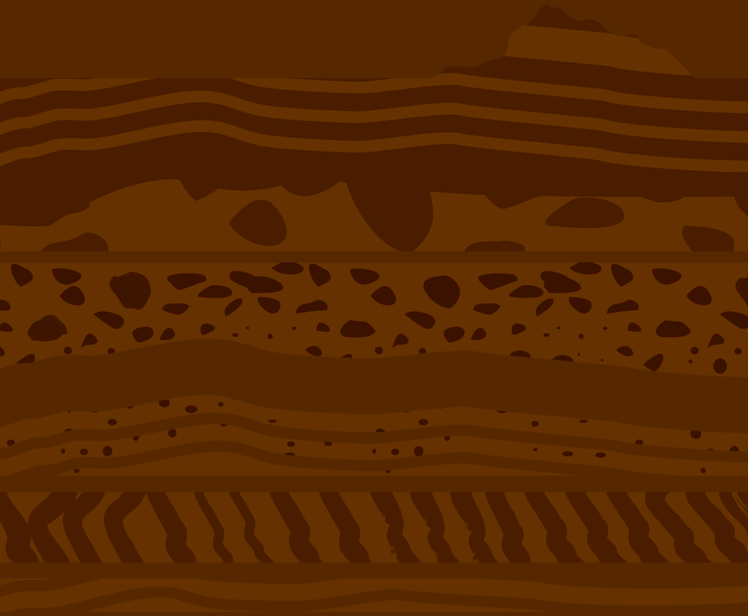
REVIEWED GROUP INTERIM FINANCIAL RESULTS AND UNAUDITED PHYSICAL INFORMATION

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2011



POWERING POSSIBILITY

VISION

Through our innovation and growth, we will be a powerful source of endless possibilities.

MISSION

We create unrivalled value for all stakeholders of our diversified resources business through our processes, thinking and passion.

CONTENTS

Decrease in LTIFR to
0,22;
regrettably one fatality

Revenue increase by 22% to
R9,6 billion

Net operating profit up 20% to
R1,6 billion
(despite impairment at Zincor)

Headline earnings per share up
53% to 1 045 cents
per share

Interim dividend of 300 cents
per share; covered 3 times
by attributable earnings

CONDENSED GROUP INCOME STATEMENT

	6 months ended 30 June 2011 Reviewed Rm	6 months ended 30 June 2010 Reviewed Rm	12 months ended 31 Dec 2010 Audited Rm
Revenue	**9 324**	7 508	16 355
Operating expenses	**(7 779)**	(6 195)	(13 854)
Net operating profit (note 2)	**1 545**	1 313	2 501
Net financing cost (note 4)	**(160)**	(222)	(434)
Share of income from investments and equity-accounted investments	**2 529**	1 636	3 719
Profit before tax	**3 914**	2 727	5 786
Income tax expense	**(734)**	(372)	(618)
Profit for the period from continuing operations	**3 180**	2 355	5 168
Profit for the period from discontinued operations	**34**	19	67
Profit for the period	**3 214**	2 374	5 235
Profit attributable to			
Owners of the parent	**3 205**	2 408	5 208
– continuing operations	**3 185**	2 356	5 164
– discontinued operations	**20**	52	44
Non-controlling interests	**9**	(34)	27
– continuing operations	**(5)**	(2)	(8)
– discontinued operations	**14**	(32)	35
Profit for the period	**3 214**	2 374	5 235

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30 June 2011 Reviewed Rm	6 months ended 30 June 2010 Reviewed Rm	12 months ended 31 Dec 2010 Audited Rm
Profit for the period	**3 214**	2 374	5 235
Other comprehensive income			
Exchange differences on translating foreign operations	**232**	(49)	(9)
Exchange differences realised on sale of subsidiary	**(3)**		
Cash flow hedges	**(1)**	288	227
Share of comprehensive income of associates	**59**	30	40
Income tax relating to components of other comprehensive income	**(13)**	(100)	(115)
Net gain recognised in other comprehensive income	**274**	169	143
Total comprehensive income for the period	**3 488**	2 543	5 378
Total comprehensive income attributable to			
Owners of the parent	**3 493**	2 590	5 408
– continuing operations	**3 469**	2 344	5 226
– discontinued operations	**24**	246	182
Non-controlling interests	**(5)**	(47)	(30)
– continuing operations	**(2)**	(6)	(12)
– discontinued operations	**(3)**	(41)	(18)
Total comprehensive income for the period	**3 488**	2 543	5 378
Ordinary shares (million)			
– in issue	**359**	358	358
– weighted average number of shares	**348**	346	347
– diluted weighted average number of shares	**362**	361	361
Attributable earnings per share continuing operations (cents)			
– basic	**915**	681	1 488
– diluted	**880**	653	1 431
Attributable earnings per share discontinued operations (cents)			
– basic	**6**	15	13
– diluted	**5**	14	12
Aggregate attributable earnings per share (cents)			
– basic	**921**	696	1 501
– diluted	**885**	667	1 443

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	At 30 June 2011 Reviewed Rm	At 30 June 2010 Reviewed Rm	At 31 Dec 2010 Audited Rm
ASSETS			
Non-current assets			
Property, plant and equipment	**13 484**	12 285	13 305
Biological assets	**46**	41	46
Intangible assets	**185**	78	75
Investments in unlisted associates (note 6)	**4 725**	3 009	3 880
Deferred tax	**420**	681	726
Other financial assets (note 6)	**1 408**	1 339	1 375
	20 268	17 433	19 407
Current assets			
Inventories	**2 967**	3 119	3 120
Trade and other receivables	**3 901**	3 175	3 752
Tax receivable	**111**	71	105
Cash and cash equivalents	**3 202**	1 843	2 140
	10 181	8 208	9 117
Non-current assets classified as held for sale (note 7)	**804**	80	85
Total assets	**31 253**	25 721	28 609
EQUITY AND LIABILITIES			
Capital and reserves			
Equity attributable to owners of the parent	**19 900**	15 215	17 437
Non-controlling interests	**(30)**	(46)	(23)
Total equity	**19 870**	15 169	17 414
Non-current liabilities			
Interest-bearing borrowings	**3 429**	4 210	3 644
Non-current provisions	**2 243**	2 011	2 193
Deferred tax	**1 536**	1 252	1 353
	7 208	7 473	7 190
Current liabilities			
Trade and other payables	**2 912**	2 338	3 057
Interest-bearing borrowings	**828**	507	716
Tax payable	**130**	149	147
Current provisions	**18**	27	33
	3 888	3 021	3 953
Non-current liabilities classified as held for sale (note 7)	**287**	58	52
Total equity and liabilities	**31 253**	25 721	28 609
Net debt (note 8)	**996**	2 874	2 220
Net asset value per share (Rand)	**55**	43	49
Net tangible asset value per share (Rand)	**55**	42	48
Capital expenditure			
– incurred	**1 827**	1 042	2 677
– contracted	**3 671**	1 773	6 475
– authorised but not contracted	**2 535**	737	2 490
– share of associates' and joint ventures' contracted capital commitments not included above	**514**	419	556
Capital expenditure contracted relating to captive mines Tshikondeni, Arnot and Matla, which will be financed by ArcelorMittal South Africa Limited and Eskom, respectively	**613**	200	1
Contingent liabilities (note 9)	**980**	851	1 007
Contingent assets (note 10)	**70**	58	63
Operating lease commitments	**69**	98	132
Operating sublease rentals receivable	**5**	8	6

CONDENSED GROUP STATEMENT OF CASH FLOWS

	6 months ended 30 June 2011 Reviewed Rm	6 months ended 30 June 2010 Reviewed Rm	12 months ended 31 Dec 2010 Audited Rm
Cash flows from operating activities			
– cash retained from operations	**2 387**	1 930	4 106
– net financing cost	**(79)**	(164)	(256)
– tax paid	**(207)**	(189)	(430)
– dividends paid	**(1 058)**	(352)	(1 056)
Cash flows from investing activities			
– capital expenditure	**(1 827)**	(1 042)	(2 677)
– proceeds from disposal of property, plant and equipment	**429**	57	60
– increase in investments	**(33)**	(59)	(149)
– dividends from investments and equity-accounted investments	**1 625**	638	1 817
– other	**20**	39	(29)
Net cash inflow	**1 257**	858	1 386
Net cash flow from financing activities			
– shares issued in terms of share option schemes	**10**	16	29
– increase in non-controlling interests' loans			6
– net borrowings repaid	**(137)**	(54)	(304)
Net increase in cash and cash equivalents	**1 130**	820	1 117
Cash and cash equivalents at beginning of period	**2 140**	1 023	1 023
Total cash and cash equivalents end of period	**3 270**	1 843	2 140
Cash and cash equivalents classified as held for sale	**68**		
Cash and cash equivalents per statement of financial position	**3 202**	1 843	2 140
Cash and cash equivalents end of period	**3 270**	1 843	2 140

RECONCILIATION OF HEADLINE EARNINGS

6 months ended 30 June 2011 (Reviewed)	Gross Rm	Tax Rm	Non-controlling interest Rm	Net Rm
Profit attributable to owners of the parent				**3 205**
Adjusted for:				
– impairment of property, plant and equipment	**439**			**439**
– gains or losses on disposal of property, plant and equipment	**(11)**	**3**		**(8)**
– gains or losses on the disposal of subsidiaries	**(1)**			**(1)**
– share of associates' gains or losses on disposal of property, plant and equipment	**2**			**2**
Headline earnings	**429**	**3**		**3 637**
Headline earnings from continuing operations				**3 178**
Headline earnings from discontinued operations				**459**
6 months ended 30 June 2010 (Reviewed)				
Profit attributable to owners of the parent				2 408
Adjusted for:				
– impairment of property, plant and equipment	5	(1)		4
– gains or losses on disposal of property, plant and equipment	(53)	4		(49)
Headline earnings	(48)	3		2 363
Headline earnings from continuing operations				2 311
Headline earnings from discontinued operations				52
12 months ended 31 December 2010 (Audited)				
Profit attributable to owners of the parent				5 208
Adjusted for:				
– impairment of property, plant and equipment	4	(1)		3
– gains or losses on disposal of property, plant and equipment	(26)			(26)
– share of associates' gains or losses on disposal of property, plant and equipment	1			1
Headline earnings	(21)	(1)		5 186
Headline earnings from continuing operations				5 140
Headline earnings from discontinued operations				46

	6 months ended 30 June 2011 Reviewed	6 months ended 30 June 2010 Reviewed	12 months ended 31 Dec 2010 Audited
Headline earnings per share (cents)			
– basic	**1 045**	683	1 495
– diluted	**1 005**	655	1 437
Headline earnings per share from continuing operations (cents)			
– basic	**913**	668	1 482
– diluted	**878**	640	1 424
Headline earnings per share from discontinued operations (cents)			
– basic	**132**	15	13
– diluted	**127**	15	13

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital Rm	Share premium Rm
Balance at 1 January 2010 (audited)	4	2 137
Total comprehensive income		
Issue of share capital[1]		16
Share-based payment movements		
Dividends paid[2]		
Balance at 30 June 2010 (reviewed)	4	2 153
Total comprehensive income		
Issue of share capital[1]		13
Share-based payment movements		
Non-controlling interests additional contributions		
Dividends paid[2]		
Balance at 31 December 2010 (audited)	4	2 166
Total comprehensive income		
Issue of share capital[1]		**10**
Share-based payment movements		
Non-controlling interests contribution		
Dividends paid[2]		
Balance at 30 June 2011 (reviewed)	**4**	**2 176**
Final dividend paid per share (cents) in respect of the 2010 financial year		300
Dividend paid per share (cents) in respect of 2010 interim period		200
Dividend paid per share (cents) in respect of 2011 interim period		300

[1]*Issued to the Kumba Resources Management Share Trust due to options exercised.*
[2]*The STC on these dividends amounted to Rnil after taking into account STC credits.*

	Other components of equity						
	Foreign currency translations Rm	Financial instruments revaluation Rm	Equity-settled Rm	Retained income Rm	Attributable to owners of the parent Rm	Non-controlling interests Rm	Total equity Rm
	802	3	1 241	8 721	12 908	1	12 909
	(19)	188		2 421	2 590	(47)	2 543
					16		16
			53		53		53
				(352)	(352)		(352)
	783	191	1 294	10 790	15 215	(46)	15 169
	(67)	25		2 860	2 818	17	2 835
					13		13
			95		95		95
						6	6
				(704)	(704)		(704)
	716	216	1 389	12 946	17 437	(23)	17 414
	220	**36**		**3 237**	**3 493**	**(5)**	**3 488**
					10		**10**
			18		**18**		**18**
						(2)	**(2)**
				(1 058)	**(1 058)**		**(1 058)**
	936	**252**	**1 407**	**15 125**	**19 900**	**(30)**	**19 870**

NOTES TO THE REVIEWED FINANCIAL STATEMENTS

1. Basis of preparation

The interim financial information for the six months ended 30 June 2011 has been prepared in accordance with IAS 34 *Interim Financial Reporting,* the requirements of the South African Companies Act, 71 of 2008, as amended, the AC 500 standards as issued by the Accounting Practices Board or its successor and in compliance with the Listings Requirements of the JSE Limited.

The group financial statements have been prepared on the historical cost basis excluding financial instruments and biological assets, which are fairly valued, and conform to International Financial Reporting Standards (IFRS). The accounting policies adopted are in terms of IFRS and are consistent with those applied in the annual financial statements for the year ended 31 December 2010.

During the first half of 2011 the following accounting pronouncements became effective: Amended IFRS 1 *First-time Adoption of International Financial Reporting,* Amended IFRS 7 *Financial Instruments: Disclosures,* Amended IAS 1 *Presentation of Financial Statements,* Revised IAS 24 *Related Party Disclosures* and Amended IAS 34 *Interim Financial Reporting.* These pronouncements had no material impact on the accounting of transactions or the disclosure thereof.

		6 months ended 30 June 2011 Reviewed Rm	6 months ended 30 June 2010 Reviewed Rm	12 months ended 31 Dec 2010 Audited Rm
2.	**Net operating profit is arrived at after including**			
	Continuing operations			
	Depreciation, and amortisation of intangible assets	**(638)**	(628)	(1 323)
	Net realised foreign currency exchange gains/(losses)	**(14)**	6	(124)
	Net unrealised foreign exchange gains/(losses)	**64**	41	(32)
	Derivative instruments held for trading: gains	**190**	148	544
	Fair value adjustment on financial instruments: gains	**6**	6	13
	Impairment charges (note 3)	**(439)**		
	Impairment reversals/(charges) and write-offs of trade and other receivables	**44**	(72)	(45)
	Write-down to net realisable value of inventories	**(90)**	(98)	(50)
	Royalties	**(78)**	(62)	(78)
	Net surplus on disposal of property, plant and equipment	**11**	53	25
	Discontinued operations			
	Depreciation, and amortisation of intangible assets	**(20)**	(29)	(57)
	Net realised foreign currency exchange losses	**(1)**	(1)	(1)
	Net unrealised foreign exchange gains		2	2
	Derivative instruments held for trading: losses	**(49)**	(33)	(92)
	Impairment charges (note 3)		(5)	(4)
	Impairment charges and write-offs of trade and other receivables			(1)
	Royalties	**(15)**	(16)	(36)
	Net surplus on disposal of property, plant and equipment			1
3.	**Impairment charges**			
	Impairment of property, plant and equipment	**(439)**	(5)	(4)
	Tax impact			1
	Total impairments after tax	**(439)**	(5)	(3)
	Impairment charges attributable to discontinued operations included in impairment charges above:		(5)	(4)
4.	**Net financing cost**			
	Interest expense and loan costs	**(147)**	(184)	(321)
	Finance leases	**(39)**	(33)	(70)
	Interest income	**107**	53	135
	Net interest expense	**(79)**	(164)	(256)
	Interest adjustment on non-current provisions	**(96)**	(75)	(199)
	Net financing cost as per income statement	**(175)**	(239)	(455)
	Total net financing cost			
	– continuing operations	**(160)**	(222)	(434)
	– discontinued operations	**(15)**	(17)	(21)

5. Discontinued operations

The Rosh Pinah mine assets classified as held for sale represent a separate major line of business as well as geographical area of operations and form part of a single co-ordinated plan to dispose of the assets and related liabilities. Although not yet disposed of, IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* requires that the operation of the Rosh Pinah mine be classified as discontinued operations.

The Glen Douglas dolomite mine investment, which was disclosed as a Non-current Asset Held for Sale as at 31 December 2010, was sold to JSE-Listed materials supplier Afrimat Limited on 1 January 2011. The investment was therefore effectively only accounted for one day in the six months period ended 30 June 2011.

Financial information relating to the discontinued operations for the period to the date of disposal is set out below.

The financial performance and cash flow information

	6 months ended 30 June 2011 Reviewed Rm	6 months ended 30 June 2010 Reviewed Rm	12 months ended 31 Dec 2010 Audited Rm
Revenue	**291**	344	800
Operating expenses (note 2)	**(200)**	(294)	(665)
Net operating profit	**91**	50	135
Net financing cost (note 4)	**(15)**	(17)	(21)
Profit before tax	**76**	33	114
Income tax expense	**(42)**	(14)	(47)
Profit for the period from discontinued operations	**34**	19	67
Cash flow attributable to operating activities	**49**	37	123
Cash flow attributable to investing activities	**(28)**	(20)	(80)
Cash flow attributable to financing activities	**(14)**	3	(28)
Cash flow attributable to discontinued operations	**7**	20	15

	6 months ended 30 June 2011 (reviewed)		
Gains/(losses) on the disposal of subsidiaries	**Turkey Rm**	**Glen Douglas Rm**	**Total Rm**
Consideration received or receivable			
Cash	**17**	**33**	**50**
Total disposal consideration	**17**	**33**	**50**
Carrying amount of net assets sold	**(12)**	**(37)**	**(49)**
Gain/(loss) on sale before and after income tax	**5**	**(4)**	**1**

	6 months ended 30 June 2011 Reviewed Rm	6 months ended 30 June 2010 Reviewed Rm	12 months ended 31 Dec 2010 Audited Rm
6. Investments			
Unlisted investments in associates – directors' valuation	**17 990**	20 137	20 782
Unlisted investments included in other financial assets – directors' valuation	**393**	423	407
Included in the directors' valuations are investments classified as non-current assets held for sale.			

NOTES TO THE REVIEWED FINANCIAL STATEMENTS continued

		6 months ended 30 June 2011 Reviewed Rm	6 months ended 30 June 2010 Reviewed Rm	12 months ended 31 Dec 2010 Audited Rm
7.	**Non-current assets classified as held for sale**			
	The major classes of assets and liabilities of the assets classified as held for sale are as follows:			
	Assets			
	Property, plant and equipment	**316**	33	34
	Financial assets	**12**	18	21
	Investments in associates and joint ventures	**137**		
	Inventories	**165**	10	8
	Trade and other receivables	**106**	19	22
	Cash and cash equivalents	**68**		
		804	80	85
	Liabilities			
	Interest-bearing borrowings	**9**		
	Non-current provisions	**92**	29	29
	Deferred tax	**96**	10	8
	Trade and other payables	**84**	17	14
	Tax payable	**6**	2	1
		287	58	52
	Total at end of reporting period	**517**	22	33

Included above are the assets and liabilities of Rosh Pinah (a subsidiary) classified as held for sale and other assets and liabilities classified as held for sale.

Completion of the sale transactions is expected to take place within 12 months.

8. Net debt

Net debt is calculated as being interest-bearing borrowings less cash and cash equivalents. It excludes Exxaro's share of any proportionately consolidated liabilities to joint venture partners.

9. Contingent liabilities

Include guarantees in the normal course of business from which it is anticipated that no material liabilities will arise. This includes guarantees to banks and other institutions. The increase in 2011 is mainly due to the inclusion of Exxaro's share of guarantees by joint ventures to Transnet Freight Rail (TFR) in respect of rail allocation. Includes the group's share of contingent liabilities of associates and joint ventures of R152 million. The timing and occurrence of any possible outflows are uncertain.

10. Contingent assets

A surrender fee of R70 million (2010: R58 million) in exchange for the exclusive right to prospect, explore, investigate and mine for coal within a designated area in central Queensland and Moranbah, Australia, conditional to the grant of a mining lease.

11. Related party transactions

The company and its subsidiaries, in the ordinary course of business, entered into various sale and purchase transactions with associates and joint ventures. These transactions were with associates and joint ventures. These transactions were subject to terms that are no less favourable than those arranged with third parties.

12. Financial instruments

No reclassification of financial instruments occurred during the period under review.

13. JSE Limited Listings Requirements

The interim results announcement has been prepared in accordance with the Listings Requirements of the JSE Limited.

14. Corporate governance

Sound corporate governance processes are being applied at Exxaro. They are regularly reviewed and adapted to accommodate internal corporate developments and to reflect national and international best practice. Exxaro endorses the principles of the King Code of Governance Principles for South Africa 2009 ("King III Code"). The board of Exxaro has considered the implications and effect of the King III Code and has started to implement and apply the recommendations.

15. Mineral Resources and Mineral Reserves

No material changes to the Mineral Resources and Ore Reserves disclosed in the Exxaro annual report for the year ended 31 December 2010 are expected other than depletion due to continued mining activities.

16. Events after the reporting period

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

17. Auditors review

The interim results have been reviewed by the company's auditors, PricewaterhouseCoopers Inc. Their unmodified review opinion is available for inspection at the company's registered office.

REPORTED SEGMENT RESULTS

Reported segments are based on the group's different products and operations as well as the physical location of these operations and associated products.

	6 months ended 30 June 2011 Reviewed Rm	6 months ended 30 June 2010 Reviewed Rm	12 months ended 31 December 2010 Audited Rm
REVENUE			
Coal	**5 786**	4 730	10 515
Tied operations	**1 445**	1 320	2 952
Commercial operations	**4 341**	3 410	7 563
Mineral Sands	**2 889**	2 130	4 640
KZN Sands	**575**	535	1 288
Australia Sands	**1 191**	702	1 551
Namakwa Sands	**1 123**	893	1 801
Base Metals	**900**	895	1 787
Rosh Pinah	**291**	283	674
Zincor	**826**	851	1 598
Inter–segmental	**(217)**	(239)	(485)
Other	**40**	97	213
Total	**9 615**	7 852	17 155
NET OPERATING PROFIT			
Coal	**1 627**	1 199	2 690
Tied operations	**83**	97	186
Commercial operations	**1 544**	1 102	2 504
Mineral Sands	**652**	148	179
KZN Sands	**(6)**	61	(66)
Australia Sands	**378**	54	138
Namakwa Sands	**280**	33	107
Base Metals	**(564)**	12	(113)
Rosh Pinah	**86**	48	143
Zincor[1]	**(638)**	(18)	(171)
Other	**(12)**	(18)	(85)
Other	**(79)**	4	(120)
Total	**1 636**	1 363	2 636

[1]*Includes an impairment to the carrying value of property, plant and equipment of R439 million at 30 June 2011.*

UNAUDITED PHYSICAL INFORMATION ('000 TONNES)

	6 months ended 30 June 2011	6 months ended 30 June 2010	12 months ended 31 December 2010
Coal			
Production			
Power station coal	**15 700**	18 269	36 767
Tied operations[1]	**6 370**	8 365	16 461
Commercial operations	**9 330**	9 904	20 306
Coking coal	**1 241**	1 187	2 419
Tied operations[1]	**134**	124	285
Commercial operations	**1 107**	1 063	2 134
Other coal	**3 802**	3 518	7 502
Char	**77**	49	114
Total	**20 820**	23 023	46 802
Sales			
Eskom	**15 831**	18 379	36 428
Tied operations[1]	**6 376**	8 356	16 438
Commercial operations	**9 455**	10 023	19 990
Other domestic coal	**2 830**	2 447	5 044
Tied operations[1]	**166**	117	260
Commercial operations	**2 664**	2 330	4 784
Coal export	**2 084**	1 842	4 106
Char	**74**	52	122
Total	**20 819**	22 720	45 700
Mineral Sands[2]			
Production			
Ilmenite	**367**	367	718
Zircon	**94**	94	196
Rutile	**32**	28	63
Synthetic Rutile	**54**	51	90
Pig iron (LMPI)	**68**	81	153
Scrap iron	**4**	8	12
Slag tapped	**124**	141	262
Chloride slag	**150**	84	232
Sulphate slag	**26**	16	52
Leucoxene	**5**	7	13
Pigment	**44**	25	57
Total	**968**	902	1 848

	6 months ended 30 June 2011	6 months ended 30 June 2010	12 months ended 31 December 2010
Sales			
Zircon	**91**	124	243
Rutile	**33**	35	79
Synthetic Rutile	**16**	23	30
Pig iron (LMPI)	**79**	107	194
Scrap iron	**1**	1	3
Chloride slag	**126**	98	264
Sulphate slag	**28**	7	39
Leucoxene	**4**	7	16
Pigment	**43**	24	55
Total	**421**	426	923
Base Metals			
Production			
Zinc concentrate	**53**	60	120
Rosh Pinah	**43**	52	101
Black Mountain	**10**	8	19
Zinc Metal	**57**	54	120
Zincor	**41**	43	90
Chifeng[3]	**16**	11	30
Lead concentrate	**20**	17	37
Rosh Pinah	**9**	9	19
Black Mountain	**11**	8	18
Sales			
Zinc metal sales	**63**	59	119
Domestic	**46**	46	90
Export	**17**	13	29
Lead concentrate sales			
Export	**7**	7	20

[1]*Tied operations refer to mines that supply their entire production to either Eskom or AMSA in terms of contractual agreements.*
[2]*Includes Exxaro Sands Australia's attributable interest in the Tiwest joint venture.*
[3]*Exxaro's effective interest in the Chifeng refinery is disclosed.*

Exxaro is a South African-based mining group, listed on the JSE Limited. Exxaro has a diverse and world-class commodity portfolio in coal, mineral sands, base metals and industrial minerals, with exposure to iron ore through a 20% interest in Sishen Iron Ore Company (SIOC). As the second-largest South African coal producer with capacity of 45 million tonnes per annum and the third-largest global producer of mineral sands, Exxaro is a significant participant in the coal and mineral sands markets and provides a unique listed investment opportunity into these commodities.

COMMENTS

OPERATING RESULTS

Comments are based on a comparison of the group's reviewed financial results and unaudited physical information for the six-month periods ended 30 June 2011 and 2010, respectively.

REVENUE

Group consolidated revenue increased by 22% to R9 615 million with the coal and mineral sands businesses being the main contributors.

Revenue was recorded at a stronger average exchange rate of R7,21 to the US dollar, compared to R7,81 in the corresponding period in 2010. For the Australian Mineral Sands business the comparative average exchange rates were USD0,96 cents and USD0,87 cents respectively.

Coal

Revenue was 22% higher at R5 786 million, due primarily to increased export sales at higher international selling prices.

Mineral Sands

Revenue improved 36% to R2 889 million, mainly due to the long anticipated increases in selling prices complemented by increased demand.

Base Metals

Revenue was in line with that of the corresponding period as the higher average LME zinc selling prices and export volumes were offset by a stronger local currency.

NET OPERATING PROFIT

The higher consolidated revenue recorded translated into higher consolidated net operating profit of R1 636 million, an increase of 20%, as the group continued to benefit from strong demand at generally higher selling prices, albeit at stronger exchange currencies.

Coal

The coal business reported a 36% increase in net operating profit of R1 627 million (at an operating margin of 28%). An increase in export volumes at higher international selling prices combined with higher non-Eskom local sales at higher prices were partially offset by lower power station coal volumes to Eskom and inflationary pressures on distribution and maintenance costs.

Mineral Sands

The mineral sands business reported a consolidated net operating profit of R652 million, driven by favourable selling prices, strong demand, improved operational efficiencies and continued cost containment, despite the impact of stronger local and Australian currencies.

KZN Sands recorded a marginal loss of R6 million compared to a profit of R61 million in the corresponding period which included a non-recurring insurance payment receipt of R98 million.

Namakwa Sands and Australia Sands recorded net operating profit increases of R247 million and R324 million, respectively. The higher profits were recorded at respective operating margins of 25% and 32%. Included in Australia Sands, is a profit of R24 million from the disposal of the interest in the Kwinana Pigment plant expansion.

Base Metals

A net operating loss of R125 million was recorded prior to accounting for the impairment as continued operating challenges at the Zincor refinery were compounded by higher than inflation increases in electricity and maintenance expenditure. After an evaluation of the carrying value of the Zincor refinery, also taking due cognisance of the announcement made by the group on 29 July 2011, an impairment loss of R439 million was recorded, resulting in a consolidated net operating loss of R564 million. Moreover, a deferred tax asset of R153 million was derecognised at Zincor based on the expectation of it no longer being able to be utilised with future available taxable income.

EARNINGS

Attributable earnings, inclusive of Exxaro's 20% interest in the post-tax profits of SIOC amounting to R2 375 million as well as the respective R5 million and R147 million contributions from the equity interests in Chifeng and Black Mountain, increased by 33% from R2 408 million to R3 205 million (or 921 cents per share).

Headline earnings recorded, which exclude the impact of any impairments, were R3 637 million (or 1 045 cents per share). This represents a 54% increase on the corresponding 2010 earnings of R2 363 million (at 683 cents per share).

CASH FLOW

Cash retained from operations was R2 387 million from which taxation payments of R207 million, the final dividend for the 2010 financial year of R1 058 million and capital expenditure payments of R1 827 million were made. A total of R1 299 million of the capital expenditure was invested in new capacity while R528 million was for sustaining and environmental purposes. R1 267 million of the capital investment in new capacity was for the expansion of Grootegeluk mine to supply Eskom's Medupi power station.

After accounting for R1 625 million of dividends received, a net cash inflow of R1 257 million was recorded and contributed to the significant reduction in net debt in the six months to 30 June 2011.

Net debt of R2 220 million at 31 December 2010 decreased to R996 million at 30 June 2011, reflecting a debt to equity ratio of 5%.

Subsequent to the interim reporting date, Exxaro will pay an interim dividend of some R1 076 million and receive a dividend of R1 893 million from SIOC.

SAFETY, HEALTH AND ENVIRONMENT

Despite strengthened safety awareness and prevention programmes through various initiatives to enhance hazard identification and safe behaviour, regrettably one fatality was suffered during the period under review. Shuttle car operator Mandla Piet Mabaso was fatally injured underground at New Clydesdale Colliery (NCC) on 16 February 2011. Subsequent to the interim reporting date, a further two fatalities occurred. On 8 July 2011, Johannes Jan Drotschie, a fitter at Matla, was fatally injured underground while Colman Selebalo Thobejane, a contractor working for Isambane at Arnot mine in Mpumalanga, was fatally injured on surface on 11 July 2011. The average lost time injury frequency rate (LTIFR) per 200 000 man-hours worked for the six-month period improved to 0,22 from 0,25 at 31 December 2010.

Wellness of employees remains paramount with progress evident in the implementation of an HIV/AIDS voluntary counselling and testing programme. The target for testing for 2011 is 75% of employees compared to the 70% achieved in 2010.

All 16 operational business units are now ISO 14001 and OHSAS 18001 certified. Certification for the Grootegeluk Medupi Expansion Project (GMEP) which is still under construction, is in progress.

COMMENTS continued

OPERATIONS

Coal

Production

Total coal production volumes decreased by 10% as a result of lower power station coal volumes.

The commercial mines' power station coal production was 574kt or 6% lower than in the corresponding period. This was mainly due to lower production at Grootegeluk as a result of lower demand by Eskom, partially offset by higher production at Leeuwpan due to the crush and screen plant commissioned during 2010. Equipment availability problems experienced by North Block Complex (NBC) also adversely impacted production. Power station coal production volumes were lower than the same period in 2010 mainly due to lower production at the Eskom tied mines. The underground production at Arnot was negatively affected by geological conditions and technical challenges, as well as the closure of the Mooifontein operation. Production at Matla was lower due to a focus on improved qualities.

Coking coal production increased marginally due to higher production at Grootegeluk based on increased demand, mainly from ArcelorMittal South Africa Limited (AMSA) while Tshikondeni's production was higher resulting from the mini-pits started in the first half of 2011.

Steam coal production was 8% higher with higher production at Leeuwpan. This was as a result of operational improvements to the dense medium separation (DMS) plant feed tempo being complemented by the benefit of improved coal availability after additional overburden stripping. Higher production was also recorded at Grootegeluk and the Mafube joint venture on the back of higher international demand and throughput improvements, respectively. However, this was partially offset by lower production at NBC and at NCC due to the closure of Haasfontein in the first half of 2011.

The char plant production was 58% higher than the corresponding period due to improved availability and feed rate.

Sales

Sales to Eskom were lower following the lower production.

Other domestic sales were 14% higher due to higher demand from AMSA in addition to higher spot sales from Leeuwpan.

Exxaro's coal strategy is to increase export volumes which contributed to a 13% improvement in exports mainly due to higher railings by TFR despite the 21-day maintenance shut and the derailments in the first half of 2011.

Reductants' higher production in turn resulted in the 42% higher sales from the Char plant.

Mineral Sands

Production

At KZN Sands, heavy minerals concentrate (HMC) production was 32kt lower due to the Hillendale mine nearing its end of life, resulting in 4kt lower zircon and 1kt lower rutile production. The lower HMC, together with the fact that only one furnace was operational for the full period under review (after Furnace 2 suffered a burn through in October 2010), also resulted in lower titanium slag production.

Namakwa Sands recorded higher zircon and rutile production of 6kt and 3kt, respectively. With greater uptimes of the furnaces, titanium slag production increased with 31kt.

At Australia Sands, synthetic rutile production increased due to improved consistency in production together with the reduction of coal quality problems which adversely affected the plant in the past. Zircon production was marginally lower as a result of harder digging conditions.

Pigment production was significantly higher following the commissioning and ramp-up of the pigment plant expansion combined with improved performance from the existing plant. On 30 June 2011, Tronox Western Australia exercised its reinstatement right to buy back into the pigment plant expansion, culminating in a subsequent net cash inflow of R469 million to Australia Sands, thereby compensating Exxaro for the funding of the expansion.

Sales

Total sales volumes were in line with the previous corresponding period, albeit at a different overall product mix at more favourable selling prices.

Base Metals

Production

Zinc concentrate production at Rosh Pinah was 9kt lower resulting from a planned shut in May 2011.

Production of zinc metal at the Zincor refinery of 41kt was marginally lower which can be attributed to downtime in the acid plant and throughput limitations on the purification circuit.

Sales

Dispatches of zinc concentrate were 24% lower due to logistical challenges following the heavy rains in Namibia in the first quarter of 2011.

Zinc metal exports were 30% higher at 17kt based on increased demand.

A total of 60% of Rosh Pinah's projected zinc and lead concentrate sales were hedged during 2008 for the period July 2008 to December 2011 at forward prices ranging from US$2 215 to US$1 887 for zinc and US$2 385 to US$ 1 771 for lead. Actual hedging gains were R19 million more than the corresponding period in spite of lower commodity prices. These hedges mature in the second half of 2011.

CAPITAL EXPENDITURE AND PROJECT PIPELINE

The group continues to take due cognisance of the pace of the recovery in the global economy as well as macro-economic fundamentals in its evaluation and prioritisation of growth projects in line with the group's approved commodity strategy.

Coal

Construction of GMEP, to supply Eskom with 14,6 Mtpa of coal for the Medupi power station, continues to progress well and is anticipated to be completed on time and within budget.

The detailed design for first coal supply has been completed for most disciplines, with some minor work continuing to the end of August 2011. Overall project progress was at 54% completion on 30 June 2011. The total project spent to date is some R2 billion with total capital expenditure for the project still forecast at R9,5 billion. Total funds committed to date, amount to approximately R5 billion.

The R4,5 billion bridge loan facility with a consortium of financiers is still in place with draw-down of the loan now only expected in the third quarter of 2011.

Thabametsi is a prospective greenfields mine adjacent to Grootegeluk mine in the Waterberg. The development of the project will coincide with the Department of Energy's (DoE's) formalisation, establishment and implementation of the National Integrated Resource Plan 2010 (NIRP 2010). The NIRP 2010, issued at the end of March 2011, indicates that coal-fired base-load Independent Power Producer (IPP) power stations have been brought forward in the energy mix, paving the way for the development of Thabametsi as a supplier of coal to a base load IPP. First coal production could be achieved by 2016/17, but is dependent on the Waterberg IPP and water supply development schedules.

COMMENTS continued

Exxaro entered into a prospecting joint venture agreement with Sasol Mining to investigate the commercial viability of the development of a new coal mine in the Waterberg to supply Sasol's potential new 80 000 barrels per day inland coal-to-liquids facility (Project Mafutha). Project Mafutha is still in a pre-feasibility study phase. The activities on the project have been scaled down, pending the satisfactory outcome on work relating to primary areas such as gasification demonstration testing and government's participation and support for the project.

The integrated infrastructure plan for the Waterberg coalfields is being implemented with relevant stakeholders to provide for the supply of raw water to the area as well as rail, road and housing requirements.

The sintel char plant at Grootegeluk mine to produce reductants for the ferroalloy industry has been fully commissioned, with all four retorts in operation. Exxaro is progressing its evaluation of the phase 2 expansion to produce a further 140ktpa of char as well as a bankable feasibility study to produce market coke from semi-soft coking coal at Grootegeluk. These studies are now only expected to be completed during the first half of 2012.

The bankable feasibility study, which includes comprehensive specialist studies as required by relevant environmental and water legislation in respect of the Belfast project, are still in process and will be submitted to the relevant authorities in the fourth quarter of 2011. Start-up and first production is still anticipated in 2014.

Exploration of the hard coking coal resource on the Moranbah South properties in the Bowen Basin of Queensland, Australia, is continuing, with the joint venture partners still targeting conclusion of the feasibility study in the latter part of 2012. This project is a 50% joint venture with Anglo American and has the potential to produce premium-quality hard coking coal.

Energy

The initiative to form an energy company with equity funding partners to focus on a number of cleaner energy projects has progressed well with short-listed potential strategic equity partners conducting their respective due diligence studies on a number of existing energy projects.

A bankable feasibility study for a 14MW co-generation plant at Namakwa Sands has been completed. Construction is scheduled to start in January 2012 with commercial operation anticipated to be in November 2012. The total capital expenditure for the project is estimated to be R252 million, with registration for carbon credits also under way.

The pre-feasibility study for the 60MW co-generation plant at Grootegeluk mine is in the final stages and is expected to be completed by end of 2011. This market coke co-generation operation has the potential to produce electricity from coke oven off-gas.

Gas is now being flared from all five holes of the five-spot coal bed methane project in Botswana, with an increasingly positive indication of the potential for economic gas flow to be proven. It is expected to have a much clearer indication of the potential for economic gas flow by the end of 2011.

The facilitation for the development of a 600MW coal fired power station in the Waterberg is under way. Non-binding term sheets for the off-take of 1 150MW of electricity have been signed between Exxaro and industrial off-takers. The project is one of the options being investigated to enable the Thabametsi coal mine. While the pre-feasibility study has progressed, a formal request for proposal for a 600MW coal-fired base load power station was issued to IPPs on 14 June 2011. Evaluation and selection to short-list the IPPs has commenced, in order to select the preferred IPP by the end of 2011.

Mineral Sands

A decision was taken by the Exxaro board of directors during the first half of 2011 to proceed with the development of the Fairbreeze mine as a replacement feedstock producer for Hillendale mine at KZN

Sands. Detailed design has commenced on the Fairbreeze project and construction is expected to commence in the second half of 2011, subject to customary regulatory and environmental approvals. These are expected to be obtained in the second half of 2011. A reversal or partial reversal of the previous impairments of the carrying value of the assets at KZN Sands will also be considered in the second half of 2011. The Hillendale ore body will be depleted by the end of 2012 after which the plant will be relocated to a central position at Fairbreeze. The commissioning is anticipated to occur in the first half of 2014.

Ferrous

Exxaro made an off-market takeover bid for Australian junior miner Territory Resources on 23 May 2011 of AUD0,46 cents per share. The majority of Territory's Board supported Exxaro's offer, however, this was overturned when Noble Resources, the biggest shareholder of Territory at 32%, made an AUD0,50 cents per share, unconditional on-market counter offer for the company on 9 June 2011. Exxaro declined the opportunity to raise its offer. The group continues to evaluate opportunities aligned with its strategy to establish a direct footprint in iron ore.

The construction of the 5,3m diameter ferromanganese furnace (Project Letaba), in partnership with Assmang Limited to commercialise Exxaro's Alloystream™ technology, is progressing as planned. The demonstration facility is still scheduled to be completed in the second half of 2011.

Base Metals

The formal process to divest from Exxaro's zinc business commenced in May 2011 with invitations being sent to interested parties. Exxaro received indicative offers for only Rosh Pinah mine from a number of parties who were subsequently shortlisted to conduct a detailed due diligence with the view to submit final binding bids. It is planned to have the process completed by the end of 2011, subject to obtaining certain regulatory approvals. No offers were received for the Zincor operation. In the meantime, the Zincor operation has been appropriately impaired. This was as a result of significant changes in the manner in which the asset is expected to be used coupled with a reassessment of the assets' carrying value subsequent to the announcement made on 29 July 2011.

CONVERSION OF MINING RIGHTS

Engagement with the relevant stakeholders continues in order to process the registration of new order mining rights granted. The conversion of mining rights for Arnot and Glisa (a part of NBC) is under way. Three mining rights converted for Tshikondeni, Matla and Strathrae (also part of NBC) still await execution by the Department of Mineral Resources (DMR). New order mining rights for Belfast are in different phases of application and processing.

CHANGES TO THE BOARD AND COMPANY SECRETARIAT

Maria Susanna (Marie) Viljoen, Company Secretary of first Kumba and then Exxaro since 1 August 2001, has retired with effect from 30 June 2011. The board of directors has appointed Catharina Helena (Carina) Wessels as Group Company Secretary with effect from 1 July 2011 in her stead. Carina holds LLB and LLM degrees, is an admitted advocate of the High Court of South Africa, and is a Fellow and Senior Vice-President of the Chartered Secretaries Southern Africa.

OUTLOOK

The positive market recovery for coal in terms of price and demand are set to continue in the second half of 2011, amid the existing logistical challenges. Following the commissioning of Phase V expansion at Richards Bay Coal Terminal (RBCT), Exxaro's export entitlement should be 6,3Mtpa, but only some 2,9Mtpa of this will be available in 2011. The remainder of the exports planned can only be achieved by selling on a free-on-rail basis, the lease of export entitlement, and exports via Maputo in Mozambique.

Market conditions on the mineral sands business are favourable and the demand for all products is strong. The upward trend in prices should continue in the medium-term given current supply and demand imbalances.

COMMENTS continued

Subsequent to the in-principle decision announced on 29 July 2011 to permanently cease the production of zinc at Zincor, Exxaro is contemplating the retrenchment of Zincor employees unless a feasible alternative is identified.

The equity accounted contribution from SIOC should continue to be positively impacted by anticipated higher iron ore prices and continued strong demand.

The strength of the local currency and Australian dollar against the US dollar will continue to impact on the group's financial results. At 30 June 2011, Exxaro has USD234 million of hedging in place at an average exchange rate of R7,34 for the local operations and USD27 million at an average rate of USD0,99 cents to the AUD for the Australian operation.

The financial information on which the outlook statement is based has not been reviewed nor reported on by the group's external auditors.

INTERIM DIVIDEND

The board of directors has declared an interim cash dividend number 17 of 300 cents per share in respect of the 2011 interim period. The dividend has been declared in South African currency and is payable to shareholders recorded in the register of the company at the close of business on Friday, 23 September 2011.

In compliance with the requirements of Strate, the electronic and custody system used by the JSE, the following dates are applicable:

Last date to trade *cum* dividend	Friday, 16 September 2011
Shares trade *ex* dividend	Monday, 19 September 2011
Record date	Friday, 23 September 2011
Payment date	Monday, 26 September 2011

Share certificates may not be dematerialised or rematerialised during the period Monday, 19 September 2011 and Friday, 23 September 2011, both days inclusive.

On Monday, 26 September 2011 the cash dividend will be electronically transferred to the bank accounts of all certificated shareholders where this facility is available. Where electronic fund transfer is not available or desired, cheques dated 26 September 2011 will be posted on that date. Shareholders who have dematerialised their share certificates will have their accounts at their CSDP or broker credited on Monday, 26 September 2011.

On behalf of the board

Len Konar
Chairman

Sipho Nkosi
Chief Executive Officer

Wim de Klerk
Finance Director

17 August 2011

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ADR code: EXXAY

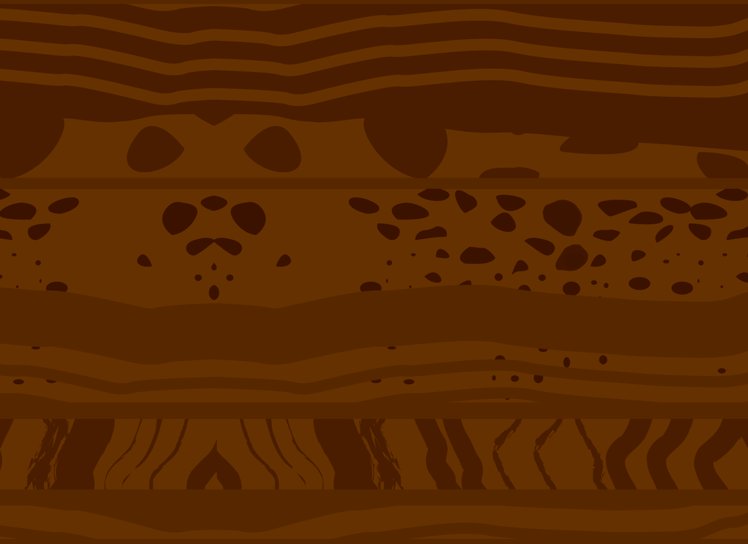
("Exxaro" or "the company" or "the group")

exxaro

POWERING POSSIBILITY

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

BASTION GRAPHICS



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