

The year in brief

- 11% improvement in LTIFR at 0,17
- 18 months without a mining-related loss of life
- Owner-controlled operations
 - Coal sales at 43Mt, up 5%
 - Core coal net operating profit of R4,3 billion, up 29%
- Net debt: equity of 8,8%
- 15% capital expenditure reduction
- Sustainable reduction in input costs of R288 million
- 464 people (6% of total workforce) elected voluntary separation and other termination packages at a cost of R408 million
 - Expected annual labour-bill saving of R250 million
- Wage negotiations settled without significant labour unrest
- Final dividend of 85 cents, 2015 total of 150 cents per share
- Progress on refining the company's AA1000SES-based approach to stakeholder engagement and finalising a stakeholder charter
- Regular engagements with various stakeholders: industry bodies, DMR, communities, local and provincial government.

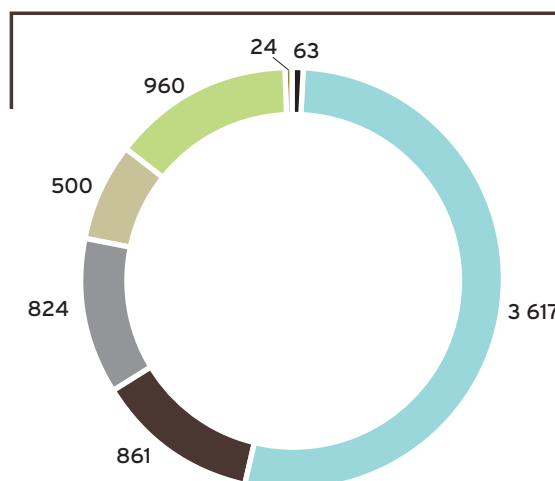
Broad-based value created for stakeholders in brief

The cash value added statements (unaudited) 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.

Despite the challenging environment, we were still able to create significant value for our stakeholders and contribute meaningfully to the South African economy.



- 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)

Lowlights in brief

- The dual impact of low commodity prices and higher overhead and input costs
- Impairing the ECC goodwill and reductants operation property, plant and equipment, totaling R1,7 billion
- Losing people through voluntary separation and other termination packages in 2015, after the closure of Tshikondeni, Inyanda, AlloyStream and our remaining offshore offices
- The impact of the reduction in the Exxaro share price (R214 peak in 2012 to R44 in 2015) on our BEE partner's (Main Street 333) debt covenant requirements, which threatened our BEE status.



Challenges in the mining environment reflected in share price performance across the sector (% reduction)