

06

EARNINGS



6.1 ACCOUNTING POLICY RELATING TO EARNINGS
Dividend distribution

Dividends paid are recognised by the company in the period in which the dividends are declared by the company's board. These dividends are recorded and disclosed as dividends paid in the statement of changes in equity. Dividends proposed or declared subsequent to the year end are not recognised at the financial year end, but are disclosed in the notes to the financial statements.

All unclaimed dividends are held in a trust until they are either claimed by the relevant shareholder or the relevant shareholder's claim to such dividends prescribes (in which event such unclaimed dividends will become the property of the company).

6.2 ATTRIBUTABLE EARNINGS PER SHARE

	Group	
	2015	2014
For the year ended 31 December		
Profit/(loss) for the year attributable to equity holders of the parent (Rm)	296	(883)
Weighted average number of ordinary shares in issue (million)	355	355
Basic earnings/(loss) per share (cents)	83	(249)
Diluted weighted average number of ordinary shares (million)	356	355
Weighted average number of ordinary shares in issue (million)	355	355
Adjusted for share-based payment instruments (million)	1	
Diluted earnings/(loss) per share (cents)	83	(249)

Exxaro did not issue any ordinary shares during 2015. The treasury shares in Mpower 2012 were weighted for the number of days they were still in the group before being transferred to good leavers as defined on page 160.

As net losses were recorded in 2014, the Mpower 2012 shares were anti-dilutive for earnings/(loss) per share. The weighted average number of shares was therefore not adjusted for the diluted earnings per share calculation.

6.3 RECONCILIATION OF HEADLINE EARNINGS

	Gross Rm	Tax Rm	Net Rm
For the year ended 31 December 2015			
Profit attributable to owners of the parent			296
Adjusted for:	1 683	(356)	1 327
– IFRS 10 Gain on disposal of an operation	(112)	31	(81)
– IAS 16 Compensation from third parties for items of property, plant and equipment impaired, abandoned or lost	(5)	2	(3)
– IAS 16 Net gains on disposal of property, plant and equipment	(158)	2	(156)
– IAS 21 Gains on translation differences recycled to profit or loss on the liquidation of a foreign subsidiary	(1 012)		(1 012)
– IAS 28 Loss on dilution of investment in associate	10		10
– IAS 28 Share of associates' separate identifiable remeasurements	1 211	(328)	883
– IAS 36 Impairment of property, plant and equipment	225	(63)	162
– IAS 36 Impairment of goodwill acquired in a business combination in terms of IFRS 3	1 524		1 524
Headline earnings			1 623
For the year ended 31 December 2014			
Loss attributable to owners of the parent			(883)
Adjusted for:	6 328	(576)	5 752
– IFRS 10 Loss on disposal of subsidiary	28		28
– IAS 16 Net losses on disposal of property, plant and equipment	27	(6)	21
– IAS 21 Gains on translation differences recycled to profit or loss on the liquidation of a foreign subsidiary	(47)		(47)
– IAS 28 Loss on dilution of investment in associates	58		58
– IAS 28 Share of associates' separate identifiable remeasurements	296	(18)	278
– IAS 36 Impairment of property, plant and equipment	4 740	(552)	4 188
– IAS 36 Impairment of intangible asset	202		202
– IAS 36 Impairment of goodwill acquired in a business combination in terms of IFRS 3	1 020		1 020
– IAS 38 Loss on the write-off of intangible assets	4		4
Headline earnings			4 869

6.4 HEADLINE EARNINGS PER SHARE

For the year ended 31 December	Notes	Group	
		2015	2014
Headline earnings (Rm)	6.3	1 623	4 869
Weighted average number of ordinary shares in issue (million)		355	355
Headline earnings per share (cents)		457	1 372
For the diluted attributable earnings per share the weighted average number of ordinary shares above is adjusted (as calculated in note 6.2)		356	355
Diluted headline earnings per share (cents)		456	1 372

6.5 DIVIDEND DISTRIBUTION

For the year ended 31 December	Group		Company	
	2015 cents	2014 cents	2015 cents	2014 cents
Dividend per share in respect of the interim period	65	260	65	260
Final dividend per share in respect of the financial year	85	210	85	210
Total dividend for the financial year	150	470	150	470

A gross final cash dividend, number 26 of 85 cents per share, for the 2015 financial year has been declared and is payable to shareholders of ordinary shares. The gross local dividend amount is 85 cents per share for shareholders exempt from dividend withholding tax. The dividend declared will be subject to a dividend withholding tax of 15% for all shareholders who are not exempt or do not qualify for a reduced rate of dividend withholding tax. The net local dividend payable to shareholders, subject to dividend withholding tax at a rate of 15%, amounts to 72,25000 cents per share. The number of ordinary shares in issue at the date of this declaration is 358 115 505. Exxaro company's tax reference number is 9218/098/14/4.

This final dividend, amounting to approximately R304 million (2014: R752 million), has not been recognised as a liability. It will be recognised in shareholders' equity in the year ending 31 December 2016.

The salient dates relating to the payment of the dividend are as follows:

Last day to trade cum dividend on the JSE	Friday, 8 April 2016
First trading day ex dividend on the JSE	Monday, 11 April 2016
Record date	Friday, 15 April 2016
Payment date	Monday, 18 April 2016

No share certificate may be dematerialised or rematerialised between Monday, 11 April 2016 and Friday, 15 April 2016, both days inclusive. Dividends for certificated shareholders will be transferred electronically to their bank accounts on payment date. Shareholders who hold dematerialised shares will have their accounts at their central securities depository participant or broker credited on Monday, 18 April 2016.

The final 2014 dividend of 210 cents per share was paid on 20 April 2015.

6.6 NOTES TO THE STATEMENTS OF CASH FLOWS RELATING TO EARNINGS

For the year ended 31 December	Group		Company	
	2015 Rm	2014 Rm	2015 Rm	2014 Rm
Dividends paid				
Dividends declared and paid	(984)	(2 055)	(985)	(2 059)
– Final dividend	(752)	(1 126)	(752)	(1 128)
– Interim dividend	(232)	(929)	(233)	(931)

The group dividend paid is different from the company dividend paid due to the dividends on treasury shares, which are eliminated on consolidation.