



ArcelorMittal

Reviewed group results for the year ended 31 December 2011

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

ignificant escalations in electricity and raw material prices experienced during 2010 continued throughout 2011. This, together with ressures on global steel prices and various operational problems placed enormous pressures on operating margins, resulting in a headline loss of RS2 million for the year ended 31 December 2011. No dividend has been declared.

here was a reduced headline loss of R260 million for the fourth quarter of 2011 compared with the R460 million loss reported in the receding quarter and R497 million loss for the corresponding quarter of 2010.

BITDA halved to R1.7 billion with the main contributors being lower sales and significantly higher input costs.

EBILIA Halveu to KL7 Dillion with the main contributors being lower sales and significantly higher input costs.

Production was severely impacted by four significant production interruptions during the year; the structural failure of the blast furnace dust catcher at Newcastle Works and a 43 day stop to repair the corex tap-hole at Saldanha Works, both in August, and chilled hearth conditions experienced at the blast furnaces in Newcastle and Vanderbijlpark Works during the beginning of the year.

Safety is a major focus throughout the group and our Lost Time Injury Frequency Rate (LTIFR) for the year dropped 24% to a new record of 1.24, with all business units showing improvement. Despite this there were five unfortunate failties during the year, as a result of which a major refocus on entrenching compliance with the group's fatality prevention standards and safe behavior code was initiated as part of the group's Journey to Zero programme for the elimination of all injuries and fatalities from the workplace.

Key	statistics

	rtoy orangines	Quarter ended (unaudited)			Year ended 31 December		ln fr	
		31 December 2011	30 September 2011	31 December 2010	2011	2010	Ei	
	Revenue (R million)	7 258	7 620	6 832	31 453	30 224	CC	
	EBITDA (R million)	82	3	(221)	1 720	3 522	01	
	EBITDA/tonne (R/t)	83	3	(184)	365	699	T/	
	EBITDA margin (%)	1.1		(3.2)	5.5	11.7	b	
	(Loss)/profit from operations (R million)	(285)		(563)	297	2 151	c	
	Net (loss)/profit (R million)	(184)	(462)	(496)	8	1 345	P	
	Headline (loss)/earnings (R million)	(260)		(497)	(52)	1 377	ef	
	Headline (loss)/earnings per share (cents)	(65)	(115)	(124)	(13)	343	u	
	Unaudited information						Ιn	
	Liquid steel production ('000 tonnes)	1 196	1 180	1 199	5 453	5 674	l e	
5 (503 51 :11: 40/	Steel sales ('000 tonnes)	993	1 133	1 199	4 708	5 041	Ca	
 Revenue of R31.5 billion up 4% 	– Local	725	862	661	3 507	3 414	Sr	
Reverse of Rot.s billion op 170	– Export	268	271	538	1 201	1 627	1	
			1.79				I TI	
 Steel sales volumes of 4.7 million tonnes down 7% 	Lost time injury frequency rate	0.88	1.79	1.41	1.24	1.64		
	AA 1 1 - 1 - 1 - 1						-	

2011

31 453

(19886)

(1409)

(5 239)

(34)

315

(12)

318

2 151 71

122

1 345

(200)

29

Mulker Teview (Global steel demand improved moderately, growing at an estimated 5.9% in 2011, despite a series of expected and unanticipated negative developments, such as the European sovereign debt crisis, political unrest in the Middle East and North Africa region, and the earthquake in Japan, coupled with tighter monetary measures in emerging economies.

A sustained recovery in international steel prices remains uncertain on the back of sluggish global economic activity. Global steel prices were on a downward trend towards the latter part of 2011 from higher levels earlier in the year.

economic growth in South Africa was relatively modest, with domestic GDP growth rates registering a declining trend on a quarterly basis, eaching an estimated 2.9% in the fourth quarter of 2011 from a high of 3.3% in the first quarter. This effect was magnified in the main teel-consuming sectors of mining, construction and manufacturing, although some sub-sectors within the manufacturing sector such as vehicles and electrical appliances stimulated steel demand to some degree.

The recent weakening in the South African rand against major currencies improved the competitiveness of the country's export industries an the ability of domestic manufacturers to compete with imports. However, the South African economy has not been spared from the global

was 3% lower with commendation of the commenda

Liquid steel production was lower by 221 000 tonnes or 4% compared to the previous financial year. Unplanned liquid steel production losses of 880 000 tonnes occurred during the year. Capacity utilisation for flat steel was at 71% compared to 67% for the corresponding period an for long steel at 61%, compared to 81%. On 29 December 2011, blast furnace D at Vanderbijlpark experienced a burn-through, resulting in a four-week stop to repair the damage. An increase in steel production from the electric arc furnaces compensated for the lost production during the repairs.

Finance costs of R168 million for the year were significantly lower than the R507 million reported for the previous year. Included in finance costs of R168 million for the year compared to the net foreign exchange loss of R150 million of last year. This was mainly due to the weakening of the rand against the US dollar from R6.62 at the end of December 2010 to R8.18 at December 2011. The net loss from equity accounted investments of R34 million for the year was mainly due to our share of losses incurred by Coal of Africa imited offset by the equity income from Macsteel International Holdings BV.

The effective tax rate (ETR) for the year of 94% was disproportionate to the previous year (27%) due to the drop in pre-tax profit from R1 837 million to R126 million. Factors contributing to the increase in ETR are:

• secondary tax on companies on dividends declared during the third quarter of the year (17%);

• non-deductible legal and other expenditure not decreasing in comparison with the decrease in profit (16%);

• losses incurred by offshore subsidiaries not tax deductible in South Africa (11%);

• non-recoverable withholding tax on dividends received from foreign subsidiary (10%);

• effect of consolidated loss from associates and joint ventures (7%);

• income of controlled foreign companies taxable in South Africa (6%)

Available cash decreased by R3.2 billion as a consequence of an increase in working capital of R2.8 billion, capital projects of R1.2 billion, further investment of R180 million in associates and joint ventures of which R135 million related to Coal of Africa Limited, as well as a dividend payment of R221 million. Quarter ended 31 December 2011 compared with quarter ended 31 December 2010 (unaudited)

Quarter ended 31 December 2011 compared with quarter ended 31 December 2010 (undoulled). Total revenue of R.7.3 billion was 6% higher than the corresponding quarter of 2010. Total steel shipments were 17% down, with domestic steel shipments increasing by 10% and export steel shipments decreasing by 50% following a significant drop in demand and the production problems mentioned earlier. Average net realised prices for flat steel products increased by 26%, while long steel products row by 43%. Shipments for flat steel products remained at the same level, whereas long steel products were down 52%. Revenue from our Coke and Chemicals business decreased by 3% following an 11% decline in commercial coke average net realised prices offset by a 7% increase in volumes. ne production cash cost of hot rolled coil increased by 17% and that of billets by 18%, largely due to increases in the prices of imported king coal (30%), local coking coal (20%), scrap (40%) and electricity (26%).

iotal liquid steel production was in line with the corresponding period. However, flat steel increased by 14% and long steel decreased by 37%. Capacity utilisation for flat steel was at 70% compared to 60% and for long steel at 36% compared to 58%. The operating loss of R285 million reduced from the loss of R563 million reported in the corresponding period on the back of improved net

Finance costs decreased by R52 million to R106 million for this quarter, mainly due to net foreign exchange losses of R76 million incurred during the fourth quarter of 2010, following a 5% strengthening of the rand against the US dollar over that quarter. Although the rand weakened against the US dollar during quarter four of 2011, foreign-denominated cash and receivables were low and resulted in an insignificant gain.

Condensed group statement of financial position

Raw materials and consumables used

Depreciation Amortisation of intangible assets

(Loss)/profit from operations

ncome tax credit/(charge) (Note 5)

(Loss)/profit before tax

taken to equity

(Loss)/profit for the period

(Loss)/profit attributable to:

Owners of the company

nent in inventories of finished goods and work in

Income/(loss) from equity accounted investments (net of tax)

Exchange differences on translation of foreign operation (Losses)/gains on available–for–sale investment

taken to equity
Movement in gains deferred to equity
on cash flow hedges
Share of other comprehensive income
of equity accounted investments
Tax effect on amounts taken directly to equity

Total comprehensive (loss)/income for the period

Total comprehensive (loss)/income attributable to

Attributable (loss)/earnings per share (cents)

Profit from operations down 86%

• Lost time injury frequency rate improved by 24%

(5672)

(363)

(1 025)

(285)

(184)

14

(10)

(346)

(347)

(145)

(462)

268

(462)

(42)

(339)

(562)

(158)

(53)

(755) 258

(497)

(95)

41

(12)

(497)

(563)

Condensed group statement of comprehensive income

Rm	As at 31 December 2011 Reviewed	As at 30 September 2011 Unaudited	As at 31 December 2010 Audited
Assets	40.000	40.000	10.110
Non-current assets	19 573	18 998	19 110
Property, plant and equipment	16 618 126	16 304 81	16 432 84
Intangible assets Equity accounted investments	2 772	2 546	2 386
Other financial assets	57	67	208
Current assets	12 849	12 920	12 608
Inventories	9 935	9 232	7 156
Trade and other receivables	2 374	2 392	1 816
Taxation Other financial assets	100	20	18
Other financial assets Cash and cash equivalents	439	1 276	112 3 506
Total assets	32 422	31 918	31 718
Equity and liabilities			
Shareholders' equity	22 669	22 842	22 556
Stated capital	37	37	37
Non-distributable reserves Retained income	(2 231) 24 863	(2 322) 25 127	(2 475) 24 994
Non-current liabilities	4 474	4 458	4 592
Borrowings and other payables (Note 6)	241	227	224
Finance lease obligations	451	471	515
Deferred income tax liability	2 310	2 246	2 354
Provision for post-retirement medical costs	7		8
Non-current provisions	1 465	1 507	1 491
Current liabilities	5 279	4 618	4 570
Trade and other payables	4 644	3 957	4 020
Borrowings and other payables Finance lease obligations	107 57	104 52	88 59
Taxation	57	124	23
Current provisions	471	381	403
Total equity and liabilities	32 422	31 918	31 718

Condensed group statement of changes in equity

		Treasury			
Rm	Stated capital	share equity reserve	Other reserves	Retained earnings	Total
Nine months ended 30 September 2010	capital	1050.70	1030, 103	carrings	10101
(Unaudited)					
Balance as at 1 January 2010	37	(3 918)	1 574	24 232	21 925
Total comprehensive income			(24)	1 842	1 818
Management share trust: net of treasury share purchases			(12)		(12)
Share-based payment reserve			23	(440)	23
Transfer of equity accounted earnings Dividend paid			118	(118) (602)	(602)
Balance as at 30 September 2010 (unaudited)	37	(3 918)	1 679	25 354	23 152
	37	(3 910)	1079	23 334	23 132
Quarter ended 31 December 2010 (unaudited)	37	(3 918)	1 679	25 354	23 152
Balance as at 30 September 2010 Total comprehensive income	3 /	(3 918)	(66)	(497)	(563)
Management share trust: net of treasury share purchases			(42)	(437)	(42)
Share-based payment reserve			9		9
Transfer of equity accounted earnings			(137)	137	
Balance as at 31 December 2010 (audited)	37	(3 918)	1 443	24 994	22 556
Six months ended 30 June 2011 (reviewed)					
Balance as at 31 December 2010	37	(3 918)	1 443	24 994	22 556
Total comprehensive income			(114)	654	540
Management share trust: net of treasury share purchases			(6)		(6)
Share-based payment reserve			11	17	11
Transfer of equity accounted earnings	27	(2.04.0)	(17)		22.404
Balance as at 30 June 2011 (reviewed)	37	(3 918)	1 317	25 665	23 101
Quarter ended 30 September 2011 (unaudited)	27	(2.04.0)	4 247	25.665	22.404
Balance as at 30 June 2011 (reviewed) Total comprehensive income	37	(3 918)	1 317 420	25 665 (462)	23 101 (42)
Management share trust: net of treasury share purchases			(1)	(402)	(1)
Share-based payment reserve			5		5
Transfer of equity accounted earnings			(145)	145	
Dividend paid				(221)	(221)
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	37	(3 918)	1 596	25 127	22 842
Total comprehensive income			4	(184)	(180)
Management share trust: net of treasury share purchases			(5)		(5) 12
Share-based payment reserve Transfer of equity accounted earnings			12 80	(80)	12
Balance as at 31 December 2011 (reviewed)	37	(3 918)	1 687	24 863	22 669
palatice as at 3 i Decelliber 20 i i (reviewed)	5/	(3318)	100/	24 003	22 009

Registered Office: Arcelor Mittal South Africa Limited, Room N3-5, Main Building Delfos Boulevard, Vanderbijlpark, 1911 Directors: MJN Njeke* (Chairman), DK Chught

Non-executive: FA du Plessis*, M Macdonald*, S Maheshwarit, LP Mondi, DCG Murray*, ND Orleyn*, G Urquijo°

*Citizen of India ° Citizen of Spain * Independent non-executive

Executive: N Nyembezi-Heita (Chief Executive Officer), RH Torlage (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, PO Box 61051,

Segment information

	31 December	30 September	31 December	2011	2010
	2011	2011	2010	Reviewed	Audited
Flat steel products Revenue (R million)	2011				
External Internal Internal EBITDA (R million) Depreciation and amortisation (R million)	5 284	5 034	4 216	21 092	18 848
	265	247	186	701	586
	(152)	(232)	(400)	597	1 442
	(292)	(276)	(272)	(1 133)	(1 095)
(Loss)/profit from operations (R million) Unaudited information	(444)	(508)	(672) 865	(536) 4 060	347
Liquid steel production ('000 tonnes) Steel sales ('000 tonnes)	806	798	807	3 424	3 348
- Local	554	588	463	2 468	2 336
- Export	252	210	344	956	1 012
Capacity utilisation (%)	70	64	60	71	67
Assets	21 322	20 818	19 177	21 322	19 177
Long steel products Revenue (R million)					
- External - Internal EBITDA (R million) Depreciation and amortisation (R million) (Loss)/profit from operations (R million)	1 384	2 199	2 005	8 044	8 976
	832	123	212	1 470	793
	74	65	(36)	500	1 090
	(67)	(66)	(65)	(269)	(264)
	7	(1)	(101)	231	826
Unaudited information Liquid steel production ('000 tonnes) Steel sales ('000 tonnes)	209 187	262 335	334 392	1 393 1 284	1 860 1 693
– Local	171	274	198	1 039	1 078
– Export	16	61	194	245	615
Capacity utilisation (%) Assets	36	46	58	61	81
	6 965	5 950	5 277	6 965	5 277
Coke and chemicals Revenue (R million)					
- External - Internal EBITDA (R million) Depreciation and amortisation (R million) Profit from operations (R million) Hanadited information Information	590	387	611	2 317	2 400
	14	13	10	61	49
	225	161	265	870	1 029
	(15)	(14)	(12)	(52)	(44)
	210	147	253	818	985
Commercial coke produced ('000 tonnes) Commercial coke sales ('000 tonnes) Tar sales Assets	154	162	232	633	745
	163	92	168	631	629
	30	27	33	117	125
	1 082	1 068	1 079	1 082	1 079
Corporate and other Operating (loss)/profit before depreciation and			-		(2.2)
amortisation (R million)	(65) 7	9	(50) 7	(247)	(39)
Depreciation and amortisation credit (R million) (Loss)/profit from operations (R million) Assets	(58) 3 053	6 15 4 082	(43) 6 185	31 (216) 3 053	32 (7) 6 185

Salient features						
	Qua	rter ended (Unau	Year ended 3	Year ended 31 December		
Rm	31 December 2011	30 September 2011	31 December 2010	2011 Reviewed	2010 Audited	
Reconciliation of earnings before interest, taxation, depreciation and amortisation (EBITDA)						
(Loss)/profit from operations Adjusted for:	(285)	(347)	(563)	297	2 151	
– Ďepreciation – Amortisation of intangible assets	363 4	346 4	339 3	1 409 14	1 360 11	
EBITDA for the period	82	3	(221)	1 720	3 522	
Reconciliation of headline (loss)/earnings (Loss)/profit for the period Adiusted for:	(184)	(462)	(497)	8	1 345	
– (Profit)/loss on disposal or scrapping of assets – Tax effect	(104) 28	3 (1)		(82) 22	44 (12	
Headline (loss)/earnings for the period	(260)	(460)	(497)	(52)	1 377	
Headline (loss)/earnings per share (cents) – basic – diluted	(65) (65)		(124) (124)	(13) (13)	343 343	
Return on ordinary shareholders' equity per annum – Attributable earnings (%) – Headline earnings (%) Net cash to equity (%) Share Statistics	(3.2) (4.6) 0.4			0.0 (0.2) 0.4	6.1 6.2 14.2	
Ordinary shares (thousands) - in issue - weighted average number of shares - diluted weighted average number of shares Share price (closing) (rand) Market capitalisation (R million) Net asset value per share (rand)	401 202 401 202 401 271 68.58 27 514 56.50	401 202 401 202 401 259 59.39 23 827 56.93	401 202 401 202 401 433 79.22 31 783 56.22	401 202 401 202 401 444 68.58 27 514 56.50	401 202 401 202 401 532 79.22 31 783 56.22	
Dividend per share (cents)					150	

Income from equity-accounted investments of R120 million increased by R173 million compared to the loss of R53 million recorded in the corresponding quarter. The increase was due to the group's share of losses in Coal of Africa Limited in the corresponding period against the reversal of the impairment recorded during the fourth quarter following the impairment loss recognised during the third quarter 2011. This was offset by lower income from Macsteel International Holdings BV.

Quarter ended 31 December 2011 compared with quarter ended 30 September 2011 (unaudited) Revenue of R7.3 billion was 5% lower than the previous quarter. Total steel shipments were 12% down, with domestic steel shipments decreasing by 16% and export steel shipments remaining unchanged. Shipments for flat steel products remained static, while long steel products dropped by 44%. Revenue from the Coke and Chemicals business increased by 55% following the previous weak quarter where demand from the ferro-alloy industry was curtailed due to high electricity prices experienced during the winter months. Commercial coke volumes were 77% higher, but this was largely offset by a 5% drop in average net realised prices.

The production cash cost of hot rolled coil produced decreased by 4%, while billets increased by 2%. The prices of imported coal, electricity and pellets decreased by 7%, 30% and 6%, respectively, whereas the prices of scrap increased by 3%.

Total liquid steel production was 1% higher than the previous quarter, however flat steel increased by 8% and long steel decreased by 20%. Flat steel products achieved capacity utilisation of 70% compared to 64% the previous quarter. The equivalent figures for long steel were

Income from equity-accounted investments for the quarter was R120 million compared to the loss of R145 million the previous quarter, following the reversal of the group's share of the impairment loss in Coal of Africa Limited recognised in the third quarter.

The company's environmental focus during 2011 and for the foreseeable future will remain on air and water-related projects to ensure compliance with legislation. The requirements of the Air Quality Act (the Act) remain a top priority and significant expenditure will commence over the next five-year period to improve the performance of coke-making facilities at Vanderbijlpark and Newcastle Works. The new Sinter Plant Emission Abatement Project at Vanderbijlpark Works was completed during 2011 and commissioning is now anticip by the end of March 2012. This project will significantly reduce particulate and SO₂ emissions from the Vanderbijlpark facility and ensure compliance with the new Act.

Compliance with the new Act.

Plans remain on track for Newcastle Works to achieve zero effluent discharge status by end 2013. At Vanderbijlpark Works, significant effluent treatment problems were experienced during 2011. Urgent steps have been taken to ensure that the situation is remedied without

During 2011, the carbon tax and climate change debate received significant attention, with additional prominence added by the COP 17 event in Durban, which was fully supported by the group. Constructive debate took place with National Treasury during the year regarding the carbon tax proposal and potential structuring options which, as it stands, would have a severe impact on the viability of steel production in South Africa. This engagement is expected to continue during 2012.

The case brought before the Competition Tribunal (Tribunal) by Barnes Fencing Industries Limited relating to alleged price and exclusionary conduct on the sale of wire rod is continuing in accordance with Tribunal procedures. A date for the hearing has not been set.

conduct on the sale of wire rod is continuing in accordance with Inbunal procedures. A date for the hearing has not been set.

The Competition Commission (Commission) has referred the company and three other primary steel producers in South Africa to the Tribunal for alleged price fixing and market division in respect of certain long steel products. The Commission has recommended the imposition of a financial penalty of 10% of the company's 2008 annual turnover. On 3 September 2010, the Tribunal requested by the company, the company then filed a notice of appeal with the Competition Appeal Court (CAC) to review the Tribunal's decision. The company also requested the CAC to suspend the Tribunal's order that the company should file its answering affidavit, pending the outcome of the appeal. An appeal and review hearing was heard on 2 December 2011. The decision is still outstanding and not expected before the end of the first quarter. ArcelorMittal South Africa has also filed an application challenging the validity of the referral of this matter to the Tribunal. No date has been set for the hearing of this application.

During the fourth quarter of 2011, South Africa Revenue Services (SARS) issued a letter of assessment relating to the erroneous claiming of customs value added tax (VAT) by ArcelorMittal South Africa for the period 2005 to 2008, where it was actually relating to the wholly owne subsidiary Saldanha Steel (Proprietary) Limited, but not claimed by Saldanha. In the letter, the position of SARS is that the principal amount of R249 million should be repaid by the company and that SARS may consider imposing interest and penalties thereon, though no amount was quantified. The company issued a letter of objection to this because, in the same vein, Saldanha did not claim the input VAT, arguing that SARS was not negatively disadvantaged. The company has proposed to SARS that the dispute be advanced to a formal Alternative Dispute Resolution process. No amount has been recognised as a provision.

Competition Commission investigations

peniin Continusion investigating five complaints against Arcelor Mittal South Africa. The first involves alleged price fixing in the flat market and the second, alleged excessive pricing of tinplate. The third investigation involves alleged prohibited vertical practices in ct of purchases of scrap steel. The fourth investigation appears to involve an extension of the Branes Fencing Industries Limited case libed under contingent liabilities, into a later period. The fifth investigation relates to excessive pricing in the flat steel market and the resurcharge introduced, and later cancelled by the company in 2010. The company is co-operating fully with the Commission in thes tigations and delivered all the requested documentation to the authorities.

Dispute with Sishen Iron Ore Company (Proprietary) Limited (SIOC)
On 15 December 2011 Judge Zondo, in the North Gauteng High Court review application brought by SIOC against the Department of
Mineral Resources (DMR) and Imperial Crown Trading 289 (Proprietary) Limited (ICT) of which Arcelor/Mittal South Africa was joined at the
request of SIOC, ruled that SIOC owned 100% of the rights in the Sishen mine and set aside the grant of the prospecting right to ICT. This
ruling supports Arcelor/Mittal South Africa's argument in the review application and the arbitration proceedings that SIOC was awarded 100%
of the mining right in the Sishen mine. SIOC and Arcelor/Mittal South Africa agreed to postpone the arbitration proceedings, which were
scheduled to take place in May 2012, until the appeal process in the High Court review application is finalised. We remain convinced that SIOC
erred in cancelling our supply agreement and we have full confidence that the arbitration process will rule in our favour.

Changes to the board of directors

Glowing appointments and resignations occurred during the financial year and to the date of this report: FA du Plessis was appointed as an independent non-executive director and member of the Audit and Risk Committee with effect fron

4 May 2011; Mr AMHO Poupart-Lafarge resigned as non-executive director on 25 May 2011; Mr G Urquijo was appointed as a non-executive director with effect from 27 May 2011; and Mr CPD Cornier resigned as non-executive director with effect from 24 January 2012.

Earnings for the first quarter are expected to improve significantly due to production stability and higher sales volumes partially offset by lower international steel prices.

On behalf of the Board

N Nyembezi-Heita (Chief Executive Officer) RH Torlage (Chief Financial Officer) 1 February 2012

Forward – looking statements

FORWARD – IOOKING SIGNEMENTS
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

Dasis of preparation
The condensed reviewed consolidated financial statements have been prepared in compliance with the Listings Requirements of the JSE Limited, the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the ACSOO standards as issued by the Accounting Practices Board and the South African Companies Act. These statements were compiled under the supervision of Mr RH Torlage, the Chief Financial Officer.

inancial results for the year ended 31 December 2011 have been prepared on the hi

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 2010, except for the adoption of the following Amendments and Interpretations in advance of their effective date with no impact on the group's financial results or disclosures:

IFRS 1 (Amendment): Deferred Tax – recovery of underlying assets;

IFRS 1 (Amendment): Financial Instruments: Disclosure – of Setting financial assets and financial liabilities;

IFRS 7 (Amendment): Financial Instruments: Dresentation – offsetting financial assets and financial liabilities.

The results for the year ended 31 December 2011 included the results from Coal of Africa Limited for the period 1 October 2010 to 30 September 2011

30 September 2011.

3. Independent review by the auditors
The condensed consolidated financial results have been reviewed by the company's auditors, Deloitte & Touche, in accordance with International Standards on Review Engagements 2410. They expressed an unmodified review opinion on the financial information for the 12 month period ended 31 December 2011. No opinion is expressed on the querterly information disclosed herein. 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.

	Quarter ended (Unaudited)			Year ended 31 December		
Rm	31 December 2011	30 September 2011	31 December 2010	2011 Reviewed	2010 Audited	
4. Finance costs	106	74	158	168	507	
Interest expense on bank overdrafts and loans Interest expense on finance lease obligations Discounting rate adjustment of the non-current	24 17	5 17	3 19	32 71	8 77	
provisions Net foreign exchange (gains)/losses on	25	31	24	22	100	
financing activities Unwinding of the discounting effect in the present		(23)	76	(124)	150	
valued carrying amount of the non-current provisions	40	44	36	167	172	
5. Income tax (credit)/expense	(82)	(97)	(258)	118	492	
Current normal and deferred tax (credit)/expense Normal and deferred tax expense recognised in	(82)	(119)	(210)	101	476	
relation to tax of prior years Secondary tax on companies		22	(41) (7)	(5) 22	(44 60	
5. Borrowings and other payables						
Leave pay	328	311	282	328	282	
Loan	20	20	30	20	30	
Total	348	331	312	348	312	
Disclosed as:						
– non-current	241	227	224	241	224	
- current	107	104	88	107	88	
7. Capital expenditure	525	329	962	1 190	1 714	
Contracted	887	621	641	887	64	
Authorised but not contracted	728	877	1 045	728	1 04	
3. Contingent liabilities	720	077	1 043	720	104.	
Guarantees	1	1	1	1		
Operating lease commitments	278	270	313	278	313	
Less than one year	83	88	148	83	148	
More than one year and less than five years	190	175	161	190	161	
More than five years	5	7	4	5	4	

Related party transactions
The group is controlled by Arcelor Mittal Holdings AG which effectively owns 52.02% of the company's shares. During the year, the company and its subsidiaries, in the ordinary course of business, entered into various sale and purchase transactions with associates joint ventures. These transactions occurred under terms that are no less favourable than those arranged with third parties.

Quarter ended (Unaudited)

11. Corporate governance
The group subscribes to the Code on Corporate Practices and Conduct as contained in the third King Report on corporate governance.

Condensed group statement of cash flows

Rm	31 December 2011	30 September 2011	31 December 2010	2011 Reviewed	2010 Audited
Cash in/(out) flows from operating activities	35	(909)	947	(1 368)	1 337
Cash generated from/(utilised in) operations	169	(627)	1 163	(836)	2 666
Interest income	4	7	17	29	69
Finance costs	(41)	(23)	(22)	(102)	(85)
Dividend paid		(221)		(221)	(602)
Income tax paid	(81)		(265)	(243)	(653)
Realised foreign exchange movement	(16)	(45)	54	5	(58)
Cash outflows from investing activities	(619)	(350)	(913)	(1 3 1 8)	(1 706)
Investment to maintain operations	(450)	(244)	(599)	(924)	(1 259)
Investment to expand operations	(75)	(85)	(363)	(266)	(455)
Shares acquired in associate and equity accounted					
investment	(137)	(21)	(21)	(180)	(120)
Investment income – interest			1	2	2
Dividend from equity accounted investments	43		69	50	126
Cash outflows from financing activities	(232)	(189)	(110)	(529)	(374)
Repayment of borrowings, finance lease obligations and					
other payables	(232)	(189)	(110)	(529)	(374)
Decrease in cash and cash equivalents	(816)	(1 448)	(76)	(3 215)	(743)
Effect of foreign exchange rate changes	(21)	101	(132)	148	(99)
Cash and cash equivalents at beginning of period	1 276	2 623	3 714	3 506	4 348
Cash and cash equivalents at end of period	439	1 276	3 506	439	3 506

Year ended 31 December