ASSORE

Provisional reviewed results

for the year ended 30 June 2019

Highlights

Safety: three mines achieve consecutive fatality-free shift records

Record attributable earnings for the third consecutive year

Record dividend of R24 per share

Net cash of R9 billion

Commentary

These results are also available on **www.assore.com**

Safety

Assore operations

Dwarsrivier Chrome Mine Proprietary Limited (Dwarsrivier) achieved improvement in its lost-time injury frequency rate (LTIFR) to 0,17 for the financial year ended 30 June 2019 (FY19 or the current year) from 0,19 for the financial year ended 30 June 2018 (FY18 or the prior year). Dwarsrivier's achievement of five million fatality-free shifts in March 2019 contributed significantly to an improvement of the LTIFR of the operations controlled by Assore to 0,22 for FY19 from 0,27 in FY18.

Assmang operations

The operations of Assmang Proprietary Limited (Assmang), which is jointly controlled by Assore and African Rainbow Minerals Limited (ARM), achieved a combined LTIFR of 0,19 for FY19, representing a deterioration from the level recorded in FY18 of 0,13. However, its operations continue to maintain and achieve exceptional safety records. Khumani Iron Ore Mine achieved the best LTIFR in its operational history of 0,08, while Beeshoek Iron Ore mine achieved four million fatality-free shifts in January 2019. In the Manganese division, the Black Rock Mines achieved seven million fatality-free shifts in February 2019, with the Cato Ridge smelters completing a second consecutive year without a lost-time injury.

The group remains committed to pursuing sustainable improvement in its overall safety performance.

Group financial performance

Headline earnings increased by 25% to a record high of R6,4 billion in FY19 compared to R5,1 billion in FY18. Assmang's headline earnings increased by 41% to R10,0 billion, with Assore's 50% share in Assmang contributing R5,0 billion towards Assore's headline earnings. In accordance with International Financial Reporting Standards (IFRS), Assmang is classified as a joint venture and accordingly, its financial results are equity accounted. The rest of the group's operations reported headline earnings that were 13% lower than FY18, at R1,4 billion (FY18:R1,6 billion). The contribution to the group's results from Dwarsrivier was R516 million (FY18: R875 million), while fees and interest earned made up most of the balance. Attributable earnings amounted to R5,9 billion, 16% higher than FY18, representing a third consecutive annual record.

The average SA rand/US dollar (ZAR/USD) exchange rate for FY19 was R14,12, 10% weaker than the level that prevailed during FY18. The weaker exchange rate, higher iron ore prices, elevated but steadily declining manganese ore prices and higher sales volumes of manganese ore, resulted in a notable increase in attributable earnings.

Commentary continued

Production and sales volumes achieved by the group were as follows:

Metric tons '000	FY19	FY18	% (decrease)/ increase
Production volumes (100% basis)			
Iron ore	**17 786**	18 578	(4)
Manganese ore	**3 409**	3 717	(8)
Manganese alloys	**455**	462	(2)
Chrome ore	**1 551**	1 619	(4)
Sales volumes (100% basis)			
Iron ore*	**17 543**	17 874	(2)
Manganese ore**	**3 434**	3 177	8
Manganese alloys	**398**	378	5
Chrome ore	**1 556**	1 557	–

* *Excluding intra-group sales from Beeshoek Iron Ore Mine to Khumani Iron Ore Mine.*

** *Excluding intra-group sales to Cato Ridge Works.*

Strong cash generation in the group resulted in group net cash increasing by 14% to R9,0 billion (FY18: R7,9 billion). A final dividend of R14,00 per share has been declared, bringing the total dividend for FY19 to R24,00 (FY18: R22,00) per share.

Market conditions

World crude steel production grew by 4,5% in the 2018 calendar year (CY18), while Chinese demand for crude steel remained firm due to continued economic stimulus. Production in China is expected to grow by 5,7% in the 2019 calendar year (CY19). China produces more than half of the world's supply of crude steel, and continues to report high levels of crude steel production, reaching almost 89 million tons in May 2019, which represented an all-time monthly record. The circumstances above maintained strong levels of demand for ores, with increased prices for iron ore and stable prices for manganese ore. Sustained, tight environmental controls continue to drive demand for the group's high-grade raw materials.

The trade conflict between the USA and China had a negative impact on consumer confidence and resulted in a lower than expected demand for stainless steel. As a result, prices for stainless steel and subsequently chrome ore prices weakened throughout FY19. This occurred despite an increase in world production of stainless steel for CY18, which increased by 5,4% from the 2017 calendar year (CY17) and which continued at similar levels in the first half of CY19.

Assmang (iron ore and manganese)

Assmang's attributable earnings increased by 29% over FY18 to R9,1 billion (100% basis), driven mostly by increased sales revenue, which was 29% up on FY18 to R35,6 billion. Iron ore delivered earnings of R6,8 billion (FY18: R3,3 billion), an increase of 106%, while those of the manganese division decreased by 39% to R2,3 billion (FY18: R3,8 billion). This was brought about by impairment charges amounting to R1,0 billion relating to the investment in Sakura Ferroalloys (Sakura) (refer "impairment" on page 4).

Capital expenditure in Assmang amounted to R4,4 billion for FY19 (FY18: R3,1 billion). The Iron Ore division spent R2,1 billion, an increase of 18% on FY18, relating mostly to the replacement of mining fleet machinery. The Manganese division's capital expenditure increased by 77% to R2,3 billion (FY18: R1,3 billion), mainly due to R662 million capital spent on the modernisation and optimisation of Gloria Mine as well as a new slimes dam and thickeners for water recovery at the Nchwaning operations. At the end of FY19, approximately 93% of the approved and revised R6,9 billion capital expenditure on the Black Rock Expansion Project was committed or spent and 25% of the approved capital of approximately R2,7 billion for the Gloria Mine modernisation and optimisation was spent.

Iron ore

The increase in attributable profit for FY19 is due to the increase in prices and the weaker ZAR/USD exchange rate over the financial year. The average market price for iron ore increased over FY19 from USD69 per ton (62% iron content, "fines" grade, delivered in China) to USD80 per ton. A tragic tailings dam failure in Brazil, as well as weather disruptions in northern Brazil and Western Australia, resulted in reduced seaborne supply of iron ore. Furthermore, improved levels of demand for steel in China, mainly as a result of economic stimulus measures, changed what was anticipated to be an oversupplied market into an undersupplied market. The strong demand for the group's product, together with an increase of approximately 60% in the average level of the "lumpy" premium, to USD21 for FY19 (FY18: USD13) per ton, contributed to the increase in revenue of 39%.

Manganese ore and alloys

Despite growth in steel production, the manganese ore market was characterised by significant changes in the Chinese ferroalloy industry which saw silico-manganese production increase by 30% in CY18. This was driven by an increase in the unit consumption of silico-manganese due to changes in the Chinese rebar quality steel standards implemented in early 2018, requiring an increase of manganese ore in rebar from 8kg/ton to approximately 11kg/ton. The market continued to witness the decline in Chinese domestic manganese ore production.

Commentary continued

Demand for manganese ores remained firm throughout FY19, resulting in stable index prices, despite some weakness in Chinese ferroalloy prices towards the end of FY19.

The FY19 average index price for the high-grade "lumpy" ore (44% manganese content) was USD6,68 per dry metric ton unit (dmtu), delivered (CIF) in China (FY18: USD6,88 per dmtu), while the average medium-grade "lumpy" ore price index (37% manganese content) for FY19 was USD5,55 per dmtu, free on board (FOB) from South Africa (FY18: USD5,59 per dmtu).

The stable prices together with the 8% increase in sales volumes and the weak ZAR/USD exchange rate resulted in the increased earnings from manganese ore. Production volumes decreased by 8% due to the shut at the Gloria Mine for its modernisation and optimisation initiative.

Despite the strong steel production and demand in the United States, due to the tariffs levied on imported steel, the manganese alloy market has remained oversupplied. This resulted in continued price weakness and poor profitability for ferroalloy producers, with pressure on non-integrated producers being exacerbated.

Dwarsrivier (chrome ore)

The attributable profit for FY19 decreased by 41% to R516 million (FY18: R875 million), due to lower prices for chrome ore and increased operating costs. The reduced profit was compounded by a labour strike suffered by the mine in March 2019, which accounted for the decrease of 4% in production volumes. The cost management performance was disappointing, with unit costs increasing by 14% over FY18. The oversupply of ferrochrome in the group's main market resulted in a decrease in demand for chrome ore, which saw the average index market price decreasing to USD187 per ton from USD224 in FY18 (44% chrome content material, delivered in China). The weaker ZAR/USD exchange rate and sales volumes of 1,6 million tons (similar to FY18) partially negated the decrease in prices, with revenue decreasing by 4% to R3,6 billion. Capital expenditure amounted to R480 million (FY18: R300 million), mostly on ongoing projects aimed at increasing plant efficiency.

Marketing and shipping

Marketing fees earned by the group increased by 27% over FY18, in line with the increase of 24% in the combined turnover of Assmang and Dwarsrivier. Interest earned on the group's cash resources amounted to R557 million (FY18: R502 million).

Impairment

FY19 saw several major ferroalloy producers announce production cuts in an attempt to curb losses and accelerate the clearing of the oversupplied ferroalloy market. The uncertain economic environment continued to affect alloy demand in the markets outside China, with elevated input costs and weak alloy prices placing pressure on profit margins which are not expected to recover in the short term. Accordingly, by way of using a discounted cash flow model, management at Sakura have recorded an impairment charge against its property, plant and equipment of Malaysian ringgit (MYR) 338 million, of which Assmang's equity-accounted portion (54,36%) amounts to R625 million. In addition, management at Assmang have assessed Assmang's equity-accounted carrying value of its investment in Sakura, by comparison to its determined fair value (less cost to sell) and have recorded an additional impairment charge in this respect of R388 million. Assore's 50% share of the sum of these charges amounts to R507 million.

Other

During the year, the group disposed of its indirect interest (50%) in Assmang's Machadodorp Works, and its interest in Rustenburg Minerals and Zeerust Chrome Mines which were loss-making. Subsequent to the year-end, Group Line Projects was sold, the impact to the group's results is expected to be immaterial.

The group holds a 31,12% interest in IronRidge Resources Limited (IronRidge), an Australian minerals exploration company listed on London's Alternative Investment Market (AIM). IronRidge has a portfolio of gold, lithium, bauxite, titanium and iron ore prospects in Africa and Australia. During FY19, the activities of IronRidge continued to focus mainly on lithium and gold exploration in Ghana, Chad and Ivory Coast. The equity accounted loss for FY19 amounted to R23 million (FY18: R14 million).

Outlook

Global growth is expected to slow in the period ahead. The pace of expansion in the global economy witnessed in the past few years has now been affected by geopolitical risks that are weighing on the global commodity markets.

Any abrupt tightening of global financial conditions will reduce expenditure on steel for development needs across the world and hence a decline in demand for steel overall.

China has, in response to the trade tariffs imposed by the United States, ramped up its fiscal and monetary stimulus, embarked on a new round of major infrastructure projects and announced various tax cuts. China's economy expanded by 6,3% in the first half of CY19, and although this was marginally below market forecasts, it is expected to remain at this level for the remainder of the year. This continued growth in China should support prices for the group's products in the near term.

Commentary continued

The mining industry in South Africa continues to face a high level of regulatory uncertainty and increased expectations from its various stakeholders. Further to the factors noted above, the results of the group remain significantly exposed to underlying commodity prices for steel-making ingredients and fluctuations in exchange rates.

This outlook and any forward looking statements have not been reviewed and reported on by the group's external auditors.

Accounting policies and basis of preparation

The board of directors of Assore (the board) takes full responsibility for the preparation of this announcement and for the correctness of the financial information extracted from the underlying financial statements. The financial results for the year under review have been prepared under the supervision of Mr RA Davies, CA(SA) and in accordance with IAS 34 – *Interim Financial Reporting* and comply with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by Financial Reporting Standards Council, the Listings Requirements of the JSE Limited (JSE) and the Companies Act No 71 of 2008, as amended. The accounting policies applied are consistent with those adopted in the financial year ended 30 June 2018 except for IFRS 9 – *Financial instruments* and IFRS 15 – *Revenue from contracts with customers* which the group adopted on 1 July 2018, as described in the results for the half-year ended 31 December 2018 and published on 26 February 2019. The announcement can be obtained on the Assore website: https://www.assore.com/interim-and-final-results/.

Ernst & Young Inc, the group's independent external auditors, have reviewed the condensed consolidated provisional results included in this announcement and their unmodified review report is available for inspection at the registered office of the company. The review was conducted in terms of ISRE 2410 – *Review of Interim Financial Information Performed by the Independent Auditor of the Entity.*

The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the company's registered office.

New accounting standards

IFRS 16 was issued in January 2016 and it replaces IAS 17 – *Leases* and its related interpretations and sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The group intends to adopt IFRS 16 using the modified retrospective approach, with its application becoming effective from 1 July 2019, with the cumulative impact of its adoption to 30 June 2019 recognised as at 1 July 2019, without restatement of comparative results.

In 2019 a detailed impact assessment and implementation analysis of IFRS 16 was initiated, focusing on reviewing contracts, aggregating data to support the evaluation of the accounting impacts and identifying where key policy decisions were required. The impact of the standard is being considered and is not expected to have a material impact on the group's financial statements.

The operating leases recorded in the group's results for FY19 will under IFRS 16 be classified as a right of use asset. The contracts with suppliers were considered and the agreements have either been classified as short term (less than 12 months), considered as low value assets or the lease payment terms were based on a variable consideration, resulting in no right of use asset requiring recognition.

Declaration of final dividend

Shareholders are advised that on 4 September 2019, the board approved final dividend number 125 (the dividend), of 1 400 cents per share (gross) for the year ended 30 June 2019.

In terms of paragraph 11.17 of the Listings Requirements of JSE Limited, shareholders are advised of the following with regard to the declaration:

1. The dividend has been declared from retained earnings
2. The local dividend tax (dividend tax) rate of 20% will apply
3. The net local dividend amount is 1 120 cents per share for shareholders liable to pay the dividend tax
4. The issued ordinary share capital of Assore is 139 607 000 shares, of which 36 459 925 (FY18: 36 445 970) shares are accounted for as treasury shares in terms of IFRS and are therefore excluded from earnings per share calculations
5. Assore's income tax reference number is 9045/018/84/4.

Commentary continued

The salient dates are as follows:

Last day for trading to qualify and participate in the final dividend	Monday, 23 September 2019
Trading "ex dividend" commences	Wednesday, 25 September 2019
Record date	Friday, 27 September 2019
Dividend payment date	Monday, 30 September 2019
Dates (inclusive) between which share certificates may not be dematerialised or rematerialised	Wednesday, 25 September 2019 to Friday, 27 September 2019

On behalf of the board

Desmond Sacco
Chairman

Charles Walters
Chief Executive Officer

5 September 2019

Condensed consolidated income statement

for the year ended 30 June 2019

R'000	30 June 2019 Reviewed	30 June 2018 Audited
Revenue	**8 140 469**	7 804 737
Turnover	**6 301 572**	6 305 587
Cost of sales	**(5 369 083)**	(4 800 780)
Gross profit	**932 489**	1 504 807
Commissions on sales and technical fees	**1 262 429**	979 005
Other income	**657 268**	648 564
Impairment of financial and non-financial assets	**–**	(31 083)
Foreign exchange losses	**(200)**	(6 896)
Other expenses	**(716 075)**	(762 531)
Finance costs	**(55 302)**	(19 394)
Profit before taxation, joint venture and associate	**2 080 609**	2 312 472
Taxation	**(629 756)**	(645 546)
Profit after taxation, before joint venture and associate	**1 450 853**	1 666 926
Share of profit from joint venture, after taxation	**4 536 396**	3 524 287
Share of loss from associate	**(23 317)**	(16 211)
Profit for the year	**5 963 932**	5 175 002
Attributable to:		
Shareholders of the holding company	**5 932 037**	5 119 329
Non-controlling shareholders	**31 895**	55 673
As above	**5 963 932**	5 175 002
Earnings as above	**5 932 037**	5 119 329
Impairment of investment in associate of joint venture	**193 771**	–
Impairment of financial and non-financial assets in joint venture and subsidiaries	**333 893**	48 929
Gain on disposal of investment in subsidiary of joint venture	**(91 478)**	–
Gain on disposal of investment in subsidiary	**(2 669)**	
Loss/(profit) on disposal of property, plant and equipment in joint venture and subsidiaries	**2 052**	(4 348)
Profit on sale of available-for-sale listed investments (2018)	**–**	(42 432)
Taxation effect of above items	**14 163**	(12 726)
Headline earnings	**6 381 769**	5 108 752
Earnings per share (basic and diluted – cents)	**5 751**	4 963
Headline earnings per share (basic and diluted – cents)	**6 187**	4 953
Dividends per share declared in respect of the profit for the year (cents)	**2 400**	2 200
– Interim	**1 000**	1 000
– Final	**1 400**	1 200
Weighted average number of ordinary shares (million)		
Ordinary shares in issue	**139,61**	139,61
Weighted impact of treasury shares held in trust	**(36,46)**	(36,46)
	103,15	103,15

Condensed consolidated statement of comprehensive income

for the year ended 30 June 2019

R'000	**30 June 2019 Reviewed**	30 June 2018 Audited
Profit for the year (as above)	**5 963 932**	5 175 002
Items that may be reclassified into the income statement dependent on the outcome of a future event	**12 302**	162 862
Gain on revaluation to market value of available-for-sale investments after taxation	**–**	32 933
Gain on revaluation to market value of available-for-sale investments	**–**	77 024
Deferred capital gains tax thereon	**–**	(44 091)
Exchange differences on translation of foreign operations	**12 302**	129 929
Items that may not be reclassified into the income statement dependent on the outcome of a future event	**46 975**	17 206
Gain on revaluation to market value of financial assets measured at fair value through other comprehensive income after taxation	**43 295**	–
Gain on revaluation to market value of financial assets measured at fair value through other comprehensive income	**55 792**	–
Deferred capital gains tax thereon	**(12 497)**	–
Actuarial gain in pension fund, after taxation	**3 680**	17 206
Total comprehensive income for the year, net of tax	**6 023 209**	5 355 070
Comprehensive income attributable to non-controlling shareholders	**(33 753)**	(57 709)
Attributable to shareholders of the holding company	**5 989 456**	5 297 361

Condensed consolidated statement of financial position

at 30 June 2019

R'000	30 June 2019 Reviewed	30 June 2018 Audited
ASSETS		
Non-current assets		
Property, plant and equipment and intangible assets	**2 145 694**	1 793 865
Investments		
– joint venture	**17 215 032**	15 984 321
– financial assets measured at fair value through other comprehensive income (2018: available-for-sale investments)	**317 795**	262 003
– associate	**187 387**	154 896
– other	**3 354**	7 568
Long-term loans	**9 320**	6 000
Pension fund surplus	**141 536**	129 245
Total non-current assets	**20 020 118**	18 337 898
Current assets		
Inventories	**2 013 317**	1 361 954
Trade and other receivables	**1 677 280**	1 222 327
Cash resources	**10 395 268**	8 449 797
Assets held for sale as part of identified disposal groups	**288**	1 351
Total current assets	**14 086 153**	11 035 429
TOTAL ASSETS	**34 106 271**	29 373 327
EQUITY AND LIABILITIES		
Share capital and reserves		
Ordinary shareholders' interest	**29 772 014**	26 091 352
Non-controlling shareholders' surplus/(deficit)	**30 368**	(40 990)
Total equity	**29 802 382**	26 050 362
Non-current liabilities		
Net deferred taxation liabilities	**471 091**	345 440
Non-interest-bearing	**228 756**	184 152
Total non-current liabilities	**699 847**	529 592
Current liabilities		
Interest-bearing	**1 391 564**	584 472
Non-interest-bearing	**2 211 827**	2 191 727
Liabilities associated with assets held for sale	**651**	17 174
Total current liabilities	**3 604 042**	2 793 373
TOTAL EQUITY AND LIABILITIES	**34 106 271**	29 373 327

Fair values of financial instruments

for the year ended 30 June 2019

The group uses the following hierarchy for determining and disclosing the fair value inputs of financial instruments
Level 1 – quoted prices in an active market that are unadjusted for identical assets or liabilities
Level 2 – valuation techniques using inputs, which are directly or indirectly observable; and
Level 3 – valuations based on data that is not observable (not applicable to the Group).

The values of all other financial instruments recognised, but not subsequently measured at fair value, approximate fair value.

R'000	**30 June 2019 Reviewed Level 1**	30 June 2018 Audited Level 1
Assets measured at fair value		
Financial assets measured at fair value through other comprehensive income (2018: available-for-sale investments)	**317 795**	262 003
Other investments	**3 354**	7 568
	321 149	269 571

Condensed consolidated statement of cash flow

for the year ended 30 June 2019

R'000	30 June 2019 Reviewed	30 June 2018 Audited
Cash (utilised by)/generated from operations	**(1 618 275)**	185 515
Net cash generated from operations	**668 470**	2 342 134
Net finance costs and taxation flows	**(17 486)**	(225 550)
Net dividend flows	**(2 269 259)**	(1 931 069)
Cash retained from investing activities	**2 756 654**	2 632 751
Dividends received from joint venture entity	**3 315 000**	3 000 000
Net capital expenditure	**(558 346)**	(367 249)
Cash generated by financing activities*	**807 092**	4 753
Increase in cash for the year	**1 945 471**	2 823 019
Cash resources at beginning of year	**8 449 797**	5 626 778
Cash resources per statement of financial position	**10 395 268**	8 449 797

** The overdraft increased by R802 million following an increase in the utilisation of the facility held by a foreign subsidiary.*

Condensed consolidated statement of changes in equity

for the year ended 30 June 2019

R'000	30 June 2019 Reviewed	30 June 2018 Audited
Share capital, share premium and other reserves		
Balance at beginning of year	**523 327**	341 223
Other comprehensive income for the year	**57 419**	182 104
Net increase in the market value of financial assets measured at fair value through other comprehensive income (2018: net increase in the market value of available-for-sale investments)	**43 295**	32 933
Actuarial gains on pension plan after taxation	**3 680**	17 206
Foreign currency translation reserve arising on consolidation	**10 444**	131 965
Balance transferred to non-controlling shareholders' surplus/(deficit)	**(37 605)**	–
Balance at end of year	**543 141**	523 327
Treasury shares		
Balance at beginning of year	**(5 065 510)**	(5 062 848)
Acquired during the year	**(1 930)**	(2 662)
Balance at end of year	**(5 067 440)**	(5 065 510)
Retained earnings		
Balance at beginning of year	**30 633 535**	27 370 925
Profit for the period attributable to shareholders	**5 932 037**	5 119 329
Ordinary dividends declared during the year	**(2 269 259)**	(1 856 719)
– total dividends declared	**(3 071 354)**	(2 512 926)
– dividends on treasury shares held in BEE trusts	**802 095**	656 207
Balance at end of year	**34 296 313**	30 633 535
Ordinary shareholders' interest	**29 772 014**	26 091 352
Non-controlling shareholders' interest		
Balance at beginning of year	**(40 990)**	(24 348)
Share of total comprehensive income/(loss)	**33 753**	(16 642)
Share of total comprehensive income	**33 753**	57 709
– profit for the year	**31 895**	55 673
– other comprehensive income	**1 858**	2 036
– dividends paid to non-controlling shareholders	**–**	(74 351)
Balance transferred from other reserves	**37 605**	–
Balance at end of year	**30 368**	(40 990)
Total equity	**29 802 382**	26 050 362

Segmental information

for the year ended 30 June 2019

R'000	Joint-venture mining and beneficiation: Iron ore	Manganese	Chrome	Sub-total	Dwars-rivier	Marketing and shipping	Other mining activities, eliminations and adjustments#	Consolidated
Year ended 30 June 2019 – Reviewed								
Revenue by source								
Third party	21 410 200	14 817 073	–	36 227 273	3 720 788	4 304 376	(36 111 968)	8 140 469
Inter-segment	–	–	–	–	–	148 694	(148 694)	–
Total revenue	21 410 200	14 817 073	–	36 227 273	3 720 788	4 453 070	(36 260 662)	8 140 469
Revenue from contracts with customers:	19 208 702	14 785 776	–	33 994 478	3 717 428	3 876 602	(33 994 478)	7 594 030
Cost, insurance and freight (CIF) and cost and freight (CFR)	9 963 383	10 454 919	–	20 418 302	1 101 677	–	(20 418 302)	1 101 677
Free on board (FOB) and free carrier (FCA)	9 245 319	4 330 857	–	13 576 176	2 615 751	2 614 173*	(13 576 176)	5 229 924
Commissions		–	–	–	–	1 262 429	–	1 262 429
Other revenue¹	615 858	31 297	–	647 155	73 218	576 468	(680 544)	616 297
Fair value adjustments to contract revenue²	1 585 640	–	–	1 585 640	(69 858)	–	(1 585 640)	(69 858)
Total revenue	21 410 200	14 817 073	–	36 227 273	3 720 788	4 453 070	(36 260 662)	8 140 469
Contribution to profit/(loss)	6 796 084	2 301 657	–	9 097 741	516 024	1 003 439	(9 166 351)	1 450 853
Impairment of financial and non-financial assets	(41 911)	(1 013 415)	–	(1 055 326)	–	–	1 055 326	–
Statement of financial position								
Consolidated total assets	24 087 673	21 792 602	–	45 880 275	3 473 323	30 299 954	(45 547 281)	34 106 271
Consolidated total liabilities	6 836 841	4 672 405	–	11 509 246	963 671	3 291 566	(11 460 594)	4 303 889

Notes:

1 *Mainly dividends and interest.*

2 *Provisional to final price adjustments.*

* *Local sales made by Minerais US LLC in the USA.*

\# *The majority of adjustments to revenues give effect to joint venture revenues, which are not disclosed as Assmang is equity accounted.*

Segmental information continued

for the year ended 30 June 2019

R'000	Joint-venture mining and beneficiation Iron ore	Manganese	Chrome	Sub-total	Dwars-rivier	Marketing and shipping	Other mining activities, eliminations and adjustments#	Consolidated
Year ended 30 June 2018 – Audited								
Revenue								
Third party	15 135 316	12 859 636	180 309	28 175 261	3 892 752	3 974 210	(28 237 486)	7 804 737
Inter-segment	–	–	–	–	–	18 305	(18 305)	–
Total revenue	15 135 316	12 859 636	180 309	28 175 261	3 892 752	3 992 515	(28 255 791)	7 804 737
Revenue from contracts with customers:	14 673 168	12 818 447	180 309	27 671 924	3 791 405	3 472 369	(27 752 454)	7 183 244
Cost, insurance and freight (CIF) and cost and freight (CFR)	5 790 880	7 095 257	–	12 886 137	842 187	–	(12 886 137)	842 187
Free on board (FOB) and free carrier (FCA)	8 882 288	5 723 190	180 309	14 785 787	2 949 218	2 493 364*	(14 866 317)	5 362 052
Commissions	–	–	–	–	–	979 005	–	979 005
Other revenue¹	630 807	41 189	–	671 996	87 554	520 146	(671 996)	607 700
Fair value adjustments to contract revenue²	(168 659)	–	–	(168 659)	13 793	–	168 659	13 793
Total revenue	15 135 316	12 859 636	180 309	28 175 261	3 892 752	3 992 515	(28 255 791)	7 804 737
Contribution to profit/(loss)	3 343 512	3 771 662	(41 650)	7 073 524	875 378	703 879	(6 985 855)	1 666 926
Impairment of financial and non-financial assets	–	(51 900)	–	(51 900)	–	(9 519)	12 490	(48 929)
Statement of financial position								
Consolidated total assets	23 149 661	17 988 956	524 319	41 662 936	3 884 794	25 300 630	(41 475 033)	29 373 327
Consolidated total liabilities	6 076 881	3 190 147	426 352	9 693 380	1 071 744	1 859 703	(9 301 862)	3 322 965

Notes:

1 *Mainly dividends and interest.*

2 *Provisional to final price adjustments.*

* *Local sales made by Minerais US LLC in the USA.*

\# *The majority of adjustments to revenues give effect to joint venture revenues, which are not disclosed as Assmang is equity accounted.*

Corporate information

Directors

Executive

Desmond Sacco (Chairman)
CE Walters (Chief Executive Officer)
PE Sacco (Deputy Chief Executive Officer and Marketing Director)
RA Davies (Chief Financial Officer)
BH van Aswegen (Group Technical and Operations Director)

Non-executive

EM Southey* (Deputy Chairman and Lead Independent Director)
DN Aitken*,TN Mgoduso*, S Mhlarhi*, WF Urmson*
*Independent

Registered office

Assore House, 15 Fricker Road
Illovo Boulevard
Johannesburg, 2196

Company Secretary

African Mining and Trust Company Limited

Transfer office

Singular Systems Proprietary Limited
28 Fort Street
Birnam
Johannesburg, 2196

Sponsor

The Standard Bank of South Africa Limited
30 Baker Street
Rosebank
Johannesburg, 2196

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