

Kumba Iron Ore Limited Group

Statement of changes in equity

for the year ended 31 December

Rand million	Share capital and share premium (note 21)	Equity-settled share-based payment reserve (note 22)	Foreign currency translation reserve (note 29)	Cash flow hedge accounting reserve	Retained earnings	Shareholders' equity	Minority interest (note 23)	Total equity
Balance at beginning of year – as previously disclosed	3	182	53	(2)	603	839	216	1,055
Change in accounting policy – borrowing costs	–	–	–	–	1	1	–	1
Balance at beginning of year – restated	3	182	53	(2)	604	840	216	1,056
Shares issued during the year	53	–	–	–	–	53	–	53
Equity-settled share-based payments	–	73	–	–	–	73	17	90
Profit for the year	–	–	–	–	3,181	3,181	822	4,003
(Losses)/gains recognised directly in equity	–	–	(51)	2	–	(49)	(11)	(60)
Foreign currency translation differences	–	–	(10)	–	–	(10)	(2)	(12)
Net cash flow hedge losses transferred from equity	–	–	–	2	–	2	1	3
Taxation effects	–	–	(41)	–	–	(41)	(10)	(51)
Dividends paid	–	–	–	–	(1,362)	(1,362)	(383)	(1,745)
Balance at 31 December 2007 – restated	56	255	2	–	2,423	2,736	661	3,397
Shares issued during the year	80	–	–	–	–	80	–	80
Equity-settled share-based payments	–	88	–	–	–	88	21	109
Profit for the year	–	–	–	–	7,208	7,208	1,875	9,083
Gains recognised directly in equity	–	–	562	4	–	566	141	707
Foreign currency translation differences	–	–	572	–	–	572	141	713
Net cash flow hedge losses transferred from equity	–	–	–	4	–	4	1	5
Taxation effects	–	–	(10)	–	–	(10)	(1)	(11)
Dividends paid	–	–	–	–	(3,819)	(3,819)	(1,051)	(4,870)
Balance at 31 December 2008	136	343	564	4	5,812	6,859	1,647	8,506

Equity-settled share-based payment reserve

The equity-settled share-based payment reserve comprises the fair value of goods received or services rendered that has been settled through the issuing of shares or share options.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial results of foreign operations to the functional currency of its parent.

Cash flow hedge accounting reserve

The cash flow hedge accounting reserve comprises the effective portion of the cumulative net change in the fair value of derivative financial instruments designated as cash flow hedges where the forecasted transaction has not yet occurred.