed Rm	At 30 June 2015 Reviewed Rm	At 31 December 2015 Audited Rm
20. CONTINGENT LIABILITIES			
Total contingent liabilities	8 037	3 678	7 378
– DMC Iron Congo SA	11	18	6
– Pending litigation claims ¹	1 118	995	1 233
– Operational guarantees ²	4 197	1 292	3 559
– Share of contingent liabilities from equity-accounted investments ³	2 711	1 373	2 580

¹ Pending litigation claims consist of legal cases as well as tax disputes where Exxaro is the defendant. The outcome of these claims is uncertain and the amount of possible legal obligations that may be incurred can only be estimated at date of reporting.

² Operational guarantees include guarantees to banks and other institutions in the normal course of business from which it is anticipated that no material liabilities will arise.

³ Exxaro's share of contingent liabilities from equity-accounted investments relates mainly to operational guarantees, municipality rates and taxes levied but under objection, as well as tax assessments under process of objection.

The timing and occurrence of any possible outflows of the contingent liabilities above are uncertain.

SIOC

SIOC received a tax assessment from SARS in relation to the tax years 2006 to 2010, for the amount of R5,5 billion. This includes interest and penalties of R3,7 billion. Exxaro's share of the additional tax would be approximately R1,1 billion, which includes R739 million of interest and penalties. SIOC submitted an objection to the assessment to SARS as well as an application for suspension of payment. Furthermore, a field audit covering the 2011 to 2013 years of assessment is in progress.

SIOC has considered these matters in consultation with specialist external tax and legal advisers and disagrees with SARS' audit findings.

Mayoko iron ore project

At 30 June 2016 DMC, a subsidiary of Exxaro, is exposed to possible customs import duties as a result of a review by the RoC customs department on assets imported by DMC into the RoC in 2012 under a temporary arrangement, pending the ratification of the Mining Convention.

On 31 May 2016 the Mining Convention was submitted to the RoC Parliament for final approval. To date, the Mining Convention has not been ratified, which increases the potential risk.

Penalties are deemed reasonably possible, but the level of probability for the outflow of economic resources is considered not probable.

To date, no notification has been issued by the RoC customs department. Exxaro believes that these matters have been appropriately treated by disclosing a contingent liability.

SARS

On 18 January 2016, Exxaro received a letter of intent from SARS following an international income tax audit for the years of assessment 2009 to 2013. According to the letter, SARS proposes that certain international Exxaro companies will be subject to South African Income Tax under Section 9D of the Income Tax Act. Assessments to the amount of R442 million (including R199 million relating to tax payable, R91 million interest and R152 million penalties) were issued on 30 March 2016 and Exxaro formally objected against these assessments. The group is awaiting SARS' response.

These assessments have been considered in consultation with external tax and legal advisers and senior counsel. Exxaro believes that these matters have been appropriately treated by disclosing a contingent liability.

	At 30 June 2016 Reviewed Rm	At 30 June 2015 Reviewed Rm	At 31 December 2015 Audited Rm
21. CONTINGENT ASSETS			
Total contingent assets	145	170	86
– Guarantee on sale of NCC ¹		170	
– Share of contingent assets from equity-accounted investments ²	145		86

¹ Exxaro received a guarantee from Universal as part of the sales transaction of NCC. This transaction was concluded in 2015.

² Bank guarantee issued in favour of SIOC relating to environmental rehabilitation and closure cost.

22. RELATED PARTY TRANSACTIONS

During the period the group, in the ordinary course of business, entered into various sale and purchase transactions with associates and joint ventures. These transactions were subject to terms that are no less, nor more favourable than those arranged with independent third parties.

Exxaro received a payment of R7 million from Main Street 333, Exxaro's majority BEE shareholder, during May 2016 for interest on the loan granted in July 2015.

23. GOING CONCERN

Based on the latest results, current board-approved budget for 2016, as well as the available bank facilities and cash generating capability, Exxaro satisfies the criteria of a going concern.

24. JSE LISTINGS REQUIREMENTS

The reviewed condensed group interim financial statements have been prepared in accordance with the Listings Requirements of the JSE.

25. EVENTS AFTER THE REPORTING PERIOD

Details of the interim dividend are provided in note 12.

The following non-adjusting events occurred after the reporting date and are disclosed for information purposes:

Sale of Mayoko iron ore project and all related legal entities

Subsequent to 30 June 2016, a sales agreement was signed with a Congolese consortium for the sale of shares of the legal entities that house the Exxaro controlled Mayoko iron ore project. Refer note 6 and 16.

Refinancing of Exxaro's debt facility

Subsequent to 30 June 2016, the Exxaro group's debt facilities of R8 billion have been refinanced. The facility comprises three tranches:

- R3,25 billion bullet term loan facility with a term of five years
- R2,75 billion revolving credit facility with a term of five years
- R2 billion amortised term loan facility with a term of seven years.

The interest rate achieved is higher than the previous facility, however the covenant terms are more favourable.

The directors are not aware of any other significant matter or circumstance arising after the reporting period up to the date of this report, not otherwise dealt with in this report.

26. REVIEW CONCLUSION

The reviewed condensed group interim financial statements for the six-month period ended 30 June 2016, on page 2 to 36, have been reviewed by the company's external auditors, PricewaterhouseCoopers Inc, who expressed an unmodified conclusion thereon. A copy of the auditors' report on the condensed group interim financial statements is available for inspection at the company's registered office, together with the financial statements identified in the auditors' report.

27. CORPORATE GOVERNANCE

Detailed disclosure of the company's application of the principles contained in the King Report on Governance for South Africa 2009 (King III) was made in the 2015 integrated report and is available on the company's website in accordance with the JSE Listings Requirements. Other than the appointment of Messrs Mr PCCH (Peet) Snyders and Mr EJ (Ras) Myburgh (with effect from 1 September 2016 as independent directors to the board and Mr PA (Riaan) Koppeschaar as finance director, no material changes have occurred since the disclosure. Please contact the group company secretary, Carina Wessels, for any additional information in this regard.

28. MINERAL RESOURCES AND RESERVES

Other than the normal life of mine depletion, there have been no material changes to the mineral resources and reserves as disclosed in the 2015 integrated report.

29. KEY MEASURES¹

	At 30 June 2016	At 30 June 2015	At 31 December 2015
Net asset value per share (rand/share)	101	99	98
Operating lease commitments (Rm)	82	109	152
Closing share price (rand/share)	67,46	86,92	44,04
Market capitalisation (Rb)	24,16	31,13	15,77
Average rand/US\$ exchange rate (for the period ended)	15,39	11,91	12,76
Closing rand/US\$ spot exchange rate	14,85	12,27	15,48

¹Non-IFRS numbers.

EXXARO 1H16 PERFORMANCE AT A GLANCE

Safe operations

- 23 months without any fatalities
- Lost-time injury frequency rate improved 53% to 0,08

Improving coal operational performance

- Export volumes up 78% at 4Mt
- Production and sales volumes up 10%
- Core net operating margin of 21%

Cost and capital expenditure discipline

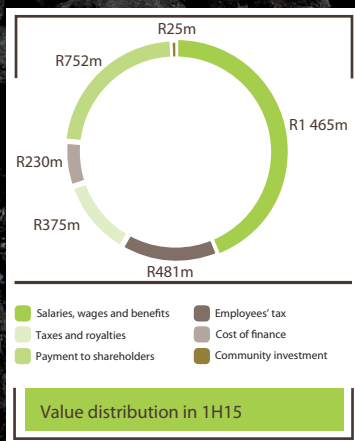
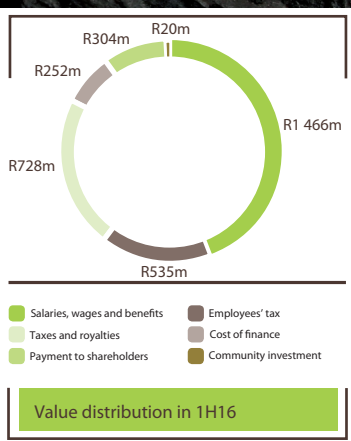
- Cost savings:
- R110 million labour bill savings since VSP's
 - R150 million reduction in procurement costs

Resilient balance sheet

- Net debt to equity at 6,5%

Shareholder returns

- HEPS of 309 cents
- Core attributable earnings dividend cover of 3,5 times
- Interim dividend of 90cps



Comments below are primarily based on a comparison between the six-month periods ended 30 June 2016 and 2015 (1H16 and 1H15 respectively).

1. COMPARABILITY OF RESULTS

The results of the two periods are not directly comparable mainly due to key transactions shown below.

Table 1: Key transactions

Reporting segment	Description	1H16 Rm	Description	2H15 Rm	1H15 Rm
Coal	<ul style="list-style-type: none"> Gain on disposal of non-core assets (South Dunes Coal Terminal SOC Limited (SDCT) and other property, plant and equipment)¹ 	188	<ul style="list-style-type: none"> Gain/(loss) on disposal of non-core assets¹, voluntary severance packages (VSP's) and insurance claim income¹ Impairment of goodwill recognised on the acquisition of Total Coal South Africa Proprietary Limited (TCSA) and property, plant and equipment¹ 	38	(11)
Ferrous	<ul style="list-style-type: none"> Gain on disposal of property, plant and equipment¹ 	1	<ul style="list-style-type: none"> Partial reversal of previous write-off of financial assets Gain on disposal of non-core assets¹ and VSP's 	11	73
Other	<ul style="list-style-type: none"> Loss on dilution of shareholding in Tronox Limited (Tronox)¹ 	(29)	<ul style="list-style-type: none"> Gain/(loss) on dilution of shareholding in Tronox¹ 	1	(11)
	<ul style="list-style-type: none"> Voluntary severance packages and other 	(26)	<ul style="list-style-type: none"> Unrealised foreign exchange gain on US\$ held for the TCSA acquisition 	432	315
			<ul style="list-style-type: none"> Gains on translation differences recycled to profit or loss 	979	33
			<ul style="list-style-type: none"> Gain on disposal of other non-core assets¹ and VSP's 	(308)	(30)
Group	Total net operating profit impact	134	Total net operating (loss)/profit impact	(586)	369
Coal	<ul style="list-style-type: none"> Tax on disposal of non-core assets¹ Excess of fair value over cost of investment in Richards Bay Coal Terminal Proprietary Limited (RBCT)¹ 	1 35	<ul style="list-style-type: none"> Tax on disposal of non-core assets, insurance claim income and impairments¹ 	28	
Ferrous	<ul style="list-style-type: none"> Post-tax share of Sishen Iron Ore Company Proprietary Limited (SIOC) loss on sale of non-core assets¹ 	(9)	<ul style="list-style-type: none"> Post-tax share of SIOC loss on impairment of operation¹, loss on disposal of other non-core assets and compensation from third parties¹ 	(860)	(3)
TiO₂ and chemicals	<ul style="list-style-type: none"> Post-tax share of Tronox restructuring costs 	(9)	<ul style="list-style-type: none"> Post-tax share of Tronox restructuring costs and loss on disposal of property, plant and equipment¹ 	(152)	(10)
Group	Total attributable earnings impact	152	Total attributable (loss)/earnings impact	(1 570)	356

¹ Excluded from headline earnings.

We have also re-classified production volumes of the Mafube trading division from “buy-in” to Mafube production volumes as illustrated in Table 3: Unreviewed coal production and sales volumes. This had no impact on revenue or net operating profit.

2. SAFETY, HEALTH, ENVIRONMENT AND COMMUNITY

Exxaro operated for 23 consecutive months without any fatalities as at 30 June 2016. We achieved a lost-time injury frequency rate (LTIFR) of 0,08 in 1H16 (1H15: 0,17), well ahead of our internal target of 0,15 and a very satisfactory 53% improvement to date. There were seven lost-time injuries (LTIs) recorded in 1H16 (1H15: 13). We also continue with routine assessments of occupational and chronic diseases to further create awareness and response across the group. We intend to maintain this level of performance, in line with our zero-harm vision.

Climate change remains a risk to the long-term sustainability of our business. We submitted our 2016 plans to the carbon disclosure project for both greenhouse gases and water treatment. The group’s strategy on climate change is being aligned with the Paris COP-21 agreement and South Africa’s position in that respect.

We are addressing the dual water risks of scarcity and pollution by installing water treatment plants at affected operations. The result will be an increase in the re-use of treated (industrial quality) water, which will lead to self-sufficiency and thus returning (less demand) of potable water to the municipality. The treatment of water results in no pollution of surface water from mine water.

The Matla reverse osmosis water treatment plant is operational and returns seven mega litres of clean water per day into the environment. Civil work started on the North Block Complex (NBC) zero liquid discharge reverse osmosis plant. The plant is expected to be commissioned by 4Q16 and to return between one and one-and-a-half mega litres of clean water per day.

The Exxaro Chairman’s Fund and Exxaro Foundation have spent R20,3 million (1H15: R20,4 million) on local economic development projects as part of our social and labour plans during 1H16. The bulk of the funds was spent on education (47%), skills development (17%), and infrastructure (16%) initiatives.

The Department of Environmental Affairs (DEA) has published new regulations under the National Environmental Management Act (NEMA) No 107 of 1998, relating to managing, rehabilitating and remediating environmental impacts as a result of mining activities and post mine closure. The DEA has extended the deadline until 20 November 2017 to comply with the new financial provision regulations. We are assessing the full impact of these developments on our rehabilitation and decommissioning financial provisions. However, we expect that we will align and implement accordingly.

3. COMMODITY PRICES PERFORMANCE

The coal API4 price for 1H16 averaged US\$53 per tonne, compared with US\$61 in 1H15. Iron ore fines prices also fell by over 13%, averaging US\$52 (cost and freight (CFR) China) in 1H16 compared to US\$60 in 1H15, while titanium dioxide (TiO₂) averaged US\$2 201 per tonne (cost, insurance and freight (CIF), US) from January to April 2016.

Table 2: Reviewed group segment results (Rm)

	Revenue				Net operating profit/(loss)			
	6 months ended 30 June		6 months ended 31 Dec		6 months ended 30 June		6 months ended 31 Dec	
	2016 Reviewed	2015 Reviewed	2015 Reviewed	2015 Audited	2016 Reviewed	2015 Reviewed	2015 Reviewed	2015 Audited
Coal	9 718	8 217	9 876	18 093	2 232	1 664	910	2 574
– Tied ¹	1 659	1 847	1 988	3 835	122	102	93	195
– Commercial ²	8 059	6 370	7 888	14 258	2 110	1 562	817	2 379
Ferrous	13	83	90	173	(53)	(48)	(258)	(306)
– Iron ore					(46)	(40)	(252)	(292)
– Alloys	13	83	90	173	(7)	3	7	10
– Other						(11)	(13)	(24)
Other	31	24	40	64	(20)	195	710	905
– Other	31	24	40	64	(20)	195	710	905
Total	9 762	8 324	10 006	18 330	2 159	1 811	1 362	3 173

¹ Mines managed on behalf of and supplying their entire production to Eskom in terms of contractual agreements.

² Net operating profit includes pre-tax impairment of the carrying value of goodwill recognised on the acquisition of TCSA of R1 524 million and the reductants operation property, plant and equipment of R225 million in 2H15.

4. FINANCIAL AND OPERATIONAL EXCELLENCE

4.1. Group financial results

4.1.1. Revenue and net operating profit

Consolidated group revenue increased by 17% to R9 762 million (1H15: R8 324 million), while group net operating profit increased by 19% to R2 159 million (1H15: R1 811 million) mainly due to higher sales volumes from the coal operations.

An average spot exchange rate of R15,39 to the US dollar was recorded for 1H16, compared to R11,91 in 1H15.

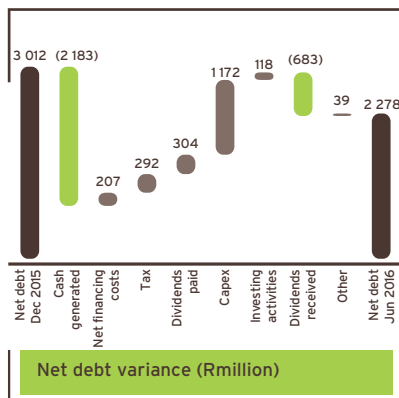
4.1.2. Earnings attributable to owners of the parent

Earnings, which include Exxaro's equity-accounted investments in associates and joint ventures, were R1 285 million (1H15: R1 167 million) or 362 cents earnings per share (1H15: 329 cents), an increase of 10%.

Headline earnings were 2% higher at R1 096 million (1H15: R1 077 million) or 309 cents per share (1H15: 303 cents per share).

4.1.3. Cash flow and funding

Cash flow generated from operations was R147 million lower at R2 183 million (1H15: R2 330 million). It was used to pay for capital expenditure of R1 172 million, dividends of R304 million, net financing charges of R207 million and taxation of R292 million.



At R1 172 million, overall capital expenditure increased 17% in 1H16 compared to 1H15, mainly due to Grootegeluk backfill and inclusion of Exxaro Coal Central Proprietary Limited (ECC) operation's capital expenditure in 1H16. A total of R179 million (1H15: R298 million) was invested in new capacity (expansion capital), and R993 million (1H15: R703 million) was applied to sustaining and environmental capital (stay-in-business capital). Of the funds spent on stay-in-business capital, R259 million was for GG's replacement of trucks, shovels and stacker reclaimers. We continue to critically assess our overall project pipeline and the timing of cash flows to prioritise and preserve capital.

Dividends received of R683 million (1H15: R985 million) were down 31% primarily due to the non-payment of dividends by SIOC for 1H16, lower dividends declared by Tronox (US\$0,045 per share per quarter for 1H16; US\$0.25 per share per quarter for 1H15), offset by a dividend declared by our Mafube joint venture with Anglo South Africa Capital Proprietary Limited of R450 million (1H15: nil).

4.1.4. Debt exposure

Net debt at 30 June 2016 was R2 278 million compared to the net cash position of R55 million at 30 June 2015, reflecting a prudent net debt to equity ratio of 6,5% (at 30 June 2015: net cash to equity ratio of 0,2%).

Subsequent to 30 June 2016, we have refinanced the group's R8 billion debt facilities made up of three tranches:

- R3,25 billion bullet term loan facility with a term of five years
- R2,75 billion revolving credit facility with a term of five years
- R2 billion amortised term loan facility with a term of seven years.

The interest rate achieved is higher than the previous facility, however, we are pleased that the covenant terms are more favourable with the net debt EBITDA cover ratio increasing from 2,5 times to 3,0 times. Included in the facility is the option for Exxaro to increase the facility to R10 billion, subject to the relevant credit approvals.

Table 3: Unreviewed coal production and sales volumes ('000 tonnes)

	Production (Re-presented)				Sales (Re-presented)			
	6 months ended 30 June	6 months ended 31 Dec	12 months ended 31 Dec	12 months ended 31 Dec	6 months ended 30 June	6 months ended 31 Dec	12 months ended 31 Dec	12 months ended 31 Dec
	2016	2015	2015	2015	2016	2015	2015	2015
Thermal	20 431	18 579	22 521	41 100	21 161	19 339	22 807	42 146
– Tied	3 966	4 181	5 079	9 260	3 961	4 181	5 089	9 270
– Commercial: domestic ¹	16 465	14 398	17 442	31 840	13 116	12 770	13 924	26 694
– Commercial: export					4 084	2 388	3 794	6 182
Metallurgical	970	923	933	1 856	738	697	644	1 341
– Commercial: domestic	970	923	933	1 856	738	697	644	1 341
Total coal	21 401	19 502	23 454	42 956	21 899	20 036	23 451	43 487
Semi-coke	1	35	13	48	12	35	14	49
Total coal (excluding buy-ins)	21 402	19 537	23 467	43 004	21 911	20 071	23 465	43 536
Thermal buy-ins ¹	577	559	663	1 222				
Total coal (including buy-ins)	21 979	20 096	24 130	44 226	21 911	20 071	23 465	43 536

¹ Mafube trading division buy-ins of 866kt from Mafube JV are included under Thermal coal production and prior periods have been re-presented from buy-ins to thermal coal production (1H15: 482kt; 2H15: 665kt).

4.2. Coal business performance

Domestic trading conditions remained challenging in 1H16. The metals and reductants markets remained under pressure due to lower priced Chinese imports, weak demand and lower international metals prices.

Despite an oversupplied coal export market, we recorded good demand for all our export coal. Export volumes rose 71% from 2,4Mt to 4,1Mt mainly due to additional volumes from ECC which is included for six months in 1H16 and not included in 1H15 as it was acquired in 2H15.

4.2.1. Production and sales volumes

Overall coal production volumes (excluding buy-ins from other suppliers) of 21,4Mt were 1,9Mt (10%) higher than the 19,5Mt in 1H15 mainly due to the inclusion of ECC production (2,0Mt). This, amongst other factors, contributed to 1,9Mt higher sales (9%).

4.2.1.1. Metallurgical coal

Grootegeluk (GG) production increased by 47kt (5%) as the Grootegeluk plant 8 (GG8) gantry, which had failed in December 2014 was brought back online. The gantry failure resulted in metallurgical coal to be substituted for power station coal in 1H15.

Sales increased by 41kt (6%) on the back of higher demand from local customers and marginally higher off-take by ArcelorMittal.

4.2.1.2. Thermal coal

Tied mines

Power station coal production was 215kt (5%) lower than 1H15, mainly due to no 1H16 production at Arnot (1H15: 746kt) as a result of Eskom giving us notice of termination of the contract on 31 December 2015, partially offset by 531kt (15%) higher production at Matla due to good cutting rates at mine 2.

Commercial mines

Power station coal production was 223kt (2%) higher compared to 1H15, mainly due to the higher power station coal production at GG (123kt), better equipment availability at NBC (44kt) and higher demand at Leeuwpan (56kt).

Domestic power station coal sales were 227kt (2%) lower than in 1H15, mainly due to lower Leeuwpan sales (413kt) due to the expiry of the Eskom coal supply agreement to Majuba power station on 31 March 2016, partly offset by higher GG (64kt) and NBC (122kt) sales on the back of stronger Eskom demand.

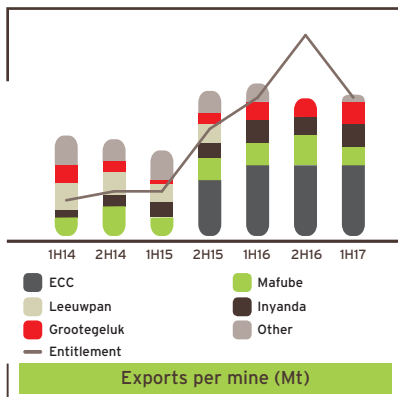
Steam coal production was 1 844kt (76%) higher due to the inclusion of ECC (2 021kt) in 1H16 partly offset by no production from Inyanda (1H15: 535kt) as the mine reached its end of life in 4Q15 and lower Leeuwpan plant production (114kt). Domestic steam coal sales increased by 572kt (44%) mainly due to the inclusion of ECC (189kt), and higher Leeuwpan (187kt) and GG (145kt) sales.

Steam coal export sales were 1 696kt (71%) higher, also due to the inclusion of ECC in 1H16.

4.2.2. Logistics

Transnet Freight Rail (TFR) export rail performance from Mpumalanga was favourable in 2Q16, however, the export rail flow from the Waterberg remains a challenge, primarily due to crew unavailability and to a lesser extent network and locomotives issues. We expect that this rail flow will achieve the required levels during 2H16. This will be achieved through renewed commitment from TFR.

We have utilised the Exxaro RBCT entitlement in full, with own production and leasing out excess entitlement to a third party.



4.2.3. Markets

In the export market, our product mix has changed from being primarily an RB1 product mix to a lower value product mix of RB3, mainly due to the inclusion of ECC. This led to our export market shifting from Europe to mainly Asia, dominated by India. This trend is expected to continue in future.

4.2.4. Revenue and net operating profit or loss

Coal revenue of R9 718 million was 18% higher than in 1H15, mainly due higher sales volumes as a result of the inclusion of ECC, offset by lower volumes from the closure of Inyanda and Amot.

Net operating profit of R2 232 million represents an increase of 34%, at an operating margin of 23%, when compared to 1H15, mainly due to:

- Inclusion of ECC (+R110 million)
- Exchange rate variances due to the weakening of the rand against the US\$ (+R166 million)
- Lower cost per tonne and lower distribution costs (+R522m) in line with the operational excellence drive
- Lower price paid for the Mafube JV buy-ins (+R281 million) as a result of a change in the pricing mechanism from a cost-plus method to one linked to the API4 price performance.

Partly offset by:

- Lower overall sales prices realised (-R249 million)
- Inflation (-R117 million)
- Higher depreciation (-R123 million) due to the higher asset base (GG7&8 and backfill)
- No contribution from Inyanda as it ceased production in 2H15 (-R157 million)
- Higher environmental rehabilitation expense (-R51 million), mainly due to the revision of the water liability estimate.

4.2.5. *Equity-accounted investment*

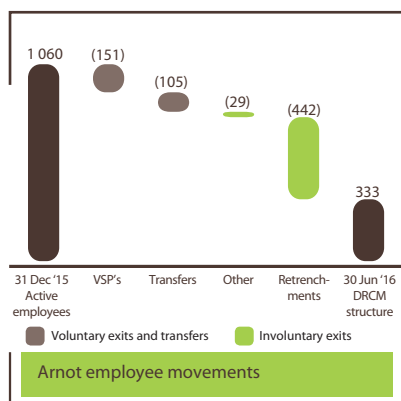
Mafube joint venture equity-accounted income decreased by 36% due to a change in the pricing mechanism between the joint venture partners (Anglo and Exxaro) from a cost plus percentage to a price linked to the API4 price index. The investment in RBCT was previously accounted for as an available-for-sale financial asset with fair value adjustments accounted for in equity. This accounting treatment has since changed to an investment in associate. The change in classification is due to the increased shareholding in RBCT obtained through the acquisition of ECC in 2H15. We also restructured our shareholding in SDCT by exiting SDCT for a direct interest in RBCT. The restructuring resulted in a R203 million gain on the disposal of SDCT and a R35 million excess of fair value over cost of the investment in RBCT on the increase in shareholding of RBCT shares.

4.2.6. *Portfolio improvement*

Project details were included in the finance director's pre-close message published on the Stock Exchange News Service (SENS) on 28 June 2016. The details below include further developments since then.

4.2.6.1. *Eskom contracts*

All production at Arnot mine has ceased and the mine equipment has been reclaimed from the underground sections. Consultation with employees, in terms of section 189 of the Labour Relations Act (section 189), is complete. We continue our discussions with Eskom to ensure full provision for the rehabilitation funds, mine closure costs and post mine closure costs in terms of the NEMA regulations, as stipulated in the coal supply agreement (CSA).



Large capital projects at Matla await approval from Eskom, with mine 1 on care-and-maintenance. In the meantime, the remaining mine shafts (mine 2 and mine 3) are expected to produce 4,3Mt for 2H16 (FY16: 8,3Mt) against contractual volumes of 10,1Mt for FY16. We continue to engage Eskom to provide the required capital funding which will improve performance. Alternatively, we will be considering available recourse in terms of the CSA.

4.2.6.2. *Belfast*

The suspension imposed on our water use licence (IWUL) was set aside by the Department of Water and Sanitation (DWS). Any appeal could result in a delay in the project timelines by about one year. The designated mine area could also still be impacted by objections and future appeals.

4.2.6.3. *Grootegeluk rapid load out station*

The detail design-phase is progressing well. The first construction package for early works will be issued to the market later in August 2016, with construction set to start in November 2016 if no appeals are lodged. Major construction is envisaged to start in 1Q17.

4.2.6.4. GG10

Project construction was completed on 10 June 2016. The project is currently in commissioning and ramp-up phase. The project was completed on budget and on time. Previous guidance of up to 1Mtpa now confirmed at 750Ktpa.

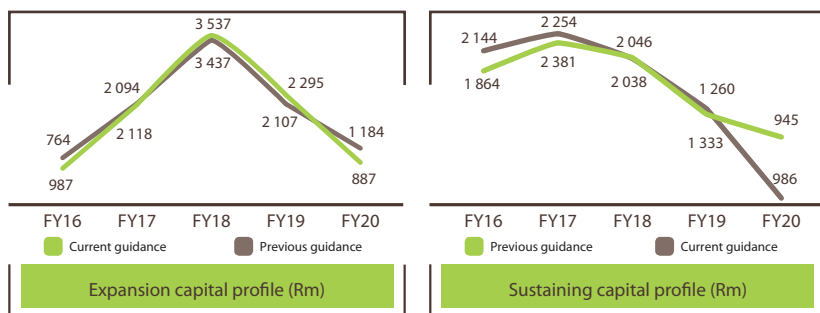
4.2.6.5. GG6 Phase 2

The project is progressing well within the detail design phase. A value engineering exercise has been completed on the project and the project will be presented to the Exxaro board in November 2016 for a final investment decision.

4.2.6.6. Thabametsi Phase 1

The Thabametsi mining right has been granted and executed. Both the IWUL and environmental impact assessment (EIA) have been granted, but the EIA has been appealed by neighbouring farmers. The only outstanding authorisation is the protected tree permit, which is expected soon.

The Department of Energy (DME) is expected to announce the successful Coal Independent Power Producer Procurement (CIPPP) programme window 1 bidders in 3Q16. If successful, Exxaro, in a venture with Marubeni of Japan and Korea Electric Power Corporation (KEPCO), would enter into a definitive Coal Supply Agreement.



4.3. Ferrous business

4.3.1. Net operating loss

Net operating losses increased by 10% from R48 million in 1H15 to R53 million in 1H16, mainly due to the losses in the FerroAlloys business as a result of lower off-take at FerroAlloys from Kumba Iron Ore Limited (KIO).

4.3.2. Equity-accounted investments

The improvement in the iron ore price, coupled with cost reductions resulting from the new Sishen mine plan, contributed to the increased equity-accounted income from the SIOC investment, from R633 million in 1H15 to R736 million in 1H16. No dividends were received from SIOC in 1H16 (1H15: R673 million).

We continue to assess our options regarding this investment, following the announcement by Anglo American plc of its intention to potentially divest of its interest in KIO (SIOC's parent company).

4.3.3. Portfolio improvement

Project details were included in the finance director's pre-close message published on the SENS on 28 June 2016. The details below include further developments since then.

The Mayoko iron ore project which has been under care and maintenance, has been classified as an asset held-for-sale. The Exxaro board approved the divestment from the project, and in July 2016, an agreement was entered into with a Congolese consortium for the sale of shares of the legal entities that house the project for a purchase consideration of US\$2 million. The sale is subject to conditions precedent, such as regulatory approvals to the sale of shares.

Table 4: Equity-accounted investments (Rm)

	Equity-accounted income/(loss)				Exxaro's share of dividends received			
	6 months ended 30 June		6 months ended 31 Dec	12 months ended 31 Dec	6 months ended June		6 months ended 31 Dec	12 months ended 31 Dec
	2016	2015	2015	2015	2016	2015	2015	2015
SIOC	736	633	(529)	104		673		673
Tronox	(930)	(659)	(844)	(1 503)	233	311	357	668
Black Mountain	39	9	55	64				
Mafube	84	132	121	253	450			
Cennergi	37	(32)	(21)	(53)				
RBCT	25		(4)	(4)				
SDCT			2	2				
Total	(9)	83	(1 220)	(1 137)	683	984	357	1 341

4.4. Titanium dioxide and Alkali chemicals

4.4.1. Equity-accounted investment

Equity-accounted losses from the Tronox investment were R930 million compared to R659 million in 1H15, mainly due to a 31% weakening of the average rand/US\$ rate realised (1H16: R15,56, 1H15: R11,84) and higher tax expense due to deferred tax liabilities being fully amortised at the end of 2015.

Tronox continued its dividend declaration. Our share of dividends received decreased to R233 million compared to 1H15.

We are assessing our investment in Tronox, taking into consideration the prognosis for the global TiO₂ industry as well as the impact of Tronox's equity-accounted losses on Exxaro's earnings.

4.5. Energy business

4.5.1. Equity-accounted investment

Cennergi, a 50% joint venture with Tata Power Company Limited, has recorded equity-accounted gains of R37 million for 1H16 (1H15: R32 million loss) mainly due to the projects generating deemed energy income following the successful connection of Tsitsikamma Community Wind Farm (TCWF) and Amakhala Emoyeni (AE) to the Eskom grid in April and June 2016, respectively. TCWF reached commercial operation status in July 2016 and it is expected that AE will reach commercial operation during 2H16. The two wind-farm projects will deliver a total of 229MW to the grid by year-end, on time and within budget.

5. BROAD-BASED BLACK ECONOMIC EMPOWERMENT

Since the pre-close message on SENS on 28 June 2016, progress has been made on unwinding the current BEE structure.

To prepare for the unwinding of the group's current BEE structure in November 2016, a task team is focusing on unwinding the existing structure as well as a possible replacement transaction. We have constituted a board sub-committee to ensure proper governance and that this takes place in a coordinated manner to minimise the impact on all shareholders. A replacement BEE transaction as well as a potential buy-back of Exxaro shares could mitigate the impact of unwinding.

It is likely that a replacement BEE transaction will be less than 50% BEE. We are engaging with our existing BEE shareholders as the ultimate size of a replacement transaction will depend on the size of their level of reinvestment

Developing a future structure has also been complicated by uncertainties surrounding the new draft mining charter, which for instance, prescribes empowerment at the mining right level as well as a minimum community and employee participation of 5% each.

6. MINERAL RESOURCES AND RESERVES

There are no material changes to mineral resources and reserves except for production related depletion. The cautionary statements that were presented in the 2015 consolidated mineral resources and reserves report remain applicable, until conclusion of the 2016 reserve estimation process.

7. MINING AND PROSPECTING RIGHTS

The mining right for Thabametsi was granted and subsequently executed in June 2016.

In December 2015, a sale and purchase agreement was concluded for the Inyanda assets and liabilities (including the mining rights, plant assets and a private rail siding). The sale is subject to conditions precedent, including the section 11 transfer of mining rights under the Mineral and Petroleum Resources Development Act (MPRDA). The conditions precedent remain outstanding.

A section 102 of the MPRDA for the inclusion of the Forzando West prospecting right into the Forzando South mining right was granted in May 2016.

8. OUTLOOK

We expect an improvement in the coal business' performance in 2H16, compared to 2H15 mainly due to:

- Stable trading conditions in domestic markets. Our focus remains on both product and market diversification
- The positive impact from the inclusion of ECC in the portfolio for the whole of FY16 and ongoing optimisation of ECC operations
- Improving thermal coal price outlook
- Increase in sales from Grooteegeluk and Matla, compensating for the cessation in coal supply from Amot and Inyanda mines.

We expect that 2H16 domestic thermal volumes will remain at current healthy levels. Volumes in the metals markets will reduce as ArcelorMittal ceased production at its market coke battery in Newcastle for emergency maintenance. This is expected to persist until 1Q17.

Export markets depend heavily on demand from India for lower-quality coal products, while pricing is expected to remain flat. Further growth is expected in the African, Pakistani and South East-Asian markets, and the company is well positioned with a strong product mix to supply these markets.

The performance of the investment portfolio (SIOC and Tronox) will be highly influenced by the iron ore and pigment prices realised in the period, as well as the success of the ongoing cost optimisation efforts in these businesses.

Weak global economic growth, low commodity prices, constrained household finances, rising inflation and interest rates, and a South African annual economic growth rate of near zero are likely to hamper economic activity for the remainder of 2016. The sustainability of current price levels in the international market and the volatility of the rand/US\$ exchange rate remain risks to our outlook. Collective efforts by government, business and labour deferred a sovereign rating downgrade, but the outlook remains negative. Exxaro will focus on what is in its control by ensuring our operations are efficient and focusing on further planned investment in mining and energy-related projects (including the Thabametsi and Belfast projects).

The BREXIT referendum result has created uncertainties which have direct and indirect trade and GDP impact in emerging economies, including South Africa. We will continue to monitor any potential impact on Exxaro's business in 2H16.

Overall, we expect 2H16 global growth will be relatively subdued, in spite of support from moderate policy stimulus in China and some degree of fiscal and monetary easing in advanced economies.

9. INTERIM DIVIDEND

Our dividend policy is based on a cover ratio of between 2,5 and 3,5 times core attributable earnings.

Notice is therefore given that a gross interim cash dividend, number 27, of 90 cents (interim 1H15: 65 cents) per share, for the six-month period ended 30 June 2016 was declared, payable to shareholders of ordinary shares. For details of the dividend, please refer note 12 of the reviewed condensed group interim financial statements.

Salient dates for payment of the final dividend are:

– Last day to trade cum dividend on the JSE	Tuesday, 6 September 2016
– First trading day ex dividend on the JSE	Wednesday, 7 September 2016
– Record date	Friday, 9 September 2016
– Payment date	Monday, 12 September 2016.

No share certificates may be dematerialised or re-materialised between Wednesday, 7 September 2016 and Friday, 9 September 2016, both days inclusive. Dividends for certificated shareholders will be transferred electronically to their bank accounts on payment date. Shareholders who hold dematerialised shares will have their accounts at their central securities depository participant or broker credited on Monday, 12 September 2016.

10. CHANGES TO THE BOARD

Mr RP (Rick) Mohring, an independent non-executive director of Exxaro, passed away on 14 March 2016. The board expressed its sincere condolences to Rick's family and appreciation for his tireless and dedicated service to Exxaro.

Mr WA (Wim) de Klerk resigned as finance director effective 30 June 2016. He served Exxaro and its predecessors with distinction and the board expressed its appreciation for his dedication and commitment during his tenure.

On 1 July (2016, Mr PA (Riaan) Koppeschaar was appointed as finance director and Mr PCCH (Peet) Snyders and EJ (Ras) Myburgh (with effect from 1 September 2016) as independent non-executive directors. The board welcomes these new members and looks forward to their contribution in future.

11. GENERAL

Additional information on financial and operational results for the six-month period ended 30 June 2016, and the accompanying presentation can be accessed on our website on www.exxaro.com.

On behalf of the board

Len Konar
Chairman

Mxolisi Mgojo
Chief executive Officer

Riaan Koppeschaar
Finance director

17 August 2016

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MDM Mgojo* (chief executive officer),
PA Koppeschaar* (finance director), S Dakile-
Hlongwane***, Dr CJ Fauconnier***,
V Nkonyeni***, VZ Mntambo**, Dr MF Randera**,
J van Rooyen***, PCCH Snyders***, D Zihlangu ***

**Executive*

***Non-executive*

****Independent non-executive*

PREPARED UNDER SUPERVISION OF:

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EXXARO RESOURCES LIMITED

(Incorporated in the Republic of South Africa)
Registration number: 2000/011076/06
JSE share code: EXX
ISIN: ZAE000084992
ADR code: EXXAY
("Exxaro" or "the company" or "the group")

If you have any queries regarding your shareholding in Exxaro Resources Limited, please contact the transfer secretaries at +27 11 370 5000.

DISCLAIMER

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.

ANNEXURE: ACRONYMS

Acronyms

ArcelorMittal	ArcelorMittal South Africa Limited	LME	London Metal Exchange
API4	Benchmark price reference for RBI export coal	LOM	Life of Mine
BEE	Black Economic Empowerment	LTIFR	Lost-time injury frequency rate
Black Mountain	Black Mountain Proprietary Limited	Mafube	Mafube Coal Proprietary Limited
Cennergi	Cennergi Proprietary Limited	Main Street 333	Main Street 333 Proprietary Limited (RF) controlling shareholder
CFR	Cost and Freight	MPRDA	Mineral and Petroleum Resources Development Act
Chifeng	Chifeng Kumba Hongye Corporation Limited	Mpower 2012	Exxaro Employee Empowerment Trust
CIF	Cost, insurance and freight	Mt	Million tonnes
CIPPP	Coal Independent Power Producer Procurement	Mtpa	Million tonnes per annum
COP	Conference of Parties	MW	Megawatt
Cps	cents per share	NBC	North Block Complex
CSA	Coal Supply Agreement	NCC	New Clydesdale Colliery
DCM	Dorsfontein Coal Mine	NEMA	National Environmental Management Act No 107 of 1998
DCME	Dorsfontein coal mine east	NOP	Net operating profit
DCMW	Dorsfontein coal mine west	NPV	Net present value
DEA	Department of Environmental Affairs	OCI	Other comprehensive income
DME	Department of Mineral and Energy	OE	Operational excellence
DMR	Department of Mineral Resources	PPA	Purchase Price Allocation
DMTN	Domestic Medium Term Note	PPI	Purchase price index
DRCM	Decommissioning, reclamation, care and maintenance	Rb	Rand billion
DWS	Department of Water and Sanitation	RB1	6 000 kcal/kg thermal coal
EBIT	Earnings before interest and tax	RB3	5 500 kcal/kg thermal coal
EBITDA	Earnings before interest, tax, depreciation and amortisation	RBCT	Richards Bay Coal Terminal Proprietary Limited
ECC	Exxaro Coal Central Proprietary Limited	PRC	People's Republic of China
EIA	Environmental Impact Assessment	Rm	Rand million
EMJV	Emelo joint venture	RMB	Chinese Renminbi
ESG	Environmental, social and governance	RoC	Republic of Congo
FeCr	FerroChrome	SAICA	South African Institute of Chartered Accountants
FOB	Free on board	SARS	South African Revenue Service
GDP	Gross domestic product	SDCT	South Dunes Coal Terminal SOC Limited
Good leaver	A participant to a share-based payment scheme whose employment has been terminated due to retrenchment, retirement, death, serious disability, serious incapacity or promotion out of the relevant qualification category as defined internally by the remuneration and nominations committee	SENS	Stock Exchange News Service
GG	Grootegeeluk	SIOC	Sishen Iron Ore Company Proprietary Limited
GMEP	Grootegeeluk Medupi expansion project	SOC	State-owned Company
HEPS	Headline earnings per share	SSCC	Semi-soft coking coal
IAS	International Accounting Standards	TCSA	Total Coal South African Proprietary Limited
IASB	International Accounting Standards Board	TFR	Transnet Freight Rail
IFRS	International Financial Reporting Standards	TiO ₂	Titanium dioxide
IPP	Independent power producer	TIPP1	Thabametsi independent power producer 1
JIBAR	Johannesburg Interbank Average Rate	Tronox	Tronox Limited
JSE	JSE Limited	Tronox SA	Tronox KZN Sands Proprietary Limited and Tronox Mineral Sands Proprietary Limited
kcal	kilocalorie	Tronox UK	Tronox Sands Limited Liability Partnership in the United Kingdom
KEPCO	Korea Electric Power Corporation	UHDMS	Ultra high dense medium separator
KIO	Kumba Iron Ore Limited	US\$	United States dollar
kt	kilo tonnes	VAT	Value Added Tax
LED	Local Economic Development	VSP	Voluntary severance packages
		WACC	Weighted average cost of capital
		ZAR	South African rand



The full report is available on
www.exxaro.com or scan the code with
your smartphone to take you there.



www.exxaro.com