

01

BROAD-BASED ECONOMIC VALUE CREATION



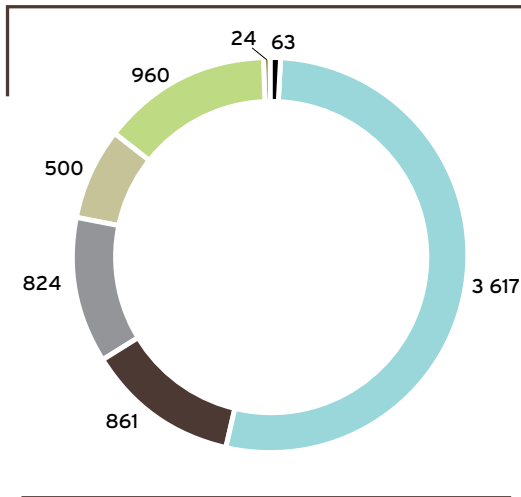
1.1 GROUP CASH VALUE ADDED STATEMENTS (UNAUDITED)

The cash value added statements show the wealth the group has created through mining and investing operations.

Exxaro generates and creates value as follows:

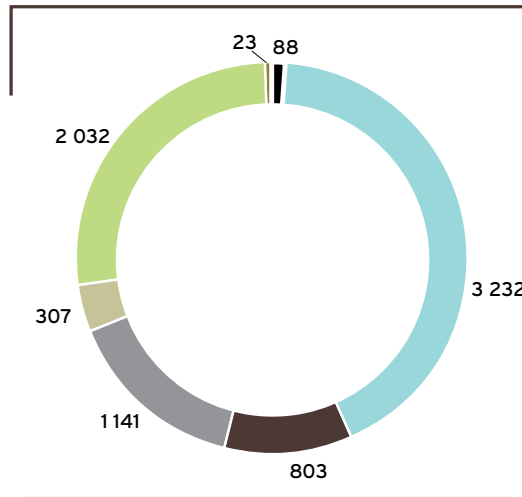
- Employees receive salaries/wages, share-based payments as well as bonuses (where certain performance conditions are met) and distributions from Mpower 2012
- The governments of the countries where Exxaro has operations receive tax and royalty payments
- Suppliers and contractors are supported through the procurement of consumables, services and capital goods
- Shareholders receive a return on their investment through dividends and capital growth in the share price
- Providers of finance receive a return through interest and other loan costs paid
- Exxaro has corporate social investment initiatives which benefit communities surrounding the operations
- Continuous reinvestment into the group to ensure sustainability and expansion.

The statements on page 7 summarise the total cash wealth created and how it was disbursed among the group's stakeholders. The retained amount was reinvested in the group for the replacement of assets and further development of operations (further value add over time).



- Salaries, wages and benefits
- Payments to government: taxation contribution
- Cash dividend paid, excluding Mpower 2012 dividend to employees
- Community investments and volunteerism
- Employees' tax
- Cost of finance
- Cash dividend paid to Mpower 2012 beneficiaries

Value distribution in 2015 (Rm)



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Value distribution in 2014 (Rm)

	Group	
	2015 Rm	2014 Rm
For the year ended 31 December		
Direct economic value generated	11 202	13 014
Gross revenue from the sale of products and services (including VAT)	20 579	18 843
Shortfall income (including VAT)		1 671
Income from investments and interest received	1 396	3 787
Operating costs	(10 773)	(11 287)
Economic value distributed	6 849	7 626
Employee salaries, wages and benefits (excluding employees' tax: PAYE)	3 617	3 232
Employees' tax: PAYE deducted from remuneration paid	861	803
Payments to government	824	1 141
Interest paid and loan cost	500	307
Cash dividend paid, excluding Mpower 2012 dividend to employees	960	2 032
Cash dividend paid to Mpower 2012 employee beneficiaries	24	23
Volunteerism		2
Community investments (including donations)	63	86
Net economic value retained in the group to maintain and develop operations	4 353	5 388
<i>Included in the above are:</i>		
Payments to government: taxation contribution	824	1 141
Direct taxes per country (excluding deferred tax)	81	120
– RSA	78	45
– Netherlands		73
– Australia		2
– Other	3	
VAT	558	804
– Levied on purchases of goods and services	(1 595)	(2 023)
– Charged on turnover	2 153	2 827
Additional amounts collected by the group on behalf of government		
– Unemployment Insurance Fund	14	13
Levies paid to government	171	204
– Rates and taxes	8	6
– Royalties	109	131
– Workers' Compensation Fund	5	7
– Unemployment Insurance Fund	14	26
– Skills Development Levy	35	34
Community investments per region	63	86
– Gauteng and corporate projects	14	35
– Limpopo	26	31
– Mpumalanga	23	20