ANDULELA INVESTMENT HOLDINGS LIMITED

(Registration number 1950/037061/06)

ANNUAL REPORT
FOR THE EIGHTEEN MONTHS ENDED 31 DECEMBER 2010

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General Information

Country of incorporation and domicile	South Africa
Company registration number	1950/037061/06
Date of incorporation	26 May 1950
Nature of business and principal activities	An investment holding company
Registered office	108 4th Street Parkmore Sandton 2196
Postal address	PO Box 786 786 Sandton City 2146
Telephone	011 888 8888
Fax	011 883 2538
Directors	M J Husain (Chairman) # A Kaka (Chief Executive Officer) PC De Jager (Chief Financial Officer) G Rosenthal # # Independent non-executive
Secretary	J R Jones 108 4th Street Parkmore 2196
Auditors	BDO South Africa Incorporated Registered Auditors
Transfer secretary	Link Market Services South Africa (Pty) Limited
Sponsors	Investec Bank Limited
Attorneys	Glyn Marais Incorporated
Bankers	Investec Bank Limited
Share Code	AND
Sector	Equity investment instruments
ISIN code	ZAE000125894

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The reports and statements set out below comprise the financial statements presented to the shareholders:

Principles of corporate governance and structures

All the key principles underlying the King II Code of Corporate Governance are ethically managed, with ongoing monitoring of compliance in accordance therewith and its changes from time to time. Unless otherwise noted, the group and its directors have complied with King II throughout the accounting period. The group intends to start implement the principles of King III during the following financial year which will end on 31 December 2011.

Board of directors

At date hereof, the newly constituted board comprises four members, two independent non-executive and two executive directors. The non-executive directors' calibre and experience are of such a nature that they bring an independent value-added and objective viewpoint on all strategic decisions, processes and standards. The Chairman is a non-executive director. No single individual director has unfettered powers of decision making. The board delegates certain functions to sub committees, an Audit, Risk and Compliance Committee and a Nomination and Remuneration Committee. Prior to the new board being constituted on 26 February 2010, the previous board comprised of four non-executive directors and one independent non-executive director.

The Nomination and Remuneration Committee is tasked to identify appropriate potential appointments to the board and following an interview process, refers candidates for appointment to the board, this process is formal and transparent and a matter for the board as a whole. This sub-committee comprises of the two independent non-executive directors and will be chaired by the board chairperson. It was only constituted during the latter part of the reporting period. The sub-committee will only meet after the reporting period.

Board procedures

Regular board meetings regulate the affairs of the company and the activities of executive management. Directors have access to the advice and services of the company secretary and are entitled to seek independent and professional advice about the affairs of the company at the company's expense.

Audit, Risk and Compliance Committee

At the date hereof the audit committee comprises two non-executive directors and the company's auditors are present as invitees. The committee has adopted a formal charter and its responsibilities include the review of periodic financial statements and risk related issues. In addition the audit committee sets the principles for recommending the use of the external auditors for non-audit services. The committee has considered and satisfied itself of the appropiateness of the expertise and experience of the financial director. The committee meets not less than four times per annum and a quorum comprises two members. Prior to the new board being constituted, the previous audit committee comprised of three non-executive directors and one independent non-executive director.

Sponsor

Investec Bank Limited acts as sponsor to the company in compliance with the Listings Requirements of JSE Limited.

Company secretary

The company secretary is required to provide the directors of the company, collectively and individually, with detailed guidance as to their duties, responsibilities and powers.

The company secretary is also required to ensure that the directors are aware of all laws, legislation, regulations and matters of ethics and good governance relevant to, or affecting the company.

The company secretary is required to ensure that minutes of all shareholders' meetings, directors' meetings and meetings of the various committees of the board of directors are properly recorded in accordance with the Companies Act. These minutes are circulated to all members of the board. The company secretary is Mrs J R Jones.

Directors attendance at board and committee meetings during the eighteen months under review

Director	**Board**	**Audit**
Number of meetings held during the period under review	**7**	**3**
P Vallet (Non-executive chairman) *appointed 5 February 2006; resigned 26 February 2010*	7 / 7	1 / 2
J P Barton-Bridges (Interim chief executive officer) *appointed 23 September 2008; resigned 26 February 2010*	7 / 7	1 / 1
P C de Jager (Chief financial officer) *appointed 23 September 2008; resigned 8 April 2010; re-appointed 25 October 2010*	7 / 7	
S E Jonah (Non-executive director) *appointed 23 September 2008; resigned 26 February 2010*	2 / 7	2 / 2
R K Jonah (Non-executive director) *appointed 23 September 2008; resigned 26 February 2010*	7 / 7	
D N Rosen (Non-executive director) *appointed 23 September 2008; retired by rotation 11 February 2010*	7 / 7	
V D Rubin (Independent non-executive director) *appointed 12 September 2007; resigned 26 February 2010*	7 / 7	3 / 3

Pursuant to the acquisition by Newshelf 1005 (Pty) Limited ("Newshelf") of a majority shareholding in the company, the board of directors was reconstituted on 26 February 2010 as follows:

Director	**Board**	**Audit**
Number of meetings held during the period under review	**6**	**4**
M J Husain (Independent non-executive chairman) *appointed 26 February 2010*	6 / 6	4 / 4
A Kaka (Chief executive officer) *appointed 26 February 2010*	6 / 6	
P C de Jager (Chief financial officer) *appointed 23 September 2008; resigned 8 April 2010; re-appointed 25 October 2010*	3 / 3	
G R Rosenthal (Non-executive director) *appointed 26 February 2010*	5 / 6	4 / 4
D A S Currie (Chief financial officer) *appointed 26 February 2010; resigned 31 October 2010*	3 / 3	

Audit committee meetings

The Audit Committee met seven times during the eighteen months and the external auditors attended and reported on the relevant items in accordance with section 270(1)(f) of the Companies Act, No. 61 of 1973, as amended. The committee reports as follows:

- The scope, independence and objectivity of the external auditors was reviewed;
- The audit firm BDO South Africa Inc., and audit partner B Bosman, are, in the committee's opinion, independent of the company, and have been proposed to the shareholders for approval to be the company's auditor for the 2011 reporting period;
- On an ongoing basis, the committee reviews and approves the fees proposed by the external auditors;
- The appointment of the external auditors complies with the Companies Act, as amended, and with all other legislation relating to the appointment of external auditors;
- The nature and extent of non-audit services provided by the external auditors has been reviewed to ensure that the fees for such services do not become so significant as to call into question their independence;
- The nature and extent of future non-audit services have been defined and pre-approved; and
- As at the date of this report, no complaints have been received relating to accounting practices of the company or to the content of the company's financial statements, or to any related matter.

ANDULELA INVESTMENT HOLDINGS LIMITED

REPORT OF THE INDEPENDENT AUDITORS

FOR THE EIGHTEEN MONTHS ENDED 31 DECEMBER 2010

To the shareholders of Andulela Investment Holdings Limited

We have audited the group annual financial statements and annual financial statements of Andulela Investment Holdings Limited, which comprise the consolidated and separate statements of financial position as at 31 December 2010, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 8 to 41

Directors' Responsibility for the Financial Statements

The group's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Andulela Investment Holdings Limited as at 31 December 2010, and its consolidated and separate financial performance and consolidated and separate cash flows for the period then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors
Per B Bosman
Partner
Practice Number: 905526E

Pretoria
31 March 2011

Riverwalk Office Park,
Building C, 3rd Floor,
41 Matroosberg Road,
Ashlea Gardens,
Pretoria

Directors' responsibility and approval

The directors are required by the Companies Act of South Africa, as amended, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at 31 December 2010 and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards and the AC500 Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company’s cash flow forecast for the year ending 31 December 2011 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the board of directors are primarily responsible for the financial affairs of the company, they are supported by the company's external auditors.

The external auditors are responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 5.

The financial statements set out on pages 8 to 41, which have been prepared on the going concern basis, were approved by the board of directors on 31 March 2011 and were signed on its behalf by:

M J Husain
Non-executive chairman

A Kaka
Chief Executive Officer

Sandton
31 March 2011

Declaration by the company secretary

I declare that, to the best of my knowledge, in terms of Section 268 (G)(d) of the Companies Act, 1973 (Act 61 of 1973), as amended, ("the Companies Act") the company has lodged with the Companies and Intellectual Property Registration Office all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date in respect of the financial period reported upon.

J R Jones (Mrs)
BA (Hons) LLB
Company secretary

Sandton
31 March 2011

Directors' report

The directors have pleasure in presenting their report and annual financial statements for the eighteen months ended 31 December 2010.

1. Review of activities

Nature of business

Andulela Investment Holdings Limited is an investment holding company. The nature of the business of the group's investment in subsidiaries and previously held investment in associates is further detailed in the commentary below.

2. Directorate

The current directors of the company and changes in directorate during the period under review and to the date of this report are as follows:

Name	*Nationality*	*Change in appointment*
M J Husain (Chairman) #	South African	Appointed 26 February 2010
A Kaka (Chief Executive Officer)	South African	Appointed 26 February 2010
P C de Jager (Chief Financial Officer)	South African	Appointed 23 September 2008; Resigned 8 April 2010; Reappointed 25 October 2010
G R Rosenthal #	South African	Appointed 26 February 2010
D A S Currie (Chief financial officer)	South African	Appointed 26 February 2010; Resigned 31 October 2010
P Vallet (Chairman) *	South African	Appointed 5 February 2006; Appointed as Chairman 26 March 2009; Resigned 26 February 2010
J P Barton-Bridges (Interim Chief Executive Officer)	South African	Appointed 23 September 2008; Appointed as Interim CEO 26 March 2009; Resigned 26 February 2010
S E Jonah *	Ghanaian	Appointed 23 September 2008; Stepped down as Chairman 26 March 2009; Resigned 26 February 2010
R K Jonah *	Ghanaian	Appointed 23 September 2008; Resigned 26 February 2010
D N Rosen *	South African	Appointed 18 January 2006; Retired by rotation 11 February 2010
V D Rubin #	South African	Appointed 12 September 2007; Resigned 26 February 2010

* Non-executive; # Independent non-executive

Consequent to the acquisition by Newshelf 1005 (Pty) Limited ("Newshelf") of control of Andulela through a combination of the exercise of the put option by Abalengani Platinum Holdings (Pty) Limited as detailed in the SENS announcement dated 29 October 2009 and the acquisition by Newshelf of Jonah Mining (Pty) Limited's entire shareholding in Andulela as detailed in the SENS announcement dated 20 November 2009, the board of directors of Andulela ("the board") was reconstituted on 26 February 2010.

3. Share capital

Authorised share capital

In a general meeting of shareholders held on 11 February 2010, special and ordinary resolutions were passed to allow the following changes to take place:

- increasing the authorised share capital from R20 million to R55,75 million
- altering the Memorandum of Association to state the capital of the company as 5 500 000 000 ordinary par value shares of 1 cent each and 75 000 000 cumulative redeemable preference par value shares of 1 cent each; and

Issued share capital

- 3 531 660 296 ordinary shares were issued at a premium of R0.1103 per share in settlement of the total purchase price of the transaction referred to in note 13 of this directors report.

4. Special resolutions

On 11 February 2010, at a general meeting of shareholders, the following two special resolutions were passed and subsequently registered:

1. That subject to the Companies Act (Act 61 of 1973) (the "Companies Act"), the Listings Requirements of the JSE and the detailed restrictions set out in the resolution, the repurchase of shares of the company either by the company or any by any subsidiary of the company was authorised.

2. The company's authorised share capital was altered from R20 000 000 comprising 1 925 000 000 ordinary par value shares of 1 cent each and 75 million cumulative redeemable preference shares of 1 cent each, to R55 750 000 comprising 5,5 billion ordinary par value shares of 1 cent each and 75 million cumulative redeemable preference shares of 1 cent each, by the creation of 3 575 million ordinary par value shares of 1 cent each.

3. The memorandum of association of the company was altered to allow for the new share capital structure being effected.

5. Directors' interests in the issued share capital of the company

As at 31 December 2010 the directors' interest in the issued shares of the company were as follows:

	Beneficial			
	Direct		***Indirect***	
	2010	2009	**2010**	2009
D N Rosen (retired by rotation)	**-**	12 580 381	**-**	5 000 000
Sir S E Jonah (resigned)	**-**	-	**-**	91 517 062
J P Barton-Bridges (resigned)	**-**	-	**-**	7 228 836
V D Rubin (resigned)	**-**	100 000	**-**	-
P Vallet (resigned)	**-**	-	**-**	200 000
	-	12 680 381	**-**	103 945 898

None of the current directors hold any beneficial (direct- or indirect) or non-beneficial interests in the issued shares of the company.
There have been no changes to directors' shareholdings from 31 December 2010 to the date of approval of this annual report

6. Directors' interest in contracts

The CEO, Mr A Kaka, was a director of Global Tailings Solutions (Pty) Limited ("GTS"), which provides mining process equipment on an operating lease basis to Kilken Platinum (Pty) Limited. Mr Kaka is a trustee of both The Zamvest Trust and The Safraaz Trust which are discretionary family trusts owning a combined 90% of the issued share capital of GTS. Mr Kaka is not a beneficiary of either trust and resigned as a director of GTS effective 31 January 2011.

There have been no changes to directors' interests in contracts from 31 December 2010 to the date of approval of this annual report

7. Management agreements

The company has concluded a management services agreement with Abalengani Ancillary Services & Marketing (Pty) Limited which includes but is not limited to the rental of offices, facilities and various administration services with effect from 1 March 2010. None of the current directors of Andulela have an interest in Abalengani Ancillary Services & Marketing (Pty) Limited.

8. Borrowing limitations

In terms of the Articles of Association of the company, the directors may exercise all the powers of the company to borrow money, as they consider appropriate. At 31 December 2010, the directors' borrowing powers remained unlimited.

9. Dividends

No dividend was declared or paid to the holders of ordinary shares during the year.

10. Company secretary

The secretary of the company is Mrs J R Jones of:

Business address	108 4th Street Parkmore Sandton 2196
Postal address	PO Box 786 786 Sandton City 2146
E-mail address	info@andulelaholdings.com

11. Auditors

BDO South Africa Inc. were engaged as new independent auditors for the period under review replacing PKF (Jhb) Inc. BDO has been the independent auditors of Kilken Platinum (Pty) Ltd (a subsidiary of Andulela) for a number of years. The appointment of BDO will be presented for shareholder approval at the next annual general meeting of shareholders in accordance with section 270(2) of the Companies Act.

12. Investment in subsidiaries and goodwill

As set out in the circular to shareholders dated 1 September 2008, the company acquired 50% of the issued share capital in Abalengani Mining Investments (Pty) Limited (“AMI”) and JB Platinum Holdings (Pty) Limited (“JBPH”) respectively to gain a 41.8% effective stake in the sole investment held by AMI and JBPH, namely Kilken Platinum (Pty) Limited ("Kilken"). As detailed in the circular of 1 September 2008 Andulela was granted a call option and Abalengani Platinum Holdings (Pty) Limited ("Abalengani Platinum") a put option over the remaining 50% of the shares in, and all of Abalengani Platinum's claims on loan account against each of, AMI ("the AMI option equity") and JBPH ("JBPH option equity"). As announced on SENS on 29 October 2009, Abalengani Platinum issued a letter to the company on 27 October 2009 exercising each of the put options granted to Abalengani Platinum to sell the AMI option equity and the JBPH option equity to the company.

On 1 May 2010, the group acquired the remaining 50% of shares in AMI and JBPH and an effective controlling interest in Kilken of 83.6% (previously 41.8%). The purchase consideration in respect of the options exercised, being an aggregate of R425 million, was settled by the issue and allotment of 3,531,660,296 ordinary shares at a 30 day Volume Weighted Average Traded price of 12,034 cents each on 4 May 2010, perfecting the put option transaction. At acquisition, the previously held associates were fairly valued, based on a Competent Persons Report which gave rise to the initial goodwill on acquisition of the controlling interest in the now wholly owned subsidiaries and the resulting impairment of goodwill by an amount of R219,5 million.

13. Fixed assets

During the eighteen months under review, the group had no significant changes to the nature of its fixed assets and no changes in the accounting policy relating to fixed assets have been adopted.

14. Commentary

Introduction

The 18 months ending 31 December 2010 reflect a period of significant change for Andulela. With effect from 1 May 2010, as a result of the exercise of the AMI and JBPH put options previously reported and detailed above, Andulela took control of AMI and JBPH, resulting in an effective 83.6% (previously 41.8%) controlling interest in Kilken . Consequently, AMI, JBPH and Kilken have been consolidated into the results of Andulela with effect from 1 May 2010.

Change in year-end

Additionally, in order to align the reporting periods of the newly formed Andulela Group, the year-ends of Andulela, AMI and JBPH have been changed to 31 December, which resulted in an 18 month reporting period ending 31 December 2010. Consequently the amounts presented for the prior 12 months ending 30 June 2009 are not comparable.

Kilken

In November 2004 Kilken Imbani Joint Venture, a joint venture with BEE partner Imbani Minerals, concluded a Sale of Tailings and Concentrate (“STC”) agreement with Rustenburg Platinum Mines (“RustPlat”). The Kilken joint venture purchases tailings from RustPlat’s Amandelbult mine, processes the tailings and sells the resultant concentrate and platinum group metals back to RustPlat. The STC agreement will continue for so long as RustPlat produces tailings from the Amandelbult site which is estimated to be for at least 50 years. Kilken Platinum (Pty) Limited is a 70% shareholder of the joint venture and Imbani Minerals holds 30%.

Commentary (continued)

Financial Review

For the period 1 July 2009 to 30 April 2010, the results of Kilken, AMI and JBPH were equity accounted as associate investments. From 1 May 2010, upon completion of the put option transaction, the abovementioned companies were consolidated into the results of Andulela.

The long term liability of R5.3 million was repaid during the period and replaced with a working capital facility of R5.0 million

Preference dividends on the cumulative redeemable preference shares due to the holder thereof (Newshelf) in the amount of R7.4 million were accrued and expensed as finance costs in the current period in accordance with the rights attaching to the preference shares. R2.1 million was paid towards the arrear preference dividends owing and a cumulative arrears amount of R10.1 million remains unpaid and is included in current liabilities.

The value of Kilken has been recorded at fair value in terms of IFRS 3 for the purpose of recording the business combination of AMI, JBPH and Kilken. As a result of the business combination, goodwill of R419 million has been raised in the financial statements of Andulela, net of an impairment of R219 million and is further detailed in notes to the financial statements. In accordance with IFRS, management will continue to assess the fair value of the investment.

In accordance with IAS and IFRS, management recognised a reversal of impairment of R26 million to the carrying value of the indirect investment in Kilken as at 31 December 2009 to reflect the fair value of the investment based on a valuation presented in the Competent Persons Report dated 29 January 2010. At 1 May 2010 the input assumptions of the valuation model were updated to indentify any change in the fair value of Kilken. There was no indication of any material change to the fair value of Kilken at the business combination date.

Based on the continued steady recovery of the platinum group metals prices and the positive demand outlook, management remains optimistic about the future profitability of the investment in Kilken.

In paragraph 14 of the Directors' Report dated 14 December 2009, a statement was made by the then board to the effect that certain directors of Kilken were receiving salaries which the board regarded as being in breach of a written agreement. The current board briefed the company's attorneys to consider this statement. Following a review of all the relevant agreements, board minutes and resolutions of Andulela and Kilken, the attorneys have provided a written opinion to the effect that they could not find any substantiation for the statement made in the aforementioned directors' report. The attorneys were also satisfied that there is indeed evidence of the validity of such payments and the board accordingly regards this matter as being satisfactorily resolved.

Recent events

Newshelf announced on SENS on 1 December 2009 that it had acquired 144 576 717 Andulela shares, equating to 34,51% of the issued share capital of the company from Jonah Mining (Pty) Ltd. The abovementioned shares, together with the 144 575 374 shares that Newshelf already owned, meant that at the time of the announcement, Newshelf owned a combined 69.01% of the issued ordinary share capital of Andulela.

As Newshelf owned more than 35% of the company pursuant to the purchase of Andulela shares from Jonah Mining (Pty) Ltd, and in terms of the Securities Regulation Code on Takeovers and Mergers, it was obliged to extend a mandatory cash offer to the other shareholders of Andulela to acquire their shares.

The offer, at 12 cents per share, was made on 18 January 2010 and closed on 26 February. Acceptances in respect of 68,611,593 (16.38%) Andulela shares were received by Newshelf, increasing their shareholding to 3,357,763,684 shares or 85.39% of the issued share capital of Andulela.

Investec Bank Limited has committed a working capital facility of R5 million to Andulela, secured by Deeds of Surety from AMI and JBPH, bearing interest at prime bank overdraft rates and which is repayable by no later than 31 August 2011.

Events subsequent to the year end

With reference to the announcement on SENS on 10 December 2010, Andulela will acquire the entire issued share capital of, and all claims against Pro Roof Steel Merchants (Pty) Limited ("PRSM"), a steel processing, distribution and services group with six branches in South Africa, from The Rafik Mohamed Family Trust. The purchase consideration of a maximum of R252 million and a minimum of R168 million, based on the consolidated tangible net asset value ("NAV") of PRSM and its subsidiaries, will be settled by the issue of a maximum of 630 million and a minimum of 420 million Andulela shares, as the case may be, at an issue price of 40 cents per share.
The transaction is conditional upon the fulfilment or waiver of certain suspensive conditions as detailed in the announcement of 10 December 2010. The effective date is expected to be no later than 30 May 2011. As at the date of this report all the suspensive conditions have not been fulfilled.

Commentary (continued)

Events subsequent to the year end (continued)

With reference to a further announcement on SENS on 1 February 2011, Andulela or its nominee will acquire the entire steel processing and distribution business, including the assets and liabilities, of GIBB Steel (Pty) Limited (GIBB Steel) indivisibly as a going concern.
A maximum transaction purchase consideration of R80 million will be based on the net asset value ("NAV") of GIBB Steel at the anticipated effective date, and will be settled by way of a maximum cash amount of R35 million and the balance by way of the issue of a maximum of 112.5 million Andulela ordinary shares at an issue price of 40 cents per share. The effective date NAV of GIBB Steel is anticipated to be R50 million which will result in the share issue portion of the purchase consideration to be around 37.5 million ordinary shares at an issue price of 40 cents per share.
The transaction is conditional upon the fulfilment or waiver of certain suspensive conditions as detailed in the announcement of 1 February 2011. As at the date of this report all the suspensive conditions have not been fulfilled.

The directors are not aware of any other significant events, that have occurred between the end of the period under review and the date of this report that may materially affect the results of the company for the period under review or their financial position as at 31 December 2010

Restructuring review

As indicated in the interim results report for the 12 months ending 30 June 2010, management have initiated a review of the newly formed group structure. The review is expected to be completed before the next reporting period. The outcome of the review and the initiatives implemented will be reported to shareholders.

Strategic review and outlook

Kilken is a low-cost producer of platinum group metals. Andulela acquired the Kilken asset to participate in the positive growth outlook for platinum in the long term. Market expectations are that platinum prices will strengthen and world demand will increase in the medium to long term. During the period under review, substantial process improvements were implemented by Kilken and management will continue to do so to maximise production recoveries. Notwithstanding Kilken's low production cost base and overall profitability, turnover and profits have been and will remain sensitive to a number of variable factors which include foreign currency fluctuations, PGM metal price fluctuations, quality of tailings feed grade and feed content.

Andulela has been looking to expand its investment base to take advantage of the shift in global markets that has driven the appetite for metal commodities, which are likely to result in strong performances across a number of metal classes, including steel. The acquisition of PRSM and GIBB Steel as detailed above supports the company's diversification strategy which aims to drive business growth and create sustainability, by building a business that delivers a constant income stream from a basket of quality assets, in order to realise a consistent return on investment. This strategy is also important to mitigate the inherent risks that are prevalent in a portfolio made up predominantly of PGMs, and greater diversification will also provide better shelter from the cyclical downturns in the economy.
The proposed acquisitions by Andulela of Pro Roof Steel Merchants and GIBB Steel, operating in the steel industry, is likely to strengthen the company's investment base and broaden its geographic footprint.

Appreciation

The company wishes to thank the following outgoing directors for their services and wishes them well with their future endeavours: Sir Sam Jonah, Richard Jonah, Phillip Vallet, Dudley Rubin, John Barton-Bridges and David Currie.

For and on behalf of the board

M J Husain
Non-Executive Chairman

A Kaka
Chief Executive Officer

Sandton
31 March 2011

Directors
M J Husain (Chairman)*, A Kaka (CEO), P C de Jager (CFO), G R Rosenthal*
*Independent non-executive

Registered Office
108 4th Street, Parkmore, Sandton, 2196

Company Secretary
J R Jones (Mrs)

Transfer Secretaries
Link Market Services (Pty) Limited
5th Floor, 11 Diagonal Street, Johannesburg
PO Box 4844, Johannesburg, 2000

Sponsor
Investec Bank Limited

Statement of financial position		Group		Company	
		31 December 2010	30 June 2009	**31 December 2010**	30 June 2009
	Note	**R**	R	**R**	R
Assets					
Non-current assets		**452 738 604**	171 974 556	**391 064 581**	171 974 556
Investment in associates	**4.1 & 4.2**	**-**	171 974 556	**-**	171 974 556
Investment in subsidiaries	**4.3.**	**-**	-	**391 064 581**	-
Plant and equipment	**3.1.**	**34 059 876**	-	**-**	-
Goodwill	**3.2.**	**418 678 728**	-	**-**	-
Current assets		**26 068 396**	2 073 809	**322 230**	2 073 809
Dividends receivable		**-**	1 546 338	**-**	1 546 338
Trade and other receivables	**3.3.**	**23 647 144**	-	**-**	-
Cash and cash equivalents		**2 421 252**	527 471	**322 230**	527 471
Total assets		**478 807 000**	174 048 365	**391 386 811**	174 048 365
Equity and liabilities					
Capital and reserves		**379 178 359**	86 558 147	**305 164 392**	86 558 147
Share capital and share premium	**5**	**803 567 317**	378 750 227	**803 567 317**	378 750 227
Accumulated loss		**(500 811 407)**	(292 192 080)	**(498 402 924)**	(292 192 080)
Non controlling interest		**76 422 449**	-	**-**	-
Liabilities					
Non-current liabilities		**81 892 339**	80 333 983	**75 000 000**	80 333 983
Redeemable preference share capital	**6**	**75 000 000**	75 000 000	**75 000 000**	75 000 000
Deferred tax liability	**7**	**6 892 339**	-	**-**	-
Long term loan	**7**	**-**	5 333 983	**-**	5 333 983
Current liabilities		**17 736 301**	7 156 235	**11 222 419**	7 156 235
Taxation		**1 291 359**	19 241	**-**	19 241
Trade and other payables	**8**	**16 444 942**	7 136 994	**11 222 419**	7 136 994
Total equity and liabilities		**478 807 000**	174 048 365	**391 386 811**	174 048 365

Statement of comprehensive income		**Group**		**Company**	
	Note	**Period ended 31 December 2010 R**	Year ended 30 June 2009 R	**Period ended 31 December 2010 R**	Year ended 30 June 2009 R
Revenue					
Sale of minerals		**38 379 412**	-	-	-
Dividends received		-	-	**24 384 707**	3 843 441
Cost of sales					
Purchases		**(16 803 298)**	-	-	-
Gross Profit		**21 576 114**	-	**24 384 707**	**3 843 441**
Operating expenses		**(24 579 283)**	(8 596 659)	**(13 871 498)**	(8 596 659)
Operating (loss) / profit	**16**	**(3 003 169)**	(8 596 659)	**10 513 209**	(4 753 218)
Investment income	**10**	**8 412 243**	13 033 390	**8 301 469**	13 033 390
Loss from associates	**4**	**(4 535 965)**	(5 407 220)	-	-
Proportionate share of loss net of dividends		**(10 554 145)**	(9 250 661)	-	-
Dividends received		**6 018 180**	3 843 441	-	-
Reversal of impairment of investment in associates	**4**	**25 995 663**		**15 441 517**	
Impairment of investment in associates			(281 504 788)		(290 755 449)
Impairment of goodwill on acquisition of subsidiaries	**3.2.**	**(219 536 266)**			
Impairment of investment in subsidiaries	**4.1.**			**(229 599 408)**	
		(192 667 494)	(282 475 277)	**(195 343 213)**	(282 475 277)
Finance costs	**11**	**(8 156 018)**	(5 182 284)	**(8 156 017)**	(5 182 284)
Loss before taxation		**(200 823 512)**	(287 657 561)	**(203 499 230)**	(287 657 561)
Taxation	**9**	**(6 497 900)**	-	**(2 711 614)**	-
Loss and total comprehensive loss for the period / year		**(207 321 412)**	(287 657 561)	**(206 210 844)**	(287 657 561)
Loss and total comprehensive loss for the period / year attributable to:		**(207 321 412)**	(287 657 561)	**(206 210 844)**	(287 657 561)
Non controlling interest		**1 297 915**	-	-	-
Ordinary shareholders		**(208 619 327)**	(287 657 561)	**(206 210 844)**	(287 657 561)
Loss per ordinary share/diluted loss per ordinary share (cents)		**(7.5)**	(85.2)	**(7.4)**	(85.2)

Statement of changes in equity

	Share capital R	Share premium R	Accumulated loss R	Attributable to Parent R	Non-Controlling Interests R	**Total equity** R
Group						
Balance at 1 July 2008	**1 340 000**	**97 781 005**	**(4 534 519)**	**94 586 486**	**-**	**94 586 486**
Total comprehensive loss for the year			(287 657 561)	(287 657 561)	-	(287 657 561)
Transactions with owners:						
Issue of shares	2 850 000	282 150 000		285 000 000	-	285 000 000
Share issue expenses		(5 370 778)		(5 370 778)	-	(5 370 778)
Total changes	2 850 000	276 779 222	(287 657 561)	(8 028 339)	-	(8 028 339)
Balance at 30 June 2009	**4 190 000**	**374 560 227**	**(292 192 080)**	**86 558 147**	**-**	**86 558 147**
Total comprehensive loss for the period			(208 619 327)	(208 619 327)	1 297 915	(207 321 412)
Transactions with owners:						
Non-controlling interest						
- Arising on acquisition of subsidiaries as per note 18					76 798 800	76 798 800
- Dividends paid to non-controlling interests in subsidiaries					(1 674 265)	(1 674 265)
Issue of shares	35 316 603	389 683 397		425 000 000	-	425 000 000
Share issue expenses		(182 910)		(182 910)	-	(182 910)
Total changes	35 316 603	389 500 487	(208 619 327)	216 197 763	76 422 450	292 620 213
Balance at 31 December 2010	**39 506 603**	**764 060 714**	**(500 811 407)**	**302 755 910**	**76 422 450**	**379 178 360**
Note	**5.1**	**5.2**				
Company						
Balance at 1 July 2008	**1 340 000**	**97 781 005**	**(4 534 519)**	**94 586 486**	**-**	**94 586 486**
Total comprehensive loss for the year			(287 657 561)	(287 657 561)	-	(287 657 561)
Transactions with owners:						
Issue of shares	2 850 000	282 150 000		285 000 000	-	285 000 000
Share issue expenses		(5 370 778)		(5 370 778)	-	(5 370 778)
Total changes	2 850 000	276 779 222	(287 657 561)	(8 028 339)	-	(8 028 339)
Balance at 30 June 2009	**4 190 000**	**374 560 227**	**(292 192 080)**	**86 558 147**	**-**	**86 558 147**
Total comprehensive loss for the period			(206 210 844)	(206 210 844)	-	(206 210 844)
Transactions with owners:						
Issue of shares	35 316 603	389 683 397		425 000 000	-	425 000 000
Share issue expenses		(182 910)		(182 910)	-	(182 910)
Total changes	35 316 603	389 500 487	(206 210 844)	218 606 246	-	218 606 246
Balance at 31 December 2010	**39 506 603**	**764 060 714**	**(498 402 924)**	**305 164 393**	**-**	**305 164 393**
Note	**5.1**	**5.2**				

Statement of cash flows

		Group		Company	
	Note	**Period ended 31 December 2010 R**	Year ended 30 June 2009 R	**Period ended 31 December 2010 R**	Year ended 30 June 2009 R
Cash flows from operating activities					
Cash generated / (utilised) in operations	**14**	**10 315 248**	(8 417 053)	**(14 381 420)**	(8 417 053)
Interest received	**10**	**145 558**	303 385	**8 301 469**	303 385
Finance costs	**11**	**(717 003)**	(358 757)	**(8 156 018)**	(358 757)
Taxation paid	**15**	**(7 333 663)**	-	**(2 730 855)**	-
Net cash generated / (utilised)		**2 410 140**	(8 472 425)	**(16 966 824)**	(8 472 425)
Cash flows from investing activities					
Dividends received		**6 018 180**	3 843 441	**24 384 706**	3 843 441
Business combination - cash acquired	**18**	**3 766 301**	-	**-**	-
Purchase of investment in associates		**-**	(90 000 000)	**-**	(90 000 000)
Reduction in deposits		**-**	85 000 000	**-**	85 000 000
Reduction in loans receivable		**18 769**	-	**18 769**	-
Plant and equipment additions	**3.1**	**(1 003 452)**	-	**-**	-
Net cash generated/(utilised)		**8 799 798**	(1 156 559)	**24 403 475**	(1 156 559)
Cash flows from financing activities					
Share issue expenses		**(182 910)**	(5 370 778)	**(182 910)**	(5 370 778)
Long term loan (repaid)/raised		**(5 333 982)**	5 333 982	**(5 333 982)**	5 333 982
Preference dividends paid		**(2 125 000)**	-	**(2 125 000)**	-
Minority interest dividends paid		**(1 674 265)**	-	**-**	-
Net cash (utilised)		**(9 316 157)**	(36 796)	**(7 641 892)**	(36 796)
Movement in cash and cash equivalents for the period / year		**1 893 781**	(9 665 780)	**(205 241)**	(9 665 780)
Cash and cash equivalents at beginning of the period / year		**527 471**	10 193 251	**527 471**	10 193 251
Cash and cash equivalents at end of the period / year		**2 421 252**	527 471	**322 230**	527 471

Accounting policies

1.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

1.2 Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board using the historic cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The annual financial statements have also been prepared on a going concern basis using accrual accounting. The annual financial statements are presented in South African rands, which is the group's functional currency. The accounting policies adopted are consistent with those of the previous year, except for the following relevant IFRSs, IFRIC interpretations, Circulars and amendments thereto, adopted for the first time in accordance with the respective transitional provisions where applicable. These changes had no significant impact on reported results, for both the current period and comparative year, other than giving rise to changes to the terminology and presentation of relevant disclosure and revision to the relevant accounting policies. No adjustments were necessary on the adoption of Circular 3/2009.

IFRS 3: Business combinations
IFRS 8: Operating segments
IAS 1: Presentation of financial statements
IAS 27: Consolidated and separate financial statements

1.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries and associates in the separate financial statements presented by the company are recognised at cost less accumulated impairment.

1.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred to the group, liabilities incurred by the group to the former owners of the acquiree and the equity interests issued by the group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively*;*

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

1.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see 1.4 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The group's policy for goodwill arising on the acquisition of an associate is described in 1.6 below.

1.6 Investments in associates

An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.* Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the associate. When the group's share of losses of an associate exceeds the group's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the group’s investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the group' consolidated financial statements only to the extent of interests in the associate that are not related to the group.

1.7 Interests in joint ventures

A joint venture is a contractual arrangement whereby the group and other parties undertake an economic activity that is subject to joint control (i.e. when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control).

When a group entity undertakes its activities under joint venture arrangements directly, the group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the group and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

The group reports its interests in jointly controlled entities using proportionate consolidation, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.* The group's share of the assets, liabilities, income and expenses of jointly controlled entities is combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

Any goodwill arising on the acquisition of the group's interest in a jointly controlled entity is accounted for in accordance with the group's accounting policy for goodwill arising in a business combination (see 1.4 and 1.5 above).

When a group entity transacts with its jointly controlled entity, profits and losses resulting from the transactions with the jointly controlled entity are recognised in the group' consolidated financial statements only to the extent of interests in the jointly controlled entity that are not related to the group.

1.8 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value added taxation, returns, rebates, and discounts and after eliminating sales within the group.

1.8.1 Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Specifically, revenue from the sale of goods is recognised when goods are delivered and legal title is passed.

1.8.2 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.9 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1.9.1 The group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.9.2 The group as lessee

Assets held under finance leases are initially recognised as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the group's general policy on borrowing costs (see 1.10 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.11.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.11.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

1.11.4 Secondary taxation on companies

Secondary taxation on companies is recognised in the year dividends are declared, net of dividends received. A deferred taxation asset is recognised on unutilised STC credits when it is probable that such unused STC credits will be utilised in the future.

1.12 Plant and equipment

The cost of an item of plant and equipment is recognised as an asset when:
- it is probable that future economic benefits associated with the item will flow to the group; and
- the cost of the item can be measured reliably

Costs include costs incurred initially to acquire or construct an item of plant and equipment and cost incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of plant and equipment, the carrying amount of the replaced part is derecognised.

Plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Item	Average useful life
Plant and machinery	15-20 years

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.
Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising from the derecognition of an item of plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.13 Intangible assets

1.13.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The residual values of intangible assets are reviewed annually. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

1.13.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

1.13.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

1.14 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease (see 1.12 above).

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase (see 1.12 above).

1.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

1.16 Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.16.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

1.16.2 Restructurings

A restructuring provision is recognised when the group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

1.16.3 Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the group's obligation.

1.16.4 Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation recognised in accordance with IAS 18 *Revenue*.

1.17 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.18 Financial assets

Financial assets are classified into the following specified category: Loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

1.18.1 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

1.18.2 Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets, objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 120 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.18.3 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.
On derecognition of a financial asset other than in its entirety (e.g. when the group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the group retains control), the group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

1.19 Financial liabilities and equity instruments

1.19.1 Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

1.19.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the group's own equity instruments.

1.19.3 Financial liabilities

Financial liabilities are classified as “other” financial liabilities.

1.19.3.1 Other financial liabilities

Other financial liabilities (including borrowings) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

1.19.3.2 Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.20 Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1.20.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see 1.20.2 below), that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

1.20.1.1 Revenue recognition

In making their judgement, the directors considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18 *Revenue* and, in particular, whether the group had transferred to the buyer the significant risks and rewards of ownership of the goods.

1.20.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant chance of creating a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.20.2.1 Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. In determining the carrying value of goodwill, the directors have taken account of a valuation report carried out by competent persons dated 23 February 2011. The valuation report relates to the underlying investment in Kilken Platinum (Pty) Limited.

1.20.2.2 Property, plant and equipment (“PPE”)

PPE and intangible assets are considered for impairment if there is any reason to believe after applying the internal and external impairment indicators that impairment may be necessary. Factors taken into consideration include the economic viability of the asset itself and where it is a component of a larger cash generating unit, the viability of the unit. Future cash flows expected to be generated by the assets are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current asset value and, if lower, the assets are impaired to the present value.

1.20.2.3 Asset useful lives and residual value

The group depreciates its assets over their estimated useful lives taking into account residual values, where appropriate. The appropriateness of its assets’ estimated useful lives, residual values and their depreciation methods are re assessed on an annual basis. The actual lives of these assets and their respective residual values may vary depending on a variety of factors. In re assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

1.20.2.4 Impairment of trade receivables and loans receivable

The group assesses its trade receivables for impairment at each balance sheet date. The impairment for trade receivables is assessed for impairment on an individual debtor basis, based on historical data and future factors. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the group makes judgements as to whether there is objective evidence indicating a measurable decrease in the estimated future cash flows from a financial asset. Where objective evidence of impairment exist, future cash flows expected to be collected are projected after taking into account market conditions and credit risk profile of the trade debtors. The present value of these cash flows, determined using an appropriate discount rate, is compared to the carrying amount of the trade receivable and, if lower, the trade receivables are impaired to the present value.

1.21 Segment reporting

Segment information is determined on the same basis as the information used by the chief operating decision maker for the purposes of allocating resources to segments and assessing segments' performance. The chief operating decision maker has been identified as the executive directors who make strategic decisions. Segments have been determined on a business unit basis by reference to the nature of the products and services engaged by the group. All intersegment transactions are eliminated and conducted at an arm's length basis. The group only has a single reporting segment due the nature of its investment in subsidiaries for the period under review.

1.22 Dividends payable

Dividend distributions to the company's shareholders are recognised as a liability in the group's financial statements in the period in which the dividends are approved by the company's board.

1.23 Earnings per share

The group presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the group by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding adjusted for any potential dilutive effects on all ordinary shares.

1.24 Headline earnings per share

Headline earnings per ordinary share are calculated using the weighted average number of ordinary shares in issue during the period and are based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 3/2009 issued by the South African Institute of Chartered Accountants ("SAICA").

2. New standards and interpretations

New standards issued but not yet effective, comprise:

IFRS 9 - Financial Instruments
This standard forms part of the first phase of the three phase project to replace IAS 39 Financial Instruments: Recognition and measurement. This standard is effective for annual periods beginning on or after 1 January 2013. The company does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have a significant impact on the financial statements.

Interpretations issued but not yet effective, comprises:

IFRIC 17 - Distribution of Non-Cash Assets to Owners
The interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders. The interpretation is to be applied prospectively for annual periods beginning on or after 1 July 2009. The company does not intend to adopt this interpretation early. Management is of the opinion that the adoption of this interpretation will not have a sgnificant impact on the financial statements.

IFRIC 18 - Transfers of Assets from Customers
The interpretation provides guidance on when an item of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient. It adresses measurement on the date of transfer and the corresponding credit entry. The interpretation is to be applied prospectively to transfer of assets from customers received on or after 1 July 2009. The company does not intend to adopt this interpretation early. Management is of the opinion that the adoption of this interpretation will not have a significant impact on financial statements.

IFRIC 19 - Extingushing Financial Liabilities with Equity Instruments
The Interpretation addresses divergent accounting by entities issuing equity instruments in order to extinghish all or part of a financial liability, often referred to as "debt for equity swaps". This interpretation is effective for annual periods beginning on or after 1 July 2010. The company does not intend to adopt this interpretation early. Management is of the opinion that the adoption of this interpretation will not have a significant impact on the financial statements.

Amendments to existing standards and interpretations issued, but not yet effective comprises:

IFRS 1 - First-time Adoption of International Financial Reporting Standards
This amendment deals with the measurement of the cost of investments in subsidiaries, jointly controlled entities and associates when adopting IFRS for the first time. This amendment to the standard is effective for annual periods beginning on or after 1 July 2009. A further amendment was made relating to oil and gas assets and determining whether an arrangement contains a lease. This amendment to the standard is effective for annual periods beginning on or after 1 January 2010. A further amendment has been made that relieves the first time adopters of IFRS's from providing the additional disclosures introduced through the amendment of IFRS 7 in March 2009. This amendment to the standard is effective for annual periods beginning on or after 1 July 2010. More recently, amendments were made to further clarify that changes in accounting policies in the year of adoption fall outside the scope of IAS 8, the use of revaluation carried out after the date of transition as a basis for deemed cost is now permitted and the use of carrying amount under previous GAAP as deemed cost for operations subject to rate regulation is also now permitted. These more recent amendments are effective for annual periods beginning on or after 1 January 2011. The company does not intend to adopt these amendments early. Management is of the opinion that the adoption of these amendments will not have a significant impact on the financial statements.

IFRS 3 - Business Combinations
This amendment deals with the accounting for business combinations. This amendment to the standard is effective for annual periods beginning on or after 1 July 2009. Further amendments have been made that deal with the transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS 3, provide clarity on the measurement of non controlling interest and provides additional guidance on un-replaced and voluntary replaced share based payment awards. These amendments are effective for annual periods beginning on or after 1 January 2011.
The company does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have a significant impact on the financial statements.

2. New standards and interpretations (continued)

Amendments to existing standards and interpretations issued, but not yet effective comprises: (continued)

IFRS 7 - Financial Instruments : Disclosures
Amendments were made that clarify the intended interaction between qualitative and quantitative disclosures of the nature and extent of the risks arising from financial instruments and removed disclosure items which were seen to be superfluous or misleading. These amendments are effective for annual periods beginning on or after 1 January 2011.
The company does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have a significant impact on the financial statements.

IFRS 8 - Operating Segments
A textual amendment has been made to the standard to clarify that an entity is required to disclose a measure of segment assets only if that measure is regularly reported to the chief operating decision maker. This amendment is effective for annual periods beginning on or after 1 January 2010 with earlier application permitted.
The company does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have a significant impact on the financial statements.

IAS 1 - Presentation of Financial Statements
An amendment has been made to clarify that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non current. This amendment is effective for annual periods beginning on or after 1 January 2010 with earlier application permitted. A more recent amendment provides clarification on the statementof changes in equity. This amendment is effective for annual periods beginning on or after 1 January 2011.
The company does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have a significant impact on the financial statements.

IAS 7 - Statement of Cash Flows
The amendment requires that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities. This amendment is effective for annual periods begginning on or after 1 January 2010 with earlier application permitted.
The company does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have a significant impact on the financial statements.

IAS 10 - Events after the Reporting Period
In conjunction with IFRIC 17 and amendment has been made to IAS 10 that clarifies the recognition of a liability for a dividend payable. This amendment is effective for annual periods beginning on or after 1 July 2009. The group has adopted this amendment for the first time during the reporting period and is of the opinion that the adoption of these amendments do not have a significant impact on the consolidated financial statements.

IAS 17 - Leases
The amendment resulted in the deletion of specific guidance regarding the classification of leases of land so as to eliminate inconsistency with the general guidance on lease classification. As a consequence, the classification of land as finance or operating lease should be established by the application of the general principles of IAS 17. This amendment is effective for annual periods beginning on or after 1 January 2010 with earlier application permitted.
The company does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have a significant impact on the financial statements.

IAS 24 - Related Party Disclosure
This amendment deals with the simplification of the disclosure requirements for government related entities and the clarification of the definition of a related party. This amendment to the standard is effective for annual periods beginning on or after 1 January 2011.
The company does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have a significant impact on the financial statements.

IAS 27 - Consolidated and Separate Financial Statements
This amendment deals with the consequential amendments from changes to Business Combinations and measurement of a subsidiary held for sale in the seperate financial statements. This amendment is effective for annual periods beginning on or after 1 July 2009. A more recent amendment has been made that deals with the transition requirements for previous amendments arising from changes to IAS 27. This amendment is effective for annual periods beginning on or after 1 July 2010.
The company does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have a significant impact on the financial statements.

2. New standards and interpretations (continued)

Amendments to existing standards and interpretations issued, but not yet effective comprises: (continued)

IAS 28 - Investments in Associates
This amendment deals with consequential amendments from changes to Business ombinations. The amendment to the standard is effective for annual periods beginning on or after 1 July 2009. A further amendment arose as a consequence from amendments to IAS 27 which provides clarity on the transitional rules in respect of the disposal of an interest in a foreign operation. This further amendment is effective for annual periods beginning on or after 1 July 2010.
The company does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have a significant impact on the financial statements.

IAS 31 - Interests in Joint Ventures
This amendment deals with consequential amendments from changes to Business Combinations. The amendment to the standard is effective for annual periods beginning on or after 1 july 2009. A further amendment arose as a consequence from amendments to IAS 27 which provides clarity on the transitional rules in respect of the disposal or partial disposal of an interest in a foreign operation. This further amendment is effective for annual periods beginning on or after 1 July 2010.
The company does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have a significant impact on the financial statements.

IAS 32 - Fiancial Instruments: Presentation
The amendment deals with accounting for rghts issues, including rights, options or warrants, that are denominated in a currency other than the functional currency of the issuer. This amendment to the standard is effective for annual periods beginning on or after 1 February 2010.
The company does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have a significant impact on the financial statements.

IAS 34 - Interim Financial Reporting
An amendment has been made that deals with the clarification of disclosure requirements around significant events and transactions including financial instruments. This amendment is effective for annual periods beginning on or after 1 January 2011.
The company does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have a significant impact on the financial statements.

IAS 36 - Impairment of Assets
An amendment was made to clarify that the largest cash generating unit, or group of units, to which goodwill should be allocated for the purposes of impairment testing is an operating segment as defined by paragraph 5 of IFRS 8 Operating Segments, ie: before the aggregation of segments with similar economic characteristics permitted by IFRS 8.12. This amendment is effective for annual periods beginning on or after 1 January 2010.
The company does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have a significant impact on the financial statements.

IAS 38 - Intangible Assets
Two amendments were made, one includes clarifying the requirements under IFRS 3 (2008) regarding accounting for intangible assets acquired in a business combination and the second amendment clarifies the description of the valuation techniques commonly used by entities when measuring the fair value of intangible assets acquired in a business combination that are not traded in active markets. These amendments are effective for annual periods beginning on or after 1 July 2009.
The company does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have a significant impact on the financial statements.

IAS 39 - Financial Instruments: Recognition and Measurement
Several amendments have been processed that are effective at different dates. Amendments effective for annual periods beginning on or after 1 January 2010 deal with treating loan prepayment penalties as closely related embedded derivaties, scope exemption for business combination contracts, cash flow hedge accounting and hedging using internal contracts. An amendment effective for annual periods beginning on or after 1 July 2009 deals with the clarification of two hedge accounting issues surrounding inflation in a financial hedged item and a one sided risk in a hedged item. An amendment effective for annual periods ending on or after 30 June 2009 deals with embedded derivatives when reclassifying financial statements.
The company does not intend to adopt this standard early. Management is of the opinion that the adoption of this standard will not have a significant impact on the financial statements.

Notes to the financial statements	**Group**		**Company**	
	31 December 2010 R	30 June 2009 R	**31 December 2010 R**	30 June 2009 R

3. Assets

Non-current tangible assets

3.1. Plant and equipment *

Plant and machinery

Period ended 31 December 2010				
- Opening net carrying amount	**-**	-	**-**	-
- Acquisition of subsidiary interests	**35 082 531**	-	**-**	-
- Additions	**1 003 452**	-	**-**	-
- Disposals	**(69 972)**	-	**-**	-
- Depreciation	**(1 956 135)**	-	**-**	-
Closing net carrying amount	**34 059 876**	-	**-**	-
At 31 December 2010				
- Cost or valuation	**45 891 139**	-	-	-
- Accumulated depreciation and impairment	**(11 831 263)**	-	-	-
Net carrying amount	**34 059 876**	-	**-**	-

** There have been no major changes in the nature of Plant and Equipment and no changes in the accounting policy relating to the use of Plant and Equipment during the period under review*

Non-current intangible assets

3.2. Goodwill

Period ended 31 December 2010				
- Opening net carrying amount	**-**	-	**-**	-
- Acquisition of subsidiary interests	**638 214 994**	-	**-**	-
- Impairment of subsidiary interests	**(219 536 266)**	-	**-**	-
Closing net carrying amount	**418 678 728**	-	**-**	-
At 31 December 2010				
- Cost	**638 214 994**	-	-	-
- Impairment	**(219 536 266)**	-	-	-
Net carrying amount at valuation	**418 678 728**	-	**-**	-

Goodwill arose on the acquisition of interest in subsidiaries. The goodwill has been subsequently impaired based on a Competent Persons Report of the fair value of the underlying investment in Kilken which is an operating cash generating business operation to which the full amount of the goodwill is allocated.

At acquisition, a Competent Person constructed a discounted cash flow ("DCF") model to determine a fair (attributable) value for Kilken, using a real discount rate of 10.5% and an annual PGM production rate of 20,578 ounces (extrapolated from historic production volumes). Forecasted PGM metals prices and US$/ZAR exchange rates were derived from a consensus forecast from reputable external market analysts. The DCF valuation model takes into account attributable net cashflows from the operation for 20 years which is consistent with the industry standard for this type of valuation and also due to the extended life-of-mine agreement in place with Rustenburg Platinum Mines. No growth rate has been applied in the long term cashflow forecasts by the Competent Person which contributed to the conservative nature of the valuation. As at 31 December 2010 an updated DCF valuation was prepared by a Competent Person using a real discount rate of 10.0% and an annual PGM production rate of 13,119 ounces which resulted in no indication of further goodwill impairment.

Current assets

3.3. Trade and other receivables

Trade receivables	**23 647 144**	-	-	-

The total of trade receivables comprise one single customer of which no amount is past due, nor impaired.

Notes to the financial statements	Group		Company	
	31 December 2010 R	30 June 2009 R	**31 December 2010 R**	30 June 2009 R

4. Investment in associates and subsidiaries

Investment in associates

4.1. *Abalengani Mining Investments (Pty) Limited* *- Incorporated in the Republic of South Africa*

The company held 500 ordinary shares, being 50,00% of the issued share capital in Abalengani Mining Investments (Pty) Limited ("AMI") up to 30 April 2010 and acquired the remaining 500 ordinary shares on 1 May 2010, therefore owning 100,00% of the issued share capital of AMI.

AMI's sole asset is a shareholding of 9 500 shares in the issued share capital of Kilken Platinum (Pty) Limited ("Kilken"), constituting 49,63% of the aggregate issued share capital of Kilken.

	Group 31 December 2010 R	Group 30 June 2009 R	Company 31 December 2010 R	Company 30 June 2009 R
Opening balance of carrying value	**267 187 500**	267 187 500	**267 187 500**	267 187 500
Shares at cost	**200 038 272**	200 038 272	**200 038 272**	200 038 272
Loan receivable as at acquisition [a]	**67 149 228**	67 149 228	**67 149 228**	67 149 228
Loan receivable subsequent to acquisition [b]	**12 402 311**	7 501 893	**12 402 311**	7 501 893
Share of net loss from associate net of dividends received [c]	**(11 704 056)**	(5 490 113)	**-**	-
Share of loss brought forward from prior year	**(5 490 114)**	-	**-**	-
Share of net loss from associate - current year	**(6 213 942)**	(5 490 113)	**-**	-
Share of associate loss - current year	**(2 640 648)**	(3 208 142)	**-**	-
Less : Dividend received	**(3 573 294)**	(2 281 971)	**-**	-
Less : Impairment [d]	**(151 684 946)**	(167 145 934)	**(163 389 002)**	(172 636 047)
Balance brought forward from prior year	**(167 145 934)**	-	**(172 636 047)**	-
Current year	**15 460 988**	(167 145 934)	**9 247 045**	(172 636 047)
Carrying value of the investment	**116 200 809**	102 053 346	**116 200 809**	102 053 346
Less: Disposal of associate interest at fair value	**(116 200 809)**		**(116 200 809)**	
Profit on disposal of associate	**(0)**		**-**	

[a] The company acquired all of Jonah Mining (Pty) Limited's claims on the loan accounts as well as Abalengani Platinum Holdings (Pty) Limited's claims on the loan accounts against the associates as part of the terms of the acquisition transaction agreement

[b] These loans represent the interest accrued from the date of acquisition to 31 March 2010, which has not been paid. The loans are unsecured, bore interest at prime bank overdraft rates less 1% up to 31 March 2010 and have no fixed terms of repayment. Subsequent to 31 March 2010, the loans are interest free.

[c] Share of loss from associate is calculated for the 10 months 1 July 2009 to 30 April 2010

[d] Both the initial impairment and subsequent reversal of impairment of the investment in associate was based on the fair value as determined by competent persons' reports which was primarily attibutable to the fluctuations in the PGM metals prices. The recoverbale amount of the investment in associate was based on value in use calculations using a discount rate of 10.5%.

Summarised financial information of associate

	31 December 2010 R	30 June 2009 R
Summarised balance sheet at 30 April 2010		
Non-current assets	**125 308 742**	126 911 611
Capital and reserves	**33 670 557**	22 523 588
Current liabilities	**(158 979 299)**	(149 435 199)
Results of operations for the 10 months ended 30 April 2010		
REVENUE		
Interest received	**18 618**	-
Income from associate	**11 399 952**	8 853 415
Proportionate share of income net of dividend received	**(1 602 869)**	614 986
Dividend received	**13 002 821**	8 238 429
EXPENDITURE		
Finance costs	**(9 553 278)**	(15 269 700)
Profit / (loss) for the period	**1 865 292**	(6 416 285)

Notes to the financial statements	Group		Company	
	31 December 2010 R	30 June 2009 R	**31 December 2010 R**	30 June 2009 R

4. Investment in associates and subsidiaries (continued)

Investment in associates (continued)

4.2. ***JB Platinum Holdings (Pty) Limited*** ***- Incorporated in the Republic of South Africa***

The company held 500 ordinary shares, being 50,00% of the issued share capital in JB Platinum Holdings (Pty) Limited ("JBPH") up to 30 April 2010 and acquired the remaining 500 ordinary shares on 1 May 2010, therefore owning 100,00% of the issued share capital of JBPH.

JBPH's sole asset is a shareholding of 6 500 shares in the issued share capital of Kilken Platinum (Pty) Limited ("Kilken"), constituting 33,96% of the aggregate issued share capital of Kilken.

	Group 31 December 2010 R	Group 30 June 2009 R	Company 31 December 2010 R	Company 30 June 2009 R
Opening balance of carrying value	**182 812 500**	182 812 500	**182 812 500**	182 812 500
Shares at cost	**135 640 455**	135 640 455	**135 640 455**	135 640 455
Loan receivable as at acquisition [a]	**47 172 045**	47 172 045	**47 172 045**	47 172 045
Loan receivable subsequent to acquisition [b]	**8 575 610**	5 228 112	**8 575 610**	5 228 112
Share of net loss from associate net of dividends received [c]	**(8 100 751)**	(3 760 548)	**-**	-
Share of loss brought forward from prior year	**(3 760 548)**	-	**-**	-
Share of net loss from associate - current year	**(4 340 203)**	(3 760 548)	**-**	-
Share of associate loss - current year	**(1 895 317)**	(2 199 078)	**-**	-
Less : Dividend received	**(2 444 886)**	(1 561 470)	**-**	-
Less : Impairment [d]	**(103 824 179)**	(114 358 854)	**(111 924 930)**	(118 119 402)
Balance brought forward from prior year	**(114 358 854)**	-	**(118 119 402)**	-
Current year	**10 534 675**	(114 358 854)	**6 194 472**	(118 119 402)
Carrying value of the investment	**79 463 180**	69 921 210	**79 463 180**	69 921 210
Less: Disposal of associate interest at fair value	**(79 463 180)**		**(79 463 180)**	
Profit on disposal of associate	**0**		**0**	

[a] The company acquired all of Jonah Mining (Pty) Limited's claims on the loan accounts as well as Abalengani Platinum Holdings (Pty) Limited's claims on the loan accounts against the associates as part of the terms of the acquisition transaction agreement

[b] These loans represent the interest accrued from the date of acquisition to 31 March 2010, which has not been paid. The loans are unsecured, bore interest at prime bank overdraft rates less 1% up to 31 March 2010 and have no fixed terms of repayment. Subsequent to 31 March 2010, the loans are interest free.

[c] Share of loss from associate is calculated for the 10 months 1 July 2009 to 30 April 2010

[d] Both the initial impairment and subsequent reversal of impairment of the investment in associate was based on the fair value as determined by competent persons' reports which was primarily attibutable to the fluctuations in the PGM metals prices. The recoverbale amount of the investment in associate was based on value in use calculations using a discount rate of 10.5%.

Summarised financial information of associate

	Group 31 December 2010 R	Group 30 June 2009 R	Company 31 December 2010 R	Company 30 June 2009 R
Summarised balance sheet at 30 April 2010				
Non-current assets	**88 643 166**	89 739 261		
Capital and reserves	**22 861 733**	15 061 053		
Current liabilities	**(111 504 899)**	(104 800 314)		
Results of operations for the 10 months ended 30 April 2010				
REVENUE				
Interest received	**12 741**	-		
Income from associate	**7 800 572**	6 058 069		
Proportionate share of income net of dividend received	**(1 096 095)**	421 250		
Dividend received	**8 896 667**	5 636 819		
EXPENDITURE				
Finance costs	**(6 714 176)**	(10 456 225)		
Profit / (loss) for the period	**1 099 137**	(4 398 156)		
Total carrying value of investment in associates	**-**	171 974 556	-	171 974 556

The fair value of the investment in associates were determined by reference to a qualified competent persons' valuation using appropiate market standards.

4.3. Investment in subsidiaries

	Group 31 December 2010 R	Group 30 June 2009 R	Company 31 December 2010 R	Company 30 June 2009 R
Equity issued in respect of controlling interest			**425 000 000**	-
Fair value of previously held associates			**195 663 989**	-
Fair value of non controlling interest			**-**	
			620 663 989	-
Subsequent impairment of investment in subsidiaries			**(229 599 408)**	-
			391 064 581	**-**

Refer to Note 18 for full details of business combination

Notes to the financial statements	**31 December 2010**	**31 December 2010**	30 June 2009	30 June 2009
	Abalengani Mining Investments (Pty) Limited	**JB Platinum Holdings (Pty) Limited**	Abalengani Mining Investments (Pty) Limited	JB Platinum Holdings (Pty) Limited

4. Investment in subsidiaries and associates (continued)

4.4. ***Financial information in respect of the associate companies investments in Kilken Platinum (Pty) Limited for the 10 months ended 30 April 2010 - Incorporated in the Republic of South Africa***

	50% Holding	**50% Holding**	50% Holding	50% Holding
Percentage interest held by associates in Killken Platinum	**49.63%**	**33.96%**	49.63%	33.96%
	R	**R**	R	R
Opening balance of carrying value	**114 203 584**	**79 335 000**	114 203 584	79 335 000
Share of associate income less dividends received	**11 105 158**	**9 308 166**	12 708 027	10 404 261
- Brought forward from prior year	**12 708 027**	**10 404 261**	12 093 041	9 983 011
- Current year	**(1 602 869)**	**(1 096 095)**	614 986	421 250
Share of associate income	**11 399 952**	**7 800 572**	8 853 415	6 058 069
Less : Dividend received	**(13 002 821)**	**(8 896 667)**	(8 238 429)	(5 636 819)
Carrying value of the investment	**125 308 742**	**88 643 166**	126 911 611	89 739 261
Summarised financial information of Kilken Platinum (Pty) Limited				
Summarised balance sheet at 30 April 2010				
Non-current assets	**35 082 531**	**35 082 531**	36 913 522	36 913 522
Current assets	**29 235 071**	**29 235 071**	32 814 680	32 814 680
Equity and reserves	**(49 372 077)**	**(49 372 077)**	(52 602 195)	(52 602 195)
Non-current liabilities	**(5 826 009)**	**(5 826 009)**	(5 964 529)	(5 964 529)
Current liabilities	**(9 119 516)**	**(9 119 516)**	(11 161 478)	(11 161 478)
Results of operations for the 10 months ended 30 April 2010				
Revenue	**46 403 695**	**46 403 695**	48 772 828	48 772 828
Operating profit	**26 533 592**	**26 533 592**	26 243 651	26 243 651
Finance income	**62 948**	**62 948**	342 882	342 882
Other income	**15 385**	**15 385**	-	-
Profit before taxation	**26 611 925**	**26 611 925**	26 586 533	26 586 533
Taxation	**(8 891 335)**	**(8 891 335)**	(8 747 695)	(8 747 695)
Profit for the period	**17 720 590**	**17 720 590**	17 838 838	17 838 838

4.5. ***Financial information in respect of the subsidiary companies investments in Kilken Platinum (Pty) Limited for the 8 months ended 31 December 2010***

	100% Holding 31 Dec 2010	**100% Holding 31 Dec 2010**
Percentage interest held by subsidiaries in Kilken Platinum	**49.63%**	**33.96%**
	R	**R**
Summarised balance sheet at 31 December 2010		
Non-current assets	**34 059 876**	**34 059 876**
Current assets	**25 717 268**	**25 717 268**
Equity and reserves	**(46 370 922)**	**(46 370 922)**
Non-current liabilities	**(6 892 339)**	**(6 892 339)**
Current liabilities	**(6 513 883)**	**(6 513 883)**
Results of operations for the 8 months ended 31 Dec 2010		
Revenue	**38 379 412**	**38 379 412**
Operating profit	**9 509 149**	**9 509 149**
Finance income	**94 280**	**94 280**
Profit before taxation	**9 603 429**	**9 603 429**
Taxation	**(3 786 286)**	**(3 786 286)**
Profit for the period	**5 817 143**	**5 817 143**

Had the acquisition of the controlling interest occurred on 1 July 2009, the acquired business would have contributed revenues of R108,3 million and net profit of R24,4 million.

Notes to the financial statements	**Group and Company**			
	31 December 2010 No of shares	30 June 2009 No of shares	**31 December 2010 R**	30 June 2009 R
5. Ordinary share capital and share premium - Group and Company				
5.1 Ordinary shares of R0.01 each				
Authorised				
5 425 000 000 (2009:1 925 000 000) ordinary shares of R0.01 each				
Opening balance	**1 925 000 000**	500 000 000	**19 250 000**	5 000 000
Increase	**3 575 000 000**	1 500 000 000	**35 750 000**	15 000 000
	5 500 000 000	2 000 000 000	**55 000 000**	20 000 000
Conversion to cumulative redeemable preference shares	**-**	(75 000 000)	**-**	(750 000)
Closing balance	**5 500 000 000**	1 925 000 000	**55 000 000**	19 250 000
Issued				
Opening balance	**419 000 000**	134 000 000	**4 190 000**	1 340 000
Issued at a premium of R0.1103 per share (2009: R0.99)	**3 531 660 296**	285 000 000	**35 316 603**	2 850 000
Closing balance	**3 950 660 296**	419 000 000	**39 506 603**	4 190 000

1 474 339 704 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting. All ordinary shares in issue are fully paid up.

5.2 Ordinary share premium				
Opening balance			**374 560 227**	97 781 005
Arising on issue of shares at a premium of R0.1103 per share (2009:R0.99)			**389 683 397**	282 150 000
Share issue costs			**(182 910)**	(5 370 778)
Closing balance			**764 060 714**	374 560 227
Total ordinary share capital and premium			**803 567 317**	378 750 227
6. Redeemable preference share capital				
6.1 Cumulative redeemable preference shares of R0.01 each				
Authorised				
Opening balance	75 000 000	-	**750 000**	-
Conversion from ordinary shares	-	75 000 000	-	750 000
Closing balance	**75 000 000**	75 000 000	**750 000**	750 000
Issued				
Opening balance	75 000 000	-	**750 000**	-
Issued at a premium of R0.99 per share	-	75 000 000	**-**	750 000
Closing balance	**75 000 000**	75 000 000	**750 000**	750 000

The cumulative redeemable preference shares have the right to receive a dividend equal to 65% of the prevailing prime bank overdraft rate payable quarterly in arrears. Preference dividends amounting to R10 137 542 (30 June 2009: R4 823 528) were not paid on due date and are included in current liabilities - see note 8.

6.2 Preference share premium				
Opening balance			**74 250 000**	-
Arising on issue of shares at a premium of R0.99 per share			-	74 250 000
Closing balance			**74 250 000**	74 250 000
Total cumulative redeemable preference share capital and premium			**75 000 000**	75 000 000

Notes to the financial statements	Group		Company	
	31 December 2010 R	30 June 2009 R	**31 December 2010 R**	30 June 2009 R
7. Non-current liabilities				
Long term loan				
Jonah Capital (Pty) Limited - working capital loan	-	5 333 983	-	5 333 983
This loan was unsecured, bore interest at prime overdraft interest rates, compounded monthly to 31 March 2010. The rights to the loan were bought by Newshelf 1005 (Pty) Ltd effective 20 November 2009 and was settled by 30 June 2010.				
	-	5 333 983	-	5 333 983
Deferred Tax				
Deferred tax liability				
Plant and equipment				
- At acquisition of subsidiary	6 172 799	-	-	-
- Recognised in profit and loss	719 540	-	-	-
Accelerated capital allowances for tax purposes	**6 892 339**	-	-	-
8. Trade and other payables				
Trade and other payables	**2 341 800**	2 313 466	**-**	2 313 466
VAT Provision	**2 880 725**	-	**-**	-
Investec Bank Limited - working capital loan [1]	**2 926**	-	**2 926**	-
Newshelf 1005 (Pty) Limited [2]	**1 081 949**	-	**1 081 949**	-
Preference dividend payable [3]	**10 137 542**	4 823 528	**10 137 542**	4 823 528
	16 444 942	7 136 994	**11 222 417**	7 136 994

[1] The working capital facility of R5 million provided by Investec Private Bank will expire on 31 August 2011 and is secured by general deeds of surety of R5 million each from the subsidiary companies AMI and JBPH respectively.

[2] No fixed terms of repayment has been agreed on the Newshelf 1005 loan. The loan is not interest bearing.

[3] The preference dividends were not paid on due date, and remain in arrears as at the date of signature of these financial statements.

	Group 31 December 2010 R	Group 30 June 2009 R	Company 31 December 2010 R	Company 30 June 2009 R
9. Taxation				
Major components of the tax expense				
Current				
Normal - Current	**2 899 322**	-	**-**	-
Normal - Prior year underprovision	**1 627 699**	-	**1 627 699**	-
Securities transfer tax	**1 083 915**	-	**1 083 915**	-
Secondary tax on dividends	**167 424**	-	**-**	-
	5 778 360	-	**2 711 614**	-
Deferred				
Originating and reversing temporary differences on plant and equipment	**719 540**	-	**-**	-
	6 497 900	-	**2 711 614**	-
Tax rate reconciliation				
Loss before taxation	**28.00%**	-	-	-
Less: Reversal of impairment of associates	**3.62%**	-	-	-
Add: Impairment losses on goodwill	**-30.61%**	-	-	-
Loss from associates not deductible	**-0.63%**	-	-	-
Preference dividends not deductible	**-1.04%**	-	-	-
Expenses of parent disallowed against passive income	**-1.15%**	-	-	-
	-1.80%	-	-	-
Effect of non deductible legal expenses in subsidiary	**0.00%**	-	-	-
	-1.80%	-	-	-
Adjustments recognised in the current year in relation to the current tax of prior years of parent:				
Securities transfer tax on acquisition of subsidiaries	**-0.81%**	-	**-0.80%**	-
STC paid on dividends to minorities in subsidiary	**-0.54%**	-	**-0.53%**	-
Income tax expense recognised in loss relating to continuing operations	**-0.08%**	-	-	-
	-3.23%	-	**-1.33%**	-
10. Investment income				
Interest received on loans and receivables measured at amortised cost:				
Interest - current and call accounts	**145 559**	287 343	**34 785**	287 343
Interest - other	**-**	16 042	**-**	16 042
Interest - shareholders loans in associates	**8 266 684**	12 730 005	**8 266 684**	12 730 005
	8 412 243	13 033 390	**8 301 469**	13 033 390
11. Finance costs				
Interest paid on other financial liabilities measured at amortised cost:				
Interest on working capital and loans	**717 003**	358 757	**717 003**	358 757
Preference dividend	**7 439 014**	4 823 527	**7 439 014**	4 823 527
	8 156 018	5 182 284	**8 156 017**	5 182 284
12. Auditors' remuneration				
Fees for Audit services	**266 817**	54 150	**246 297**	54 150
Consulting and other services	**59 222**	53 580	**57 912**	53 580
	326 039	107 730	**304 209**	107 730

Notes to the financial statements

	Group		Company	
	31 December 2010 R	30 June 2009 R	**31 December 2010 R**	30 June 2009 R
13. Directors' emoluments				
Basic salary				
- Executive				
J Stalker (resigned)	**-**	600 000	**-**	600 000
A Kaka	**660 000**	-	**660 000**	-
D Currie (resigned)	**808 998**	-	**808 998**	-
PC De Jager	**217 857**		**217 857**	
Fees for services as directors				
- Non-executive				
P Vallet (resigned)	**415 000**	240 000	**415 000**	240 000
V D Rubin (resigned)	**120 000**	180 000	**120 000**	180 000
MJ Husain	**250 000**	-	**250 000**	-
GP Rosenthal	**150 000**	-	**150 000**	-
	2 621 855	1 020 000	**2 621 855**	1 020 000
14. Cash utilised in operations				
Net Loss before taxation for the period / year	**(200 823 512)**	(287 657 561)	**(203 499 230)**	(287 657 561)
Adjustments for:				
(Reversal of) / impairment of investment in associates	**(25 995 663)**	281 504 788	**(15 441 517)**	290 755 449
Impairment of goodwill on acquisition of subsidiaries	**219 536 266**		**229 599 408**	
Share of loss from associates	**4 535 965**	5 407 220	**-**	-
Depreciation	**1 956 135**	-	**-**	-
Scrapping of plant and equipment	**69 972**			
Dividends received	**-**	-	**(24 384 707)**	(3 843 441)
Interest received	**(8 412 243)**	(303 385)	**(8 301 469)**	(303 385)
Finance costs	**8 156 018**	358 757	**8 156 018**	358 757
Changes in working capital				
Dividends receivable	**1 546 338**	(1 546 338)	**1 546 338**	(1 546 338)
Trade and other receivables	**11 697 343**	-	**-**	-
Trade and other payables	**(1 951 371)**	1 725 943	**(1 228 591)**	1 725 943
Preference dividend accrued and not paid	**-**	4 823 528	**7 439 014**	4 823 528
Interest accrued on shareholders loans in associates	**-**	(12 730 005)	**(8 266 684)**	(12 730 005)
	10 315 248	(8 417 053)	**(14 381 420)**	(8 417 053)
15. Taxation paid				
Balance at the beginning of the period	**-**	-	**(19 241)**	-
Balance acquired at acquisition of subsidiaries	**(2 846 662)**	-	**-**	-
Current tax for the period recognised in profit and loss	**(5 778 360)**	-	**(2 711 614)**	-
Balance at the end of the period	**1 291 359**	-	**-**	-
	(7 333 663)	-	**(2 730 855)**	-
16. Operating loss for the period / year				
Operating loss for the period is stated after taking into account:				
Consultancy fees	**1 111 500**	801 745	**1 111 500**	801 745
Depreciation of plant and equipment	**1 956 135**	-	**-**	-
Employee benefits expense - salaries	**2 763 884**	768 348	**-**	768 348
Lease rentals on operating lease	**4 720 291**	274 429	**238 500**	274 429
Loss on scrapping of plant and equipment	**62 272**	-	**-**	-
Management fees	**2 406 985**	1 507 500	**2 406 985**	1 507 500
17. Loss, diluted loss, headline loss, headline earnings, diluted headline loss, diluted headline earnings and dividends per share				
Ordinary shares in issue (millions)	**3 951**	419	**3 951**	419
Weighted average number of ordinary shares in issue (millions)	**2 790**	338	**2 790**	338
Headline (loss) / earnings	**(15 016 452)**	(6 152 773)	**7 947 047**	3 097 888
- Attributable net loss for the period / year	**(208 619 327)**	(287 657 561)	**(206 210 844)**	(287 657 561)
- Add back: Impairment of investment in associates		281 504 788		290 755 449
- Less: Reversal of impairment of investment in associates	**(25 995 663)**	-	**(15 441 517)**	-
- Add back: Impairment of goodwill on acquisition of subsidiaries	**219 536 266**	-	**229 599 408**	-
- Add back: Loss on scrapping of property plant and equipment	**62 272**	-	**-**	-
Loss and diluted loss per ordinary share (cents) [a]	**(7.5)**	(85.2)	**(7.4)**	(85.2)
Headline (loss)/earnings and diluted headline (loss)/earnings per ordinary share (cents) [a]	**(0.5)**	(1.8)	**0.3**	0.9
Dividends per ordinary share (cents)	**0.0**	0.0	**0.0**	0.0

[a] *The loss, diluted loss, headline loss and diluted headline loss per ordinary share is calculated by dividing the loss, diluted loss, headline loss and diluted headline loss by the weighted average number of ordinary shares in issue during the period/year, which was 2 789 566 500 (30 June 2009: 337 794 521).*

Notes to the financial statements

	Group		Company	
	31 December 2010 R	30 June 2009 R	**31 December 2010 R**	30 June 2009 R

18. Business combinations - Group

On 1 May 2010, the group acquired a controlling interest in Kilken Platinum (Pty) Ltd ("Kilken") of 83.6% (previously 41.8%) through the combined holding of subsidiaries Abalengani Mining Investments (Pty) Ltd ("AMI") and JB Platinum Holdings (Pty) Ltd ("JBPH"). At acquisition, the previously held investment in associates was fairly valued, based on the Competent Persons Report. Kilken is a cash generative low cost PGM tailings retreatment operation. All three of these entities are incorporated in the Republic of South Africa. Refer to point 12 of directors report.
The following table summarises the fair value of the cosideration paid for the additional interest in Kilken and the fair value of the assets acquired and liabilities assumed, recognised at the acquisition date, as well as the fair value at the acquisition date of the non-controlling interest in Kilken:

	Group 31 December 2010 R	Group 30 June 2009 R
Equity instruments issued in respect of option exercised	**425 000 000**	-
Fair value of previously held associate interests	**195 663 989**	-
Fair value of non controlling interest	**76 798 800**	-
	697 462 789	-
Fair value of net assets acquired	**59 247 795**	-
Plant and equipment	**35 082 531**	-
Bank and cash	**3 766 301**	-
Trade and other receivables	**35 344 488**	-
Trade and other payables	**(14 945 525)**	-
Goodwill arising on acquisition of controlling interest	**638 214 994**	-

The fair value of the consideration in respect of the option exercised was settled by the issue and allotment of 3,531,660,296 ordinary shares at a Volume Weighted Average Traded price of 12,034 cents each on 4 May 2010.
Acquisition related costs (included in the loss from operations in the Statement of Comprehensive Income for the 18 months ended 30 June 2010) amounted to R0.5 million. The fair value of the non-controlling interest in Kilken was determined on the basis of a Competent Persons Report valuation. Using the discounted cash flow ("DCF") approach, a DCF model was constructed and a fair (attributable) value for Kilken was determined, using a real discount rate of 10.5% and an annual PGM production rate of 20,578 ounces. Forecasted PGM metals prices and US$/ZAR exchange rates were derived from a consensus forecast of reputable brokers.

The goodwill arising from the business combination is mainly attributable to the expected future economic benefits expected to flow from the long term tailings retreatment agreement Kilken has with Rustenburg Platinum Mines. Refer to note 4.5 for financial information in respect of the subsidiary companies investments in Kilken for the 8 months ended 31 December 2010.

19. Related parties

Relationships

Former directors	D N Rosen
	S E Jonah *
	R K Jonah *
Controlling shareholder	Newshelf 1005 (Pty) Limited
Associate company	Jonah Capital (Pty) Limited (Associate until 20 November 2009)
	* beneficial shareholders in Jonah Mining (Pty) Limited and Jonah Capital (Pty) Limited
Subsidiary and its joint venture	Kilken Platinum (Pty) Limited
Company of which key management are directors	Tailing Technologies (Pty) Limited
Company of which key management are directors	GTS Technologies (Pty) Limited

Related party transactions

	Group 31 December 2010 R	Group 30 June 2009 R	Company 31 December 2010 R	Company 30 June 2009 R
Purchases from related parties	**24 088 974**	-	**-**	-
Tailing Technologies (Pty) Ltd	**17 104 479**	-	**-**	-
GTS Technologies (Pty) Ltd	**6 984 495**	-	**-**	-
Office and facilities rental due to related parties				
Jonah Capital (Pty) Limited	**244 708**	235 500	**244 708**	235 500
Administration and management fees paid to related parties				
Jonah Capital (Pty) Limited	**1 765 450**	1 507 500	**1 765 450**	1 507 500
Consulting fees as per agreement				
D N Rosen	**3 164 912**	2 475 000	**3 164 912**	2 475 000
Interest received on shareholders loans	**8 266 684**	12 730 005	**8 266 684**	12 730 005
Abalengani Mining Investments (Pty) Limited	**4 909 596**	7 501 893	**4 909 596**	7 501 893
JB Platinum Holdings (Pty) Limited	**3 357 088**	5 228 112	**3 357 088**	5 228 112
The interest has been accrued and capitalised in the loan balance.				
Interest paid on working capital loans	**677 976**	325 984	**677 975**	325 984
Newshelf 1005 (Pty) Limited	**447 305**	-	**447 305**	-
Jonah Capital (Pty) Limited	**230 670**	325 984	**230 670**	325 984

Related party balances

	Group 31 December 2010 R	Group 30 June 2009 R	Company 31 December 2010 R	Company 30 June 2009 R
Amounts included in trade payables	**946 620**	-	**-**	-
Tailing Technologies (Pty) Ltd	**946 620**	-	**-**	-
Balance owing in respect of services provided, included in trade and other payables				
Jonah Capital (Pty) Limited	**-**	1 732 500	**-**	-
Working capital loans	**1 081 949**	5 333 983	**1 081 949**	5 333 983
Newshelf 1005 (Pty) Limited	**1 081 949**	-	**1 081 949**	-
Jonah Capital (Pty) Limited	**-**	5 333 983	**-**	5 333 983
Loans receivable from subsidiaries (June 2009 - associates)	**-**	127 051 278	**135 299 194**	127 051 278
Abalengani Mining Investment (Pty) Limited	**-**	74 651 121	**79 551 539**	74 651 121
JB Platinum Holdings (Pty) Limited	**-**	52 400 157	**55 747 655**	52 400 157
Preference dividend payable to related parties	**10 137 542**	4 823 527	**10 137 542**	4 823 527
Newshelf 1005 (Pty) Limited	**10 137 542**	-	**10 137 542**	-
Jonah Mining (Pty) Limited	**-**	4 823 527	**-**	4 823 527

The preference dividends were not paid on due date and were accrued in the current financial year and remain in arrears as at the date of these financial statements.

Notes to the financial statements	Group		Company	
	31 December 2010 R	30 June 2009 R	**31 December 2010 R**	30 June 2009 R

20. Risk management

Risk management is fundamental to the group's business and plays a crucial role in enabling management to operate more effectively in a changing environment. Over time it has evolved into one of the group's core capabilities and is integral to the evaluation of strategic alternatives and the setting of objectives, all within a risk management framework that ensures alignment with the groups risk appetite and overall strategy. The approach followed by the group to manage risk is to ensure that all significant risks are identified and managed.

The group's trading and financing activities expose it to a variety of financial risks. These risks comprise liquidity risk, credit risk and market risk (cash flow interest rate risk). The group's principle financial instruments comprise, trade receivables, cash and cash equivalents, redeemable preference shares, long term loan and trade payables. The group classifies its trade receivables and cash and cash equivalents as 'loans and receivable' financial assets. The group classifies its redeemable preference shares, long term liability and trade payables as 'other' financial liabilities. The group's overall risk management program seeks to minimise potential adverse effects on the group's financial performance. The group does not use financial instruments for speculative purposes.

The directors have an overall responsibility for the determination of the group's risk management objectives and policies, and whilst retaining ultimate responsibility for them, they ensure that excess cash as generated from their operations is invested with recognised financial institutions. Finance is provided for by counterparties that are well recognised financial institutions and only trades with customers of suitable creditworthiness. The directors on a monthly basis monitor their collections from the customer, and movements in prime lending rates.

There have been no substantive changes in the group's exposure to financial instruments risk, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous periods unless otherwise stated in this note. Information disclosed has not been disaggregated as the financial instruments used by the group share the same economic characteristics and market conditions.

The directors are of the opinion that the fair value of all financial instruments approximates their carrying amount as disclosed on the face of the statement of financial position. Due to the short term nature of cash and cash equivalents, trade receivables and trade payables it is presumed that the fair value approximates the carrying amount. The fair value of remaining financial instruments have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis using prices from observable current market transactions.

Credit risk

Credit risk arises specifically from trade receivables and cash and cash equivalents. The group only deposits cash with major and reputable financial institutions that have an acceptable credit quality standing. The group is exposed to concentrations of credit risk as at present it only has one customer. The maximum exposure to credit risk for the 'loans and receivable' category of financial assets equates to the carrying amounts as disclosed on the face of the statement of financial position and related notes for trade receivables and cash and cash equivalents. The group does not request collateral or other credit enhancements from existing or potential customer, except where considered appropriate. The group does have policies to ensure that sales are made to customer with an appropriate credit history. The group currently has one customer which is of high credit quality accompanied by an insignificant historic default rate. The carrying amount of this customer is neither impaired nor overdue and is analysed as follows:

2010 - Group	Current	30 Days	60 Days
Customer A	23 647 144	-	-

Liquidity risk

Liquidity risk arises from the group's management of working capital, finance charges and principal repayments on the redeemable preference shares. It is the risk that the group will experience financial difficulty in meeting its obligations as they fall due. Prudent liquidity management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed facilities where necessary. There have been no defaults or breaches on the redeemable preference shares and trade payables during the period ended. Furthermore, no security has been provided for the trade payables.

The following table presents the group's outstanding contractual maturity profile for its non-derivative financial instruments. The analysis presented is based on the undiscounted contractual maturities of the group's financial liabilities:

2010 - Group	Less than 1 yr	2-5 years	> 5 years
Trade and other payables	3 426 675	-	-
Redeemable preference dividends	10 137 542	-	-
Redeemable preference shares	-	75 000 000	-

2009 - Group	Less than 1 yr	2-5 years	> 5 years
Trade and other payables	2 313 466	-	-
Long term loan	5 333 983	-	-
Redeemable preference dividends	4 823 528	-	-
Redeemable preference shares	-	75 000 000	-

2010 - Company	Less than 1 yr	2-5 years	> 5 years
Trade and other payables	1 084 875	-	-
Redeemable preference dividends	10 137 542	-	-
Redeemable preference shares	-	75 000 000	-

2009 - Company	Less than 1 yr	2-5 years	> 5 years
Trade and other payables	2 313 466	-	-
Long term loan	5 333 983	-	-
Redeemable preference dividends	4 823 528	-	-
Redeemable preference shares	-	75 000 000	-

Market risk

The group is not directly exposed to currency risk as it does not trade internationally and does not hold any foreign denominated trade receivables, trade payables, borrowings, cash and forward exchange contracts. The group's cash flow interest rate risk arises from its redeemable preference shares, long term loan and cash and cash equivalents. Future changes to the prime lending rate will have a direct impact on the future cash payments towards the settlement of the financial obligation. This risk remains unhedged at reporting date. Exposure to cash flow interest rate risk on financial liabilities and financial assets are monitored on a continuous basis.

The group is sensitive to the movements in the South African prime lending rate. The group has used a sensitivity analysis technique that measures the estimated change before tax to the statement of comprehensive income of an instantaneous increase and decrease of 100 basis points (2009: 100 basis points) in market interest rates on financial liabilities with all other variables remaining constant. The calculations were determined with reference to the outstanding financial liability balances for the year. This represents no change from the prior period in the method and assumptions used. This analysis is for illustrative purposes only and represents management's best estimate of a reasonably possible change in market interest rates.

2010 - Group	Effect on PBT of a 1% increase	Effect on PBT of a 1% decrease
Redeemable Preference Shares	(733 253)	733 253
Working capital loan	(54 911)	54 911
Cash and cash equivalents	14 744	(14 744)
Loans receivable from associates	1 311 752	(1 311 752)

2009 - Group	Effect on PBT of a 1% increase	Effect on PBT of a 1% decrease
Redeemable Preference Shares	(348 596)	348 596
Working capital loan	(25 350)	25 350
Cash and cash equivalents	24 052	(24 052)
Loans receivable from associates	1 206 863	(1 206 863)

Notes to the financial statements	Group		Company	
	31 December 2010 R	30 June 2009 R	**31 December 2010 R**	30 June 2009 R

Market risk (continued)

2010 - Company	Effect on PBT of a 1% increase	Effect on PBT of a 1% decrease
Redeemable Preference Shares	(733 253)	733 253
Working capital loan	(54 911)	54 911
Cash and cash equivalents	4 249	(4 249)
Loans receivable from associates	1 311 752	(1 311 752)

2009 - Company	Effect on PBT of a 1% increase	Effect on PBT of a 1% decrease
Redeemable Preference Shares	(348 596)	348 596
Working capital loan	(25 350)	25 350
Cash and cash equivalents	24 052	(24 052)
Loans receivable from associates	1 206 863	(1 206 863)

Capital management

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The board of directors monitors both the demographic spread of shareholders, as well as the return on capital, which the group defines as total shareholders' equity, excluding redeemable preference shares and minority interests.

The group's capital management philosophy is focused on capital efficiency and effective risk management to support progressive growth of earnings per share and net asset value per share. This is achieved through regular review of capital commitments and requirements of the group in relation to the forecasted capital available. When applicable corrective measures are implemented through arrangements with banking institutions and shareholders if deemed appropriate.

There were no changes in the group's approach to capital management during the period under review and neither the group nor any of its subsidiaries are subject to externally imposed capital requirements.

21. Commitments

a. Capital commitments
There was no capital expenditure authorised, contracted for nor provided for at the balance sheet date and none is envisaged for the forthcoming year.

b. Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

Premises				
- No later than one year	**10 484**	-	-	-
- Later than one year but no later than 5 years	**47 817**	-	-	-
- Later than 5 years	**2 096 044**	-	-	-
Total	**2 154 345**	-	-	-

The operating lease agreements relate to rent and service agreement amounts which escalate annually in accordance with CPI. The term of the agreements are expected to be at least 50 years provided all conditions are maintained and there is no termination from either party thereto.

Equipment

The operating lease payments for equipment as disclosed in note 16 relate to high shear reactors used under a licence agreement based on R15,000 per kilogram of PGM's produced by Kilken . This is done on a service exchange basis as and when the reactors wear out. There is no base amount payable, this is variable based on production output . Accordingly it is not possible to accurately forecast if any future amounts are payable. The lease agreement was entered into for an initial 60 month term from 1 January 2010 to 31 December 2014.

22. Investment analysis

In terms of section 15.5 of the JSE Listing Requirements the analysis of the company's investments are as follows:

a. The comany's investment policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence. The investment philosophy is focused on capital efficiency and effective risk management to support progressive growth of earnings per share and net asset value per share

b. The company foresees that it will maintain a future investment base of less than 10 uniquely identifiable investments.

c. The company's only current investment is in an unlisted entity, Kilken Platinum (Pty) Limited which is involved in secondary retreatment and processing of precious metals tailings industry. The net asset value and tangible net asset value per share of this investment is R2 423.

d. Dividend and interest income analysis from investments - Refer to the Statement of Comprehensive Income and Note 10 to the Financial Statements

e. No disclosure is made in terms of section 15.5 (d) & (f) - (i) of the JSE Listing Requirments as these are not applicable

23. Segment reporting

No segmental reporting has been presented as the entity has no separately reportable segments. It operates in one geographical location within South Africa and there is no trading in foreign countries. The entity only derives income from one customer.

ANDULELA INVESTMENT HOLDINGS LIMITED

(Registration number 1950/037061/06)
SHAREHOLDERS' INFORMATION
FOR THE EIGHTEEN MONTHS ENDED 31 DECEMBER 2010

Analysis of shareholders

Range	Number of shareholders	% of total	Number of shares	% of total
1 - 1 000	365	69.39%	141 674	0.00%
1 001 - 10 000	82	15.59%	320 934	0.01%
10 001 - 100 000	46	8.75%	2 245 395	0.06%
100 001 - 1 000 000	26	4.94%	11 358 640	0.29%
1 000 001 - 10 000 000	5	0.95%	22 049 673	0.56%
10 000 001 - 100 000 000	1	0.19%	25 120 000	0.64%
100 000 001 and more	1	0.19%	3 889 423 980	98.45%
	526	100.00%	3 950 660 296	100.00%

Public / Non-public shareholders

Non-public shareholders				
Strategic holdings (more that 10%)	1	0.19%	3 889 423 980	98.45%
Public shareholders	525	99.81%	61 236 316	1.55%
	526	100.00%	3 950 660 296	100.00%

Resident / Non-resident shareholders

Resident	517	98.29%	3 947 999 174	99.93%
Non-resident	9	1.71%	2 661 122	0.07%
	526	100.00%	3 950 660 296	100.00%

Shareholders owning 0.1% or more of the shares in issue

	Shareholding	% of total
Newshelf 1005 (Pty) Limited	3 889 423 980	98.45%
Leonmed Investment (Pty) Limited	25 120 000	0.64%
Neil Desmond Rosen	8 029 999	0.20%
Hollard Stable Hedge Fund - Silver Cluster	5 169 442	0.13%
The Shadeja Trust 11223/05	5 000 000	0.13%

ANDULELA INVESTMENT HOLDINGS LIMITED

Incorporated in the Republic of South Africa

(Registration number 1950/037061/06)

Share Code: AND ISIN: Code ZAE000125894

("Andulela" or "the company")

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Andulela Investment Holdings Limited ("**Andulela**" or "**the company**") will be held in the Auditorium, Abalengani Office Block, 106 4th Street, Parkmore, Sandton, Johannesburg at 16h00 on 10 May 2011, for the following purposes:

1. **Ordinary resolution number 1**

   Adoption of financial statements
   To consider and adopt the annual financial statements for the 18 months ended 31 December 2010.

2. **Ordinary resolution number 2**

   Re-election of directors
   To re-elect directors who retire in terms of article 110 of company's articles of association (Casual Vacancies) and being eligible, offer themselves for re-election:

   2.1 **M J Husain (50)** B.Proc (University of Durban Westville)
   Independent non-executive chairman

   Mohamed has been an attorney for approximately 25 years, during which time he has represented a diverse range of clients in commercial and corporate litigation, insolvencies and administrative law matters. He was one of the advisers to the Constitutional Assembly on the drafting of the final South African Constitution. He has also acted as a Judge of the High Court. His previous appointments include the Presidency of the Law Society of the Northern Provinces, Chairman of the Attorneys Insurance Indemnity Fund and National Executive Committee member of the National Association of Democratic Lawyers. Mohamed currently holds various notable positions, including being a non-executive director on the ABSA Group board, a member of Eskom's board tender committee and a director of Knowles Husain Lindsay Inc.

   2.2 **G R Rosenthal (66)** CA (SA)
   Independent non-executive director

   Graham is a non-executive member of various audit committees, including Macsteel Service Centres and Sun International, serves on credit committees and is a trustee of staff share schemes of Investec Bank. He retired in 2000 from Arthur Andersen after being in charge of their South African audit and business advisory practice. He served as chairman of the Investigations Committee of the South African Institute of Chartered Accountants.

   2.3 **A Kaka (48)** BA LLB (University of the Witwatersrand)
   Chief Executive Officer

   Ashruf is an attorney, accredited with BA and LLB degrees at the University of Witwaterand, having specialized in commercial legal counseling for the period of 1991 to 2005. In 2006 he was appointed to an Executive Management position within the Abalengani and Xeedan Groups of Companies. Initially his involvement focused primarily as legal, compliance risk assessment and management of the Groups acquisitions. In 2008 he was appointed CEO of Abalengani and Xeedan Groups. Ashruf is also the Director of Newshelf 1005 (Pty) Ltd which is the majority shareholder of Andulela.

   2.4 **P C de Jager (39)** B.Comm Accounting (University of Pretoria); B.Compt (Hons) CTA (University of South Africa); MBA (GIBS - University of Pretoria)
   Chief Financial Officer

   Pieter has over 15 years senior management experience including major listed companies in various sectors. After completing his articles with Ernst & Young, where he had Anglo Coal as a major client, he worked in senior financial management and executive positions in the Electrical Engineering-, FMCG-, Supply Chain Freight & Logistics- and Mining sectors. Pieter has worked in various countries in West Africa in the mining sector and has had significant experience in corporate finance and with merger & acquisition transactions. Before joining Andulela full time in October 2010, Pieter held the position of Group CFO of the Jonah Capital Group.

3. Ordinary resolution number 3

Approval of directors' remuneration
Resolved that the remuneration of the directors for the 18 months ended 31 December 2010, as reflected in note **13** on page **37** be approved.

4. Ordinary resolution number 4

Approval of reappointment of auditors
Resolved that BDO South Africa Incorporated be appointed as auditors of the company for the year ended 31 December 2011 as well as for the ensuing year. The responsible audit partner is Mr. Berton Bosman.

5. Ordinary resolution number 5

Unissued shares
"Resolved that the authorised and unissued ordinary share capital of the company be and is hereby placed under the control of the directors of the company which directors are, subject to the Listings Requirements of the JSE and the provisions of section 221 and section 222 of the Companies Act (Act 61 of 1973), authorised to allot and issue any of such shares at such time or times, to such person or persons, company or companies and upon such terms and conditions as they may determine, such authority to remain in force until the next annual general meeting of the company."

6. Ordinary resolution number 6

General authority to issue equity securities for cash
"Resolved that subject to the restrictions set out below and subject to the Listings Requirements of the JSE the directors are authorised to issue equity securities for cash, on the basis that:

1 this general authority will only be valid until the company's next annual general meeting or for 15 months from the date of this resolution, whichever period is shorter;

2 any equity securities issued in terms of this authority:

2.1 must be of a class already in issue, or must be convertible into a class of equity securities already in issue;

2.2 must be issued to public shareholders, and not to related parties, all as defined in the Listings Requirements of the JSE;

2.3 may not in aggregate in any one financial year (taking into account the number of any equity that may be issued in future as a result of the issue of any convertible securities/options in terms of this authority) exceed 15% of:

(a) the number of equity securities of that class in issue on the date in question (including any equity securities that may be issued in future as a result of any existing convertible securities/options); less

(b) any equity securities issued during the financial year in question (including the number of any equity securities that may be issued in future as a result of the issue of any convertible securities/options in terms of this authority); plus

(c) any equity securities of that class to be issued pursuant to a rights issue which has been announced, is irrevocable and is fully underwritten; plus

(d) any equity securities of that class to be issued pursuant to an acquisition that has been announced, is irrevocable and is fully underwritten;

2.4 for the purposes of 2.3 equity securities of a particular class, will be aggregated with any equity securities that are compulsorily convertible into equity securities of that class, and, in the case of the issue of compulsorily convertible equity securities, aggregated with the equity securities of that class into which they are compulsorily convertible;

2.5 may not be issued at a price less than a 10% discount to the weighted average traded price of such equity securities measured over the 30 business days prior to the date that the price of the issue is agreed between the company and the party/ies subscribing for the equity securities."

In terms of the JSE Listings Requirements this resolution is subject to at least 75% of the votes cast by shareholders present in person or by proxy being cast in favour thereof**.**

After the company has in terms of this authority issued equity securities for cash equivalent to 5% or more of the number of equity securities of that class in issue prior to that issue, the company shall publish an announcement containing full details of such issue/s (including the number of equity securities issued, the average discount to the weighted average traded price of the shares over the 30 days prior to the date that the price of the issue is agreed in writing between the issuer and the party/ies subscribing for the equity securities and the effects of the issue on net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share).

7. Special resolution: Repurchase of shares

"Resolved that subject to the Companies Act (Act 61 of 1973) (the "Companies Act"), the Listings Requirements of the JSE and the restrictions set out below the repurchase of shares of the company either by the company or any by any subsidiary of the company is hereby authorised, on the basis that:

1. this authority will only be valid until the company's next annual general meeting or for 15 months from the date of this resolution, whichever period is shorter;

2. the number of shares which may be acquired pursuant to this authority in any financial year may not in the aggregate exceed 20% (or where such acquisitions are effected by a subsidiary such lower percentage as may be permissible, in terms of the Companies Act, of the company's share capital as at the date of this notice of annual general meeting;

3. the repurchase of shares must be effected through the order book operated by the JSE trading system, and done without any prior arrangement between the company the counter-party;

4. the repurchases of shares may not be made at a price greater than 10% above the weighted average of the market value for the shares for the five business days immediately preceding the date on which the transaction is effected;

5. at any point in time, the company will only appoint one agent to effect repurchases on its behalf;

6. the company or its subsidiary may not repurchase shares during a prohibited period as defined in paragraph 3.67 of the Listings Requirements of the JSE unless there is a repurchase programme in place and the dates and quantities of shares to be repurchased during the prohibited period are fixed and full details thereof have been disclosed in an announcement over SENS prior to commencement of the prohibited period;

7. the company's sponsor will have confirmed the adequacy of the company's working capital, for the purposes of undertaking share repurchases, in writing to the JSE prior to the repurchase of any shares.

In accordance with the Listings Requirements of the JSE, the directors record that:

Although there is no immediate intention to effect a repurchase of shares of the company, the directors would utilise the general authority to repurchase shares as and when suitable opportunities present themselves, which opportunities may require expeditious and immediate action.

The directors will only effect a repurchase of shares if, after considering the effect of the repurchase, the directors are of the opinion that for a period of 12 months after the date of the notice of annual general meeting:

(a) the company and the group will be able, in the ordinary course of business, to pay its debts;

(b) the assets of the company and the group will be in excess of the liabilities of the company and the group;

(c) the share capital and reserves of the company and the group will be adequate for ordinary business purposes;

(d) the working capital of the company and the group will be adequate for ordinary business purposes.

After the company has cumulatively repurchased 3% of the initial number (the number of that class of shares in issue at the time that the general authority from shareholders is granted) of the relevant class of shares, and for each 3% in aggregate of the initial number of that class acquired thereafter, an announcement will be made in terms of the Listings Requirements of the JSE.

Reasons for and effects of the special resolution

The reason for the special resolution is to afford the company or a subsidiary of the company, a general authority to effect a repurchase of the company's shares on the JSE. The effect of the resolution will be that the directors will have the authority, subject to the Rules and Requirements of the JSE and the Act, to effect repurchases of the company's shares on the JSE, either through the company or through any subsidiary of the company.

The following additional information, which appears elsewhere in the annual report to which this notice of annual general meeting forms part, is provided in terms of paragraph 11.26 of the Listings Requirements of the JSE for purposes of the special resolution:

Directors and management – page 8
Major shareholders holders – page 41
Directors' interests in shares – page 9
Share capital of the company – page 35

Material changes

Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs or financial position of the company and its subsidiaries between the date of signature of the audit report for the period ended 31 December 2010 and the date of this notice of annual general meeting.

Litigation statement

The directors, whose names appear on page 1 of the annual report of which this notice forms part, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had in the recent past (being at least the previous 12 months) a material effect on the group's financial position.

Directors' responsibility statement

Directors, whose names appear on page 1 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required in terms of the Listings Requirements of the JSE."

8. Other business

To transact such other business as may be transacted at an annual general meeting.

Voting and proxies

A shareholder of the company entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, speak and vote in his stead.

On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the company present in person or represented by proxy shall have one vote for every share held in the company by such shareholder.

Dematerialised shareholders who have selected “own-name” registration in the sub-register through a Central Securities Depository Participant (“CSDP”) or their broker and who are unable to attend but wish to vote at the annual general meeting, should complete and return the attached form of proxy and lodge it with the transfer secretaries of the company.

Shareholders who have dematerialised their shares through a CSDP or broker and have not elected “own-name” registration and who wish to attend the annual general meeting must instruct their CSDP or broker to issue them with the necessary letter of representation to attend. If any such shareholder is unable to attend, but wishes to vote at the annual general meeting, they should timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and his/her CSDP or broker.

Additional forms of proxy may be obtained on request from the company’s registered office. The completed forms of proxy must be deposited at, posted or faxed to the transfer secretaries at the address below, to be received at least 48 hours prior to the annual general meeting. Subject to what is stated above in regard to uncertificated members who have not elected “own-name” registration any member who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting should the member subsequently decide to do so.

By order of the board

J R Jones (Mrs)
Company secretary

31 March 2011

Registered office
108 4th Street
Parkmore
Sandton
2196

Transfer Secretaries
Link Market Services South Africa (Pty) Limited
5th Floor, 11 Diagonal Street
Johannesburg
PO Box 4844 Johannesburg, 2000)
Tel : +27 (0) 861 546 572
Fax : +27 (0) 11 834 3498

ANDULELA INVESTMENT HOLDINGS LIMITED

Incorporated in the Republic of South Africa

(Registration number 1950/037061/06)

Share Code: AND ISIN: Code ZAE000125894

("Andulela" or "the company")

FORM OF PROXY

For use by the holders of the company's certificated ordinary shares ("certified shareholders") and/or dematerialised ordinary shares held through a Central Securities Depository Participant ("CSDP") or broker who have elected "own-name" registration ("own-name dematerialised shareholders") at the annual general meeting of the company to be held in the Auditorium, Abalengani Office Block, 106 4th Street, Parkmore, Sandton, Johannesburg at 16h00 on 10 May 2011. Additional forms of proxy are available from the transfer secretaries of the company.

Not for use by holders of the company's dematerialised ordinary shares/units who have not selected "own-name" registration. Such shareholders/unit holders/members must contact their CSDP or broker timeously if they wish to attend and vote at the annual general meeting and request that they be issued with the necessary authorisation to do so or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the annual general meeting in order for the CSDP or broker to vote in accordance with their instructions at the annual general meeting.

I/We (name in block letters) ____

of (address) ____

being the registered holders of __________________ ordinary shares in the capital of the company do hereby appoint:

1. ____ or failing him/her;

2. ____ or failing him/her;

3. the chairperson of the annual general meeting

as my/our proxy to act for me/us at the annual general meeting, or any adjournment thereof, which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions as detailed in the notice of annual general meeting, and to vote for and/or against such resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name in accordance with the following instructions:

	For	Against	Abstain
To pass ordinary resolutions:			
1. Adoption of financial statements			
2. Re-election of directors:			
2.1. M J Husain			
2.2. G R Rosenthal			
2.3. A Kaka			
2.4. P C de Jager			
3. Approval of directors' remuneration			
4. Approval of reappointment of auditors			
5. Unissued shares			
6. General authority to issue equity securities for cash			
To pass special resolution:			
7. Repurchase of shares			

(Indicate instructions to proxy with an **X** in the appropriate spaces provided above.)
Unless otherwise instructed, my proxy may vote as he thinks fit.

Signed at _________________________________ on this __________________ day of ____________________ 2011

Signature ____

Assisted by (where applicable) ____

Please read the notes attached hereto.

Notes:

1. Each shareholder/unit holder/member is entitled to appoint one or more proxies (none of whom need be a shareholder/unit holder/member of the company) to attend, speak and vote in place of that shareholder at the annual general meeting.

2. Shareholder(s)/unit holder(s)/member(s) that are certificated or own-name dematerialised shareholders/unit holders may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided, with or without deleting "the chairperson of the meeting", but any such deletion must be initialled by the shareholder(s). The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy the chairperson shall be deemed to be appointed as the proxy.

3. A shareholder's/unit holder's/member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the chairperson, to vote or abstain from voting as deemed fit and in the case of the chairperson to vote in favour of the resolution.

4. A shareholder/unit holder/member or his/her proxy is not obliged to use all the votes exercisable by the shareholder/unit holder/member, but the total of the votes cast or abstained may not exceed the total of the votes exercisable in respect of the shares held by the shareholder/unit holder/member.

5. Forms of proxy must be lodged at or posted to Link Market Services South Africa (Pty) Limited, 5th Floor, 11 Diagonal Street PO Box 4844, Johannesburg, 2000) to be received not less than 48 hours prior to the meeting.

6. The completion and lodging of this form of proxy will not preclude the relevant shareholder/unit holder/member from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder/unit holder/member wish to do so. Where there are joint holders of shares/units, the vote of the first joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted.

7. The chairperson of the general meeting may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with these notes, provided that, in respect of acceptances, the chairperson is satisfied as to the manner in which the shareholder/unit holder/member concerned wishes to vote.

8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company or the transfer secretaries or waived by the chairperson of the general meeting.

9. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.

10. A minor must be assisted by his/her parent guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.

11. Where there are joint holders of any shares/units, only that holder whose name appears first in the register in respect of such shares need sign this form of proxy.

ANDULELA INVESTMENT HOLDINGS LIMITED

Incorporated in the Republic of South Africa
(Registration number 1950/037061/06)

Corporate directory

DIRECTORS

M J Husain (Independent non-executive chairman)
A Kaka (Chief executive officer)
P C de Jager (Chief financial officer)
G R Rosenthal (Independent non-executive director)

AUDITORS

BDO South Africa Incorporated
(Registration number 1995/002310/21)
Registered Auditors
Riverwalk Office Park
Building C
41 Matroosberg Rd
Ashlea Gardens
Pretoria
(PO Box 95436, Waterkloof, Pretoria, 0145)
Tel : +27 (0) 12 433 0160
Fax : +27 (0)12 346 8233

COMPANY SECRETARY AND REGISTERED OFFICE

J R Jones (Mrs)
BA (Hons) LLB
108 4th Street
Parkmore, Sandton
2196
(PO Box 786 786, Sandton City, 2146)
Tel: +27 (0) 11 888 8888
Fax: +27 (0) 11 883 2538

TRANSFER SECRETARIES

Link Market Services South Africa (Pty) Limited
(Registration number 2000/007239/07)
5th Floor, 11 Diagonal Street
Johannesburg
2000
(PO Box 4844, Johannesburg, 2000)
Tel : +27 (0) 861 546 572
Fax : +27 (0) 11 834 4398

ATTORNEYS

Glyn Marais Incorporated
(Registration number 1990/000849/21)
Glyn Marais Inc.
2nd Floor, The Place
1 Sandton Drive
Sandton
(PO Box 652 361, Benmore, 2010)
Tel : +27 (0) 11 286 3700
Fax : +27 (0) 11 286 3900

SPONSOR AND CORPORATE ADVISORS

Investec Bank Limited
(Registration number 1969/004763/06)
100 Grayston Drive
Sandown
Sandton
2196
(PO Box 785 700, Sandton, 2146)
Tel : +27 (0) 11 286 7326
Fax : +27 (0) 11 291 1066

COMPANY LISTING DETAILS

Andulela Investment Holdings Limited
Incorporated in the Republic of South Africa
(Registration number 1950/037061/06)
ISIN: Code ZAE000125894

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