

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. This interim report complies with International Accounting Standard 34 – Interim Financial Reporting and South African Statements of Generally Accepted Accounting Practice, AC127, with the same title, the South African Statements and Interpretations of Statements of Generally Accepted Accounting Practice (AC 500 Series), the requirements of the Companies Act of South and the disclosure requirements of the JSE Limited's Listings Requirements. The preparation of the Group's reviewed consolidated interim results for the six months ended 30 June 2011 was supervised by the Finance Director, Mr B Nqwababa.

2. The interim report has been prepared using accounting policies that comply with International Financial Reporting Standards and South African Statements of Generally Accepted Accounting Practice. The accounting policies are consistent with those applied in the financial statements for the year ended 31 December 2010.

## 3. NEW ACCOUNTING POLICIES ADOPTED

### Improvements to IFRSs

The Group adopted all the amendments to accounting standards and accounting interpretations arising from the annual improvements to IFRSs published in May 2010. None of these amendments had a material impact on the financial results of the Group.

### Accounting interpretation

The Group early adopted IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments which had no impact on the financial results of the Group for the period ended 30 June 2011.

## 4. SEGMENTAL INFORMATION

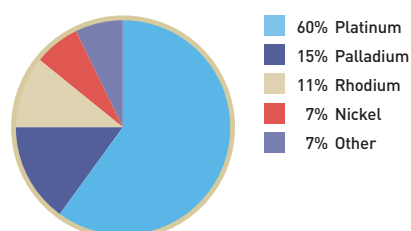
	Net sales revenue			Operating contribution		
	Reviewed		Audited	Reviewed		Audited
	Six months ended		Year ended	Six months ended		Year ended
	30 June	30 June	31 December	30 June	30 June	31 December
2011	2010	2010	2011	2010	2010	
	Rm	Rm	Rm	Rm	Rm	Rm
<b>Operations</b>						
Bathopele Mine	1,165	1,162	2,526	323	400	701
Khomanani Mine	900	743	1,709	96	70	129
Thembelani Mine	1,025	726	1,735	225	138	292
Khuseleka Mine	1,142	1,033	2,275	95	217	299
Siphumelele Mine	864	668	1,590	139	70	178
Tumela Mine	2,712	2,313	5,162	838	810	1,831
Dishaba Mine	1,361	1,214	2,634	276	280	609
Union Mine	2,613	2,301	5,099	694	765	1,331
Mogalakwena Mine	4,036	2,766	6,187	1,714	1,016	1,927
Twickenham Platinum Mine	34	35	70	16	(62)	(155)
Unki Platinum Mine	270	–	–	93	–	–
Modikwa Platinum Mine	675	567	1,304	127	126	270
Kroondal Platinum Mine	1,110	991	2,202	361	374	730
Marikana Platinum Mine	259	308	636	3	105	128
Mototolo Platinum Mine	505	471	983	178	175	325
Bafokeng-Rasimone Platinum Mine*	–	503	1,019	–	130	176
	<b>18,671</b>	15,801	35,131	<b>5,178</b>	4,614	8,771
Western Limb Tailings Retreatment (WLTR)	351	306	672	129	71	179
Masa Chrome	212	163	376	202	154	356
<b>Total – mined</b>	<b>19,234</b>	16,270	36,179	<b>5,509</b>	4,839	9,306
Purchased metals	5,571	4,513	9,846	479	266	913
	<b>24,805</b>	20,783	46,025	<b>5,988</b>	5,105	10,219
Other costs				(1,221)	(1,139)	(2,185)
<b>Gross profit on metal sales</b>				<b>4,767</b>	3,966	8,034

\* Bafokeng-Rasimone Platinum Mine was equity accounted from 8 November 2010.

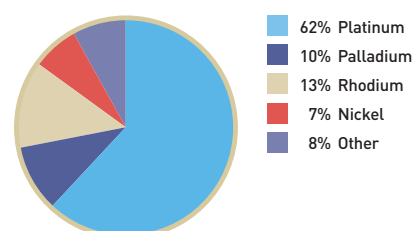
# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Reviewed		Audited
	Six months ended	30 June	Year ended
	30 June	30 June	31 December
	2011	2010	2010
	Rm	Rm	Rm
<b>5. GROSS SALES REVENUE</b>			
Sales revenue emanated from the following principal regions:			
<b>Precious metals</b>	<b>22,531</b>	18,846	42,352
Asia	9,369	7,634	15,068
Europe	8,769	6,963	19,564
South Africa	2,299	2,509	4,282
North America	2,094	1,740	3,438
<b>Base metals</b>	<b>2,211</b>	1,886	3,560
South Africa	1,504	1,640	3,061
Rest of the world	707	246	499
<b>Other</b>			
South Africa	230	197	440
	<b>24,972</b>	20,929	46,352
Gross sales revenue by metal:			
Platinum	14,937	12,913	29,481
Palladium	3,730	2,101	5,063
Rhodium	2,624	2,777	5,715
Nickel	1,829	1,550	2,919
Other	1,852	1,588	3,174
<b>Gross sales revenue</b>	<b>24,972</b>	20,929	46,352

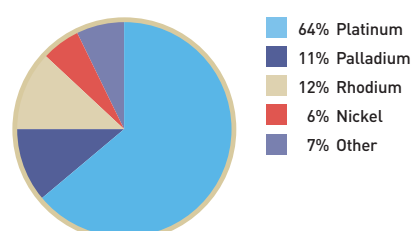
**GROSS SALES REVENUE BY METAL  
SIX MONTHS ENDED 30 JUNE 2011**



**GROSS SALES REVENUE BY METAL  
SIX MONTHS ENDED 30 JUNE 2010**



**GROSS SALES REVENUE BY METAL  
FOR THE YEAR ENDED 31 DECEMBER 2010**



	Reviewed		Audited
	30 June 2011 Rm	30 June 2010 Rm	Year ended 31 December 2010 Rm
<b>6. GROSS PROFIT ON METAL SALES</b>			
<b>Gross sales revenue</b>	<b>24,972</b>	20,929	46,352
Commissions paid	(167)	(146)	(327)
<b>Net sales revenue</b>	<b>24,805</b>	20,783	46,025
<b>Cost of sales</b>	<b>(20,038)</b>	(16,817)	(37,991)
<b>On-mine</b>	<b>(11,660)</b>	(11,066)	(23,227)
Cash operating costs	(10,069)	(9,393)	(19,919)
Depreciation	(1,548)	(1,669)	(3,275)
Deferred waste stripping	(43)	(4)	(33)
<b>Purchase of metals and leasing activities*</b>	<b>(4,355)</b>	(4,846)	(9,215)
<b>Smelting</b>	<b>(1,305)</b>	(1,108)	(2,574)
Cash operating costs	(932)	(766)	(1,846)
Depreciation	(373)	(342)	(728)
<b>Treatment and refining</b>	<b>(1,021)</b>	(833)	(1,785)
Cash operating costs	(826)	(696)	(1,467)
Depreciation	(195)	(137)	(318)
<b>(Decrease)/increase in metal inventories</b>	<b>(476)</b>	2,175	995
<b>Other costs</b>	<b>(1,221)</b>	(1,139)	(2,185)
<b>Gross profit on metal sales</b>	<b>4,767</b>	3,966	8,034
Gross profit margin (%)	<b>19.2</b>	19.1	17.5
* Consists of purchased metals in concentrate, secondary metals and other metals.			
<b>7. DEPRECIATION OF OPERATING ASSETS</b>			
Depreciation of mining and process property, plant and equipment consists of the following categories:			
Operating assets	<b>2,116</b>	2,148	4,321
Mining	<b>1,548</b>	1,669	3,275
Smelting	<b>373</b>	342	728
Treatment and refining	<b>195</b>	137	318
Depreciation included in other costs	<b>49</b>	24	80
Depreciation – non-mining assets	<b>53</b>	29	43
	<b>2,218</b>	2,201	4,444
<b>8. OTHER COSTS</b>			
Other costs include:			
Share-based payments – other share schemes	<b>62</b>	46	137
Share-based payments – The Kotula Trust (Group ESOP)	<b>166</b>	159	318
	<b>228</b>	205	455

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	Six months ended		Year ended
	30 June	30 June	31 December
	2011	2010	2010
	Rm	Rm	Rm
<b>9. OTHER NET INCOME/(EXPENDITURE)</b>			
Other net income/(expenditure) consists of the following principal categories:			
Net realised and unrealised foreign exchange (losses)/gains	(60)	55	(212)
(Losses)/gains on foreign currency forward exchange contracts at fair value	(4)	–	12
Gains/(losses) on commodity sales contracts at fair value	49	10	(7)
Proceeds on insurance claims	–	–	189
BEE costs	–	–	3
Gains/(losses) on financial assets at FVTPL	149	–	(88)
Profit on disposal of interest in Sichuan Anglo Platinum Exploration Company Limited	–	–	14
Project maintenance costs <sup>o</sup>	(59)	(90)	(211)
Consultation fees and other business optimisation costs	(42)	(76)	(143)
Profit on disposal of plant, equipment and conversion rights	96	12	11
Other – net	82	94	27
	<b>211</b>	<b>5</b>	<b>(405)</b>
<sup>o</sup> Project maintenance costs comprise assets scrapped as a result of the slowdown of capital projects, costs incurred to maintain land held for future projects and costs to keep projects on care and maintenance. It also includes the costs of the operations put onto care and maintenance once the decision was made.			
<b>10. INTEREST EXPENSED</b>			
<b>Interest expensed</b>			
<b>Interest paid on financial liabilities classified as liabilities held at amortised cost</b>	<b>(82)</b>	<b>(195)</b>	<b>(220)</b>
Interest paid	(267)	(659)	(965)
Less: Capitalised	185	464	745
<b>Time value of money adjustment to environmental obligations</b>	<b>(53)</b>	<b>(47)</b>	<b>(98)</b>
Decommissioning costs	(44)	(40)	(84)
Restoration costs	(9)	(7)	(14)
	<b>(135)</b>	<b>(242)</b>	<b>(318)</b>
<b>11. TAXATION</b>			
A reconciliation of the standard rate of South African normal taxation compared with that charged in the statement of comprehensive income is set out in the following table:			
	%	%	%
South African normal taxation	28.0	28.0	28.0
STC	1.2	–	0.1
	<b>29.2</b>	<b>28.0</b>	<b>28.1</b>
Disallowable items	(1.8)	0.1	(0.3)
Capital profits	(0.2)	(4.9)	(11.1)
Exempt income	–	0.5	–
Prior-year (over)/underprovision	(2.6)	0.6	0.6
Effect of after-tax share of loss from associates	1.9	0.2	0.8
Deferred taxation asset not raised	1.1	–	–
Other	1.7	0.5	0.5
Effective taxation rate	<b>29.3</b>	<b>25.0</b>	<b>18.6</b>

	Reviewed		Audited
	30 June 2011 Rm	30 June 2010 Rm	Year ended 31 December 2010 Rm
<b>12. RECONCILIATION BETWEEN PROFIT AND HEADLINE EARNINGS</b>			
<b>Profit attributable to shareholders</b>	<b>3,328</b>	3,272	9,959
Adjustments			
Profit on disposal of 37% interest in Western Bushveld Joint Venture	–	(788)	(788)
Tax effect thereon	–	17	17
Gain on listing of BRPM	–	–	(4,466)
Tax effect thereon	–	–	111
Gain on revaluation of investment in Wesizwe Platinum Limited	<b>(33)</b>	–	–
Tax effect thereon	<b>3</b>	–	–
Profit on sale of other mineral rights and investments	<b>(6)</b>	–	(14)
Tax effect thereon	<b>2</b>	–	2
Net (profit)/loss on disposal and scrapping of property, plant and equipment	<b>(85)</b>	81	153
Tax effect thereon	<b>24</b>	(23)	(43)
<b>Headline earnings</b>	<b>3,233</b>	2,559	4,931
Headline earnings per ordinary share (cents)			
Headline	<b>1,236</b>	1,028	1,935
Diluted	<b>1,232</b>	1,024	1,929
<b>13. INVESTMENT IN ASSOCIATES</b>			
<b>Listed (market value: R541 million (30 June 2010: R1,356 million; 31 December 2010: R1,690 million))</b>	<b>541</b>	1,161	1,083
Investment in Anooraq Resources Corporation (Anooraq)	<b>541</b>	695	629
Investment in Wesizwe Platinum Limited*	–	466	454
<b>Unlisted (directors' valuation: R10,466 million (30 June 2010: R9,436 million; 31 December 2010: R11,471 million))</b>	<b>6,376</b>	2,786	6,256
Bokoni Platinum Holdings (Proprietary) Limited (Bokoni Holdco)			
Carrying value of investment	<b>(553)</b>	(186)	(334)
Investment in 'A' preference shares	<b>878</b>	729	796
Loans to associate	<b>1,068</b>	753	896
Bafokeng-Rasimone Platinum Mine			
Carrying value of investment	<b>4,475</b>	–	4,428
Royal Bafokeng Platinum Limited			
Carrying value of investment	–	1,015	–
Johnson Matthey Fuel Cells Limited			
Carrying value of investment	<b>(47)</b>	(34)	(48)
Cumulative redeemable preference shares	<b>76</b>	80	72
Loan to associate (subordinated to third-party debt)	<b>77</b>	67	60
Unincorporated associate – Pandora			
Carrying value of investment	<b>402</b>	362	386
	<b>6,917</b>	3,947	7,339

\* Transferred to other financial assets

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	30 June 2011 Rm	30 June 2010 Rm	31 December 2010 Rm
<b>14. OTHER FINANCIAL ASSETS</b>			
<b>Loans carried at amortised cost</b>			
Investment in 'A' preference shares in Plateau	907	752	821
Senior loan to Plateau	669	–	–
Operating cash shortfall facility provided to Plateau	483	232	341
Loan to ARMMC	33	33	33
Advance to Bakgatla-Ba-Kgafela traditional community	73	65	69
Other	49	35	36
	<b>2,214</b>	1,117	1,300
<b>Investments carried at fair value through profit or loss (FVTPL)</b>			
Investment in Newshelf 848 (Proprietary) Limited	321	297	222
<b>Available-for-sale investments carried at fair value</b>			
Investment in Royal Bafokeng Platinum Limited	1,388	–	1,382
Investment in Wesizwe Platinum Limited	328	–	–
	<b>4,251</b>	1,414	2,904
<b>15. INVENTORIES</b>			
Refined metals	3,073	2,008	3,633
At cost	2,341	1,518	2,736
At net realisable values	732	490	897
Work-in-progress	7,919	10,523	7,932
At cost	6,470	8,685	6,568
At net realisable values	1,449	1,838	1,364
Total metal inventories	10,992	12,531	11,565
Stores and materials at cost less obsolescence provision	1,030	907	993
	<b>12,022</b>	13,438	12,558

	Reviewed		Audited
	Six months ended		Year ended
	30 June	30 June	31 December
	2011	2010	2010
	Rm	Rm	Rm
<b>16. CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents consist of balances with banks and money market instruments.			
Cash on deposit	<b>1,699</b>	1,675	2,324
Cash investments held by environmental trusts	<b>1</b>	469	13
Cash held by insurance captives	<b>224</b>	279	197
	<b>1,924</b>	2,423	2,534
Cash held in trust comprises funds which may only be utilised for purposes of settling decommissioning and environmental liabilities relating to existing mining operations. All income earned on these funds is reinvested or spent to meet these obligations. These obligations are included in environmental obligations.			
<b>17. INTEREST-BEARING BORROWINGS</b>			
The Group has the following borrowing facilities:			
Committed facilities	<b>21,479</b>	21,499	21,491
Uncommitted facilities	<b>4,739</b>	4,783	4,730
Total facilities	<b>26,218</b>	26,282	26,221
Less: Facilities utilised	<b>(6,273)</b>	(10,666)	(6,644)
Interest-bearing borrowings	<b>(451)</b>	(10,647)	(6,622)
Current interest-bearing borrowings	<b>(5,822)</b>	(19)	(22)
Available	<b>19,945</b>	15,616	19,577
Weighted average borrowing rate (%)	<b>6.38</b>	7.66	6.31
The Group has received notice from one of its lenders that it plans on closing its South African branch in the near future. The R1.3 billion 364-day committed facility from this lender remains unutilised and matures on 25 October 2011. In addition, the R10.6 billion committed facility with Anglo American SA Finance Limited (AASAF) matures on 22 May 2012 and the borrowing under the facility has been classified as a current liability. Management will commence negotiations with AASAF prior to the expiry of the facility.			

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	30 June	30 June	31 December
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	Rm	Rm	Rm
<b>18. COMMITMENTS</b>			
<b>Mining and process property, plant and equipment</b>			
Contracted for	1,603	2,508	1,553
Not yet contracted for	25,553	34,333	27,028
Authorised by the directors	27,156	36,841	28,581
Project capital	22,805	32,428	24,380
– within one year	3,835	4,351	3,565
– thereafter	18,970	28,077	20,815
Stay-in-business capital	4,351	4,413	4,201
– within one year	3,528	3,622	2,998
– thereafter	823	791	1,203
<b>Capital commitments relating to the Group's share in associates</b>			
Contracted for	352	109	362
Not yet contracted for	2,933	2,361	3,185
Authorised by the directors	3,285	2,470	3,547
Other			
Operating lease rentals – buildings	461	513	500
Due within one year	96	89	87
Due within two to five years	261	257	267
More than five years	104	167	146
Information technology service providers	264	480	619
Due within one year	86	106	228
Due within two to five years	178	374	391

These commitments will be funded from existing cash resources, future operating cash flows, borrowings or any other funding strategies embarked on by the Group.

The Group has provided Plateau, a company owned by Anooraq, with a facility that covers its senior debt repayments should Plateau not be able to meet its repayments. The facility is limited to 29% of 49% of Bokoni Platinum Mine's free cash flows up to a maximum of R500 million plus accrued interest.

The Group has provided Lexshell 36 General Trading (Proprietary) Limited (Lexshell 36), a company owned by the Bakgatla-Ba-Kgafela traditional community, with a facility that covers its outstanding hedge exposure. The facility is limited to Union Mine's cash flows, and call on this facility is considered a remote possibility.

The Group has also provided Lexshell 36 with a project capital expenditure facility to fund their proportionate share of any specific new project capital incurred for the development of a new shaft, other than the 5 South Decline project at Union Mine. This facility expires on 31 March 2015 and is limited to 15% of the capital spend on the shaft. At 30 June 2011, this facility had not been drawn upon.

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## 19. CONTINGENT LIABILITIES

Letters of comfort have been issued to financial institutions to cover certain banking facilities. There are no encumbrances of Group assets, other than the assets held under finance leases by the Group.

The Group is the subject of various claims, which are individually immaterial and are not expected, in aggregate, to result in material losses.

The Group has in the case of some of its mines provided the Department of Mineral Resources with guarantees that cover the difference between closure costs and amounts held in the environmental trusts. At 30 June 2011, these guarantees amounted to R2,682 million (30 June 2010: R3,107 million; 31 December 2010: R2,493 million).

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## 20. CONTINGENT ASSETS

During 2010, two insurable events were recorded that had the potential to exceed the Group's insurance deductibles in value. These were:

- Water ingress into the Waterval Slag Cleaning Furnace – 11 March 2010; and
- Rupture of intermediate storage tank at Waterval UG2 Concentrator – 5 September 2010.

Subsequently, both of these losses were shown to be within the Group's insurance deductibles, inter alia because recovery and make-up efforts at both operations proved to be successful in reducing the value of the losses. Both incidents have now been withdrawn as insurance claims from the Group's insurers.

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## 21. CHANGES IN ACCOUNTING ESTIMATES FOR INVENTORY

During the current period, the Group changed its estimate of the quantities of inventory based on the outcome of a physical count of in-process metals. The Group runs a theoretical metal inventory system based on inputs, the results of previous counts and outputs. Due to the nature of in-process inventories being contained in weirs, pipes and other vessels, physical counts only take place once per annum, except in the Precious Metal Refinery, which takes place once every two years.

This change in estimate has had the effect of increasing the value of inventory disclosed in the financial statements by R417 million (2010: decrease of R520 million). This results in the recognition of an after-tax gain of R300 million (2010: loss of R374 million).

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## 22. RECLASSIFICATION OF COMPARATIVE FIGURES

During the current period, the Group changed its disclosure of taxation arising on equity accounted earnings. Previously, the associates' share of taxation was included in the Group's taxation expense in the statement of comprehensive income. Losses from associates are now reflected net of the Group's share of the associates' taxation. This resulted in the losses from associates reducing by R107 million for the year ended 31 December 2010 (30 June 2010: R9 million) and the Group's taxation expense increasing by the corresponding amount.

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