

Kumba Iron Ore Limited Group Statement of Changes in Equity

for the period 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	At acquisition reserve	Shareholders' equity	Minority interest (note 23)	Total equity
Acquisition of business	–	–	–	–	–	371	371	93	464
Reclassification of at acquisition reserve	–	–	29	3	339	(371)	–	–	–
	–	–	29	3	339	–	371	93	464
Shares issued during the period	3	–	–	–	–	–	3	–	3
Equity-settled share-based payments	–	182	–	–	–	–	182	3	185
Profit for the period	–	–	–	–	264	–	264	115	379
Gains/(losses) recognised directly in equity	–	–	24	(5)	–	–	19	5	24
Foreign currency translation differences	–	–	(46)	–	–	–	(46)	6	(40)
Net gains on cash flow hedge accounting	–	–	–	2	–	–	2	–	2
Net cash flow hedge gains transferred from equity	–	–	–	(7)	–	–	(7)	(1)	(8)
Taxation effects	–	–	70	–	–	–	70	–	70
Balance at 31 December 2006	3	182	53	(2)	603	–	839	216	1,055
Shares issued during the period	53	–	–	–	–	–	53	–	53
Equity-settled share-based payments	–	73	–	–	–	–	73	17	90
Profit for the period	–	–	–	–	3,100	–	3,100	802	3,902
(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	56	255	2	–	2,341	–	2,654	641	3,295

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.