LTI-FREE
SAFE DAYS

Congratulations to Reductants for achieving 61 “Safe Days” since reaching its target on 16 August 2012 - making it the Waterberg Region’s top performer as at end of September.

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High performance under pressure
Coal keeps feeding the furnaces - strong half-year results
WE HAVE FACED a myriad of challenges throughout the year, especially on the safety front, culminating in the tragic loss of our colleague, Shadrack Mbhoro. On 19 October I apologised to the Mbhoro family for not being able to return Shadrack home safely. As a leader responsible for ensuring employee safety, I wish to never experience this again.

Many of our processes were expedited to reduce the Mbhoro family’s burden during this difficult time and personal support was provided to ensure that their needs were met. On 30 October, we visited the family again to assess their situation. We will remain in contact with them.

I am pleased to inform you that Andre van der Merwe who survived the accident, has been released from hospital. We are providing the necessary support for Andre to return to work as soon as it is fit and wish him a speedy recovery.

The internal inquiry into the incident has commenced. Thank you to all involved for the work that has led to its current status. We hope that the outcome will help us understand what happened and learn from it. The external investigation, chaired by the Department of Mineral Resources (DMR) inspectors, is scheduled for the end of November.

Grootegeluk suffers a fatality

Grootegeluk regrets to report that one of its mine’s employees died following an accident on 19 October. A preliminary investigation revealed that the employee, aged 17, sustained fatal injuries when a HAAP truck collided with an LDV bulldozer of which he was an occupant. Together with Medipal, Head of Mine Health and Safety, the investigation is currently underway to determine the cause of the accident and prevent any recurrence.

Medipal Mpyjo, executive general manager, Coal, extended sincere condolences to the family, friends and colleagues of the deceased, as well as to the whole Grootegeluk family, who are in mourning without any fatalities,” he said. “Safety remains a top priority for Exxaro and we will continue to strive to achieve Zamberlan’s commitment to provide a safe working environment for all employees, I convey our deepest sympathy.”

The Section 54 was lifted successfully and operations restarted. We are picking momentum in our operations. Powerstation dispatches remain a priority as we strive to “keep the nation’s lights on”. Every non-production day has serious implications on Exxaro reaching its targets, and therefore also on employee bonuses.

As we work towards restoring operational performance, I am concerned about the continued rise in damage incidents. This is a very disturbing trend. I encourage you to please take extra care in the execution of your duties and look out for one another, so that we can return home safely after every shift. Not only do we care about you but Exxaro also needs you. You are the secret ingredient in our organisation’s success and we cannot afford any injuries or losses.

The Marapong water problem was brought to our attention and we consulted the local authorities to rectify the situation. We will continue to engage with the unit to resolve the issue.

Many of our processes were expedited to ensure the survival of our mine for ourselves and for our families and communities. Finger-pointing and blame will only delay progress and undermine our efforts towards a better future. Feel free to raise any concerns you may have with management so that we can address them timely.

If you require counselling services, contact the CareWays employee assistance programme on 086 504 7720 or speak to someone you feel comfortable with. Do not wait to address issues affecting your wellbeing – take action now.

Rise to the challenge and forge ahead

From MerwinGovender, Grootegeluk mine manager

Keep up excellence

IN AUGUST, the group released its interim financial results and declared a gross cash dividend of R550 cents per share for the six-month period ended 30 June, payable to shareholders of ordinary shares. Employees at BUs in the Waterberg Region also qualified for tier one of the short-term incentive scheme and received bonuses.

Exxaro’s consolidated revenue increased marginally by 3% to R9,8 billion, mainly as a result of higher mineral sales volumes and a weaker local currency and lower coal volumes at lower export prices. However, attributable earnings, inclusive of associated accounted investment in associates, amounted to R1,9 billion or 3,555 cents per share – up 117% from 2011’s 921 cents per share.

Announcing the results to Exxaro’s Waterberg Region, and vice president operations Northern Region, Mike Molgo, said “the improvement of our portfolio remains a priority and years of focusing on this pillar led to various corporate activities during the first half of 2012. As one of our main sources of income, the coal portfolio has to be continuously reassessed. We hereby ensure that Exxaro strikes a balance between tied and commercial mineral sales, products and pure local and export markets. In line with the strategy, to improve our portfolio, we are constantly considering options and opportunities to improve our coal assets. This is the only way we will be able to achieve the coal strategy objectives and, as a result, have direct influence on the overall group’s earnings.”

Coal revenue remained stable at R5,83 billion, mainly due to higher average domestic prices, partially offset by lower export prices and volumes. The slight increase in revenue is not enough to counter inflationary cost increases which resulted in a decrease in net operating profit to R1,3 billion from R1,4 billion in 2011.

“With regards to projects in the Waterberg Region, we are delighted to announce that the Grootegeluk Marupeng Expansion Project (GMEP) is on track with its first coal already delivered to Velela in the first half of 2012. The group remains very pleased with the progress, and has reassessed the coal strategy objectives and, as a result, has direct influence on our overall group’s earnings.”

Coal revenue of R5,825bn equates to about 60% of Exxaro’s R7,555bn total revenue earned for the half-year period.

“Take note

We don’t have a message from Waterberg Regional General Manager, Johan Wepener. Our thoughts and prayers are with him as he recovers after surgery. We look forward to his return and hearing from him in our next edition.

Send your suggestions, photographs or articles to one of the following members of the Waterberg newsletter’s editorial team: Thandeka Mchunu at thandeka.mchunu@exxaro.com or Cora Dubois at cora.dubois@exxaro.com

Phone: 014 763 9343 Fax: 012 307 5602

Thank you to all who contributed to this edition. We look forward to receiving more news from you.

R5,83bn coal revenue remains stable

177% increase in attributable earnings from 2011

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Zero fatalities, a 42% increase in core net profit and a rise in headline earnings to 11% per share – these were only some of the highlights of the first six months. We take a look at Exxaro’s half-year financial results.

Eskom,” said Molgo. “We are also excited about the prospects offered by Morakhan South as we complete the pre-feasibility study towards the end of this year. Plans are in place to start the bankability feasibility study in early 2013 and we eagerly await approval for the Thabametsi Mining Right.”

Commenting on safety performance, Molgo said “safety is first and foremost to our business. We are therefore grateful to report that we not only experienced a fatality-free first half of the year but also a 12-month fatality-free period on 12 July. This occurrence is rare in our industry and although we are pleased and thankful, we need to constantly guard against complacency.” I am exceptionally proud of our employees and contractors who proved their commitment to safety. “Unfortunately, this good performance slipped somewhat during the last six months and our Lost-Time Injury Frequency Rate (LTIFR) increased to 0,26. Past assured that the reduction of 6% in LTIFR is Exxaro’s commitment and relevant actions have been implemented to bring down the number of incidents at all levels. Molgo also shared remarkable prospects regarding Exxaro’s iron ore and energy projects. “After the successful acquisition of African Iron Ore Limited, Exxaro is embarking on a detailed review of its iron ore assets in the Republic of Congo. We are very a fatality-free first half of the year but also a 12-month fatality-free period on 12 July. This occurrence is rare in our industry and although we are pleased and thankful, we need to constantly guard against complacency.”

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Powering possibility for women

Female employees from Exxaro’s Waterberg operations were treated to the inaugural Women in Mining (WIM) seminar in August. In support and celebration of the advancement of women in the mining industry, it was a day filled with knowledge sharing, motivation and inspiration.

“We hope this event will serve as a platform for you to acknowledge the vital contribution you make to our business, to celebrate your achievements and to highlight the progress made in terms of recruiting, training and developing women within Exxaro,” said Grootegeluk mine manager, Mervin Govender, in his opening address. “We recognise and appreciate your unique input and the value you add at every level of our organisation.

“The advancement of women in the mining industry is a focus area of the Mining Charter. In line with this requirement and to achieve our 20/20 vision, we need a skilled and diverse workforce to grow and develop our business. This holds great prospects for Exxaro’s female employees. Embrace career development opportunities, for it is imperative that you prepare yourselves and be well equipped with the necessary education and skills to make a success of strategic or senior positions that may become available.” Mervin said.

“Keynote speaker and executive general manager for Human Resources, Retha Piater, inspired the audience with her career journey and explained Exxaro’s stance on advancing women in the organisation. “Exxaro wants to leverage the uniqueness of women in this business and increase the value added through diversity. We therefore have programmes in place to attract, develop and retain women at all levels of the organisation,” she said.

Dipuo Mokone, WIM Forum chairperson, shared strategic initiatives linked to the forum’s aims to inform and attract learners to careers in science and technology. WIM presenters from Exxaro’s various operational areas gave learners an overview of the required qualifications, study timelines, institution options, daily activities and approximate salaries relating to various work disciplines.

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