

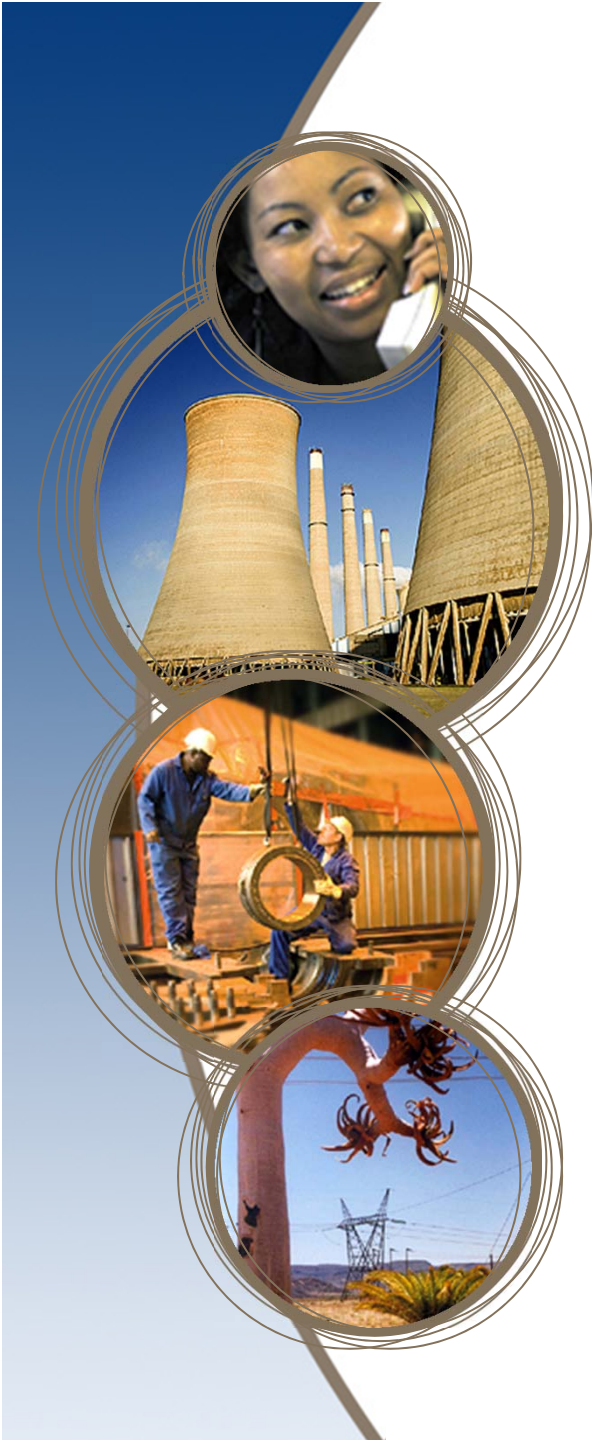


**Eskom Brief overview
Executive Exchange on Developing an
Ancillary Service Market for the
Southern African Power Pool (SAPP)
25 March 2013**

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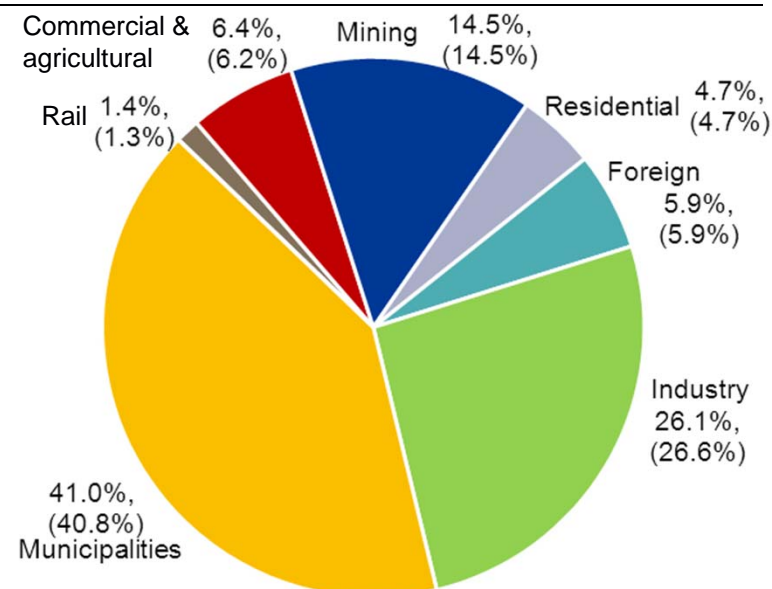


Eskom at a glance

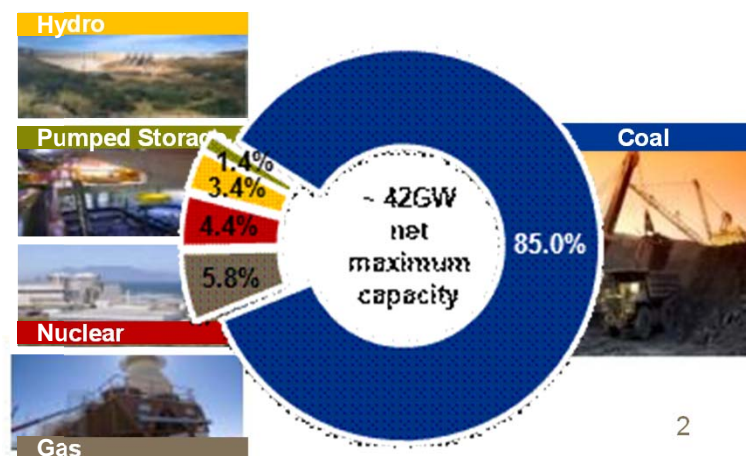


- Strategic 100% state-owned electricity utility, strongly supported by the government
- Supplies approximately 95% of South Africa's electricity and more than 40% of Africa's electricity
- For the year ended 31 March 2012:
 - Electricity sales of 224 785GWh (2011: 224 446GWh) and electricity revenues of R113.0bn (2011: R90.38bn)
- As at 31 March 2012:
 - 43 473 (2011: 41 778) employees
 - 4.9 million (2011: 4.7 million) customers
 - Net maximum generating capacity of 41 647MW (2011: 41 194MW)
 - 399 750km (2011: 395 419km) of power lines and cables
 - Moody's and S&P ratings: Baa2 and BBB+ with a negative outlook (2011 outlook: stable)
- 17.1GW of new generation capacity by 31 March 2018, of which 5.8GW already commissioned

Eskom electricity sales by customer for the year ended 31 March 2012 (31 March 2011)

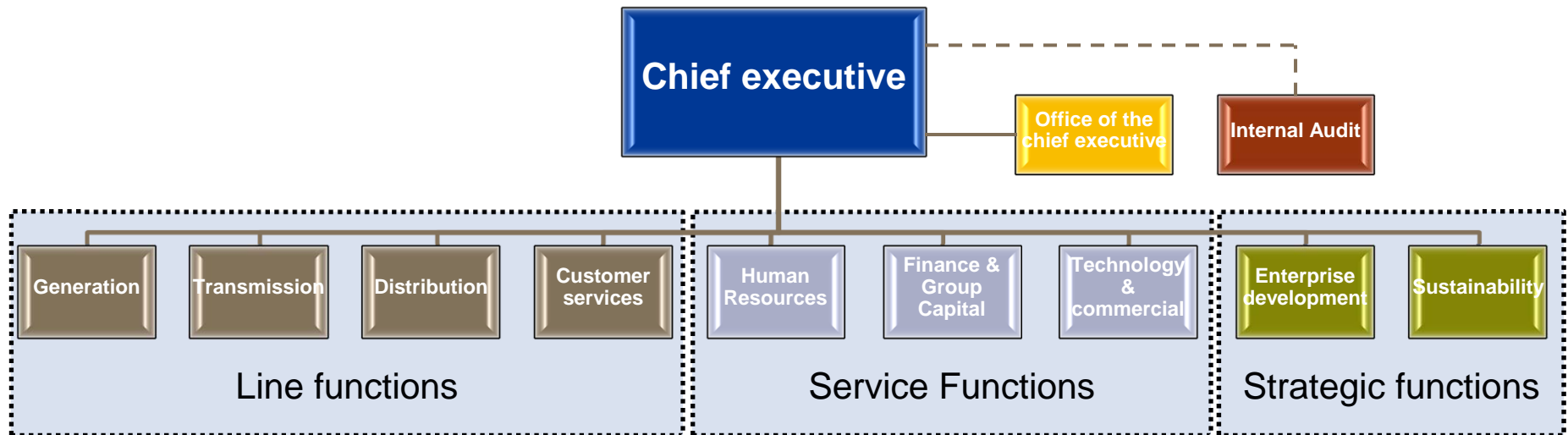


Eskom's net capacity mix – 31 March 2012



Corporate structure

- New organisational structure created to support our new strategy and purpose
- New executive management committee established to support the Chief Executive and ensure that the strategic imperatives are executed



- Line functions to focus on operations and on creating value
- Service functions to safeguard assets, provide expertise on day-to-day standardised services and leverage synergies in the organisation
- Strategic functions aim to bring about step changes in performance and provide broader strategic support to the group

The structure of SA's electricity industry is changing



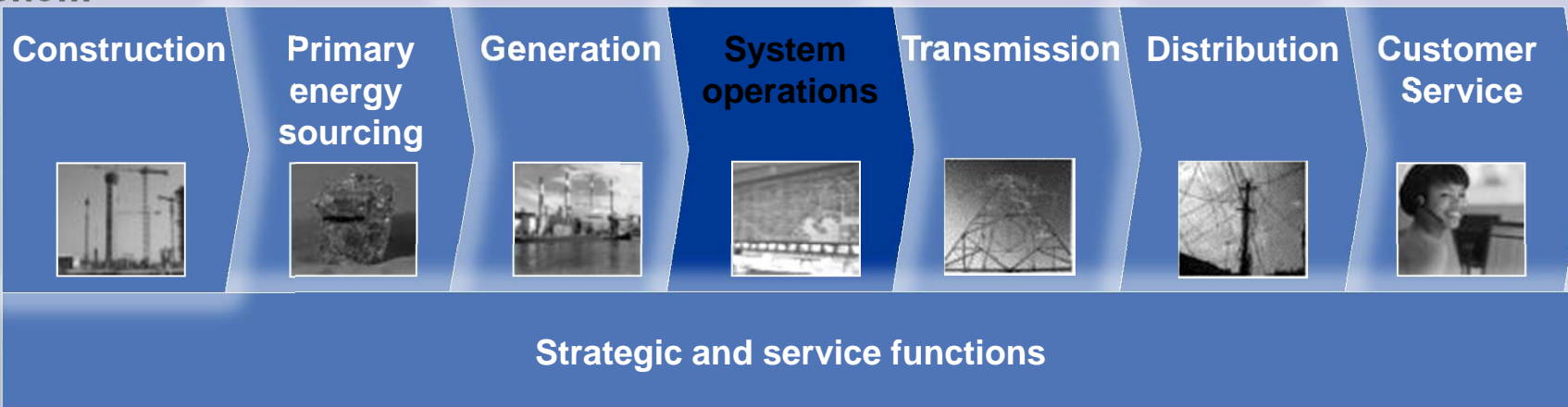
Change in the industry value chain:

- The ISMO Bill was tabled in Parliament on 13 May 2011
- A phased approach to be taken
- The System and Market Operator division was instituted on 1 October 2011








- Eskom expects to phase in the subsidiary structure during 2012/13
- It is envisaged that the subsidiary be transformed into a separate state owned company

Eskom



New generation capacity and transmission networks 2005–2018



	Return-to-service (RTS)	Base load	Peaking & renewables	Mpumalanga refurbishment	Transmission
					
In development	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Nuclear-site development and front end planning Biomass Primary Energy projects (Road & Rail) 	<ul style="list-style-type: none"> Sere (100MW) Pilot Concentrated Solar Power (100MW) Photovoltaic (Own use*) 	<ul style="list-style-type: none"> Refurbishment and air quality projects 	<ul style="list-style-type: none"> 60 Grid strengthening projects
Under Construction/complete	<ul style="list-style-type: none"> Komati (1 000MW) Camden (1 520MW) Grootvlei (1 180MW) 	<ul style="list-style-type: none"> Medupi (4 764MW) Kusile (4 800MW) 	<ul style="list-style-type: none"> Ankerlig (1 338.3MW) Gourikwa (746MW) Ingula (1 332MW) Solar PV installations at MWP (0.4MW) 	<ul style="list-style-type: none"> Arnot capacity increase (300MW) Matla refurbishment Kriel refurbishment Duvha refurbishment 	<ul style="list-style-type: none"> 765kV projects Central projects Northern projects Cape projects
	3 700MW	9 564MW	3 518MW ⁽¹⁾	300MW	~ 4 700km

Commissions of new stations		
	First Unit	Last Unit
Medupi	2013	2017
Kusile	2014	2018
Ingula	2014	2014

- ~ 17 082MW of new capacity (5 756MW installed and commissioned)
- ~ 4 700km of required transmission network (3 899.3km installed)
- 20 600MVA planned (20 195MVA installed)

Note:

* Solar PV Plants at Lethabo (0.575MW) & Kendal (0.620MW) are in operation phase

Medupi is the first coal-generating plant in Africa to use supercritical power generation technology

GENERAL INFORMATION YEAR 2011/12 (slide 1)

Reporting Utility: ESKOM



No.	Item	Unit	2011/12	2010/11
1	Installed Capacity (Total nominal capacity)	MW	44 115 MW	44 145 MW
	Usable Capacity (Total net maximum capacity)	MW	41 647 MW	41 194 MW
2	System Maximum Demand (Excl. load reduced)	MW	36 543 MW	36 664 MW
3	Max Demand Growth	%	-1%	2.27%
4	Energy Sales	GWh	224 785 GWh	224 446 GWh
5	Sales Growth	%	0.2%	2.7%
6	Number of Customers	-	4 852 722	4 653 750
7	Number of Employees	-	43 473	41 778
8	Total Internal Generation (S.O.)	GWh	237 291 GWh	237 430 GWh

GENERAL INFORMATION YEAR 2011/12 (slide 2)

Reporting Utility: ESKOM



No.	Item	Unit	2011/12	2010/11
9(a)	Imports (For Eskom Contracts)	<i>GWh</i>	9939 GWh	10 190 GWh
	Imports (For 3 rd Parties)	GWh	3099 GWh	3 423 GWh
9(b)	Exports (For Eskom Contracts)	GWh	13108 GWh	13 296 GWh
	Exports (For 3 rd Parties)	GWh	3099 GWh	3 423GWh
10	Total Transmission Losses	%	3.08%	3.27%
11	Annual Revenue	MUS \$	±MUS \$ 15 301.3	±MUS \$13 648.8
12	Debtor Days (Distribution)	Days*	21.8 & 42.9days	22.2 days
13	Rate of Return on Assets		3.73	2.91
14	Financial Status (Surplus after Tax & Exchange Rate Losses) [incl. effect of embedded derivatives]	MUS \$	±MUS \$ 1 766.4 profit	±MUS \$1 247 profit



Thank you

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Eskom annual report:

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Eskom Development Foundation:

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