



ANNUAL FINANCIAL RESULTS

PRESENTATION
for the year ended
31 December 2017

exxaro

POWERING POSSIBILITY

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.

> Presentation outline

1 **Delivering on our strategy**
Mxolisi Mgojo, Chief Executive Officer

2 **Operational performance**
Nombasa Tsengwa, Executive Head - Coal Operations

3 **Financial results**
Riaan Koppeschaar, Finance Director

4 **Outlook**
Mxolisi Mgojo, Chief Executive Officer

DELIVERING ON OUR STRATEGY

Mxolisi Mgojo



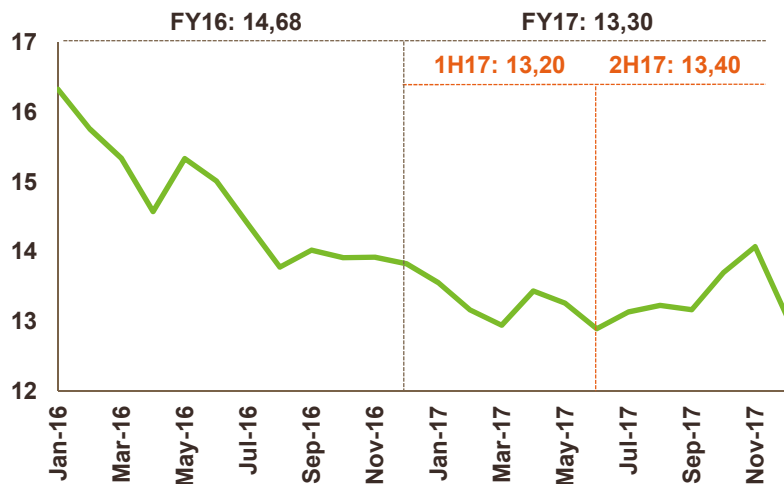
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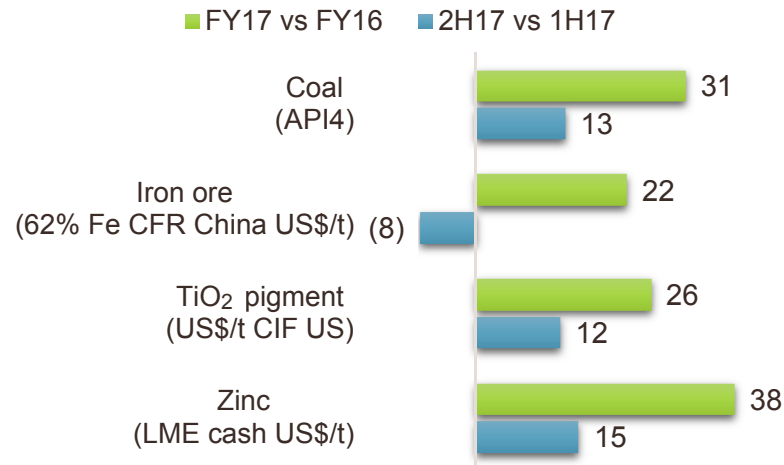
> Market conditions | FY17

- Solid year for commodity markets
- Globally, supply-side reforms supported thermal coal price
- World crude steel production growth was significant
- The titanium dioxide pigment market – continued stable, improving and strong market fundamentals

Average ZAR/US\$



% change in market price



- Recovery in world real GDP, however, South Africa lagging
- Strong and steady business sentiment in developed world, less so in emerging world
- Optimism as South Africa's political sentiment improved towards end of 2017

Performance overview | FY17



SAFETY

- 1 fatality at Matla in 1H17
- LTIFR: 0,12



OPERATIONAL PERFORMANCE

- Coal tonnes produced: 5% ↑
- Coal tonnes sold: 2% ↑
- ZAR export price realised: 25% ↑



CORE FINANCIAL PERFORMANCE

- NOP: 18% ↑
- Equity income: 24% ↑
- HEPS: 38% ↑



TRANSFORMATION

- BEE replacement transaction
- Community and employee empowerment to be finalised



PORTFOLIO OPTIMISATION

- Tronox first tranche
- NBC sales agreement signed



SHAREHOLDER RETURN

- 1H17 dividend: 300 cps
- 2H17 dividend: 400 cps
- Special dividend: 1 255 cps

> Technology & Excellence drives performance



Digitalisation & Innovation

- Bolstered technology foundation
- Innovation and Digitalisation programme
- Programme Office managing and delivering initiatives utilising an agile methodology

- Challenge thinking and shift mindsets
- Relentless focus on efficiency, effectiveness and experience
- Aligning operations and functions towards realising our strategy



Business Excellence

> Value distribution | FY17

OUR PEOPLE

R3 029m

Salaries & wages

R223m

Mpower distribution

R231m

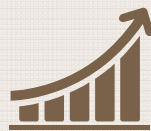
Training & bursaries



INVESTORS

R2 214m

Dividends



GOVERNMENT

R854m

Direct tax & levies

R434m

VAT

R133m

Royalties



COMMUNITY

R51m

Investment & volunteerism



OPERATIONAL PERFORMANCE

Nombasa Tsengwa



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> SHEC performance varied

Safety and health

- One fatality in March at Matla
- 0,12 LTIFR* is above the target of 0,11
- OHIFR ** of 0,34, 10% above target of 0,31

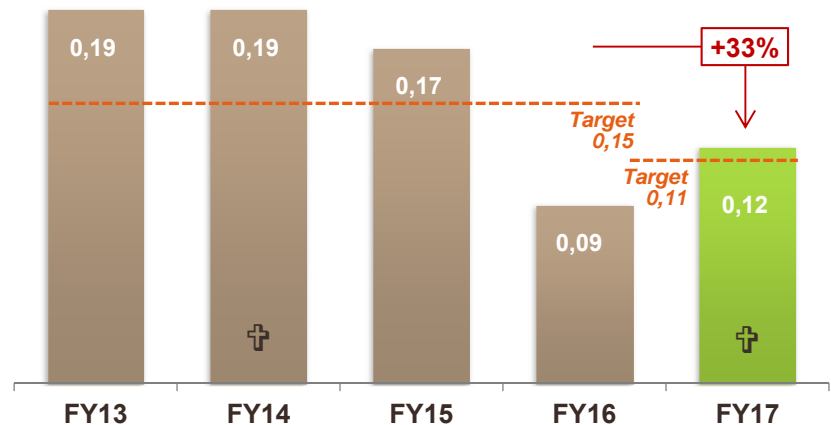
Integrated environmental management

- Climate change strategy revision being finalised
- Carbon emission intensity 5,9%, lower against target of 5% improvement on 2016
- Overall water intensity performance is 35% above the target of 0,2193kl/ton

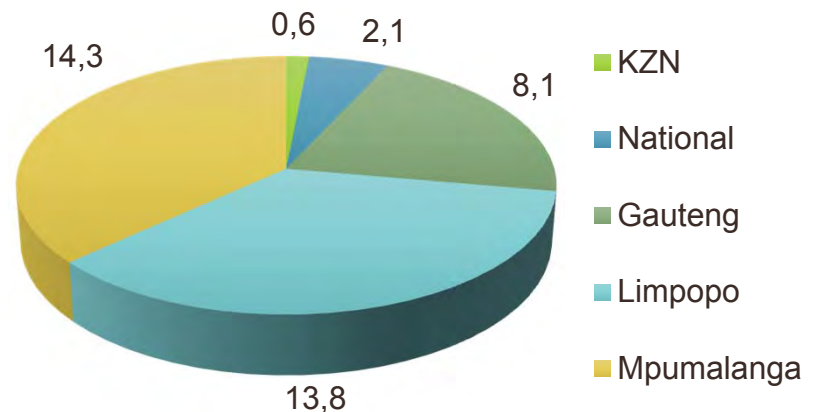
Community Development

- Delivery on SLP# projects 15% behind schedule
- Social spend primarily in Mpumalanga and Limpopo
- ESD## forum established

LTIFR



SLP spending per region (Rm)

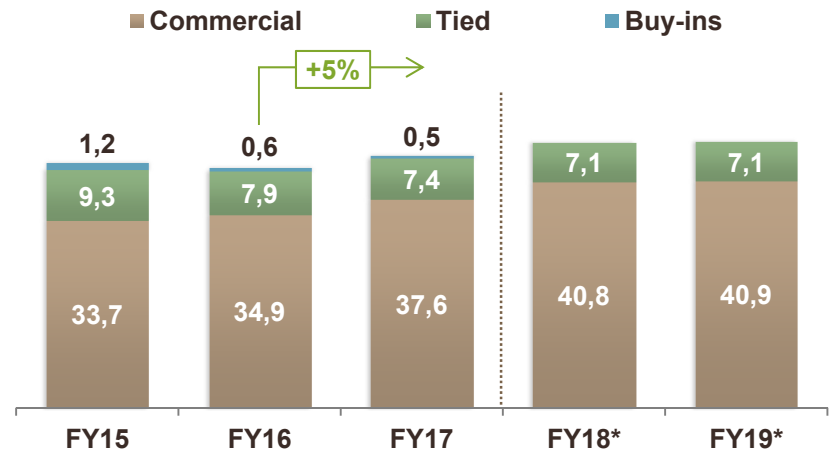


Coal production and sales volumes improved

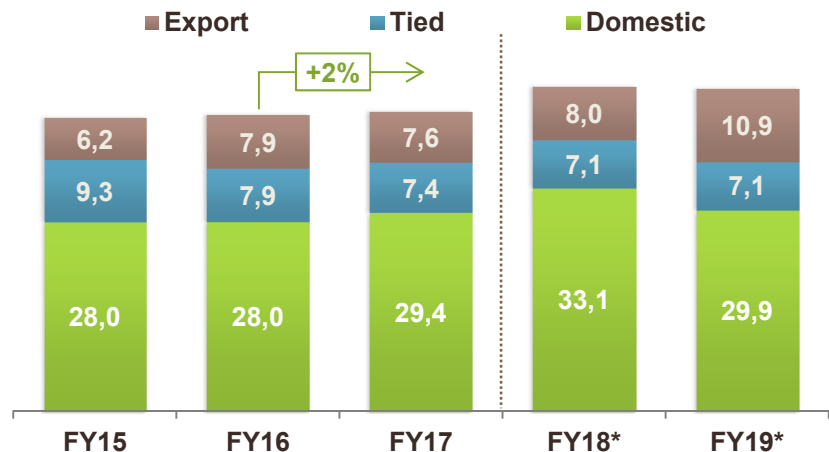
Tonnage movements (Mt)

FY17 vs FY16	Production	Sales
Medupi ramp up	2,8	2,2
Matla Mine 3 (shortwall stopped)	(0,5)	(0,5)
Leeuwpan (nearing end of LOM)	(0,4)	(0,5)
Exports		(0,3)
Other	0,2	(0,3)
Total	2,1	0,6

Total coal production (Mt)



Total coal sales (Mt)

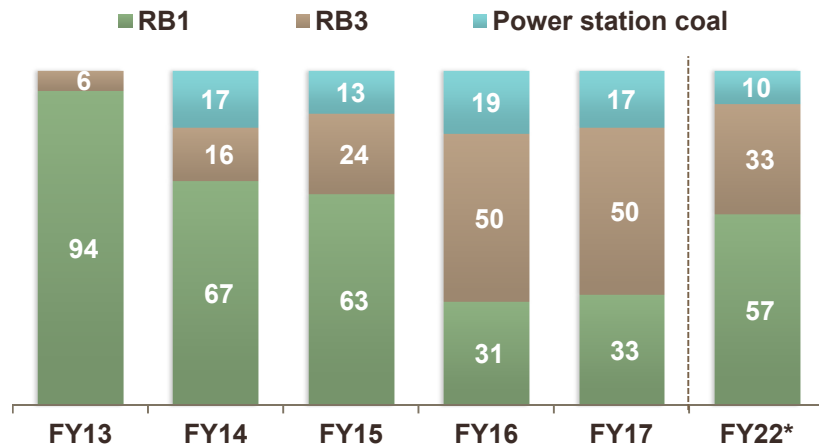


* Based on latest internal forecast

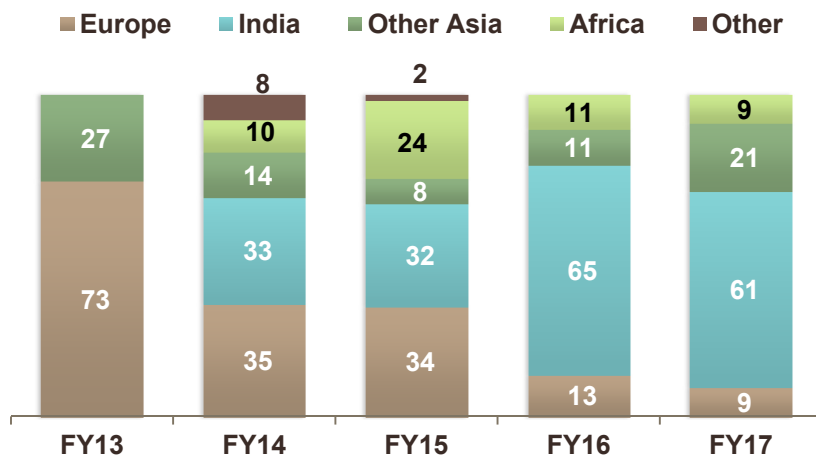
Coal export volumes stable

- Exports only 3% lower despite mid year congestion at RBCT
- Lower buy-ins and production at Leeuwpan also impacted lower exports
- Migration of markets from west to east continues
- Product portfolio is quite diversified
- Discounts on subgrades tend to widen as API4 price increases

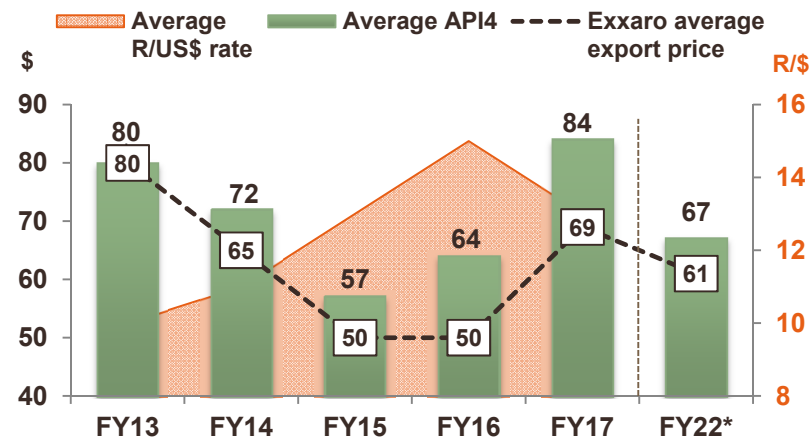
Export product mix (%)



Export sales destinations (%)



Average realised prices**



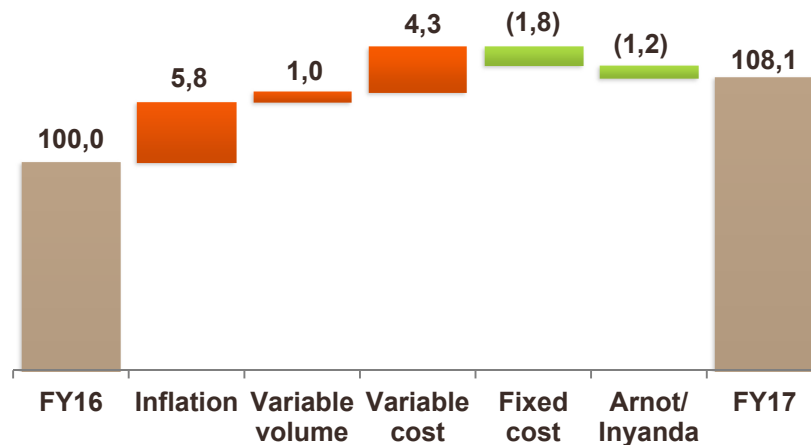
* Based on latest internal forecast ** FY22 prices in FY18 real US\$ terms

Additional information on slide 38

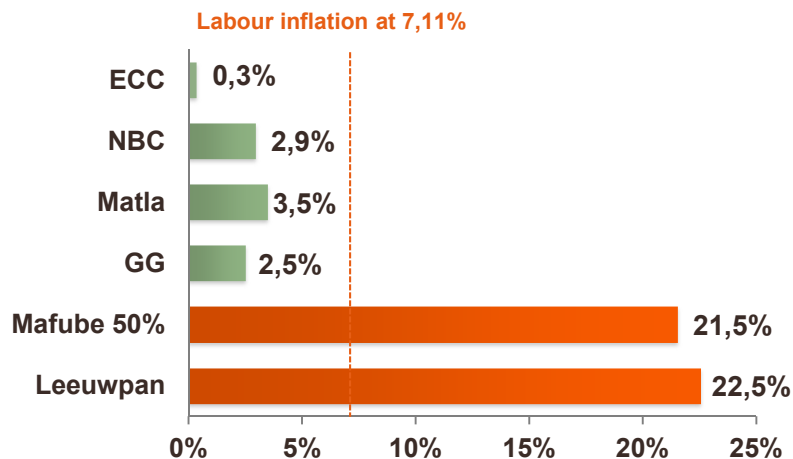
> Operational excellence (OE) delivering value

- Focus continues on OE to reduce cost and achieve productivity and efficiency improvements across all BU's
- Geological challenges experienced at Leeuwpan and Mafube due to mining in end of LOM areas
- Digitalisation and innovation projects progressing well

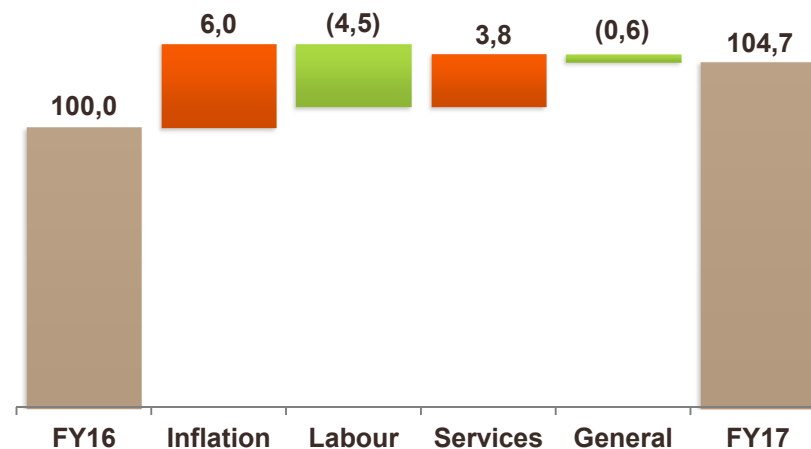
Coal cash cost (Rm indexed)



Labour unit cost (%)



Grootegeluk cash cost (R/ton indexed)



> Coal projects driving growth

Waterberg

GG6 Expansion

- Capex: R4,8bn
- Product: Minimum 1,7Mtpa of semi-soft coking coal
- **In construction**
- 1st production: FY20

Thabametsi Phase 1

- Capex: **R3,2bn**
- Product: 3,9Mtpa of thermal coal
- 1st production: FY21

Grootegeluk Rapid Load Out Station

- Capex: R1,3bn
- Load capacity: 12Mtpa
- **In construction**
- Commissioning: 1H19

Grootegeluk Discard Inpit Phase 2

- Capex: R0,6bn
- Commissioning

Mpumalanga

Belfast

- Capex: R3,3bn
- Product: 2,7Mtpa of thermal coal
- **In construction**
- 1st production: 1H20

Matla Mine 1 Relocation

- Capex: R1,8bn
- Construction start pending Eskom approval

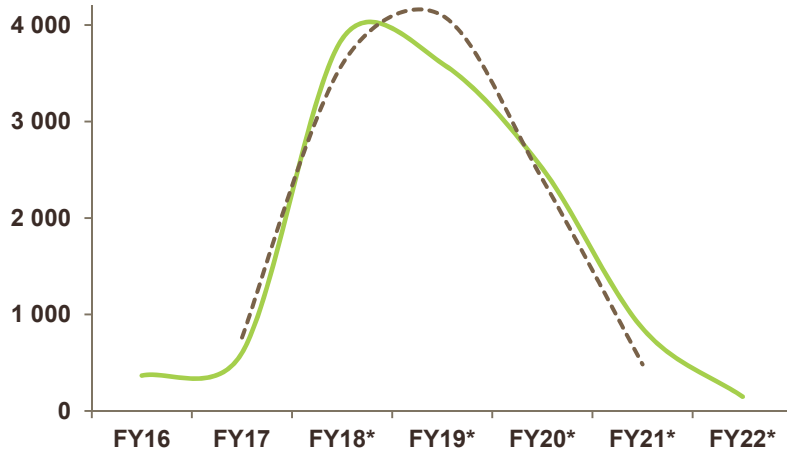
Leeuwpan Lifex*

- Capex: **R0,6bn**
- Product: 2,7Mtpa of thermal coal
- **In construction**
- 1st production: 2H18

Capex adequately provided

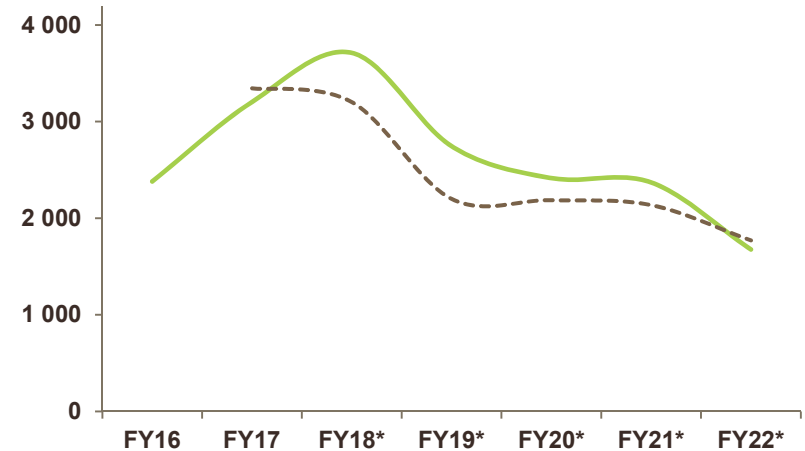
R million

Expansion capital profile



	FY16	FY17	FY18*	FY19*	FY20*	FY21*	FY22*
	312	440	2 821	2 108	2 009	851	148
	55	161	1 035	1 495	505	5	
	367	601	3 856	3 603	2 514	856	148
		762	3 592	4 100	2 402	483	

Sustaining capital profile



	FY16	FY17	FY18*	FY19*	FY20*	FY21*	FY22*
Waterberg	1 940	2 687	2 430	1 783	1 534	1 665	1 113
Mpumalanga	440	516	1 244	924	860	684	540
Other			37	38	21	21	23
Total	2 380	3 203	3 711	2 745	2 415	2 370	1 676
Previous guidance**		3 345	3 202	2 200	2 187	2 136	1 771

* Based on latest internal forecast ** FY17 based on FD pre-close, other years based on August guidance

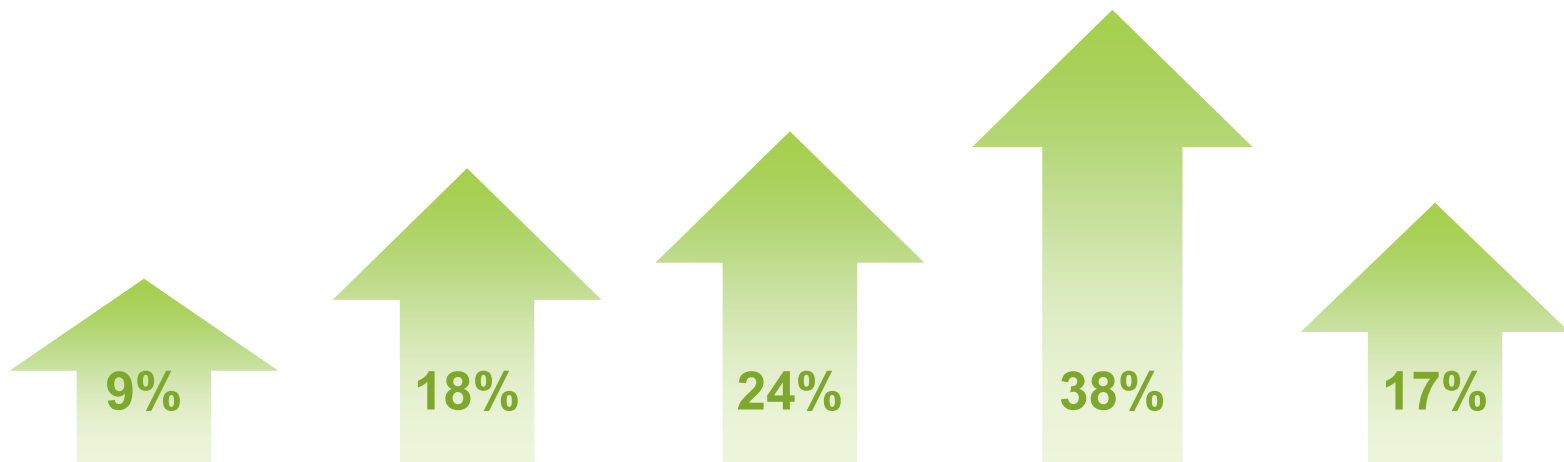
FINANCIAL RESULTS

Riaan Koppeschaar

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> Financial overview | core group results



	Revenue R million		NOP R million		Equity income R million		HEPS Cents per share		EBITDA R million	
	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16
2H	12 077	11 135	2 741	2 960	1 559	2 192	1 108	1 150	3 459	3 594
1H	10 736	9 762	3 073	1 981	1 129	(26)	903	307	3 748	2 545
FY	22 813	20 897	5 814	4 941	2 688	2 166	2 011	1 457	7 207	6 139

Financial overview | non-core adjustments

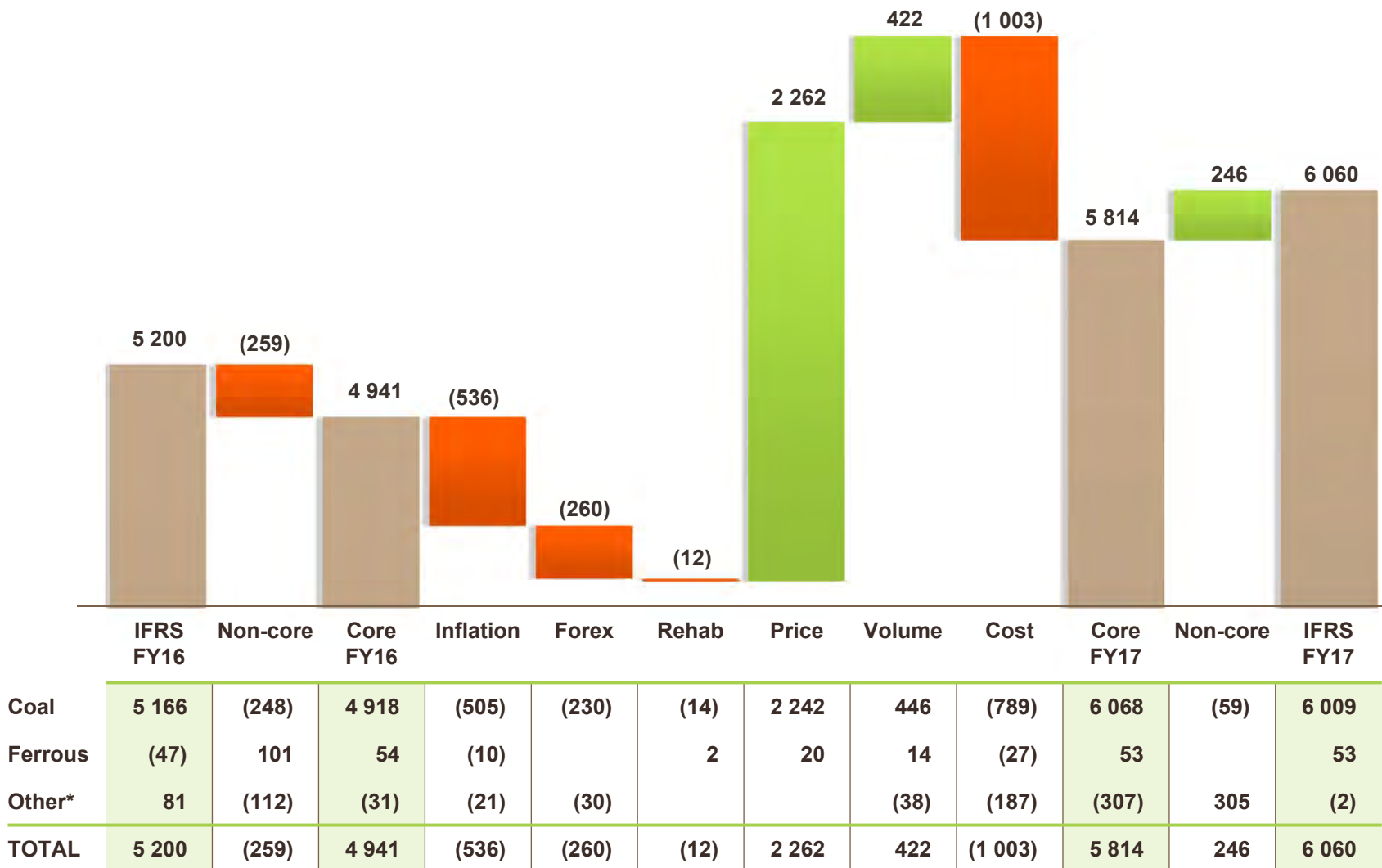
<i>R million</i>	FY17	FY16	2H17	1H17
Coal	(59)	248	(35)	(24)
Disposal of assets		303		
Loss on disposal of other non-core assets and VSPs*	(59)	(55)	(35)	(24)
Ferrous		(101)		
Impairment charges		(100)		
VSPs*		(1)		
TiO₂	5 085	(36)	5 160	(75)
Loss on dilution of investment in Tronox	(106)	(36)	(31)	(75)
Partial disposal of investment in Tronox Limited	5 191		5 191	
Other	(4 780)	148	(4 716)	(64)
ECC contingent consideration adjustment	(354)	(445)	(317)	(37)
BEE replacement transaction	(4 339)		(4 339)	
Mayoko iron ore project	(27)	670		(27)
Loss on disposal of other non-core assets, VSPs* and other	(60)	(77)	(60)	
Non-core adjustment impact on net operating profit	246	259	409	(163)
Net financing cost - BEE replacement transaction	(11)		(11)	
Tax on items with impact on net operating profit	17	40	11	6
Post-tax equity-accounted income	(565)	207	(561)	(4)
Total non-core adjustment impact on attributable earnings	(313)	506	(152)	(161)

* Voluntary severance packages



Net operating profit | core – FY16 vs FY17

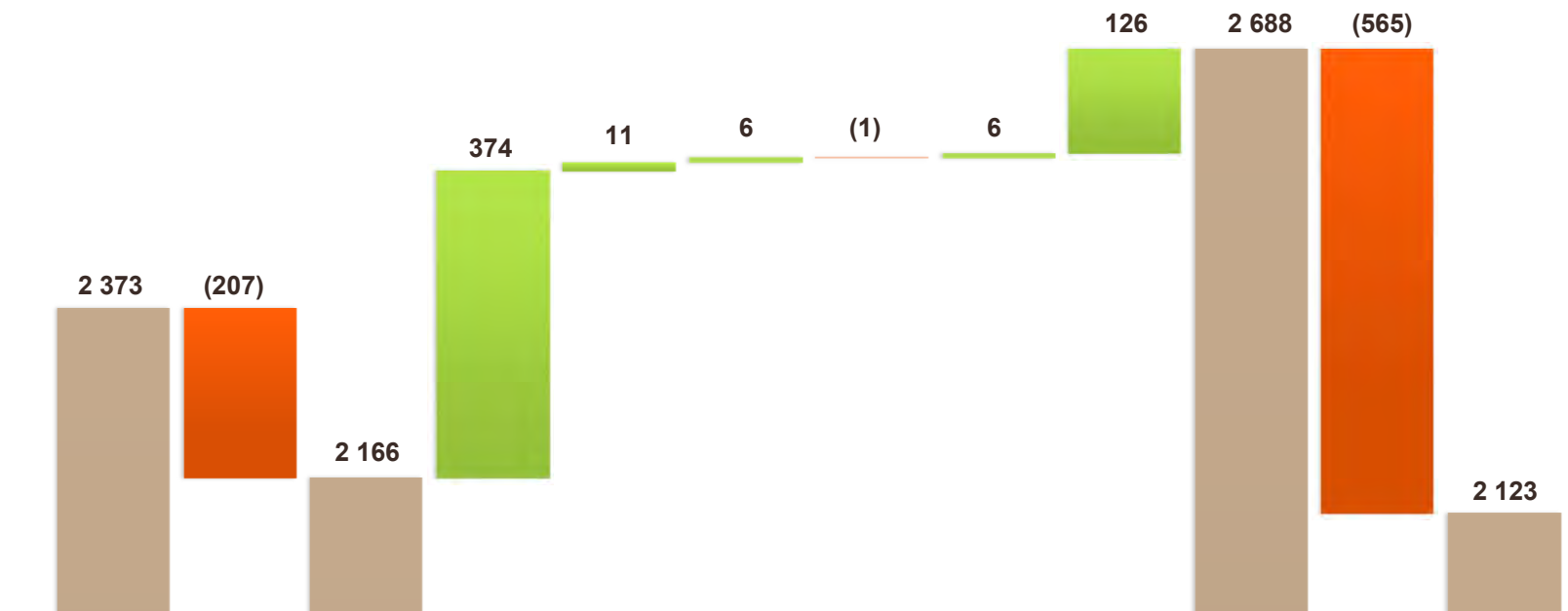
R million



* Consists of both TiO₂ and Other segment results

Equity income | core – FY16 vs FY17

R million



	IFRS FY16	Non-core	Core FY16	SIOC	RBCT	Mafube	Cennergi	Tronox	Black Mountain	Core FY17	Non-core	IFRS FY17
SIOC	2 416	(192)	2 224	374						2 598	705	3 303
RBCT		(35)	(35)		11					(24)		(24)
Mafube	238	15	253			6				259		259
Cennergi	3		3				(1)			2		2
Tronox*	(384)	5	(379)					6		(373)	(1 270)	(1 643)
Black Mountain	100		100						126	226		226
TOTAL	2 373	(207)	2 166	374	11	6	(1)	6	126	2 688	(565)	2 123

* Investment in Tronox Limited classified as held-for-sale on 30 September 2017, upon which equity-accounting has ceased

Attributable earnings | core

<i>R million</i>	FY17	FY16	% change	2H17	1H17	% change
Revenue	22 813	20 897	9	12 077	10 736	12
Operating expenses	(16 999)	(15 956)	(7)	(9 336)	(7 663)	(22)
Net operating profit	5 814	4 941	18	2 741	3 073	(11)
Income from investments	2			2		
Net financing cost	(600)	(628)	4	(149)	(451)	67
Post-tax equity-accounted income	2 688	2 166	24	1 559	1 129	38
SIOC	2 598	2 224	17	1 366	1 232	11
Tronox	(373)	(379)	2	(78)	(295)	74
Mafube	259	253	2	141	118	19
Cennergi	2	3	(33)	13	(11)	
Black Mountain	226	100	126	127	99	28
RBCT	(24)	(35)	31	(10)	(14)	29
Tax	(1 559)	(1 294)	(20)	(692)	(867)	20
Non-controlling interest	(50)	(12)		(19)	(31)	39
Attributable earnings	6 295	5 173	22	3 442	2 853	21
Attributable earnings (cents)*	2 011	1 457	38	1 108	903	23

* Based on weighted average number of shares (excl. NewBEECo shareholding) in FY17 of 313 million (FY16: 355 million)



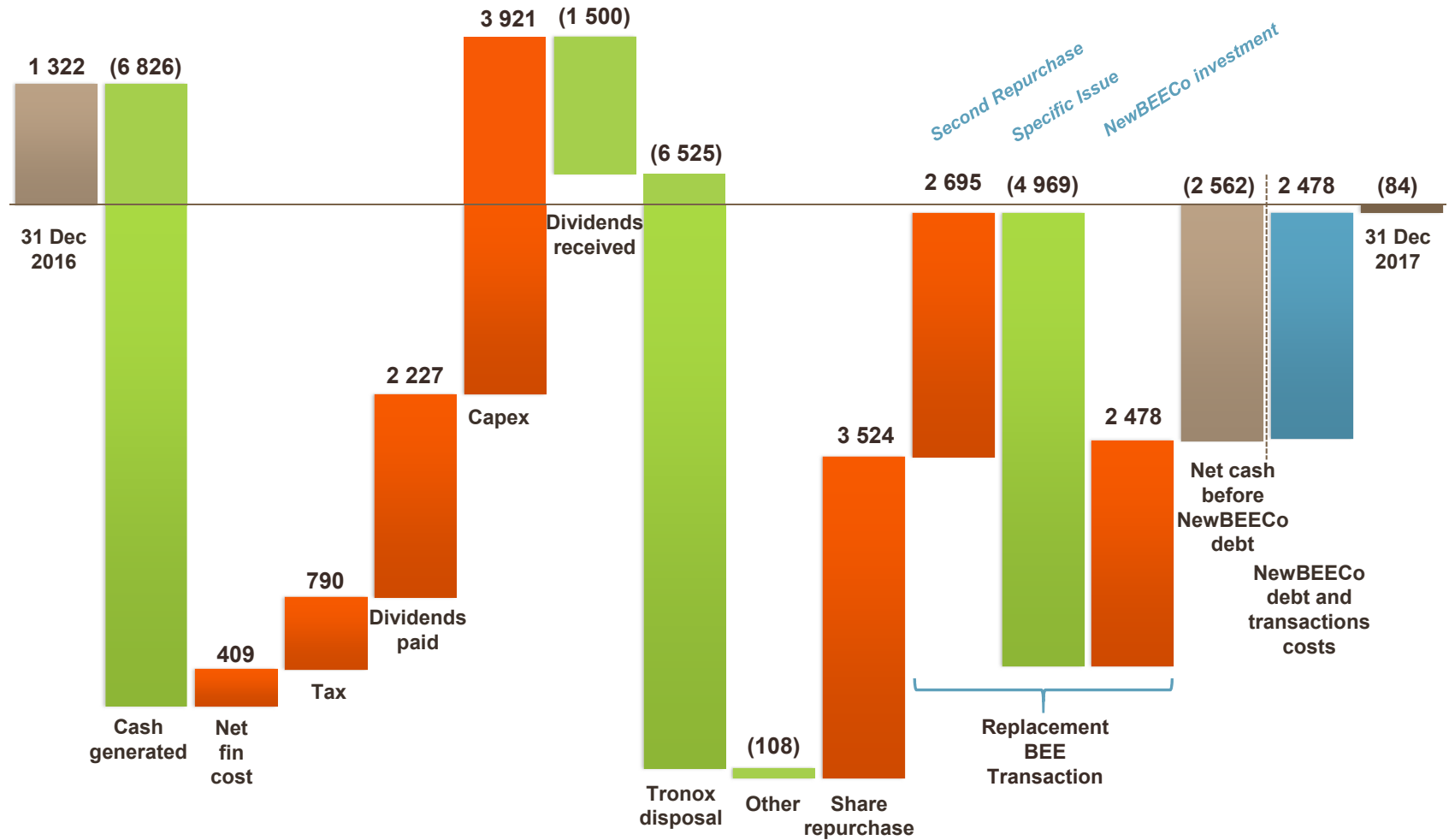
Group EBITDA | core

<i>R million</i>	FY17	FY16	% change	2H17	1H17	% change
Coal	7 376	6 002	23	3 709	3 667	1
Tied operations	145	238	(39)	(10)	155	(106)
Commercial operations	7 231	5 764	25	3 719	3 512	6
Ferrous	53	60	(12)	53		
Alloys	54	32	69	54		
Other	(1)	28	(104)	(1)		
Other	(222)	77		(303)	81	
Total EBITDA	7 207	6 139	17	3 459	3 748	(8)



Net debt/(cash) | FY17

R million



> Capital allocation

Source of cash

- Cash generated by operations
- Dividends from investments
- Portfolio optimisation
 - Coal asset disposals
 - Investment disposals

Capital allocation

- Debt service
- Sustaining capital
- Expansion capital
- Dividends to shareholders
- Growth opportunities
- Excess cash returned to shareholders

Financial targets

- Net debt : EBITDA
1,0 – 1,5 times range
- Return: 1,5 x WACC* on mining projects
- Return: 15% on equity on energy projects
- Dividend policy:
2,5 – 3,5 core attributable earnings

* Weighted average cost of capital



Dividend declared | FY17

	Special	Total	Final	Interim
	1Q18	FY17	2H17	1H17
Attributable earnings per share* (cents)		2 011	1 108	903
Dividend declared per share (cents)	1 255	700	400	300
Dividend cover* (times)		2,9	2,7	3,0
Dividend declared (Rm)	4 502	2 378	1 435	943
Main Street 333		355		355
NewBEECo	1 350	430	430	
Public	3 152	1 593	1 005	588

* Adjusted for non-cash non-core items

> Tronox Limited

First tranche

- Carrying value of interest sold
- Proceeds on disposal of 22,4 million shares (US\$474 million)

Gain on disposal

- FCTR* recycled as result of disposal
- Loss on financial instruments revaluation recycled to profit or loss

Total gain recognised through profit or loss

	<u>Rm</u>
	(2 665)
	6 525
	3 860
	1 332
	(1)
	5 191

Remaining Tronox Limited divestment

Staged monetisation in order to focus on core business:

- Fund future capital programme and growth opportunities
- Manage debt profile
- Return capital to shareholders

Tronox Limited acquisition of Cristal

- Longstop date extended awaiting necessary regulatory approval

* Foreign currency translation reserve

OUTLOOK

Mxolisi Mgojo



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GLOBAL

- Strong economic growth momentum and high levels of investor and business confidence
- Stable international coal markets: China domestic coal policy will continue driving markets
- Strong Chinese steel production to partly offset additional iron ore supply
- Momentum in the titanium dioxide pigment market to continue



SOUTH AFRICA

- Favourable global environment and positive foreign international sentiment expected to support South Africa's growth prospects
- Stable thermal coal trading conditions anticipated
- Encouraging political developments: a downgrade of local currency to sub-investment grade by Moody's unlikely
- Volatile rand exchange rate

> Our future beyond coal

- Coal remains our primary business
- New businesses explored:
 - Smart renewable energy
 - Water
 - Food
- Business of Tomorrow (BoT) is exploring global and international opportunities
- Returns only expected in the longer term



THANK YOU



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ADDITIONAL INFORMATION



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Coal | Major projects

1H18	<ul style="list-style-type: none"> • GG6 Expansion construction continues • Belfast construction commenced during 4Q17 • Thabametsi Mine Phase 1 - Notice to proceed for full construction expected by 1H18 • Matla Mine 1 Relocation awaiting Eskom funding approval • GG Rapid Load Out Station construction continues • Leeuwpaan Life Expansion construction continues
2H18	<ul style="list-style-type: none"> • GG6 Expansion construction continues with first GG2 Plant shut planned for 3Q18 • Belfast construction continues • Thabametsi Mine Phase 1 construction commences pending notice to proceed • GG Rapid Load Out Station construction continues • Leeuwpaan Life Expansion first coal expected 2H18
FY19	<ul style="list-style-type: none"> • GG6 Expansion construction continues • Belfast construction continues with start of cold commissioning • Thabametsi Mine Phase 1 construction continues • GG Rapid Load Out Station project close expected 2H19 • Leeuwpaan Life Expansion project close expected 1H19
FY20	<ul style="list-style-type: none"> • GG6 Expansion construction and commissioning concludes • Belfast commissioning concludes • Thabametsi Mine Phase 1 construction continues

<p>GG6 Expansion</p> <ul style="list-style-type: none"> • Capex: R4,8bn • Product: 1,7 – 2,7 Mtpa of semi-soft coking coal • In construction • 1st production: FY20
<p>Belfast</p> <ul style="list-style-type: none"> • Capex: R3,3bn • Product: 2,7Mtpa of thermal coal • In construction • 1st production: 1H20
<p>Thabametsi Phase 1</p> <ul style="list-style-type: none"> • Capex: R3,2bn • Product: 3,9Mtpa of thermal coal • 1st production: FY21
<p>Matla Mine 1 Relocation</p> <ul style="list-style-type: none"> • Capex: R1,8bn • Construction start pending Eskom funding approval
<p>Grootegeeluk Rapid Load Out Station</p> <ul style="list-style-type: none"> • Capex: R1,3bn • Load capacity: 12Mtpa • In construction • Commissioning: 1H19
<p>Grootegeeluk Discard Inpit Phase 2</p> <ul style="list-style-type: none"> • Capex: R0,6bn • Project in close out phase
<p>Leeuwpaan Lifex</p> <ul style="list-style-type: none"> • Capex: R0,6bn • Product: 2,7Mtpa of thermal coal • In construction • 1st production: 2H18

> Coal | Capital expenditure

R million

	Actual		Forecast*				
	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Sustaining	2 380	3 203	3 711	2 745	2 415	2 370	1 676
GG load out station	76	311	684	249			
GG trucks, shovels and stacker reclaimers	596	781	602	479	690	831	394
GG discard and backfill	400	358	162	160	334	335	226
GG other	868	1 237	982	895	510	499	493
Leeuwpan OI reserve	86	37	346	135	5		
ECC	200	268	445	538	522	369	320
Other	154	211	490	289	354	336	243
Expansion	367	601	3 856	3 603	2 514	856	148
GG6 Phase 2	125	388	2 206	1 190	882		
Other GG	184		386		100	100	
Thabametsi Phase 1	3	52	229	918	1 027	751	148
Belfast	55	161	1 035	1 495	505	5	
Total coal capital expenditure	2 747	3 804	7 567	6 348	4 929	3 226	1 824
Waterberg	2 252	3 127	5 251	3 891	3 543	2 516	1 481
Mpumalanga	495	677	2 279	2 419	1 365	689	320
Other			37	38	21	21	23
Previous guidance		4 107	6 794	6 300	4 589	2 619	1 771

* Based on latest internal forecast

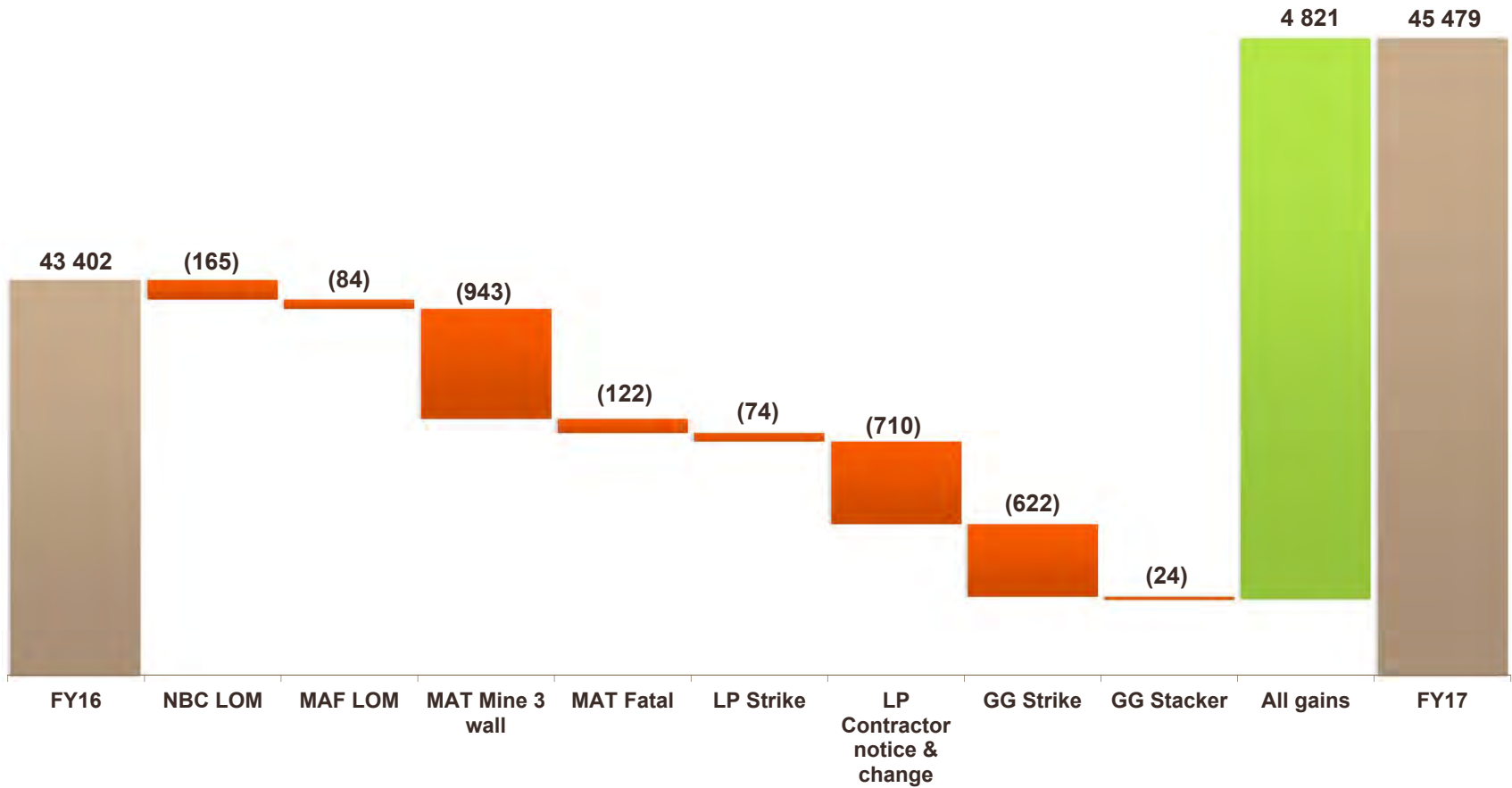
Coal | Production volumes

'000 tonnes	FY15	FY16	FY17	FY18*	FY19*
Thermal Production	41 100	40 811	42 843	45 403	45 277
Grootegeeluk	21 637	20 616	23 405	26 672	27 083
Matla	7 859	7 900	7 400	7 091	7 098
ECC	1 365	3 904	4 060	3 860	3 893
Leeuwpan	3 786	3 774	3 355	4 099	5 322
NBC	2 870	2 857	2 963	2 489	
Mafube (50%)	1 147	1 760	1 660	1 192	1 552
Arnot	1 401				
Inyanda	1 035				
Belfast					329
Buy-ins	1 222	606	504		
Total thermal production (including buy-ins)	42 322	41 417	43 347	45 403	45 277
Total metallurgical production - Grootegeeluk	1 856	1 985	2 132	2 453	2 738

* Based on latest internal forecast

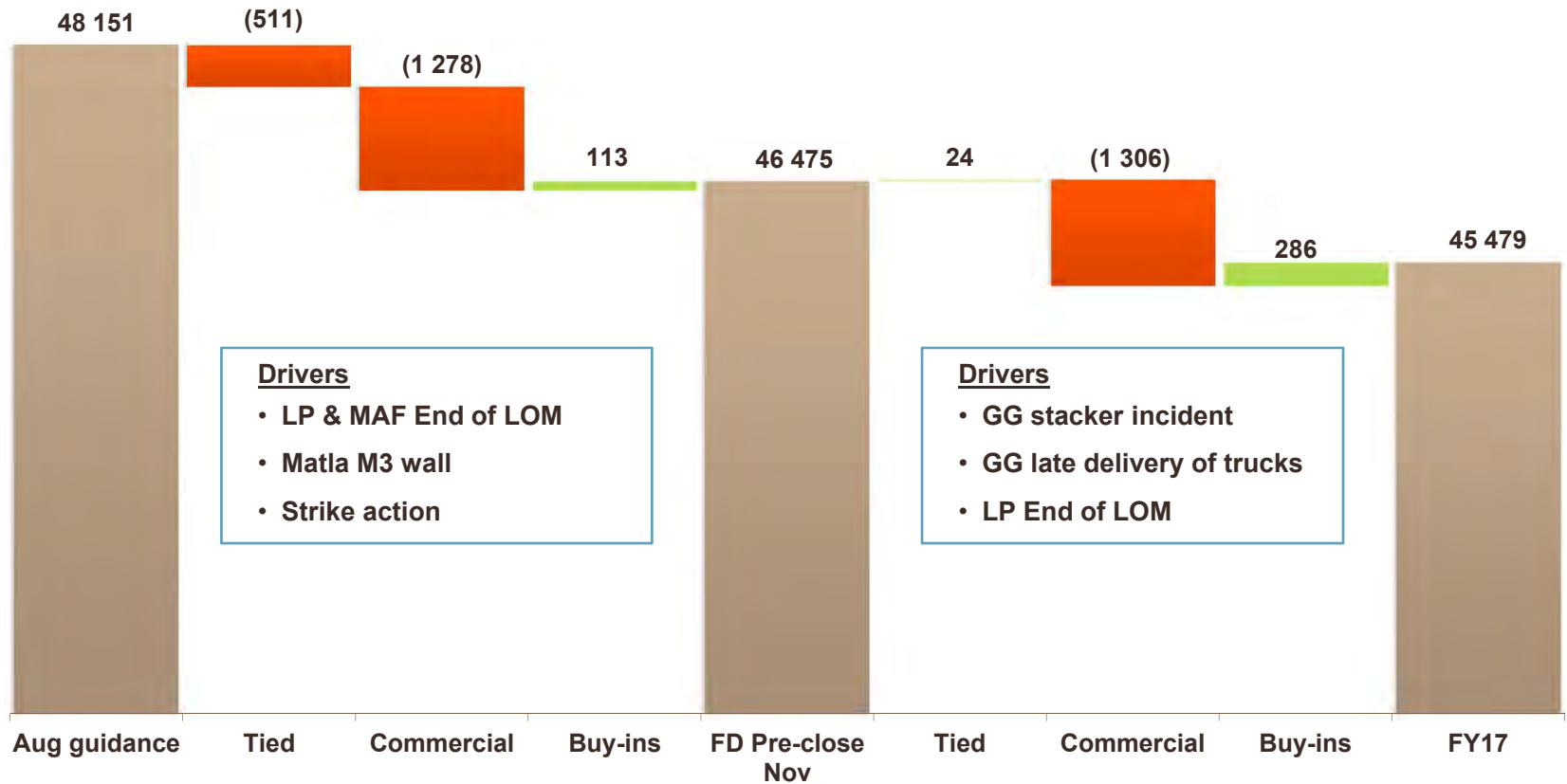
> Coal | Production challenges

'000 tonnes



> Coal | Actual production vs Previous guidance

'000 tonnes





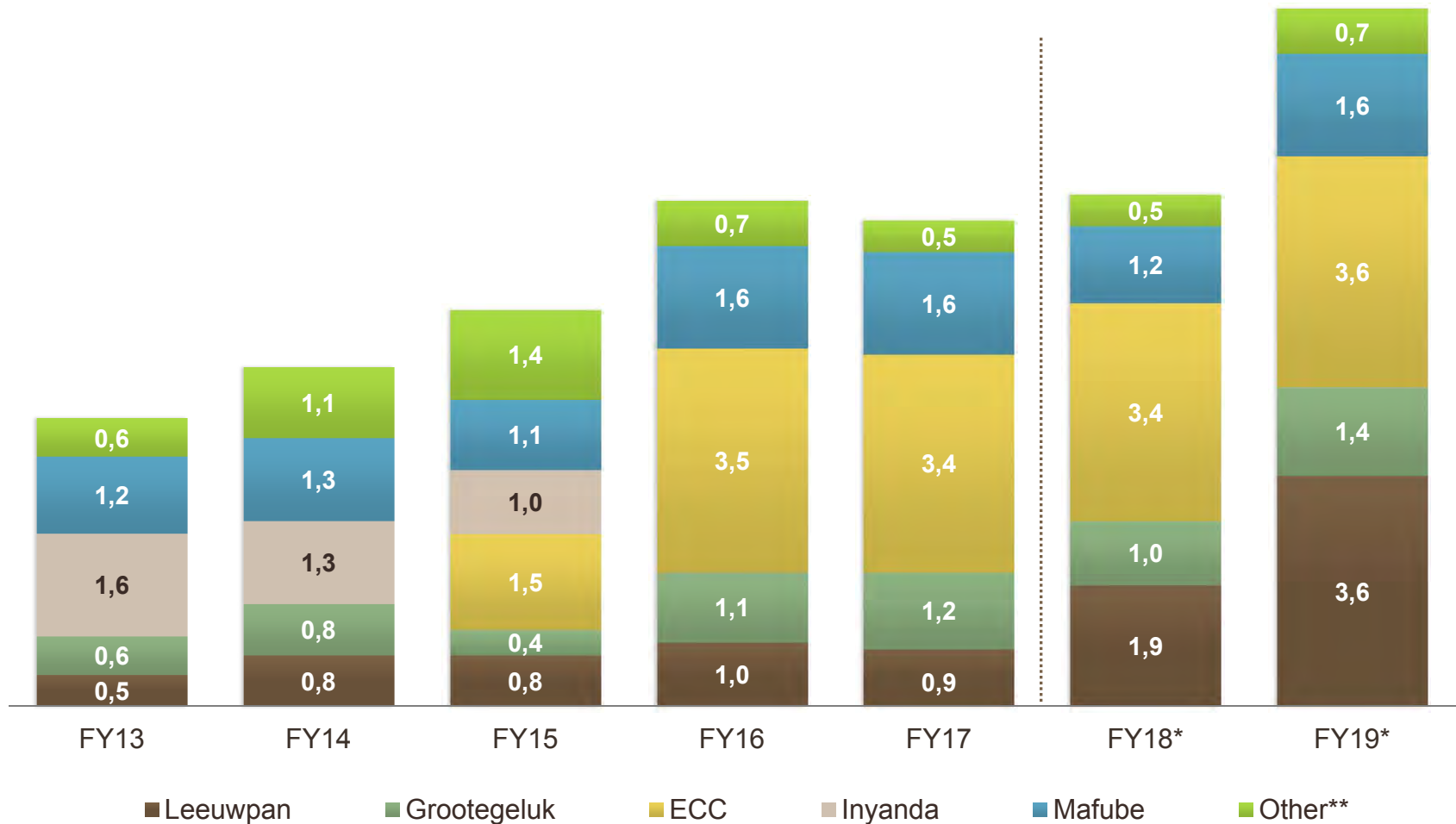
Coal | Sales volumes

'000 tonnes	FY15	FY16	FY17	FY18*	FY19*
Sales to Eskom	33 377	29 922	31 054	34 725	32 203
Grootegeluk	19 521	18 914	21 144	25 122	25 122
Matla	7 869	7 893	7 403	7 074	7 081
NBC	2 732	2 699	2 507	2 529	
Leeuwpan	1 854	416			
Arnot	1 401				
Other domestic thermal coal sales	2 587	4 709	4 592	4 015	3 422
Exports	6 182	7 858	7 612	7 975	10 917
Total thermal coal sales	42 146	42 489	43 258	46 715	46 542
Total domestic metallurgical coal sales	1 341	1 298	1 190	1 463	1 363

* Based on latest internal forecast

> Coal | Export market volumes per mine

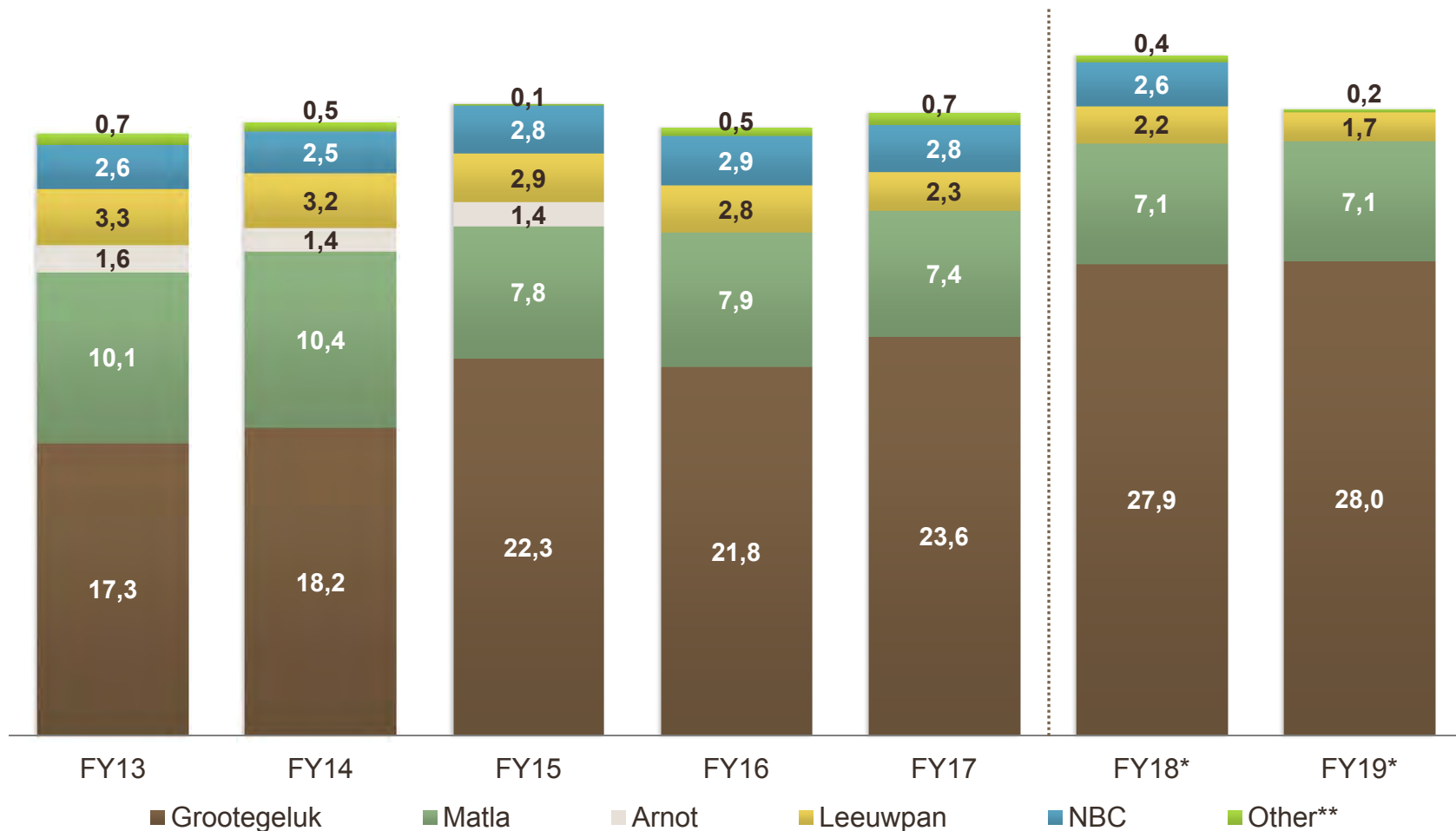
Million tonnes



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

> Coal | Domestic market volumes per mine

Million tonnes



* Based on latest internal forecast ** Consists of Inyanda (FY15) and ECC

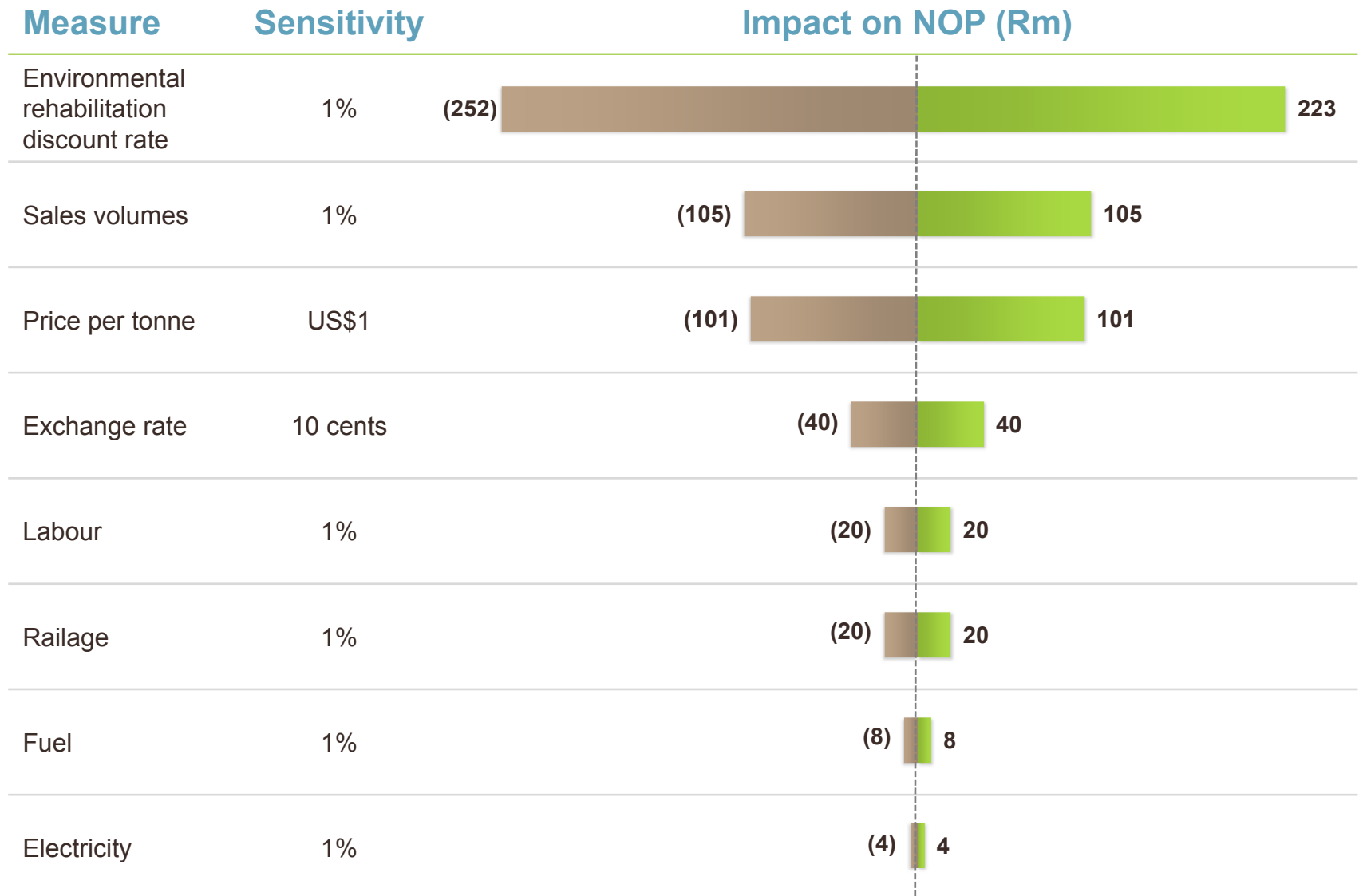
Grootegeluk Medupi production and sales profile | Addendum 9 settlement

	Matimba (Mt)	Medupi (Mt)	Total (Mt)	Take-or-pay (Mt)	Premium (Rm)	Shortfall (Rm)
2013	14,5		14,5			1 594
2014	12,5	2,8	15,3	3,2	677	1 466
2015	11,0	8,5	19,5	2,3	646	
2016	12,7	6,8	19,5	6,9	1 237	
2017	12,2	8,9	21,1	3,0	1 093	
1H17	6,3	4,0	10,3	1,9	728	
2H17	5,9	4,9	10,8	1,1	365	
2018**	12,7	12,5	25,2			
2019 onwards**	12,7	12,5	25,2			

Highlighted text indicates changes from August guidance

* Based on latest internal forecast ** Depending on Eskom requirement, opportunity remains to increase Medupi to max 14,6Mt and Matimba to max 15,3Mt # Addendum 9 ended December 2017. Normal commercial arrangements effective going forward .

> Coal | Sensitivities



Financial overview | Group IFRS

<i>R million</i>	FY17	FY16	2H17	1H17
Revenue	22 813	20 897	12 077	10 736
Operating expenses	(16 753)	(15 697)	(8 927)	(7 826)
Net operating profit	6 060	5 200	3 150	2 910
Net operating profit margin (%)	27	25	26	27
Post-tax equity-accounted income	2 123	2 373	998	1 125
Attributable earnings: owners of parent	5 982	5 679	3 290	2 692
Headline earnings*	1 560	4 621	(1 227)	2 787
Cash generated from operations	6 826	5 549	3 166	3 660
Capital expenditure	3 921	2 780	2 607	1 314
Net (cash)/debt*	(84)	1 322	(84)	4 349
Attributable earnings per share (cents)**	1 923	1 600	1 071	852
Headline earnings per share (cents)**	502	1 302	(380)	882
Average R/US\$ rate				
Realised	13,49	14,54	13,51	13,42
Spot	13,30	14,69	13,40	13,20

* Non-IFRS number

** Weighted average number of shares of 311 million (FY16: 355 million)

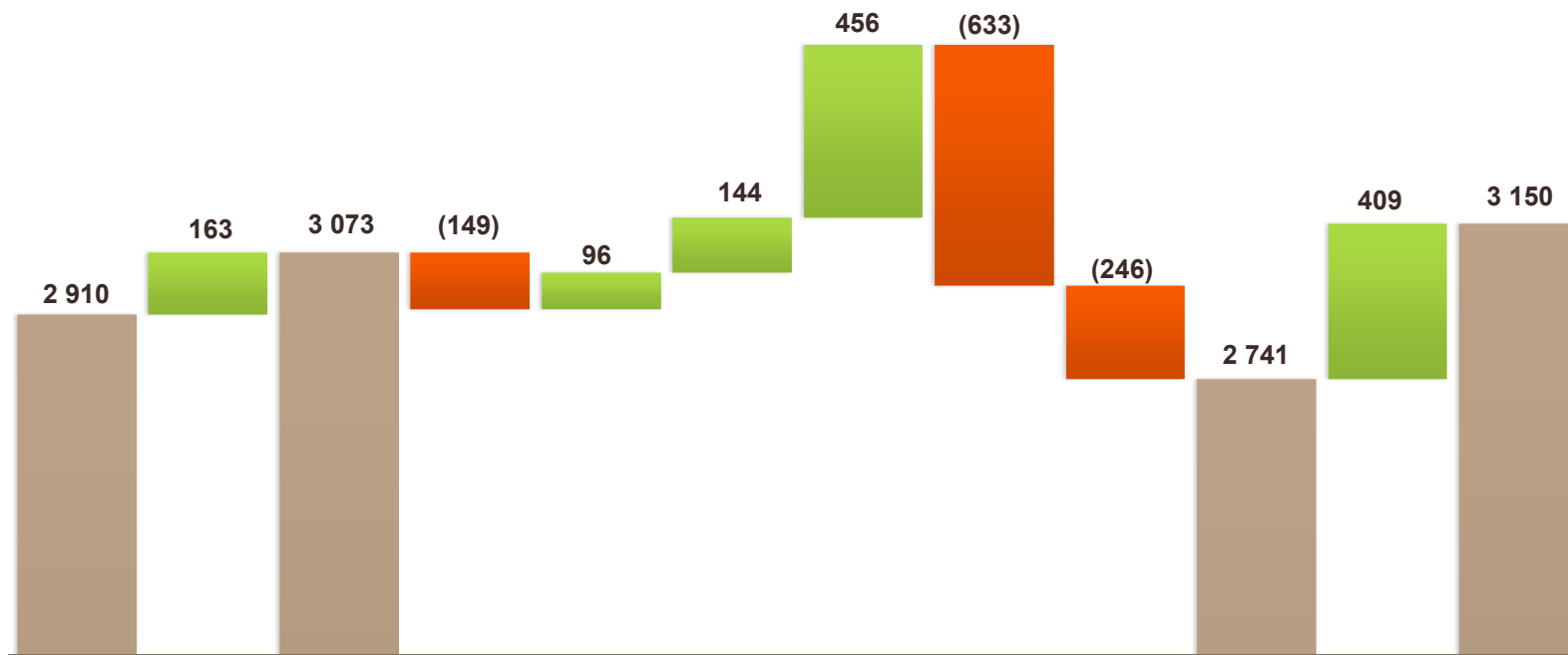
> Financial overview | Group core*

<i>R million</i>	FY17	FY16	2H17	1H17
Revenue	22 813	20 897	12 077	10 736
Operating expenses	(16 999)	(15 956)	(9 336)	(7 663)
Net operating profit	5 814	4 941	2 741	3 073
Net operating profit margin (%)	25	24	23	29
Post-tax equity-accounted income	2 688	2 166	1 559	1 129
Headline earnings	6 295	5 173	3 441	2 853
Headline earnings per share (cents)	2 011	1 457	1 108	903
Weighted average number of shares	313	355	311	316
EBITDA	7 207	6 139	3 459	3 748
Average API4 export price (US\$/tonne)	84	64	90	79
Average coal export price realised				
US\$/tonne	69	50	73	65
R/tonne	922	738	972	860

* Non-IFRS

> Group net operating profit | core - 1H17 vs 2H17

R million



	IFRS 1H17	Non-core	Core 1H17	Inflation	Forex	Price	Volume	Cost	Rehab	Core 2H17	Non-core	IFRS 2H17
Coal	3 014	24	3 038	(134)	161	119	340	(248)	(246)	3 030	(35)	2 995
Ferrous						25	54	(26)		53		53
Other*	(104)	139	35	(15)	(65)		62	(359)		(342)	444	102
	2 910	163	3 073	(149)	96	144	456	(633)	(246)	2 741	409	3 150

* Consists of both TiO₂ and Other segment results

BEE transaction | IFRS financial impact

<i>R million</i>	FY17 before BEE transaction	Second repurchase	Specific issue	FY17 after BEE transaction
Statement of comprehensive income				
Revenue	22 813			22 813
Operating expenses	(12 414)		(4 339)	(16 753)
Net operating profit	10 399		(4 339)	6 060
Net finance costs	(600)		(11)	(611)
Income from financial assets	2			2
Share of income of equity-accounted investments	2 123			2 123
Profit before tax	11 924		(4 350)	7 574
Income tax expense	(1 542)			(1 542)
Profit for the year	10 382		(4 350)	6 032
Group statement of financial position				
Non-current assets	47 706			47 706
Current assets	6 289	(2 695)	7 342	10 936
Non-current assets held-for-sale	3 910			3 910
Total assets	57 905	(2 695)	7 342	62 552
Equity	37 196	(2 695)	4 864	39 365
Non-current liabilities	14 926		2 483	17 409
Current liabilities	4 132		(5)	4 127
Non-current liabilities held-for-sale	1 651			1 651
Total equity and liabilities	57 905	(2 695)	7 342	62 552
WANOS (million)	316			311

Cash generated vs EBITDA

<i>R million</i>	FY17	FY16	2H17	1H17
IFRS net operating profit	6 060	5 200	3 150	2 910
Non-core adjustments	(246)	(259)	(409)	163
Core net operating profit	5 814	4 941	2 741	3 073
Depreciation and amortisation	1 393	1 198	718	675
Core EBITDA	7 207	6 139	3 459	3 748
<i>Non-cash adjustments:</i>				
Unrealised foreign exchange and other fair value movements	(144)	(19)	(75)	(69)
Provisions (reversed)/raised	(242)	899	(50)	(192)
Impairment or write-down of receivables	34	39	11	23
Indemnification asset movement	(168)	(56)	(138)	(30)
Share-based payment expense	260	269	123	137
Transaction cost amortised	5	5		5
VSPs*		(98)		
BEE transaction costs	(94)		(94)	
Cost recovery of tied mines not yet received and other	232	(896)	224	8
Cash generated before working capital movements	7 090	6 282	3 460	3 630

* Voluntary severance packages

HEPS contribution to group

	FY17 cents	Contribution %	FY16 cents	Contribution %	% change FY17 vs FY16
JSE HEPS*	502	100	1 302	100	
Coal	1 299	259	927	71	188
Ferrous	400	80	630	48	32
TiO ₂	(127)	(25)	(109)	(8)	(17)
Energy	1				
Other	(1 071)	(214)	(146)	(11)	(203)
Core HEPS**	2 011	100	1 457	100	
Coal	1 293	64	931	64	
Ferrous	398	20	630	43	(23)
TiO ₂	(126)	(6)	(110)	(8)	2
Energy	1				
Other	445	22	6	1	21

* Weighted average number of shares including shareholding relating to BEE transaction in FY17 of 311 million (FY16: 355 million)

** Weighted average number of shares excluding shareholding relating to BEE deal in FY17 of 313 million

> Debt and key performance indicators

	Target	FY17	FY16
Bank covenants*			
Net debt: equity (%)	<80	3	11
EBITDA interest cover (times)	>4	15	11
Net debt: EBITDA (times)	<3		1
Internal key performance indicators			
EBITDA interest cover (times)	>4	6	9
Return on equity: headline earnings (%)		4	13
Return on capital employed** (%)	>20	25	24
Net debt: equity (%)	<40		4
Net debt: EBITDA (times)	<2		0,2

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

> Capital funding structure

R million

Facilities available

	<i>Drawn</i>	<i>Undrawn/ committed</i>	<i>Undrawn/ unissued</i>
Term loan and revolving facility*	3 500	4 500	
DMTN** programme	520		4 480
Interest bearing borrowings	4 020		
NewBEECo preference share liability	2 501		
Finance lease liabilities	19		
Capitalised transaction costs	(58)		
Total interest bearing borrowings	6 482		
Current	2		
Non-current	6 480		
Net cash and cash equivalents	(6 566)		
Net cash	(84)		

Maturity profile of debt

Repayment year	6 482
Less than 6 months	1
6 – 12 months	1
1 – 2 years	509
2 – 3 years	(13)
3 – 4 years	3 239
4 – 5 years	2 620
> 5 years	125

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

> ECC contingent consideration

Year	API4 coal price range (US\$/tonne)		Deferred payments (US\$m)	Expected coal price (US\$/tonne)*	Discount factor of 3%	Fair value adjustment (US\$m)	Net present value of the fair value adjustment (US\$m)
	Minimum	Maximum					
FY17	60	80	25	84,35	1,00	25,00	25,00
FY18	60	90	25	82,00	0,97	18,33	17,72
FY19	60	90	35	74,41	0,93	16,81	15,71
Total			85				58,43
					Total ZAR**		723
					Paid January 2018		309
					Payable beyond 2018		414

* Based on latest internal forecast ** Assuming closing US\$ exchange rate of R12,37 at 31 December 2017

Tronox | US GAAP reconciliation to IFRS

	FY17		FY16		2H17		1H17	
	9 months		12 months		3 months		6 months	
	US\$m	Rm	US\$m	Rm	US\$m	Rm	US\$m	Rm
US GAAP loss after tax as reported by Tronox	(274)		(58)		(241)		(33)	
IFRS adjustments	(36)		12		(13)		(23)	
Reversal of amortisation on intangible asset	16		21		5		11	
PPA step-up adjustments	(29)		4		(8)		(21)	
Translation differences and other adjustments	(28)		(4)		(10)		(18)	
Tax adjustment	12		(9)				12	
Prior year adjustment*	(7)						(7)	
IFRS loss after tax	(310)		(46)		(254)		(56)	
Non-core adjustments**	226		1		226			
(Loss)/profit after tax	(84)		(45)		(28)		(56)	
Remainder of Tronox	(128)		(46)		(52)		(76)	
SA & UK operations	44		1		24		20	
Exxaro's share of (loss)/profit after tax – 12 months	(29)	(373)	(20)	(379)	(8)	(78)	(21)	(295)
Remainder of Tronox#	(55)	(743)	(21)	(394)	(22)	(296)	(33)	(447)
SA & UK operations###	26	370	1	15	14	218	12	152

* Exxaro included this adjustment in the current year ** As defined by Exxaro # FY17: Relates to Exxaro's share of losses for only nine months

FY17: US\$ amount relates to Exxaro's share of losses for only nine months and Rand amount relates to Exxaro's share of losses for 12 months