

ArcelorMittal



			of comprehensive incon			
Quarter ended (unaudited)				Year ended		
		0.4.0		31 December	31 December	
31 December 2012	30 September 2012	31 December 2011	In millions of rands	2012 Reviewed	2011 Audited	
6 885	7 614	7 258	Revenue	32 291	31 453	
(3 754)	(4 731)	(5 672)	Raw materials and consumables used	(18 760)	(19 886)	
(814) (684)	(820)	(758) (653)	Employee costs	(3 356)	(3 164)	
(604)	(932)	(033)	Energy Movement in inventories of finished	(3 156)	(3 177)	
(335)	365	932	goods and work in progress	(467)	1 733	
(420)	(389)	(363)	Depreciation	(1 582)	(1 409)	
(5)	(4)	(4)	Amortisation of intangible assets	(16)	(14)	
(1 456)	(1 258)	(1 025)	Other operating expenses	(5 431)	(5 239)	
(583)	(155)	(285)	(Loss)/profit from operations	(477)	297	
			Finance and investment income			
108	4	5	(Note 4)	60	31	
(83)	(108)	(106)	Finance costs (Note 5)	(334)	(168)	
(53)	61	120	Income/(loss) from equity accounted investments (net of tax)	59	(2.4)	
			, , , , , , , , , , , , , , , , , , , ,		(34)	
(611)	(198)	(266)	(Loss)/profit before tax	(692)	126	
149	50	82	Income tax credit/(expense) (Note 6)	184	(118)	
(462)	(148)	(184)	(Loss)/profit for the period	(508)	8	
			Other comprehensive income			
50	(16)	14	Exchange differences on translation of foreign operations	61	315	
30	(10)	14	Losses on available-for-sale	01	313	
	(9)	(10)	investment taken to equity	(33)	(12)	
	(3)	(10)	Share of other comprehensive income	(33)	(12)	
44	(6)		of equity accounted investments	36	7	
			Total comprehensive (loss)/income			
(368)	(179)	(180)	for the period	(444)	318	
			(Loss)/profit attributable to:			
(462)	(148)	(184)	Owners of the company	(508)	8	
			Total comprehensive (loss)/income			
			attributable to:			
(368)	(179)	(180)	Owners of the company	(444)	318	
			Attributable (loss)/earnings			
			per share (cents)			
(115)	(37)	(46)	- basic	(127)	2	
(115)	(37)	(46)	- diluted	(127)	2	

In millions of rands	As at 31 December 2012 Reviewed	30 September 2012	As at 31 December 2011 Audited
	Keviewed	Ullaudited	Addited
Assets Non-current assets	40.440	10 222	10 572
Property, plant and equipment	19 419 16 068		19 573 16 618
Intangible assets	121		126
Equity accounted investments	3 204		2 772
Other financial assets	26		57
Current assets	11 479	12 629	12 849
Inventories	8 761		9 935
Trade and other receivables	1 669		2 374
Taxation	154		100
Other financial assets	11	14	1
Cash and cash equivalents	884	284	439
Total assets	30 898	31 952	32 422
Equity and liabilities			
Shareholders' equity	22 242	22 605	22 669
Stated capital	37		37
Non-distributable reserves	(2 178		(2 231
Retained income	24 383		24 863
Non-current liabilities	4 091		4 474
Borrowings and other payables (Note 7)	270		241
Finance lease obligations Deferred income tax liability	426		451 2 310
Provision for post-retirement medical costs	2031		2 3 1 0
Non-current provisions	1 355		1 465
Current liabilities	4 5 6 5		5 279
Trade and other payables	3 922		4 644
Borrowings and other payables	157		107
Finance lease obligations			57
Taxation	97		
Current provisions	312	280	471
Bank overdraft		223	
Total equity and liabilities	30 898	31 952	32 422

Condensed group statement of changes in equity

	•				
In millions of rands	Stated capital	Treasury share equity reserve	Other reserves	Retained earnings	Total
Nine months ended 30 September 2011 (unaudited) Balance as at 1 January 2011 Total comprehensive income/(loss) Management share trust: net of treasury share purchases Share-based payment reserve Transfer of equity accounted earnings Dividend paid	37	(3 918)	1 443 306 (7) 16 (162)	24 994 192 162 (221)	22 556 498 (7) 16
Balance as at 30 September 2011 (unaudited)	37	(3 918)	1 596	25 127	22 842
Quarter ended 31 December 2011 (unaudited) Balance as at 30 September 2011 Total comprehensive income/(loss) Management share trust: net of treasury share purchases Share-based payment reserve Transfer of equity accounted earnings	37	(3 918)	1 596 4 (5) 12 80	25 127 (184)	22 842 (180) (5) 12
Balance as at 31 December 2011 (audited)	37	(3 918)	1 687	24 863	22 669
Six months ended 30 June 2012 (reviewed) Balance as at 31 December 2011 Total comprehensive income/(loss) Management share trust: net of treasury share purchases	37	(3 918)	1 687 1	24 863 102	22 669 103
Share-based payment reserve Transfer of equity accounted earnings			10 51	(51)	10
Balance as at 30 June 2012 (reviewed)	37	(3 918)	1 749	24 914	22 782
Quarter ended 30 September 2012 (unaudited) Balance as at 30 June 2012 (reviewed) Total comprehensive income/(loss) Management share trust: net of treasury share purchases	37	(3 918)	1 749 (31)	24 914 (148)	22 782 (179)
Share-based payment reserve Transfer of equity accounted earnings Dividend paid			2 61	(61)	2
Balance as at 30 September 2012 (unaudited)	37	(3 918)	1 781	24 705	22 605
Quarter ended 31 December 2012 (unaudited) Balance as at 30 September 2012 Total comprehensive income/(loss) Management share trust: net of treasury share purchases Share-based payment reserve	37	(3 918)	1 781 94 5	24 705 (462)	22 605 (368) 5
Transfer of equity accounted earnings	27	(2.040)	(140)	140	22 242
Balance as at 31 December 2012 (reviewed)	37	(3 918)	1 740	24 383	22 242

Conden	sed group	statement	of cash flows		
Quai	rter ended (unau	dited)		Year end	ded 1 December
31 December 2012	30 September 2012	31 December 2011	In millions of rands	2012 Reviewed	2011 Audited
1 313	(146)	(61)	Cash in/(out) flows from operating activities	1 794	(1 412)
1 379 1 (44) (32) 9	,	73 4 (42) (81) (15)	Cash generated from/(utilised in) operations Interest income Finance costs Dividend paid Income tax paid Realised foreign exchange movement	2 040 10 (170) (52) (34)	(879) 29 (103) (221) (243) 5
(432)	(284)	(513)	Cash outflows from investing activities	(1 146)	(1 212)
(419) (14)	,	(450) (75)	Investment to maintain operations Investment to expand operations Shares acquired in associate and equity	(809) (66)	(924) (266)
(88) 1 1 87	(71) 1 1	(144) 106 50	accounted investment Proceeds on disposal of assets Investment income – interest Dividend from equity accounted investments	(366) 5 3	(180) 106 2 50
(58)	(77)	(267)	Cash outflows from financing activities	(228)	(616)
(58)	(77)	(267)	Repayment of borrowings, finance lease obligations and other payables	(228)	(616)
823	(507)	(841)	Increase/(decrease) in cash and cash equivalents Effect of foreign exchange rate	420	(3 240)
61	18	4	changes Cash and cash equivalents at	25 439	173
884	550	1 276 439	beginning of period Cash and cash equivalents at end of period	884	3 506 439

ArcelorMittal South Africa Limited ("ArcelorMittal South Africa", "the company" or "the group") Registration number: 1989/002164/06 Share code: ACL ISIN: ZAE 000134961

Registered Office: Arcelor Mittal South Africa Limited, Room N3-5, Main Building Delfos Boulevard, Vanderbijlpark, 1911 Directors: Non-executive: MJN Njeke* (Chairman), DK Chugh†, FA du Plessis*, M Macdonald*, S Maheshwari†, LP Mondi,

[†]Citizen of India ^o Citizen of Spain * Independent non-executive

Executive: N Nyembezi-Heita (Chief Executive Officer), MJ Wellhausen (Chief Financial Officer)

Company Secretary: Premium Corporate Consulting Services Proprietary Limited

Sponsor: Deutsche Securities (SA) Proprietary Limited, 87 Maude Street, Sandton, 2196, Private Bag X9933, Sandton, 2146

Transfer Secretaries: Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001,

Reviewed group financial results for the year ended 31 December 2012

The global steel industry continued to struggle during 2012 as slow global economic growth put pressure on steel demand across all regions. Overall business confidence levels and manufacturing activities continued to be strained by prolonged uncertainty from the European debt crisis coupled with a sharper-than-expected slowdown in the Chinese economy, the world's largest steel producer and consumer. This has resulted in a softening in global steel demand and a decline in steel prices. Despite production cutbacks by a number of steel producers, the industry globally remains in an oversupply position. The situation has been somewhat positive for Africa, especially within the sub-Saharan region, as a result of infrastructure-related projects and increased mining activities.

The impact of the global economic slowdown took its toll on the South African economy, driven by poor demand in the euro zone and domestic challenges relating to strikes and reduced infrastructure development expenditure negatively affecting GDP trends in key steel domestic challenges relating to strikes and reduced infrastructure development is expenditure negatively affecting GDP trends in key steel consuming sectors, primarily building and construction sector, which accounts for the largest share of steel consumption, remains weak with building completions and plans in the pipeline being sluggish. The increased flow of finished steel product imports remains a challenge for domestic downstream producers. The poor underlying demand together with destocking activities resulted in a decline in domestic sales partially offset by higher net realised prices, mainly due to a weaker exchange rate. Prices of key raw materials such as coking coal, pellets and scrap softened while electricity tariffs again increased sharply.

Arcelor Mittal South Africa posted a headline loss of R518 million for the year ended 31 December 2012 compared to the headline loss of R52 million in the previous financial year while EBITDA decreased by 35% year-on-year to R1.1 billion

Liquid steel production was down 7% with capacity utilisation at 66%, which was marginally lower than the 68% achieved in the prior year. Environmental compliance combined with high electricity tariff increases led to the closure of the electric arc furnaces ("EAFs") in Vanderbijlpark during October. This effectively reduces the company's liquid steel capacity from 8.0 to 6.5 million tonnes per annum. We are pleased to report an all-time record safety performance, with zero fatalities and a lost time injury frequency rate per million man-hours worked of 0.61 against 1.24 recorded in the previous year, which is getting close to the world be employees and our contractors is our first priority and we consider this to be fundamental to sustainability.

Key statistics

Quar 1 December 2012	rter ended (unau 30 September 2012	dited) 31 December 2011		Year 31 December 2012 Reviewed	ended 31 December 2011 Audited
6 885 (158) (160) (2.3) (583) (462) (456) (114)	217 3.1 (155) (148) (168) (42)	7 258 82 83 1.1 (285) (184) (260) (65)	Revenue (R million) EBITDA (R million) EBITDA/tonne (R/tonne) EBITDA margin (%) (Loss)/profit from operations (R million) Net (loss)/profit (R million) Headline loss (R million) Headline loss (R millon)	32 291 1 121 243 3.5 (477) (508) (518) (129)	31 453 1 720 365 5.5 297 8 (52) (13)
1 043 988	1 320 1 097	1 198 993	Liquid steel production ('000 tonnes) Steel sales ('000 tonnes)	5 090 4 622	5 453 4 708
696 292	802 295	725 268	– Local – Export	3 336 1 286	3 507 1 201
0.50	0.52	0.88	Lost time injury frequency rate	0.61	1.24

Financial review Full year ended 31 December 2012 compared to full year ended 31 December 2011

Segment information

Revenue of R32.3 billion was 3% higher than reported a year ago. Total steel shipments decreased by 2%, with domestic shipments down 5% partly offset by 7% higher exports. Flat steel shipments declined by 8% while long steel products rose 16% due to a strong recovery after the major production outage in 2011. Average net realised prices rose 7% with domestic and export prices increasing by 7% and 9% respectively. Prices for flat steel were up 5% and long steel 10%. Revenue from the Coke and Chemicals business of R1.9 billion was 23% lower following a 27% fall in commercial coke sales volumes and a 3% drop in net realised prices.

Cash costs of hot rolled coil increased by 5% and those of billets by 11%. Thabazimbi iron ore rose 19% while Sishen iron ore remained flat on a US Dollar basis but increased by 10% in rand terms. Electricity prices were 16% higher while the price of imported coking coal decreased by 15% on a US Dollar FOB basis and by 4% in rand terms. Scrap prices dropped marginally. Liquid steel production was 363 000 tonnes lower or 7%. Capacity utilisation for flat steel was 65% (EAFs included 62%) compared to 71% last year and for long steel 67% compared to 61%. Operating profit fell by R774 million to a loss of R477 million.

Financing costs of R334 million for the year are R166 million more than the corresponding period due to higher interest paid of R71 million on bank overdrafts and net foreign exchange losses of R9 million compared to a gain of R124 million in 2011.

Our share of the profit from equity accounted investments after taxation of R59 million compares with a loss of R34 million a year earlier. The profit relates to higher income from Macsteel International Holdings BV and a decline in the loss from Coal of Africa Limited.

Quarter ended 31 December 2012 compared with quarter ended 31 December 2011 (unaudited) Revenue decreased by 5% to R6.9 billion for the quarter. Total steel shipments were down marginally on the back of a 4% drop in domestic shipments while exports were up 9%. Flat steel shipments declined by 13% while long steel products rose by 53% following a strong recovery from the structural failure affecting the 2011 corresponding period. Average net realised prices decreased by 3% with domestic and export prices decreasing by 1% and 5% respectively. Prices for flat steel dropped 3% and long steel 6%. Revenue from the Coke and Chemicals business of R479 million was 21% lower following a 28% decrease in commercial coke sales volumes and 4% drop

Cash costs of hot rolled coil increased by 6% and those of billets by 7%. Sishen iron ore prices remained flat on a US Dollar basis but increased by 10% in rand terms. Electricity and natural gas prices climbed by 18% and 17% respectively while import coal and pellets decreased by 34% and 38% on a US Dollar FOB basis and 29% and 33% in rand terms respectively. Scrap prices decreased by 2%. Liquid steel production was 154 000 tonnes lower or 13%. Capacity utilisation for flat steel was 61% (EAFs included 51%) compared to 70% in the prior year and 56% for long steel compared to 36%. Operating profit declined by R298 million to a loss of R583 million

Financing cost of R83 million for the quarter is R23 million lower than the corresponding period due to a decrease in the discount rate ne the present value of long-term liabilities such as environmental obligations and on

Our share of the loss from equity accounted investments after taxation of R53 million compares with a profit of R120 million a year ago mainly due to a higher loss from Coal of Africa Limited.

Quarter ended 31 December 2012 compared with quarter ended 30 September 2012 (unaudited)

Revenue decreased by 10% to R6.9 billion for the quarter on the back of a 10% drop in steel shipments. Domestic shipments were down 13% following the seasonal slowdown in December while exports were flat. Flat steel shipments declined by 4% and long steel by 21% while average net realised prices were marginally lower. Prices for flat steel were down 2%, while long steel rose slightly. Revenue from the Coke and Chemicals business of R479 million was 12% higher due to a 7% rise in commercial coke sales volumes and a marginal increase in net realised prices.

Cash costs of hot rolled coil increased by 7% with billets increasing by 2%. The price of imported coking coal decreased by 8% on a US Dollar FOB basis and 3% on a rand basis. Thabazimbi iron ore was up 11% while Sishen iron ore remained flat on a US Dollar basis but climbed 6% in rand terms. Local coking coal and scrap increased by 19% and 6% respectively. Electricity fell 25% following the high prices that prevailed during the winter months. Liquid steel production was 277 000 tonnes lower or 21% as a result of the interim repair

Quar	ter ended (unau	uiteu)		Year e	
				31 December	31 December
December	30 September	31 December		2012	2011
2012	2012	2011		Reviewed	Audited
			Flat Steel Products		
4 708	4 996	5 549	Revenue (R million)	20 991	21 793
4 456	4 732	5 284	– External	20 192	21 092
252	264	265	- Internal	799	701
(306)	11	(152)	EBITDA (R million)	(266)	597
(346)	316	(292)	Depreciation and amortisation (R million)	(1 294)	(1 133)
(652)	(305)	(444)	(Loss)/profit from operations (R million)	(1 560)	(536)
19 713	21 050	21 322	Assets	19 713	21 322
			Unaudited information		
720	958	989	Liquid steel production ('000 tonnes)	3 554	4 060
702	733	806	Steel sales ('000 tonnes)	3 138	3 424
475	550	554	- Local	2 223	2 468
227	183	252	- Export	915	956
61	67	70	Capacity utilisation (%)	65	71
2 343	2 742	2 216	Long Steel Products Revenue (R million)	11 474	9 514
1 968	2 459	1 384	– External	10 289	8 044
375	283	832	- Internal	1 185	1 470
(8)	54	74	EBITDA (R million)	770	500
(79)	75 (21)	(67) 7	Depreciation and amortisation (R million)	(299) 471	(269) 231
(87) 6 142	6 202	6 9 6 5	(Loss)/profit from operations (R million) Assets	6 142	6 965
0 142	0 202	0 903	Unaudited information	0 142	0 903
323	362	209	Liquid steel production ('000 tonnes)	1 536	1 393
286	364	187	Steel sales ('000 tonnes)	1 484	1 284
221	252	171	- Local	1 113	1 039
65	112	16	- Export	371	245
56	63	36	Capacity utilisation (%)	67	61
.=-			Coke and Chemicals		0.070
479	429	604	Revenue (R million)	1 856	2 378
461 18	423 6	590 14	– External – Internal	1 810 46	2 317
143	110	225	EBITDA (R million)	503	870
(4)	(9)	(15)	Depreciation and amortisation (R million)	(32)	(52)
139	101	210	Profit from operations (R million)	471	818
1 003	1 003	1 082	Assets	1 003	1 082
1 003	1 003	1 002	Unaudited information	1 003	1 002
125	54	154	Commercial coke produced ('000 tonnes)	446	633
117	110	163	Commercial coke sales ('000 tonnes)	460	631
29	25	30	Tar sales	109	117
4.5		(05)	Corporate and other		(2.47)
13	63	(65)	EBITDA (R million)	114	(247)
4	(7)	7	Depreciation and amortisation credit (R million)	27	31
17	70	(58)	Profit/(loss) from operations (R million)	141	(216)
4 040	3 693	3 053	Assets	4 040	3 053
4 040	3 033	3 0 3 3	70300	0-+0	3 033
- II					
Salient f	eatures				
Quar	ter ended (unau	dited)		Year e	
				21 December	31 December

1 003	1 003	1 082	Assets	1 003	1 082
125	54	154	Unaudited information Commercial coke produced ('000 tonnes)	446	633
117	110	163	Commercial coke sales ('000 tonnes)	460	631
29	25	30	Tar sales	109	117
13	63	(65)	Corporate and other EBITDA (R million) Depreciation and amortisation credit	114	(247)
4	(7)	7	(R million)	27	31
17 4 040	70 3 693	(58) 3 053	Profit/(loss) from operations (R million) Assets	141 4 040	(216) 3 053
4 040	3 033	3 033	Assets	4 040	3 033
Salient f	eatures				
Quar	rter ended (unau	dited)			ended
31 December	30 September	31 December		31 December 2012	31 December 2011
2012	2012	2011	In millions of rands	Reviewed	Audited
(583) 420	389	(285) 363	Reconciliation of earnings before interest, taxation, depreciation and amortisation (EBITDA) (Loss)/profit from operations Adjusted for: — Depreciation	(477) 1 582	297 1 409
5	4	4	– Amortisation of intangible assets	16	14
(158)	238	82	EBITDA for the period	1 121	1 720
(462)	(18)	(184) (104) 28	Reconciliation of headline (loss)/earnings (Loss)/profit for the period Adjusted for: – (Profit)/loss on disposal or scrapping of assets – Tax effect	(508)	8 (82) 22
(3)	(2)	28		(6)	
(456)	(168)	(260)	Headline (loss)/earnings for the period	(518)	(52)
(114) (114)		(65) (65)	Headline (loss)/earnings per share (cents) – basic – diluted	(129) (129)	(13) (13)
(8.2) (8.1) 2.1		(3.2) (4.6) 0.4	Return on ordinary shareholders' equity per annum - Attributable earnings (%) - Headline earnings (%) - Net cash to equity (%) Share Statistics Ordinary shares ('000)	(2.3) (2.3) 2.1	0.0 (0.2) 0.4
401 202 401 202	401 202 401 202	401 202 401 202	in issue weighted average number of shares diluted weighted average number	401 202 401 202	401 202 401 202
401 202 36.00	401 202 41.00	401 271 68.58	of shares Share price (closing) (rand)	401 202 36.00	401 444 68.58
14 443	16 449	27 514	Market capitalisation (R million)	14 443	27 514
55.44	56.3	56.5	Net asset value per share (rand)	55.44	56.50
			Dividend per share (cents) – interim		55
	1 201	/ th - f vi	/ Chara quariage Place		arMittal Cauth

of blast furnace C in Vanderbijlpark and the taphole repair of blast furnace N5 in Newcastle. Capacity utilisation for flat steel wa 61% (51% with EAFs included) compared to 67% in the previous quarter and 56% for long steel compared to 63%. Operating profit ned by R428 million to a loss of R583 million

Financing costs of R83 million for the quarter are R25 million lower than third quarter due to a change in the discount rate used to determine the present value of long-term liabilities, such as environmental obligations and onerous contract provisions Our share of the loss from equity accounted investments after taxation of R53 million compares with a profit of R61 million. The loss

relates to a higher loss from Coal of Africa Limited and lower income from Macsteel International Holdings BV

Notwithstanding the tough economic conditions under which the company operates, key environmental projects remain a focus area in order to ensure environmental compliance. The new emission abatement system for Vanderbijlpark's sinter plant achieved sustainable operating results from September 2012 onwards. At a total cost of R250 million, the project can be regarded as a

milestone as particulate emissions from this significant emission source are reduced by approximately 80%. Another important project that is in progress is the Newcastle zero effluent discharge project, which entails the improvement of

effluent treatment and recovery thereof with a planned completion date of early 2014 at an estimated cost of R360 million On 22 October 2012 a compliance notice was issued by the provincial environmental authority ("GDARD") to Vanderbijlpark Works ordering the closure of the electric arc furnaces, coke batteries, sinter plant and foundry based on findings of non-compliance with Atmospheric Emission Licence conditions. The EAFs were taken out of operation on 16 October 2012 prior to the notice being issued and the other affected operations continue pending the outcome of an objection that was submitted to the MEC.

The proposed carbon tax remains a major concern as it may have a significant impact on the production cost of steel. The reviewed Carbon Tax Discussion Paper that was expected to be published during 2012 will now only be released in 2013 whereafter further discussions will continue with the relevant authorities.

The Competition Commission ("the Commission") has thus far referred the following four cases against the company to the Competition Tribunal ("the Tribunal") for prosecution. The company rejects the allegations made in each of these cases and is

In January 2007, the Commission referred a case against the company to the Tribunal relating to alleged price discrimination on wire rod. The matter is yet to be set down for hearing before the Tribunal.

Second wire rod matter – alleged price discrimination conduct

In November 2012, the Commission referred another case relating to alleged price discrimination in the wire rod market to the Tribunal. This case is essentially the same as the case referred in January 2007. The parties and the issues are identical save for the fact that the contravention alleged in this case, is alleged to have taken place during a later period being 2004 to 2006.

Long steel matter – alleged cartel conduct nission referred a case against the company and three other primary steel manufacturers in South Africa to the Tribunal for alleged price fixing and market division in respect of certain long steel products

The Commission requested the Tribunal to find the company guilty of the contraventions as alleged and to impose on it an administrative penalty of 10% of 2008 turnover. In December 2009 the company filed an application with the Tribunal for access to the Commission's investigation record to enable it to answer to the case against it.

In September 2010, the Tribunal handed down judgment refusing the company access to the bulk of the documentation in the Commission's investigation record. The Tribunal based its judgment on the fact that the documentation in question had been claimed by one of the parties in the matter as confidential. The company subsequently appealed this judgment to the Competition Appeal Court ("the CAC"). In April 2012 the CAC ruled essentially that the matter be referred back to the Tribunal for a hearing to determine the validity of the confidentiality claims. The Commission appealed this ruling to the Supreme Court of Appeal. The appeal is expected

Flat steel matter – alleged conscious parallelism

On 30 March 2012, the Commission referred a case against the company and Evraz Highveld Steel and Vanadium Limited ("Highveld Steel") to the Tribunal for alleged price fixing and market division in respect of certain flat steel products. The form of price fixing alleged by the Commission in this instance is one based on the "conscious parallelism" phenomenon. This mainly relates to Highveld

The Commission requested the Tribunal to find the company guilty of the contraventions as alleged and to impose on it, an

Competition Commission investigations The Commission is formally investigating two complaints against the company. The first involves alleged prohibited vertical practices in respect of purchases of scrap steel. The second relates to alleged excessive pricing of tinplate and flat steel in general. Joined to this investigation is an investigation into alleged excessive pricing arising from the iron ore surcharge introduced by the company for the period May 2010 to July 2010. The company is cooperating fully with the Commission in all these investigations and continues

to deliver all information and documentation as and when called upon to do so Dispute with Sishen Iron Ore Company Proprietary Limited ("SIOC")

appeal application by ICT and the DMR against the High Court's decision delivered in December 2011 that SIOC was awarded % of the mining rights in the Sishen mine and therefore the award to ICT was invalid, will be heard by the Supreme Court of Appeal in February 2013

The arbitration regarding the dispute between SIOC and the company relating to the termination of the iron ore supply agreement by SIOC as a result of the mining rights issue referred to above, remains postponed until the finalisation of the above appeal process. In December 2012, following a mediation process facilitated by the Department: Trade and Industry, the company and SIOC agreed to an Interim Pricing Agreement ("IPA") for the period January 2013 to December 2013

The final approval of the transaction involving the iron ore exploration project in the Northern Cape by the Minister in terms of the Minerals and Petroleum Resources Development Act, No 28 of 2002, was received. The exploration programme is progressing according to plan and this should be concluded by the first guarter of 2013.

Dividends

Changes to the Board of Directors

- The following appointments and resignations occurred:

 Resignation of Christophe Cornier as non-executive director on 24 January 2012.

 As announced on 20 November 2012, the Board appointed Matthias Wellhausen as Chief Financial Officer and as executive director on 2 January 2013, freeing Rudolph Torlage to focus on projects of a strategic nature. Rudolph Torlage resigned as an executive director effective 2 January 2013. As announced on 24 January 2013, Johnson Njeke retired as non-executive director and Chariman of the Board on 4 February
- 2013. Mpho Makwana joins the Board as independent non-executive director with effect from 5 February 2013 and succeeds Johnson Njeke as Chairman.

Outlook for quarter one 2013 We expect a turnaround from the loss-making position realised in the previous quarter to break-even in the first quarter. This view

is supported by a modest rise in international steel prices and domestic demand. Sales volumes are expected to be higher amid restocking in the market and increased production volumes. Commercial coke sales on the other hand will be down due to lower production by some ferrochrome producers participating in Eskoms' electricity buy-back programme.

N Nvembezi-Heita (Chief Executive Officer) 1 February 2013

Forward looking statements Certain statements in this release that are neither reported financial results nor other historical information, are forward looking

statements, including but not limited to, statements that are predictions of or indicate future earnings, savings, synergies, events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors, that could cause actual results and company plans and objectives to differ materially from those expressed or implied in the forward looking statements (or from past results

Notes to the reviewed condensed consolidated financial statements

nsed reviewed consolidated financial statements have been prepared in compliance with the Listings Requirement of the JSE Limited, the recognition and measurement requirements of International Financial Reporting Standards ("IFRS"), the requirements of International Accounting Standards ("IAS") 34, Interim Financial Reporting, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the South African Companies Act, No 71 of 2008. These statements were compiled under the supervision of Mr MJ Wellhausen, the Chief Financial Officer.

2. Significant accounting policies

These condensed reviewed group financial results for the year ended 31 December 2012 have been prepared on the historical cost basis, except for the revaluation of financial instruments. The accounting policies and methods of computation applied in the presentation of the financial results of the group are consistent with those applied for the year ended 31 December 2011 results for the year ended 31 December 2012 included the results from Coal of Africa Limited for the period 1 October 2011

on timing and amount due. On the same basis, R43 million was transferred from provisions to borrowings and other payables.

3. Independent review by the auditors

with International Standards on Review Engagements 2410. They expressed an unqualified review opinion on the final financia information. However, their report included an emphasis of matter relating to the significant uncertain outcome of the dispute resolution process with SIOC regarding the supply of iron ore at cost plus 3%. A copy of their report is available for inspection at the company's registered office. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the company's auditors.

Quar	ter ended (unau	dited)			Year e	
31 December 2012	30 September 2012	31 December 2011		In millions of rands	2012 Reviewed	201 Audite
108	4	5	4.	Finance and investment income	60	3.
2	3	4		Interest received from banks	10	29
1	1	1		Interest received from joint ventures	3	
105				Discounting rate adjustment of the non-current provisions	47	
83	108	106	5.	Finance costs	334	16
27	19	24		Interest expense on bank overdrafts and loans	103	3
17	17	17		Interest expense on finance lease obligations	67	7
	47	25		Discounting rate adjustment of the non-current provisions		2
1	(16)			Net foreign exchange (gains)/ losses on financing activities Unwinding of the discounting effect in the present valued	9	(12
38	41	40		carrying amount of the non-current provisions	155	16
149	(50)	(82)	6.	Income tax expense/(credit)	184	11
149	(50)	(82)		Current normal and deferred tax expense/(credit) Normal and deferred tax expense	184	10
				recognised in relation to tax of prior years Secondary tax on companies		(2
			7.	Borrowings and other payables		
417	404	328		Staff related payables	417	32
10	10	20		Loan	10	2
427	414	348		Total Disclosed as:	427	34
270	259	241		– non-current	270	24
157	155	107	8.	– current Capital expenditure	157	10
433	215	525	0.	Incurred	875	1 19
687	959	887		Contracted	687	88
1 027	977	728		Authorised but not contracted	1 027	72
1	1	1	9.	Contingent liabilities Guarantees	1	
359	364	278	10.	Operating lease commitments	359	27
131	136	83		Less than one year More than one year and less than	131	8
219	218	190		five years	219	19
9	10	5		More than five years	9	

and joint ventures. These transactions occurred under terms that are no less favourable than those arranged with third parties.

The group subscribes to the Code on Corporate Practices and Conduct as contained in the second King Report on corporate governance and is taking the necessary steps to implement the principles as outlined in the third King Report.