

APPENDIX 4.

PERFORMANCE OF CGFA AND RGC INVESTMENTS

Table 4. Performance of Consolidated Gold Fields Australia investments, 1962–1966.

	(\$'000)				
	1962	1963	1964	1965	1966
Bellambi Coal					
Profit pre-tax	92	142	267	410	350
Profit after tax	78	142	135	191	211
Mount Lyell					
Profit pre-tax	207	1,038	1,232	1,033	3,246
Profit after tax	207	755	841	892	2,328
Lake View & Star					
Profit pre-tax	953	938	764	541	550
Profit after tax	604	591	485	350	499
Wyong Minerals					
Profit pre-tax	83	204	287	367	696
Profit after tax	83	204	209	245	421
Commonwealth Mining Investments					
Profit pre-tax	365	375	628	986	1,008
Profit after tax	356	362	581	867	939
Associated Minerals Consolidated					
Profit pre-tax	541	835	1,213	1,463	1,059
Profit after tax	365	540	734	948	720
Zip Manufacturing					
Profit after tax	144	165	503	492	317
Profit attributable to CGFA	383	545	913	2,073	2,901

The figures refer to the financial performance of the investments of CGFA. They are shown on a 100 per cent basis, whereas CGFA's entitlement was lower, based on its shareholding in each. Mount Lyell held a 49.97 per cent direct interest in Renison during this period and, as such, Renison is not shown separately. The result for Zip Manufacturing in 1964 was for 15 months; Commonwealth Mining Investments (Australia) figures exclude realisation of investments taken to reserves. In the final line, the attributable profit to CGFA is shown. This refers to the profit attributable to CGFA shareholders, excluding the interest of the parent, Consolidated Gold Fields in London.

Source: Consolidated Gold Fields Australia, 'Prospectus', 1974, University of Melbourne Archives (UMA), 1974.0092.

Table 5a. Consolidated Gold Fields Australia financial performance, 1967–1973.

Group results (\$m)	1967	1968	1969	1970	1971	1972	1973
Group operating profit/loss before tax	9.3	11.6	18.2	27.6	22.8	18.6	15.8
Group profit/loss attributable to CGFA	4.1	5.4	8.6	12.3	9.6	8.6	5.4
Return on shareholders' funds (%)	11.6	13.7	15.4	20.2	15.6	12.9	10.5
Dividends (cents per share)	6.7	11	12.5	15	17.5	17.5	15.5
Divisional contribution pre-tax							
Commonwealth Mining Investments	1.4	2.7	2.7	3.6	3.1	1.9	1.1
Associated Minerals Consolidated	1.5	2.6	2.5	3.1	3.1	3.0	2.5
Mount Lyell Mining	3.9	3.3	4.3	9.1	5.7	2.4	3.9
Renison	0.1	-0.1	1.9	3.5	2.1	3.5	2.8
Bellambi Coal	0.4	0.5	0.6	0.2	0.7	0.9	0.8
Western Titanium			1.2	1.4	1.7	1.3	1.5
Mount Goldsworthy (1/3 interest)	1.6	2.7	5.0	6.2	5.9	5.7	4.3
Lake View & Star	0.6	0.5	0.3	-0.1			
Zip Holdings	0.6	0.2	0.2	0.2	0.6	0.7	0.6
Lawrenson Holdings		0.1	0.1	0.1	0.1	0.1	0.2

Table 5b. Consolidated Gold Fields Australia financial performance, 1974–1980.

Group results (\$m)	1974	1975	1976	1977	1978	1979	1980
Group operating profit/loss before tax	24.6	22.5	8.1	13.7	30.2	41.2	61.6
Group profit/loss attributable to CGFA	7.3	7.5	2.8	-4.2	8.5	12.2	21.8
Return on shareholders' funds (%)	9.9	9.6	3.5	-5.8	12.2	15.8	24.2
Dividends (cents per share)	14.5	1	6	6	13	17.5	23
Divisional contribution pre-tax							
Commonwealth Mining Investments	1.7	1.9	1.9	1.9			
Associated Minerals Consolidated	4.3	9.3	6.4	3.2	-4.9	-0.6	4.1
Mount Lyell Mining	12.4	2.2	-4.8	-10.7	-4.4	0.8	9.5

Group results (\$m)	1974	1975	1976	1977	1978	1979	1980
Renison	4.3	6.5	5.0	19.7	32.3	41.7	47.2
Bellambi Coal	0.7	2.3	2.1	8.9	4.4	-0.4	
Western Titanium	1.4	3.3	1.4				
Mount Goldsworthy (1/3 interest)	0.2	1.4	-2.3				
Lake View & Star							
Zip Holdings	1.4	1.0					
Lawrenson Holdings	0.3	0.2	0.2	0.2			

Tables 5a and 5b show the operating profit/loss for CGFA before and after tax. The profit/loss attributable to CGFA reflects the ownership entitlement related to the CGFA shareholding not held by its parent, Consolidated Gold Fields. The contributions from the main investments are shown on a 100 per cent basis before tax. Mount Goldsworthy is shown on the basis of the one-third attributable interest to CGFA and the amount reported as profit each year (a part of the earnings was often retained or else drawn upon as a special dividend). Zip Holdings was reported in New Zealand dollars from 1971.

Sources: CGFA annual reports, 1967 to 1980; Renison Goldfields Consolidated, *Report on the 1981 Financial Year*.

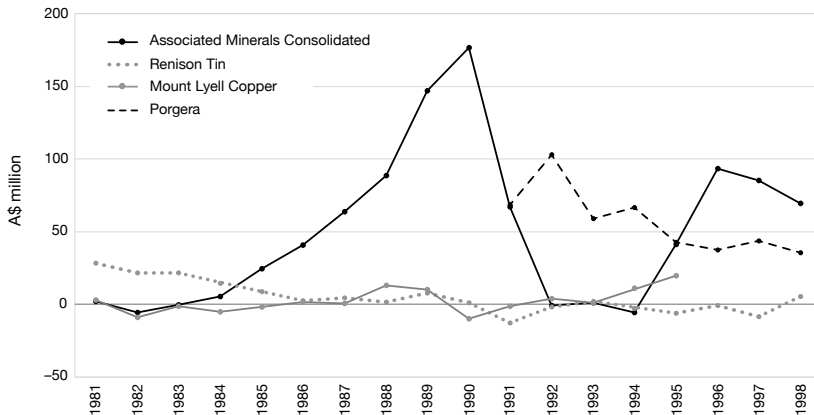


Chart 12. Divisional contribution to Renison Goldfields Consolidated results, 1981–1998, principal assets.

This chart shows the earnings contribution, before tax, of the principal RGC assets: Associated Minerals Consolidated, Renison, Mount Lyell and, from 1991, Porgera (initially owned 25 per cent and then transferred to Goldfields Limited in 1995, of which RGC held a 55.8 per cent initial interest). AMC's contribution dominated total earnings from 1985 to 1990, with the decline in the contribution from Renison evident from 1981. Between 1991 and 1994 AMC recorded accumulated losses. Mount Lyell recorded an average \$2.4 million annual contribution, aided by an improvement in financial performance during its final two years of operation.

Sources: RGC annual reports, 1982 to 1997; 1998 data for period to 30 June is derived from 'Information Memorandum in Relation to a Recommended Merger by Scheme of Arrangement between RGC Limited and Westralian Sands'.

CONSOLIDATED GOLD FIELDS IN AUSTRALIA

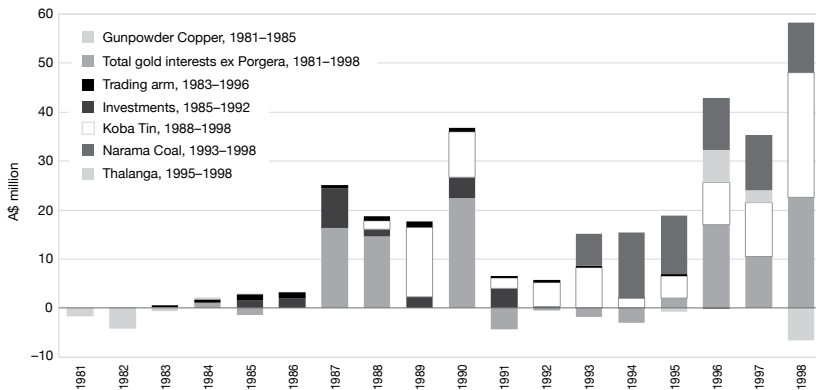


Chart 13. Asset and investment contribution to Renison Goldfields Consolidated results, 1981–1998.

This chart shows the contributions of the lesser assets of the portfolio. In 1987 and 1990, gold interests and investments made a contribution above \$20 million. It was not until 1994 that Koba Tin, and Narama Coal in 1993, as well as the non-Porgera gold interests and Thalanga made a contribution, which peaked in 1998 at approximately \$58 million.

Sources: RGC annual reports, 1982 to 1997; 1998 data for period to 30 June is derived from 'Information Memorandum in Relation to a Recommended Merger by Scheme of Arrangement between RGC Limited and Westralian Sands'.

Table 6. Renison Goldfields Consolidated financial performance, 1981–1989.

Group results (\$m)	1981	1982	1983	1984	1985	1986	1987	1988	1989
Sales revenue	174.9	150.9	140.8	171.9	207.8	247.2	355.4	431.0	590.7
Group operating profit/loss pre-tax	35.6	-6.0	8.6	8.2	19.9	32.7	76.0	81.2	154.8
Group operating profit/loss after tax	21.0	-6.5	6.2	10.2	12.7	21.1	49.3	45.2	100.4
Extraordinary items	-0.9	-3.8	3.8		10.8	13.5			-9.9
Group operating profit/loss after tax and extraordinary items	20.1	-10.2	10.1	10.2	23.5	34.6	49.3	45.2	90.5

Group results (\$m)	1981	1982	1983	1984	1985	1986	1987	1988	1989
Divisional contribution to results pre-tax									
Associated Minerals Consolidated	2.3	-5.5	-0.3	5.3	24.6	40.8	63.6	88.5	147.1
Renison Tin	28.6	21.7	21.7	14.3	8.7	2.5	4.5	1.6	7.8
Koba Tin								1.7	14.2
Lucky Draw Gold									5.0
Pine Creek Gold						0.3	16.0	17.5	1.3
NGG Gold		0.02	0.2	1.1	-1.4	-0.3	0.4	-2.8	-6.3
Mount Lyell Copper	3.2	-9.0	-1.1	-4.9	-1.7	1.5	0.6	12.9	10.2
Gunpowder Copper	-1.6	-4.2	-0.6	0.4	0.05				
Trading			0.4	0.7	1.2	1.2	0.7	1.0	1.2
Investments					1.7	2.1	8.0	1.4	2.3
Exploration and evaluation	-7.4	-9.2	-7.2	-10.4	-14.0	-11.2	-13.3	-18.4	-24.9
Corporate & net interest	10.5	0.2	-5.1	1.9	0.9	-4.3	-4.6	-22.0	-3.0
Group return on assets (%)	11	-6	3	5	5	6	9	7	13
Return on shareholders' funds (%)	21	-9	5	7	8	11	22	18	30
Equity/debt ratio	81/19	80/20	87/13	99/1	82/18	75/25	51/49	57/43	58/42
Dividends (\$m)	9.5	2.2	4.3	5.0	6.6	11.1	17.2	21.3	48.3
Dividends (cents per share)	25	5	10	10	10	15	15	15	30
Group employees	2,635	2,554	2,289	2,346	2,063	2,447	2,562	4,045	4,204

Extraordinary items influenced results in a number of years, including:

- 1983—\$3.85 million profit on sale of investments
- 1985—\$10.8 million Mount Lyell lease compensation payment
- 1986—\$13.5 million, comprising \$25.8 million profit on sale of Gold Fields House lease, partially offset by write-off of the excess of the purchase price over value ascribed for the Allied Eneabba assets
- 1989—\$9.9 million, mainly related to provision for closure of the Wau gold mining operation.

Source: *RGC Annual Report 1990*, p. 57. Some figures may not add due to rounding.

Table 7. Renison Goldfields Consolidated financial performance, 1990–1998.

Group results (\$m)	1990	1991	1992	1993	1994	1995	1996	1997	1998
Sales revenue	653	591	608	622	611	642	9867	970	1,011
Group operating profit/loss before tax	173.8	55.3	56.6	25.3	20.3	54.0	108.6	68.7	47.5
Group operating profit/loss after tax	116.0	36.4	8.8	11.7	1.8	32.9	76.5	35.7	-3.2
Abnormal items			-20.0	-36.1		79.6	81.0	-142.3	-67.3
Extraordinary items		-11.1							
Operating profit/loss after tax, extraordinary items	116.0	25.3	-10.1	-24.4	1.8	97.4	142.8	-78.0	-46.1
Divisional results pre-tax (\$m)									
AMC	176.6	67.2	-1.0	1.3	-5.5	41.5	93.3	85.1	69.6
Renison Tin	1.2	-12.7	-1.7	1.9	-2.7	-6.0	-0.9	-8.6	5.4
Koba Tin	9.3	2.1	4.9	8.3	2.0	4.4	8.7	10.9	25.4
Porgera Gold		68.6	103.0	59.0	66.5	42.9	37.3	43.7	35.6
Lucky Draw Gold	18.2	5.9	0.7	0.5					
Pine Creek Gold	0.8	-6.7	0.1	-1.8	-3.1	1.6	2.3		
Paddington Gold						-0.5	-5.7	-1.0	14.9
NGG Gold	3.5	-3.5							
Henty Gold								-0.4	-2.5
Thalanga						-0.7	6.6	2.5	-6.5
Kundana Gold						1.0	20.4	12.0	10.2
Mount Lyell Copper	-10.1	-1.2	4.1	1.1	11.0	19.7			
Narama Coal				6.5	13.3	12.0	10.6	11.3	10.3
Trading	0.8	0.5	0.5	0.4	0.1	0.4	-0.1		
Investments	4.2	4.0	0.3						
Exploration	-25.8	-24.8	-38.0	-20.5	-21.3	-24.7	-45.7	-50.4	-52.7
Corporate & net interest	-5.1	-44.0	-34.9	-31.0	-40.1	-38.3	-36.0	-36.8	-62.2

Group Data	1990	1991	1992	1993	1994	1995	1996	1997	1998
Group return on assets (%)	11.7	2.5	-0.9	-4.3	0.3	5.7	8.0	-5.0	-3.1
Return on shareholders' funds (%)	27.6	6.3	-1.9	-4.5	0.3	18.3	21.4	-13.6	-9.0
Equity/debt ratio	56/44	47/53	58/42	58/42	62/38	62/38	59/41	64/36	48/52
Dividends (\$m)	58.0	17.9	14.9	5.0	0	20.1	31.1	21.0	0
Dividends (cents per share)	34	10	7.5	2.5	0	10	15	10	0
Group employees	4,186	3,571	3,412	3,247	2,970	3,430	3,246	3,688	3,374

Extraordinary and/or abnormal items influenced results in a number of years, including the following:

- 1991—\$11.1 million loss on closure of Nelesbitan, Philippines
- 1992—\$20.0 million, predominantly related to the write-down of a United States project and exploration expenditure, mainly related to Old Hickory, Virginia
- 1993—\$36.1 million write-down, mainly related to Australian mineral sands assets (\$33.5 million)
- 1995—\$79.6 million contribution, mainly from a \$104 million profit on the sale of Goldfields' shares to converting note holders, less goodwill written-off relating to the Pancontinental acquisition (\$8.0 million); restructuring costs (\$16.3 million); and dividend withholding tax on brought forward Papua New Guinea retained earnings (\$18.4 million)
- 1996—net \$81.0 million from the sale of Pancontinental non-gold assets, less tax and outside equity interests
- 1997—\$142.3 million portfolio write-downs, related to Thalanga (\$50.1 million), Renison (\$30.0 million), Capel (\$15.0 million), Paddington (\$26.4 million), Kundana Gold (\$11.1 million), Sierra Rutile (\$25.3 million), partially offset by proceeds from the sale of tenements (\$15.7 million)
- 1998—\$67.3 million, asset write-downs and merger costs.

Sources: RGC annual reports, 1990 to 1997. Full details for 1998 not available. 1998 data for period to 30 June is derived from 'Information Memorandum in Relation to a Recommended Merger by Scheme of Arrangement between RGC Limited and Westralian Sands', pp. 34 and 56–57. Financial information for this year includes RGC's interest in Goldfields. Some figures may not add due to rounding.

This text is taken from *Consolidated Gold Fields in Australia: The Rise and Decline of a British Mining House, 1926–1998*, by Robert Porter, published 2020 by ANU Press, The Australian National University, Canberra, Australia.