REPORTS AND FIN

"Our financial performance this year reflected the challenging market realities and the necessarily negative impact of the Newcastle blast furnace reline."

Chief financial officer, Matthias Wellhausen

"We will capitalise on our many strengths and seize opportunities and we will empower our employees and give them greater accountability so that they all have the confidence to drive the future of this company."

Chief executive officer, Paul O'Flaherty

NANCIAL RESULTS

Audit and risk committee report

The audit and risk committee (the committee) has pleasure in submitting its report to the shareholders as required in terms of section 94(7) of the Companies Act No 71 of 2008, as amended.

Membership

The committee comprised the following members at the date of this report:
- DCG Murray (chairman),
- FA du Plessis, and
- NP Mnxasana.

Each member is an independent director and has the adequate relevant knowledge, the financial expertise and experience to equip the committee to properly execute its duties and responsibilities. Members' qualifications are set out on pages 62 and 63.

During the year under review, five meetings were held. Details of attendance by members at the meetings are set out on pages 62 and 63. [click here].

Functions of the committee

The committee reports that it has adopted appropriate formal terms of reference as its mandate, and has regulated its affairs in compliance with this mandate, and has discharged all of the responsibilities set out therein. During the financial year under review, it reviewed the following matters:
- the quarterly and half-yearly financial reports, the integrated annual report, the annual financial statements and accounting policies for the company and all subsidiaries;
- the effectiveness of the combined assurance model;
- the reports of the internal audit function on the state of internal control including its forensic reports regarding fraud prevention and detection;
- the effectiveness of the internal audit function;
- the auditor's findings and recommendations;
- statements on ethical standards for the company and considered how they are promoted and enforced;
- significant cases of unethical activity by employees or by the company itself; and
- reports on the risk management process in the company and assessed the company's exposure to the following risks:
  - top strategic risks (including credit and market risks, human resources risks and compliance risks);
  - operational risks; and
  - information technology risks.

Independence of auditor

The committee reviewed a presentation by the external auditor and, after conducting its own review, was satisfied with the independence and objectivity of Deloitte & Touche as external auditors and Dr DA Steyn as the designated auditor. The committee further approved the fees to be paid to Deloitte & Touche and their terms of engagement as well as pre-approving the proposed contract with Deloitte & Touche for the provision of non-audit services to the company.

Statutory reporting

The committee has evaluated the annual financial statements of ArcelorMittal South Africa Ltd and the group for the year ended 31 December 2014 and, based on the information provided to the committee, considers that the company and group comply, in all material respects, with the requirements of the Companies Act of South Africa, the International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and applicable legislation.

Internal financial controls

The committee agendas provide for confidential meetings between committee members and both the independent external and internal auditors.

The committee has oversight of the group's financial statements and reporting process, including the system of internal financial control. It is responsible for ensuring the group's internal audit function is independent and has the necessary resources, standing and authority in the organisation to discharge its duties. The committee oversees co-operation between internal and external auditors, and serves as a link between the board and these functions. The head of internal audit reports functionally to the chairman of the committee and the head of group internal audit of the holding company, ArcelorMittal Holdings AG, and administratively to the chief executive officer.

The committee is of the opinion, after having considered the assurance provided by the internal audit function, that the group's system of internal financial controls in all key material aspects is effective and provides reasonable assurance that the financial records may be relied upon for the preparation of the annual financial statements. This is based on the information and explanations given by management and the group internal audit function. The group's internal function is more fully detailed in the corporate governance section of this report.

Expertise and experience of the chief financial officer and the finance function

The committee has satisfied itself that the chief financial officer has the appropriate expertise and experience as does the incoming acting chief financial officer. Mr MJ Wellhausen resigned as CFO on 15 March 2015 with Mr G van Zyl being appointed as acting CFO on the same date.

The committee has assessed the competency, skills and resourcing of the group's finance function, and has satisfied itself as to the overall adequacy and appropriateness of the finance function.

Expertise and experience of the company secretary

The committee has satisfied itself that the company secretary has the appropriate competence and experience and has maintained an arm's-length relationship with the directors.

Recommendation of the annual financial statements and integrated annual report

The committee, having fulfilled the oversight role regarding the reporting process for both the annual financial statements and the integrated annual report and having regard to material factors that may impact the integrity of these reports, recommends the integrated annual report and the group and company annual financial statements for approval by the board of directors.

Directors' report

The directors' report has been included as part of the annual financial statements.

DCG Murray
Chairman

10 March 2015

Independent auditor's report on summarised consolidated financial statements

To the shareholders of ArcelorMittal South Africa Ltd

The accompanying summarised consolidated financial statements which comprise the summary consolidated statement of financial position as at 31 December 2014, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of ArcelorMittal South Africa Ltd for the year ended 31 December 2014.

We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 10 March 2015. Our auditor's report on the audited consolidated financial statements contained an Other Matter paragraph "other reports required by the Companies Act" (included below). Those consolidated financial statements, and the summarised consolidated financial statements, do not reflect the effect of events that occurred subsequent to the date of our report on those consolidated financial statements.

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of ArcelorMittal South Africa Ltd.

Directors' responsibility for the summarised consolidated financial statements

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with IFRS and Interpretations issued respectively by the Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC) of the IASB, in particular International Accounting Standard (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of the summarised consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the summarised consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 *Engagements to Report on Summary Financial Statements*.

Opinion

In our opinion, the summarised consolidated financial statements derived from the audited consolidated financial statements of ArcelorMittal South Africa Ltd for the year ended 31 December 2014 are consistent, in all material respects, with those consolidated financial statements, in accordance with IFRS and Interpretations issued respectively by the IASB and the IFRIC of the IASB, in particular IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other reports required by the Companies Act

The "other reports required by the Companies Act" paragraph in our audit report dated 3 March 2015 states that as part of our audit of the consolidated financial statements for the year ended 31 December 2014, we have read the directors' report, the audit and risk committee's report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements.

These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited annual consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summarised consolidated financial statements or our opinion thereon.

Deloitte & Touche

Deloitte & Touche
Registered Auditors
Per – DA Steyn
Partner

10 March 2015

National Executive: *LL Bam Chief Executive, *AE Swiegers Chief Operating Officer, *GM Pinnock Audit, DL Kennedy Risk Advisory, *NB Kader Tax, TP Pillay Consulting, *K Black Clients & Industries , *JK Mazzocco Talent & Transformation, *MJ Jarvis Finance, *M Jordan Strategy, S Gwala Managed Services, *TJ Brown Chairman of the Board, *MJ Comber Deputy Chairman of the Board

A full list of partners is available on request

*Partner and Registered Auditor

B-BBEE rating: Level 2 contributor in terms of The Chartered Accountancy Profession Sector Code

Member of Deloitte Touche Tohmatsu LimitedMember of Deloitte Touche Tohmatsu Limited

Summarised consolidated financial statements

for the year ended 31 December 2014

Basis of preparation

The summarised consolidated financial statements for the year ended 31 December 2014 have been prepared in accordance with the framework concepts and the measurements and recognition requirements of International Financial Reporting Standards (IFRS) and interpretations issued respectively by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB in particular International Accounting Standard 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council, that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2014, and the South African Companies Act 2008.

The summarised consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments in equity instruments classified as available-for-sale.

The accounting policies applied in the preparation of the summarised consolidated financial statements are consistent with those applied for the comparative year, except for the following new or revised standards and amendments thereto, and interpretations as issued by the IASB, which are effective for the current reporting period that were adopted:

- IFRIC 21 *Levies*
- IAS 36 *Impairment of Assets*

The adoption of these new and revised accounting standards did not have a material impact on the consolidated financial statements and as such there is no change to comparative information resulting from the adoption of these standards.

The summarised consolidated financial statements are presented in rand, which is the group's functional and presentation currency.

The preparation of financial statements, in conformity with IFRS, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

- The assumptions used in impairment tests of carrying values of cash-generating units and intangible assets;
- Estimates of useful lives and residual values for intangible assets and property, plant and equipment; and
- Valuation of available-for-sale investment.

Mr MJ Wellhausen, chief financial officer, is responsible for this set of financial results and has supervised the preparation thereof.

Summarised consolidated statement of comprehensive income

for the year ended 31 December 2014

	Group 2014 Rm	Group 2013 Rm
Revenue	34 852	32 421
Raw materials and consumables used	(21 339)	(19 652)
Employee costs	(3 764)	(3 408)
Energy	(3 466)	(3 288)
Movement in inventories of finished goods and work-in-progress	292	1 196
Depreciation	(1 386)	(1 544)
Amortisation of intangible assets	(24)	(19)
Other operating expenses	(5 466)	(5 659)
(Loss)/profit from operations	(301)	47
Finance and investment income	17	108
Finance costs	(605)	(368)
Impairment of financial assets	–	(72)
Impairment of property, plant and equipment	–	(1 878)
Gain recognised on loss of interest over former associate	80	–
Income/(loss) from equity-accounted investments (net of tax)	191	(35)
Loss before taxation	(618)	(2 198)
Income tax credit	460	51
Loss for the year	(158)	(2 147)
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	445	561
Losses on available-for-sale investment taken to equity	(29)	(9)
Share of other comprehensive (loss)/income of equity-accounted investments	(253)	28
Total comprehensive income/(loss) for the year	5	(1 567)
Loss attributable to:		
Owners of the company	(158)	(2 147)
Total comprehensive income/(loss) attributable to:		
Owners of the company	5	(1 567)
Attributable loss per share (cents)		
– Basic	(39)	(535)
– Diluted	(39)	(535)

Summarised consolidated statement of financial position

as at 31 December 2014

	Group 2014 Rm	Group 2013 Rm
Assets		
Non-current assets		
Property, plant and equipment	16 001	14 702
Intangible assets	135	146
Equity-accounted investments	4 031	3 737
Other financial assets	58	17
Total non-current assets	20 225	18 602
Current assets		
Inventories	10 684	10 553
Trade and other receivables	1 562	2 194
Taxation	64	51
Other financial assets	37	17
Cash and bank balances	454	1 298
Total current assets	12 801	14 113
Total assets	33 026	32 715
Equity and liabilities		
Shareholders' equity		
Stated capital	37	37
Non-distributable reserves	(1 294)	(1 614)
Retained income	21 979	22 271
Total shareholders' equity	20 722	20 694
Non-current liabilities		
Finance lease obligations	256	757
Non-current provisions	1 720	1 328
Deferred income tax liability	1 204	1 747
Other payables	261	267
Total non-current liabilities	3 441	4 099
Current liabilities		
Trade payables	6 400	5 720
Taxation	18	6
Bank overdraft	–	107
Borrowings	1 000	906
Finance lease obligations	92	95
Current provisions	573	408
Other financial liabilities	11	–
Other payables	769	680
Total current liabilities	8 863	7 922
Total equity and liabilities	33 026	32 715

Summarised consolidated statement of cash flows

for the year ended 31 December 2014

	Group 2014 Rm	Group 2013 Rm
Cash generated from operations	2 205	1 595
Interest income	12	7
Finance cost	(372)	(169)
Income tax paid	(84)	(221)
Realised foreign exchange movement	(17)	(128)
Cash flows from operating activities	1 744	1 084
Investment to maintain operations	(2 640)	(1 500)
Investment to expand operations	(73)	(69)
Decrease/(increase) in equity-accounted investments	37	(53)
Proceeds from disposal of assets	1	72
Dividend from equity-accounted investments	61	–
Investment income – interest	6	5
Cash flows from investing activities	(2 608)	(1 545)
Increase in borrowings and finance leases	77	674
Cash flows from financing activities	77	674
(Decrease)/increase in cash and cash equivalents	(787)	213
Effect of foreign exchange rate changes	50	94
Cash and cash equivalents at the beginning of the year	1 191	884
Cash and cash equivalents at the end of the year	454	1 191

Summarised consolidated statement of changes in equity

for the year ended 31 December 2014

		Reserves						
Group	Stated capital Rm	Retained income Rm	Treasury share equity reserve Rm	Management share trust reserve Rm	Share-based payment reserve Rm	Attributable reserves of equity-accounted investments Rm	Other reserve Rm	Total equity Rm
Balance at 1 January 2013	37	24 383	(3 918)	(285)	227	1 377	421	22 242
Total comprehensive loss for the year	–	(2 147)	–	–	–	28	552	(1 567)
Share-based payment expense	–	–	–	–	19	–	–	19
Transfer between reserves	–	35	–	–	–	(35)	–	–
Balance at 31 December 2013	37	22 271	(3 918)	(285)	246	1 370	973	20 694
Total comprehensive income for the year	–	(158)	–	–		(253)	416	5
Share-based payment expense	–	–	–	–	23	–	–	23
Transfer between reserves	–	(134)	–	–	–	134	–	–
Balance at 31 December 2014	37	21 979	(3 918)	(285)	269	1 251	1 389	20 722

Notes to the summarised consolidated financial statements

for the year ended 31 December 2014

1. Segmental report

Segment information is presented only at group level, where it is most meaningful. Operating segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision-maker (the executive committee) in order to allocate resources to the segment and to assess its performance.

The group's reportable segments are as follows:

- Flat steel products consisting of the Vanderbijlpark Works, Saldanha Works and ArcelorMittal South Africa Distribution.
- Long steel products consisting of the Newcastle Works, Vereeniging Works and decommissioned Maputo Works.
- Coke and Chemicals undertaking the processing and marketing of by-products and the production and marketing of commercial-grade coking coal.
- Corporate and Other, housing sales and marketing functions, procurement and logistics activities, shared services, centres of excellence, the decommissioned Pretoria Works site, available-for-sale investments and the results of the non-trading consolidated subsidiaries and special purpose entities.

Segment profit from operations represents the profit earned by each segment without the allocation of after-tax profits of equity-accounted investments, net interest income, income from investments and income tax expenses.

All assets and liabilities are allocated to the operating segments, other than for the following items that are exclusively housed in the corporate and other segment, reflecting the manner in which resource allocation is measured:

- Assets not allocated to operating segments:
  - results of consolidated subsidiaries and special purpose entities, other than for Saldanha Works which is a subsidiary housed within the flat steel products segment;
  - investments in equity-accounted entities;
  - available-for-sale investments;
  - cash and cash equivalents; and
  - income tax, capital gains tax and value added tax-related assets, as applicable.
- Liabilities not allocated to operating segments are income tax, capital gains tax and value added tax-related liabilities, as applicable.

Notes to the summarised consolidated financial statements continued

for the year ended 31 December 2014

1. Segmental report *continued*

	Flat steel products		Long steel products	
	2014 Rm	2013 Rm	**2014 Rm**	2013 Rm
Revenue				
– External customers	**22 957**	19 922	**9 911**	10 616
– Intersegment customers	**1 484**	775	**2 500**	1 002
Total revenue	**24 441**	20 697	**12 411**	11 618
Revenue to external customers distributed as:				
Local	**16 087**	15 099	**8 054**	8 194
Export	**6 870**	4 823	**1 857**	–
– Africa	**5 512**	4 317	**1 031**	1 792
– Europe	**–**	3	**–**	62
– Asia	**1 013**	341	**800**	438
– Other	**345**	162	**26**	130
Total	**22 957**	19 922	**9 911**	10 616
Results	**–**	–	**–**	–
Earnings before interest, tax, depreciation and amortisation	**535**	135	**16**	1 198
Provision for Tshikondeni mine closure costs	**–**	–	**–**	–
Provision for restructuring cost	**–**	–	**–**	–
Provision for onerous contract	**–**	–	**–**	–
Depreciation and amortisation	**(1 064)**	(1 255)	**(342)**	(301)
(Loss)/profit from operations	**(529)**	(1 120)	**(326)**	897
Impairment of financial assets	**–**	–	**–**	–
Impairment of property, plant and equipment	**–**	(1 269)	**–**	(551)
Finance and investment income	**4**	3	**3**	1
Finance costs	**(102)**	(82)	**(83)**	(16)
Gain recognised on loss of interest over former associate	**–**	–	**–**	–
Income/(loss) from equity-accounted investments (net of tax)	**–**	–	**–**	–
(Loss)/profit before tax	**(627)**	(2 468)	**(406)**	331
Income tax credit	**–**	–	**–**	–
Loss for the year	**607**	(2 468)	**406**	331
Segment assets	**19 038**	19 698	**9 318**	7 555
Investments in equity-accounted entities	**–**	–	**–**	–
Segment liabilities	**5 895**	4 659	**2 741**	2 483
Cash generated from operations	**444**	202	**230**	377
Capital expenditure	**501**	835	**2 103**	680
Number of employees at the end of the year*	**5 044**	4 961	**2 534**	2 186

* *Includes 11 employees on capital projects.*

Coke and Chemicals		Corporate and Other		Adjustments and eliminations		Total reconciling to the consolidated amounts	
2014 Rm	2013 Rm	**2014 Rm**	2013 Rm	**2014 Rm**	2013 Rm	**2014 Rm**	2013 Rm
1 984	1 883	**–**	–	**–**	–	**34 852**	32 421
60	54	**–**	–	**(4 044)**	(1 831)	**–**	–
2 044	1 937	**–**	–	**(4 044)**	(1 831)	**34 852**	32 421
1 984	1 881	**–**	–	**–**	–	**26 125**	25 174
–	2	**–**	–	**–**	–	**8 727**	7 247
–	1	**–**	–	**–**	–	**6 543**	6 110
–	1	**–**	–	**–**	–	**–**	66
–	–	**–**	–	**–**	–	**1 813**	779
–	–	**–**	–	**–**	–	**371**	292
1 984	1 883	**–**	–	**–**	–	**34 852**	32 421
–	–	**–**	–	**–**	–	**–**	–
428	514	**289**	(76)	**(10)**	(3)	**1 258**	1 768
–	–	**(50)**	(158)	**–**	–	**(50)**	(158)
–	–	**(90)**	–	**–**	–	**(90)**	–
–	–	**(9)**	–	**–**	–	**(9)**	–
(35)	(35)	**(20)**	(18)	**51**	46	**(1 410)**	(1 563)
393	479	**120**	(252)	**41**	43	**(301)**	47
–	–	**–**	(72)	**–**	–	**–**	(72)
–	–	**–**	(58)	**–**	–	**–**	(1 878)
1	1	**9**	103	**–**	–	**17**	108
(4)	(3)	**(416)**	(267)	**–**	–	**(605)**	(368)
–	–	**80**	–	**–**	–	**80**	–
–	–	**191**	(35)	**–**	–	**191**	(35)
390	477	**(16)**	(581)	**41**	43	**(618)**	(2 198)
–	–	**–**	51	**–**	–	**460**	51
390	477	**444**	(530)	**41**	43	**(158)**	(2 147)
1 072	903	**1 648**	2 891	**(2 081)**	(2 069)	**28 995**	28 978
–	–	**4 031**	3 737	**–**	–	**4 031**	3 737
189	174	**3 680**	4 934	**(201)**	229	**12 304**	12 021
254	590	**1 277**	426	**–**	–	**2 205**	1 595
20	14	**89**	40	**–**	–	**2 713**	1 569
226	235	**1 225**	1 483	**–**	–	**9 029**	8 865

Notes to the summarised consolidated financial statements continued

for the year ended 31 December 2014

2. Loss per share

	Group 2014	Group 2013
Basic loss per share is calculated by dividing the loss attributable to the owners of the company by the weighted average number of ordinary shares, held by third parties.		
Loss attributable to owners of the company (Rm)	(158)	(2 147)
Weighted average number of ordinary shares in issue (thousands)	401 202	401 202
Basic loss per share (cents)	(39)	(535)
Diluted earnings per share is calculated by dividing the loss attributable to the owners of the company by the weighted average number of ordinary shares, held by third parties increased by the number of additional ordinary shares that would have been outstanding assuming the conversion of all outstanding share options representing dilutive potential ordinary shares.		
Loss attributable to owners of the company (Rm)	(158)	(2 147)
Weighted average number of diluted shares (thousands)	401 202	401 202
Diluted loss per share (cents)	(39)	(535)

The calculation for headline loss per share is based on the basic loss per share calculation, reconciled as follows:

	2014 Gross Rm	2014 Net of tax Rm	2013 Gross Rm	2013 Net of tax Rm
Loss attributable to owners of the company	(618)	(158)	(2 198)	(2 147)
Impairment charges	–	–	1 950	1 950
Gain recognised on loss of interest over former associate	(80)	(80)	–	–
Less profit on disposal of assets of an associate	(16)	(10)	–	–
Loss/(profit) on disposal or scrapping of property, plant and equipment	29	21	(37)	(27)
Headline loss	(685)	(227)	(285)	(224)

	Group 2014 Rm	Group 2013 Rm
Headline loss per share (cents)		
– Basic	(57)	(56)
– Diluted	(57)	(56)
The weighted average number of shares used in the computation of diluted earnings per share was determined as follows (thousands):		
– Shares in issue held by third parties	401 202	401 202
– Weighted average number of shares	401 202	401 202
Adjustments for dilutive impact of the Management Share Trust		
– Shares under option	–	–
Weighted average number of diluted shares (thousands)	401 202	401 202

3. Commitments

	Group 2014 Rm	Group 2013 Rm
Capital commitments		
Capital expenditure contracted for property, plant and equipment	377	1 170
Capital expenditure authorised but not contracted for property, plant and equipment	798	1 258
Total	1 175	2 428

4. Change in accounting estimates

The useful lives of certain items of property, plant and equipment were reassessed and revised to reflect the current estimated life over which the group has the ability and intention to use such assets. The effect of these changes on the actual depreciation expense for the year ended 31 December 2014 is a reduction of approximately R109 million, of which R53 million relates to the first six months ended 30 June 2014. In addition, the company revised the method of estimation of net realisable value relating to general spare parts from that based on age to that based on the actual observed condition of the spares. This change resulted in the reversal of the previous write-down of inventory of R120 million.

5. Fair value measurements

Some of the group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined, particularly the valuation techniques and inputs used.

Financial assets/liabilities (R million)	Fair values as at period ended 31 December 2014	31 December 2013	Fair value hierarchy	Valuation techniques and key inputs
Available-for-sale	58	17	Level 1	Quoted prices in an active market
Held-for-trading assets	37	17	Level 1	Quoted prices in an active market
Held-for-trading liabilities	11	–	Level 1	Quoted prices in an active market

Level 1: Fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.

6. Contingent liabilities

As reported in prior periods, and dating back to 2007, the Competition Commission (the Commission) has referred five cases against ArcelorMittal South Africa Ltd (ArcelorMittal South Africa) to the Competition Tribunal for prosecution. ArcelorMittal South Africa rejects the allegations made in each of these cases and is accordingly defending itself.

In addition, the Commission is formally investigating one further complaint against ArcelorMittal South Africa relating 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 ArcelorMittal South Africa for the period May 2010 to July 2010. ArcelorMittal South Africa is cooperating fully with the Commission in this investigation and continues to deliver all information and documentation as and when called upon to do so.

7. Subsequent events

The directors are not aware of any matters or circumstances arising since the end of December 2014 to the date of this report that would significantly affect the operations, the results and the financial position of the group.