

# FINANCIAL STATEMENTS



**5.1 STATEMENTS OF COMPREHENSIVE INCOME**

For the year ended 31 December	Notes	Group		Company	
		2015 Rm	2014 Rm	2015 Rm	2014 Rm
<b>Revenue</b>	7.1.2	18 330	16 401	1 322	1 527
Operating expenses	7.1.3	(13 408)	(15 197)	(2 791)	(2 014)
Operating profit/(loss)		4 922	1 204	(1 469)	(487)
Other income	7.1.4		1 466		
Impairment charges of non-current assets	9.2	(1 749)	(5 962)	(797)	(5 124)
<b>Net operating profit/(loss)</b>		3 173	(3 292)	(2 266)	(5 611)
Finance income	12.1.2	102	80	43	18
Finance costs	12.1.2	(770)	(183)	(558)	(322)
Income from financial assets	11.4.2	1	9		
Share of (loss)/income from equity-accounted investments	10.2	(1 137)	2 515		
Dividend and other income from associates and joint ventures	10.2			1 429	3 733
Income from investments in subsidiaries	17.2			353	732
<b>Profit/(loss) before tax</b>		1 369	(871)	(999)	(1 450)
Income tax (expense)/benefit	8.2	(1 102)	(13)	26	86
<b>Profit/(loss) for the year</b>		267	(884)	(973)	(1 364)
<b>Other comprehensive income/(loss), net of tax</b>		2 167	1 190		
<i>Items that will not be reclassified to profit or loss:</i>		124	(316)		
– Remeasurement of post-employment benefit obligation		(17)			
– Share of comprehensive income/(loss) from equity-accounted investments		141	(316)		
<i>Items that may be subsequently reclassified to profit or loss:</i>		2 043	1 506		
– Unrealised gains on translation of foreign operations		329	224		
– Revaluation of financial assets available-for-sale		(141)	345		
– Share of comprehensive income from equity-accounted investments		1 855	937		
<b>Total comprehensive income/(loss) for the year</b>		2 434	306	(973)	(1 364)
<b>Profit/(loss) attributable to:</b>					
Owners of the parent		296	(883)	(973)	(1 364)
Non-controlling interests		(29)	(1)		
<b>Profit/(loss) for the year</b>		267	(884)	(973)	(1 364)
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the parent		2 463	307	(973)	(1 364)
Non-controlling interests		(29)	(1)		
<b>Total comprehensive income/(loss) for the year</b>		2 434	306	(973)	(1 364)
<b>Attributable earnings/(loss) per share (cents)</b>	6.2				
Aggregate					
– Basic		83	(249)		
– Diluted		83	(249)		

## 5.2 STATEMENTS OF FINANCIAL POSITION

At 31 December	Notes	Group		Company	
		2015 Rm	2014 Rm	2015 Rm	2014 Rm
<b>ASSETS</b>					
<b>Non-current assets</b>		46 482	41 408	24 786	21 080
Property, plant and equipment	11.1.2	20 412	18 344	533	629
Biological assets	11.2.2	51	84		
Intangible assets	11.3.2	56	34	48	28
Investments in associates	10.3.1	19 690	18 588	13 152	13 152
Investments in joint ventures	10.3.2	1 662	966	641	267
Investments in subsidiaries	17.3			9 300	6 434
Financial assets	11.4.3	4 067	2 853	722	205
Deferred tax	8.4	544	539	390	365
<b>Current assets</b>		6 016	5 693	2 956	6 306
Inventories	7.2.2	1 240	998		
Trade and other receivables	7.2.3	2 666	2 611	2 160	5 009
Current tax receivable		55	78		
Cash and cash equivalents	16.3	2 055	2 006	796	1 297
<b>Non-current assets held-for-sale</b>	9.4	128	328	81	
<b>Total assets</b>		52 626	47 429	27 823	27 386
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and other components of equity</b>					
Share capital	12.2.2	2 445	2 409	2 975	2 975
Other components of equity		6 911	6 031	1 091	955
Retained earnings		25 670	25 985	9 777	11 735
<b>Equity attributable to owners of the parent</b>		35 026	34 425	13 843	15 665
<b>Non-controlling interests</b>		(800)			
<b>Total equity</b>		34 226	34 425	13 843	15 665
<b>Non-current liabilities</b>					
Interest-bearing borrowings	12.1.3	4 185	2 976	4 185	2 976
Non-current provisions	13.2	3 112	2 219	26	30
Post-retirement employee obligations	14.3	217	167		
Financial liabilities	12.1.7	116	88	39	
Deferred tax	8.4	5 071	3 732		
<b>Current liabilities</b>		4 655	3 590	9 730	8 715
Trade and other payables	7.2.4	3 546	3 208	8 837	8 604
Current shareholder loans	16.2.1	21			
Interest-bearing borrowings	12.1.3	882	34	882	34
Current tax payable		48	27		
Current provisions	13.2	158	254	11	11
Overdraft	16.3		67		66
<b>Non-current liabilities held-for-sale</b>	9.4	1 044	232		
<b>Total equity and liabilities</b>		52 626	47 429	27 823	27 386

5.3 GROUP STATEMENT OF CHANGES IN EQUITY

	Other components of equity							Retained earnings Rm	Attributable to owners of the parent Rm	Non-controlling interests Rm	Total equity Rm
	Share capital Rm	Foreign currency translation Rm	Financial instruments revaluation Rm	Equity-settled Rm	Retirement benefit obligation Rm	Available-for-sale revaluation Rm	Other Rm				
<b>At 1 January 2014</b>	2 396	3 146	310	1 493	(13)	100	(802)	29 668	36 298	(26)	36 272
Loss for the year								(883)	(883)	(1)	(884)
Other comprehensive income		224				345			569		569
Share of comprehensive income/(loss) from equity-accounted investments		827	(194)	310	(316)	(63)	(6)	63	621		621
Issue of share capital	13								13		13
Share-based payments movement				(108)					(108)		(108)
Dividends paid								(2 055)	(2 055)		(2 055)
Reclassification of equity							808	(808)			
Disposal and liquidation of subsidiaries		(30)							(30)	27	(3)
<b>At 31 December 2014</b>	2 409	4 167	116	1 695	(329)	382		25 985	34 425		34 425
Profit/(loss) for the year								296	296	(29)	267
Other comprehensive income/(loss) <sup>1</sup>		329			(17)	(141)			171		171
Reclassification of equity <sup>2</sup>						(360)		360			
Share of comprehensive income from equity-accounted investments		1 438	125	215	141	64		13	1 996		1 996
Issue of share capital <sup>3</sup>	36								36		36
Share-based payments movement				98					98		98
Dividends paid								(984)	(984)		(984)
Acquisition of subsidiaries										(771)	(771)
Liquidation of subsidiaries <sup>4</sup>		(1 012)							(1 012)		(1 012)
<b>At 31 December 2015</b>	2 445	4 922	241	2 008	(205)	(55)		25 670	35 026	(800)	34 226

<sup>1</sup> Available-for-sale revaluations comprises the fair value adjustments, net of tax, on the investments in RBCT R38 million (2014: R344 million) and Chifeng R103 million (2014: R1 million) (note 16.2.2.1).

<sup>2</sup> Reclassification of equity relating to the RBCT investment which has been transferred out of financial assets available-for-sale and classified as an investment in associate (refer note 10.3.1 and 16.2.2.1).

<sup>3</sup> Vesting of Mpower 2012 treasury shares to good leavers amounted to R36 million (2014: R13 million).

<sup>4</sup> Gain on translation differences recycled to profit or loss on the liquidation of a foreign subsidiary (Exxaro Esmore Cooperatief U.A.).

Final dividend paid per share (cents) in respect of the 2014 financial year	210
Dividend paid per share (cents) in respect of the 2015 interim period	65
Final dividend payable per share (cents) in respect of the 2015 financial year	85

### Foreign currency translation

Arises from the translation of financial statements of foreign operations within the group.

### Financial instruments revaluation

Comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments where the hedged transaction has not yet occurred.

### Equity-settled

Represents the fair value, net of tax, of services received from employees and settled by equity instruments granted.

### Retirement benefit obligation

Comprises remeasurements, net of tax, on the post-retirement obligation.

### Available-for-sale revaluation

Comprises the fair value adjustments, net of tax, on the available-for-sale financial assets.

## 5.4 COMPANY STATEMENT OF CHANGES IN EQUITY

	Other components of equity				
	Share capital Rm	Foreign currency translation Rm	Equity settled Rm	Retained earnings Rm	Total equity Rm
<b>At 1 January 2014</b>	2 975	(2)	1 041	15 158	19 172
Loss for the year				(1 364)	(1 364)
Share-based payments movement			(84)		(84)
Dividends paid				(2 059)	(2 059)
<b>At 31 December 2014</b>	2 975	(2)	957	11 735	15 665
Loss for the year				(973)	(973)
Share-based payments movement			136		136
Dividends paid				(985)	(985)
<b>At 31 December 2015</b>	2 975	(2)	1 093	9 777	13 843
Final dividend paid per share (cents) in respect of the 2014 financial year					210
Dividend paid per share (cents) in respect of the 2015 interim period					65
Final dividend payable per share (cents) in respect of the 2015 financial year					85

**5.5 STATEMENTS OF CASH FLOWS**

	Notes	Group		Company	
		2015 Rm	2014 Rm	2015 Rm	2014 Rm
<b>For the year ended 31 December</b>					
<b>Cash flows from operating activities</b>		3 011	1 660	790	(2 055)
Cash generated by operations	7.1.5	4 526	4 083	2 268	290
Interest paid	12.1.6	(500)	(307)	(501)	(295)
Interest received	12.1.6	54	59	8	9
Tax paid	8.5	(85)	(120)		
Dividends paid	6.6	(984)	(2 055)	(985)	(2 059)
<b>Cash flows from investing activities</b>		(5 130)	620	(3 730)	4 456
Property, plant and equipment to maintain operations	11.1.4	(1 663)	(1 460)	(49)	(122)
Property, plant and equipment to expand operations	11.1.4	(727)	(1 737)		
Increase in investment in intangible assets		(34)	(25)	(34)	(25)
Proceeds from disposal of property, plant and equipment		198	8	19	
(Increase)/decrease in investments in other non-current assets	Annexure 2	(106)	214		
Increase in loans to related parties		(400)		(400)	
Proceeds from disposal of operations	17.4.1	70			
Increase in investment in joint venture	10.3.2	(374)	(108)	(374)	(108)
Acquisition of subsidiaries	17.4.2	(3 436)		(3 381)	(2)
(Increase)/decrease in indebtedness by subsidiaries	17.4.3			(1 205)	615
Income from investments in associates	10.4.1	1 341	3 719	1 341	3 648
Dividend income from financial assets	11.4.2	1	9		
Income from subsidiaries	17.2			353	450
<b>Cash flows from financing activities</b>		2 000	(604)	2 000	(604)
Interest-bearing borrowings raised		4 320	1 000	4 320	1 000
Interest-bearing borrowings repaid		(2 320)	(1 604)	(2 320)	(1 604)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(119)	1 676	(940)	1 797
Cash and cash equivalents at beginning of the year		1 939	223	1 231	(566)
Translation difference on movement in cash and cash equivalents		235	40	505	
<b>Cash and cash equivalents at end of the year</b>	16.3	2 055	1 939	796	1 231