ANGLO AMERICAN PLATINUM LIMITED

100 YEARS 1917 - 2017

DELIVERING CHANGE BUILDING RESILIENCE

POSITIONING FOR THE FUTURE

AngloAmerican

AUDITED ANNUAL FINANCIAL STATEMENTS 2016

DELIVERING CHANGE BUILDING RESILIENCE POSITIONING FOR THE FUTURE

Globally, the mining sector is weathering unprecedented challenges. Anglo American Platinum (Amplats) is proving its resilience and ability to manage change through a focused strategy that is positioning our group for the future.

By concentrating on elements within our control and building the foundations for continuous improvement, we are delivering on our strategy. We are shaping our business for a sustainable future – driving the transformation that will make us more robust, responsive and competitive.

As we focus strategically on value and not volume, we are repositioning our portfolio by exiting certain assets, focusing on market development opportunities and building positive relationships with all our stakeholders while our operations concentrate on optimising their potential.

Supporting documentation on the website

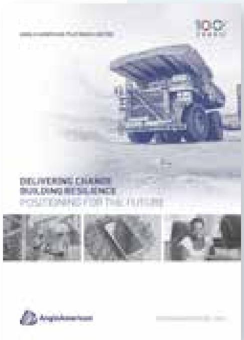
Integrated report
Full mineral reserves and resources report
Supplementary report
GRI referenced index
UN Global Compact Assessment
King III application register

www.angloamericanplatinum.com/investors/annual-reporting/2016

CONTENTS

OUR APPROACH TO REPORTING

Throughout this report, and in supplementary information on our website, we focus on the relationships between factors, both external and internal, that enable Amplats to create value.



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INTEGRATED REPORT

Our annual integrated report provides a holistic assessment of the group's ability to create value.

This report includes information extracted from the full governance and remuneration report as well as from the Supplementary report. It includes non-financial aspects which, if not managed, could have a material impact on our performance and on our business.

The report is developed for a wide range of stakeholders, including employees, local communities, non-governmental organisations (NGOs), customers and government.

Reporting framework

- International <IR> Framework of the International Integrated Reporting Council
- South African Companies Act 71 2008 (Companies Act)
- JSE Listings Requirements
- King Report on Corporate Governance for South Africa 2016 (King Code IV)
- Global Reporting Initiative (G4) guidelines
- Reporting according to AA plc Group S&SD indicators, definitions and guidance notes for non-financial indicators. These are available on request.

Assurance

Financial and several non-financial aspects in this report and in our 2016 suite of reports are independently assured. The report of the external auditor on our financial statements is on page 112, while the report of the external assurer on specific non-financial indicators is on pages 131 to 133.

Available online as a pdf

AUDITED ANNUAL FINANCIAL STATEMENTS

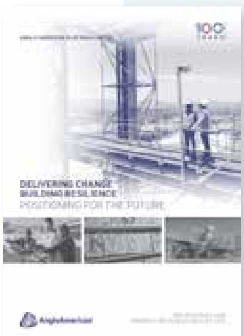
The audited annual financial statements present statutory and regulatory information required by the company's stock exchange listing.

Reporting framework

- International Financial Reporting Standards (IFRS)
- South African Companies Act 71 2008, as amended
- Listings Requirements of the JSE.

Assurance

The report of the external auditor on our financial statements is on pages 4 to 9.



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ORE RESERVES AND MINERAL RESOURCES REPORT

In accordance with the Listings Requirements of JSE Limited, Amplats prepared its Mineral Resource and Ore Reserve Statements for all its operations with reference to SAMREC's guidelines and definitions (2007 edition, as amended July 2009). Competent persons have been appointed to work on, and assume responsibility for, the mineral resource and ore reserve statements for all operations and projects, as required.

Reporting framework

- JSE Listings Requirements
- SAMREC's guidelines and definitions (2007 edition, as amended July 2009)

Assurance

In compliance with the three-year external review and audit schedule:

- Snowden Mining Industry Consultants conducted a detailed numerical audit in 2016 of the data gathering, data transformation and reporting related to Mineral Resources and Ore Reserves for Union Mine.
- Optiro Mining Consultants conducted an assessment of the remedial actions put in place as a consequence of the findings of the 2015 numerical audit findings at Mogalakwena Mine.

DIRECTORS' RESPONSIBILITIES AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2016

The directors are required 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 group (the term 'group' refers to the company, its subsidiaries, associates, joint ventures and joint operations) as at the end of the financial year and the results of its operations and cash flows for that period, and conforming with International Financial Reporting 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, Companies Act requirements and based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment.

To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. These 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 group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that, in all reasonable circumstances, is above reproach.

The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group 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 is adequate for ensuring the:

- Reliability and integrity of financial and operating information
- Compliance of established systems with policies, plans, procedures, laws and regulations
- Safeguarding of the group's assets against unauthorised use or disposition
- Economic, effective and efficient use of resources
- Achievement of established objectives and goals for operations or programmes.

In light of circumstances leading to the 2015 and H1 2016 restatements, complex calculations will be transitioned to automated platforms where change management is more robust. The internal auditors concur with these statements by the directors.

The directors believe, as a result of the comprehensive structures and controls in place and ongoing monitoring of the activities of executive and operational management, the board maintains effective control over the group's affairs.

The separate and consolidated annual financial statements are prepared on the going concern basis. Nothing has come to the attention of the directors to indicate that the group and company will not remain a going concern for the foreseeable future.

Valli

Valli Moosa
Chairman

Chris Griffith
Chief executive officer

Johannesburg
14 February 2017

COMPANY SECRETARY'S CERTIFICATE

for the year ended 31 December 2016

In my capacity as the company secretary, I hereby certify to the best of my knowledge and belief that Anglo American Platinum Limited has lodged with the Companies and Intellectual Property Commission all returns required of a public company in terms of the Companies Act 71 2008. Further, I certify that such returns are true, correct and up to date.

Elizna Viljoen
Company secretary
Anglo American Platinum Limited

Johannesburg
14 February 2017

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Anglo American Platinum Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Anglo American Platinum Limited and its subsidiaries ("the Group") set out on pages 15 to 87, which comprise the statements of financial position as at 31 December 2016, and the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group as at 31 December 2016, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters related to the separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Physical quantities and measurement of inventory (excluding consumables)	
Metal inventory is held in a wide variety of forms and prior to refinement as a precious metal, is always contained in a carrier material. It is not possible to determine the exact metal content within the carrier material until the refinement process is complete. As such theoretical quantities are determined through a process known as metal accounting in which the process of sampling, analysing and weighing determines the metal content and split between type of metal. The accuracy of metal accounting can vary quite significantly, and as such the quantum of metal inventory requires a significant amount of estimation and the directors' judgement in its determination. In relation to the measurement of the inventory quantity the cost calculation involves significant inputs from a wide variety of internal and external sources with fluctuating market values of the precious metals in determining net realisable value. These risks are significant to the carrying value of inventory and was therefore considered a key audit matter.	**Physical quantities** Audit procedures included the attendance of the annual metal inventory counts on site to observe the appropriateness of controls implemented in applying sampling methodologies as well as adherence to appropriate inventory processes. We met with the directors' experts to understand and challenge the results from the on site counts undertaken during the year and at year end and considered the design and implementation of this control over theoretical inventory quantities. We met regularly during the year with the head of metal accounting. At these meetings we challenged the results from the theoretical inventory counts to understand the differences from on site levels at each processing location. During these meetings we understood whether any differences identified are within the required threshold levels set by the directors. We performed analytical review calculations on the results of the physical inventory as a percentage of throughput to verify the reasonability of the estimates. We ensured that the theoretical quantities determined by metal accounting at year end agreed to the inventory valuation calculations. We confirmed that the metal accounting department is independent from the mines, the processing functions and the finance team who calculate the attributable cost of production. We considered the thresholds (set by directors) applicable to total production through-put for reasonability considering individual mine performance as well as past history. We considered the appropriateness of the disclosure of inventory. We are satisfied that the directors' metal accounting experts are competent and that the physical quantities were in line with the metal accounting on site and theoretical inventory counts. **Measurement** Following management's discovery of the inventory restatement described in note 52, we considered the impact of that error on our audit approach and extended our audit procedures, using our own modelling experts,

Key Audit Matter	How the matter was addressed in the audit
	to perform independent model simulated calculations of the metal inventory valuation in support of the director's calculations based on audited underlying data. Our procedures determined the valuation misstatement quantified in note 52 to the financial statements to be reasonable and disclosed appropriately.
Rustenburg Section – accounting for the disposal	
In the prior year the Group announced a planned exit process of its Rustenburg operations to Sibanye Gold Limited, pending various conditions precedent being met. During the current year these conditions were met resulting in the transaction becoming effective 1 November 2016. The determination of the loss arising on disposal as well as derecognition of assets and liabilities required judgement and estimation, including: • Whether the deferred consideration has been appropriately valued; and • Whether all assets and liabilities for the Rustenburg section have been identified and appropriately derecognised. These judgements and estimates are significant to the value of the loss and were therefore considered a key audit matter. The disclosure relating to the Rustenburg section is contained in the consolidated statement of profit or loss and note 49.	We assessed the design and implementation of key controls implemented by the directors to mitigate the risk of misstatement. We read the underlying disposal related agreements to verify accuracy of facts as it related to accounting judgements made. This included a confirmation of the effective date of the transaction, as well as the application of the accounting requirements for the business being classified as held for sale and a discontinued segment in the financial statements. We assessed and challenged the directors' accounting judgements and estimates, including historical and forward looking pricing estimates in the deferred consideration estimates as well as estimates relating to sale and toll treatment arrangements. We performed analytical procedures over elements of the loss calculation. We considered the adequacy of disclosure of the sale transaction. In our view, the loss on disposal of the Rustenburg section as disclosed in note 49 is appropriate and in accordance with the underlying accounting standards. We assessed the accuracy of the financial reporting systems that kept track of each segment and believe the assets and liabilities of Rustenburg section have been appropriately derecognised. We consider the disclosure of the Rustenburg section disposal to be appropriate.
Metal trading activities	
Given the volatility of commodity prices and various economic impacts thereof on internal and external factors impacting the business, the Group enters into various metal trading agreements, some of which are unique to the related counterparty with clauses specific to that counterparty's requirements. Some contracts may also span multiple years with deliveries to be done throughout the contract term. Each contract	We assessed the design and implementation of key controls implemented by the directors to mitigate the risk of misstatement. We assessed the appropriateness of the directors' proposed accounting treatment of these transactions, including the classification of any related assets or liabilities. We challenged the directors' technical papers

Key Audit Matter	How the matter was addressed in the audit
needs to be individually assessed for recognition and measurement of revenue as these differ per contract and open to interpretation. As there are complex technical accounting matters related to these activities, they were considered a key audit matter.	to ensure accurate and complete accounting of these transactions. We agreed the directors' fair value measurements to market-based measurements. We considered the appropriateness of disclosure of the metal trading activities in the financial statements. Our procedures led us to conclude that the metal trading activities have been recognised, measured, classified and disclosed appropriately, including the *Liabilities for the return of metal* and *Deferred income transaction* as disclosed in note 32 to the consolidated financial statements.
Restatements relating to metal inventory, translation of Unki depreciation and elimination of inter-company balance related to Kroondal	
During the period under review three restatements were identified which, after investigation, were corrected as material prior period errors. The prior period errors resulting in these restatements are, due to their nature and effect on the financial information being reported on, significant for users to understand. It is therefore viewed to be a key audit matter. These restatements related to the valuation of metal inventories, translation of Unki depreciation and elimination of inter-company balances in accounting for the results of the Kroondal Pooling and Sharing Arrangement. The disclosures relating to these restatements are included in note 52 to the consolidated financial statements.	We investigated the causal factors giving rise to the errors and discussed our findings with management and those charged with governance in order to understand the pervasive impact, if any, of such factors. We also challenged other areas which could be impacted by similar causal factors. We analysed management's calculations and accounting judgement papers on each restatement which summarised the facts and background of the restatements. We assessed the completeness and accuracy of the evidence and calculations performed by management relating to each restatement and, where necessary, performed independent modelling audit procedures to verify management's calculations. The disclosures of these restatements in the annual financial statements, including its effects on prior periods, are presented in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee's Report, the Company Secretary's Certificate, as required by the Companies Act of South Africa and the Integrated Report, which we obtained prior to the date of this auditor's report. Other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Anglo American Platinum Limited for 19 years.

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per: G Berry
Partner
14 February 2017

DIRECTORS' REPORT

DIRECTORS' REPORT

The directors have pleasure in presenting the Annual Financial Statements of Anglo American Platinum Limited (Amplats or the Company) and the Group for the year ended 31 December 2016. In the context of the financial statements, the term 'Group' refers to the Company, its subsidiaries, associates, joint ventures and joint operations.

NATURE OF BUSINESS

Amplats, a public company incorporated in South Africa, is the world's leading supplier of platinum group metals (PGMs), supplying customers with a range of mined, recycled and traded metal. PGMs comprise platinum, palladium, rhodium, ruthenium, iridium and osmium. Gold, nickel and copper are by-products of PGM operations.

The Company is listed on the JSE Limited, with headquarters in Johannesburg, South Africa.

HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

Amplats' holding company is Anglo South Africa Capital Proprietary Limited (ASAC) which holds 77.69% of the Company's equity (based on total shares in issue less treasury shares held by the Group). ASAC is indirectly wholly owned by Anglo American plc, incorporated in the United Kingdom.

FINANCIAL RESULTS

The summary of the consolidated Annual Financial Statements for the year ended 31 December 2016 appears on pages 112 to 130 of the Integrated Report. The consolidated Annual Financial Statements are available on our website, www.angloamericanplatinum.com.

CAPITAL MANAGEMENT

The Board takes ultimate responsibility for monitoring debt levels, return on capital, total shareholders' return and compliance with contractual loan covenants.

During the year, the Board approved capital expenditure projects totalling R5.2 billion (2015: R5.7 billion). In the same period, the Group incurred R4.7 billion (2015: R4.7 billion) of capital expenditure excluding interest capitalised.

BORROWING POWERS AND FINANCIAL ASSISTANCE

At 31 December 2016, Amplats was operating within its debt covenants while maintaining adequate headroom under committed debt facilities with R12.9 billion of undrawn committed facilities. Net debt at 31 December 2016 was R7.3 billion.

In line with the authorisation granted at the annual general meeting on 8 April 2016, the Board of directors, at its meetings on 4 February 2016, 22 July 2016, 13 October 2016 and 10 February 2017 had approved, in accordance with section 45 of the Companies Act and the JSE Listings Requirements, the provision of financial assistance in the form of guarantees or security for the obligations of Rustenburg Platinum Mines Limited and Anglo Platinum Marketing Limited not exceeding R30.7 billion in aggregate (the facilities). Refer to note 26 on page 36 for the facilities.

The Company has satisfied the solvency and liquidity test, as contemplated in section 45 of the Companies Act and detailed in section 4 of that Act, and determined that post such assistance and the terms under which this assistance was provided were fair and reasonable to the Company.

COMPLIANCE WITH ACCOUNTING STANDARDS

The Group and the Company's Annual Financial Statements comply with International Financial Reporting Standards and the requirements of the South African Companies Act 2008 and the JSE Listings Requirements.

CHANGES IN ACCOUNTING POLICIES

Refer to principal accounting policies on pages 72 to 79.

SHARE CAPITAL

The authorised share capital of the Company as at 31 December 2016 is:

- 413,595,651 (2015: 413,595,651) ordinary shares of 10 cents each
- 504,260 (2015: 504,260) 'A' ordinary shares of 10 cents each.

The issued share capital of the Company as at 31 December 2016 is:

- 269,681,886 (2015: 269,681,886) ordinary shares of 10 cents, each.

Further details of authorised and issued share capital appear in note 25 of the Annual Financial Statements.

SHARES REPURCHASED

The Company purchased 392,969 shares in the market at an average price of R398.08 per share to satisfy requirements for the bonus share plan. This constitutes 28% of total treasury shares held.

ORDINARY DIVIDENDS

The Company's dividend policy is to consider an interim and final dividend for each financial year. At its discretion, the Board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the Board may pass the payment of dividends.

The Company aims to maintain a dividend cover of two times. The quantum of the dividend would ultimately be subject to expected future market and capital commitments at the time of consideration by the Board.

Given the continued decline in commodity prices, difficult economic conditions and the current net debt level, the Board believes it would be more appropriate for the Company to conserve its cash and maintain adequate debt headroom to ensure it is best placed to withstand the impact of current market conditions. Therefore the Board has resolved not to declare a dividend for the financial year ended 31 December 2016.

CORPORATE ACTIVITY DURING THE YEAR

Atomatic trading empowerment transaction

During the year, the Group completed a transaction with Baphalane Siyanda Chrome Company Proprietary Limited (BSCC), a black-controlled company. The transaction allowed for BSCC to acquire 26% of Atomatic Trading Proprietary Limited (Atomatic).

Atomatic is a chrome-manufacturing business that is ultimately held by the Group. BSCC is a company created as part of the transaction to benefit surrounding communities where Atomatic operates. The Atomatic transaction is a broad-based BEE transaction, in line with the Group's empowerment strategy and its commitment to transformation. BSCC subscribed for a 26% share in Atomatic for a cash consideration of R112 million. The members of BSCC contributed R28 million in cash. The remaining purchase price of R84 million was settled by issuing preference shares from BSCC to a wholly owned subsidiary of Amplats. The preference shares will ultimately be settled from dividends distributed by Atomatic.

The transaction resulted in an IFRS 2 charge being recognised of R156 million – the difference between the fair value of BSCC's share in Atomatic and the nominal consideration paid for its share.

Disposals

Rustenburg mines

On 19 October 2016, the Company announced the unconditional sale of its Rustenburg mines (the transaction) by its wholly owned subsidiary Rustenburg Platinum Mines Limited to Sibanye Rustenburg Platinum Mines Proprietary Limited (Sibanye). This followed granting of consent in terms of section 11 of the Mineral and Petroleum Resources Development Act for the sale of the Rustenburg mines' mining right and prospecting right to Sibanye.

As a result, the transaction completed on 1 November 2016, when Sibanye took over ownership, control and management of the Rustenburg operations in line with the transaction agreements.

The financial impact resulted in a net loss on disposal of R919 million (after tax). Refer note 49 on page 58.

Pandora

On 11 November 2016, the Company announced it had entered into a conditional sale and purchase agreement on 10 November 2016 with Eastern Platinum Limited, a wholly owned subsidiary of Lonmin plc (Lonmin), to sell its 42.5% interest in the Pandora joint venture for a deferred cash payment of a minimum of R400 million and a maximum of R1.0 billion over six years, as well as a rental agreement for the use of and full operational control of Lonmin's Baobab concentrator for three years (the transaction).

The transaction remains subject to certain conditions precedent including its approval by the competition authorities of the Republic of South Africa; and all necessary consents from the Department of Mineral Resources of South Africa, including the section 11 approval to transfer the mining right to Lonmin. The transaction is also subject to approval from the remaining JV partner, Northam Platinum Limited. The transaction is expected to become unconditional in 2017 following the fulfilment of all conditions precedent.

The transaction resulted in an impairment loss of R153 million being recognised at year end to reduce the carrying value of the Pandora investment to its fair value of R192 million.

Mineral Resources

On 11 October 2016, the Company announced its wholly owned subsidiary Rustenburg Platinum Mines Limited disposed of a certain Mineral Resource in the Amandelbult mining right to Northam Platinum for R1 billion cash plus an ancillary contiguous resource on 10 October 2016. The disposed resource was long-dated and outside the Company's long-term Life-of-Mines Plans and therefore did not impact any current or future mining plans. In addition to the proceeds, the ancillary contiguous resources gives the Group further flexibility in its future plans for the Amandelbult Complex. It is expected that the transaction will complete in the first quarter of 2017.

The profit on disposal will be recognised when the section 102 approval has been received.

Union Mine

As part of the Group's divesture initiatives, a binding sales and purchase agreement with Siyanda Resources (Siyanda) was signed on 14 February 2017 for the Group's interest in Union Mine. Refer note 50 on page 60.

Impairments

The Company impaired assets totalling R0.4 billion (post-tax) with R0.1 billion impacting headline earnings.

Post-tax impairments included investment in Pandora (R0.2 billion), and equity interests in Atlatsa and Bokoni (R0.1 billion). This affected basic earnings.

In addition, the Company wrote off senior loans and other facilities loaned to Plateau Resources, a subsidiary of Atlatsa Resources and Atlatsa Holdings (Atlatsa Resources BEE shareholder), leading to an impairment of R0.1 billion (post-tax) which has affected headline earnings.

DIRECTORATE AND SECRETARY

No changes to the Board took place during the year. At the date of this report (14 February 2017), the Board comprises:

- Valli Moosa (chairman)
- Chris Griffith (chief executive)
- Ian Botha
- Mark Cutifani
- Richard Dunne
- Peter Mageza
- Nombulelo Moholi
- René Médori (alternate: Peter Whitcutt)
- Anthony O'Neill
- Dhanasagree Naidoo
- Andile Sangqu
- John Vice

Elizna Viljoen is the company secretary.

DIRECTORS' REPORT continued

INTERESTS OF DIRECTORS

At 31 December 2016, the directors' beneficial interest in the Company's issued ordinary shares was:

	Number of ordinary shares held	
Names	**2016**	2015
Richard Dunne	**2,104**	2,104
Chris Griffith	**6,969**	147
Valli Moosa	**2,500**	2,500
Ian Botha	**–**	–
Total	**11,573**	4,751

In terms of the long-term incentive plan, executive directors held 112,981 awards to acquire shares in the Company and 44,601 bonus share plan awards.

There have been no changes to directors' beneficial interests between year end and the date of this report. There were no arrangements to which the Company was a party at the end of the financial year, or at any time during the year, that would have enabled the directors or their families to benefit from acquiring shares in the Company.

There were no contracts of any significance during or at the end of the financial year in which any directors or alternate directors of the Company were materially interested.

AUDITORS

Deloitte & Touche continued in office as auditors of the Company and its subsidiaries in 2016.

At the next annual general meeting, shareholders will be requested to reappoint Deloitte & Touche as external auditors of Anglo American Platinum Limited, and to confirm that Graeme Berry will be the designated audit partner for the 2017 financial year.

SPONSOR

Rand Merchant Bank (RMB), a division of FirstRand Bank Limited, acts as sponsor to the Company in terms of the requirement of the JSE Limited.

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited serves as the South African registrar of the Company.

ADMINISTRATION AND SERVICES

To provide more efficient services at lower cost, Amplats has outsourced a number of its non-core activities to fellow subsidiary companies in Anglo American plc. Service-level agreements ensure that services provided are of appropriate quality. These include general accounting, human resources, internal audit, company secretarial, treasury, technical services, corporate finance, insurance, legal, IT, tax and certain risk management services.

SUBSIDIARY COMPANIES

Details of major subsidiary companies in which the Company has a direct or indirect interest are set out on pages 70 and 71.

EVENTS SUBSEQUENT TO 31 DECEMBER

Refer to note 50 on page 60.

PRIOR YEAR RESTATEMENTS

During the year, the following prior period errors were discovered:

- Legacy issues arising from systems/modelling logic errors from prior periods that have flowed through to 2015 and 2016, related to the valuation of metal inventory; incomplete elimination of foreign exchange differences arising from a joint operation; and incorrect foreign exchange translation of Unki depreciation; and
- Metal inventory valuation error in Q1 2016 due to the incorrect treatment of the POC arrangement in respect of Rustenburg Mine.

Accordingly, the financial statements have been restated. Refer to note 52.

GOING CONCERN

The Board believes the Group has adequate financial resources to continue operating for the foreseeable future and, accordingly, the financial statements have been prepared on a going concern basis. The Board is not aware of any material changes that may adversely impact the Group or any material non-compliance with statutory or regulatory requirements.

MATERIAL CHANGES TO REPORT

Other than facts and developments disclosed in the Integrated Report, there have been no material changes in the financial position of the Company and its subsidiaries since the date of signing the audit and risk report and notice of the annual general meeting.

AUDIT AND RISK COMMITTEE REPORT

DEAR SHAREHOLDER

We are pleased to present the audit and risk committee report for the year ended 31 December 2016.

This is a statutory committee in terms of the Companies Act and has an independent role, with accountability to both the board and to shareholders.

The committee assists the board in discharging its duties and makes recommendations to the board on safeguarding assets, operating adequate systems, controls and reporting processes, and preparing accurate reporting and financial statements in compliance with all applicable legal and regulatory requirements and accounting standards.

The committee operates under documented terms of reference which comply with all relevant legislation, regulation and governance codes. During the year, the committee reviewed its terms of reference and work plan for the ensuing year and agreed that it fulfilled its statutory and regulatory obligations.

The committee also acts on behalf of all Amplats group companies that have not established their own audit committees.

COMPOSITION

The committee comprises four independent non-executive directors. Collectively, they have the necessary skill and knowledge to enable the committee to perform its functions. Its statutory duties and general activities are set out in its board-approved terms of reference.

The chairman of the board, chief executive officer, finance director, company secretary, head: risk and assurance, finance controller and the external auditors attend by invitation to provide a coordinated approach to all assurance activities. The internal and external auditors have unrestricted access to the committee. Both internal and external auditors meet with committee members without management present.

MEETINGS

The committee held five meetings during the year, with attendance shown on page 79 of the Integrated Report.

2016 IN OVERVIEW

The committee has executed its responsibilities for the year in line with its terms of reference for the group's accounting, financial reporting practices and finance function, external audit, internal audit and internal control, integrated reporting, risk management and IT governance.

For the external audit, the committee:

- Nominated Deloitte & Touche and G Berry as the external auditor and designated auditor respectively to shareholders for appointment for the financial year ended 31 December 2016, and ensured the appointment complied with legal and regulatory requirements for appointing an auditor
- Approved the external audit engagement letter, plan and budgeted audit fees
- Reviewed the audit plan, report back and reports
- Evaluated the effectiveness of the auditor and its independence, and evaluated the external auditor's internal quality-control procedures
- Obtained the annual written statement from the auditor that its independence was not impaired
- Determined the nature and extent of all non-audit services provided by the external auditor and pre-approved all non-audit services
- Obtained assurance that no member of the external audit team had been employed by the company or its subsidiaries during the year
- Obtained assurances from the external auditor that adequate accounting records were maintained
- Considered whether any reportable irregularities had been identified and reported by the external auditors in terms of the Auditing Profession Act 26 2005, and determined that there were none
- Approved the external auditor and designated independent auditor for each of the group's South African subsidiaries, taking into consideration the company's policies on designated groups.

The committee confirms that the external auditor and designated auditor are accredited by the JSE.

For the financial statements, the committee:

- Confirmed the going concern basis for preparing the interim and annual financial statements
- Reviewed compliance with the financial conditions of loan covenants and determined that the capital of the company was adequate
- Examined and reviewed the interim and annual financial statements, and all financial information disclosed to the public prior to submission and approval by the board
- Ensured the annual financial statements fairly present the position of the company and group at the end of the financial year, the results of operations and cash flows for the financial year, and considered the basis on which the company and group was determined to be a going concern
- Considered accounting treatment, significant or unusual transactions; and accounting estimates and judgements
- Considered the appropriateness of accounting policies adopted and any changes
- Reviewed the external auditor's audit report
- Reviewed the representation letter, signed by management, on the consolidated financial statements
- Considered any areas of concern identified, and reviewed any significant legal and tax matters that could have a material impact on the financial statements
- Met separately with management, external audit and internal audit
- Held a special meeting to consider hedging and leasing activities for PGMs.

For internal control and internal audit, including forensic audit, the committee:

- Reviewed and approved the annual internal audit plan, and evaluated the independence, effectiveness and performance of internal audit
- Considered the reports of internal and external auditors on the group's systems of internal control including financial controls, business risk management and maintenance of effective internal control systems
- Received assurance that proper and adequate accounting records were maintained and that systems safeguarded assets against unauthorised use or disposal
- Reviewed significant issues raised by internal and forensic audit processes and the adequacy of corrective action
- Assessed the performance of the internal audit function, performance of the head of this function and the adequacy of available internal audit resources, and found them satisfactory
- Considered the events that led to the 2015 and H1 2016 restatements and the management actions taken following an internal control assessment. It has been agreed to move complex calculations to systemic platforms, where change management is more robust.

AUDIT AND RISK COMMITTEE REPORT continued

In terms of information and technology, the committee has:
- Reviewed IT risks and governance
- Received confirmation that information assets were managed effectively
- Considered the impact of cyber crime on Amplats and reviewed information security capability in the organisation
- Considered replacement strategies for redundant or legacy applications
- Reviewed the IT investment criteria and material IT investments.

For risk management, the committee:
- Reviewed the group's policies on risk assessment and risk management for financial reporting and the going concern assessment, and found them appropriate
- Held a board workshop to review and consider significant risks facing the company
- Received a written assessment of the effectiveness of the company's system of internal controls and risk management from the business assurance services department of Anglo Operations Proprietary Limited.

For sustainability issues in the integrated and supplementary reports, the committee has:
- Overseen the process of reporting, and considered the findings and recommendations of the S&SD committee
- Provided input to the assessment of non-financial material issues
- Considered the KPMG assurance scope and schedule of key performance indicators for the 2016 integrated report and made the appropriate enquiries from management
- Received the necessary assurances through this process that material disclosures are reliable and do not conflict with financial information.

For legal and regulatory requirements that may affect the financial statements, the committee:
- Reviewed, with management, legal matters that could have a material financial impact on the group
- Reviewed, with internal counsel, the adequacy and effectiveness of the group's procedures to ensure compliance with legal and regulatory responsibilities
- Considered reports from management, and internal and external auditors, on compliance with legal and regulatory requirements.

In terms of coordinating assurance activities, the committee:
- Reviewed the combined assurance framework that categorises each provider of assurance into different lines of defence in Amplats, namely management, internal and external assurance providers
- Reviewed the level of assurance provided through the combined assurance framework and concluded this was appropriate for identified business risks and exposures
- Reviewed the plans and work outputs of the external and internal auditors and concluded these were adequate to address all significant financial risks facing the business.

On integrated reporting, the committee has:
- Considered the integrated report and assessed its consistency with operational, financial and other information known to committee members, and for consistency with the annual financial statements. The committee is satisfied that the integrated report is materially accurate, complete and reliable and consistent with the annual financial statements
- At its meeting on 9 February 2017, recommended the integrated report for the year ended 31 December 2016 for approval by the board.

KEY AUDIT MATTERS

The committee notes the key audit matters set out in the report of the independent auditors (pages 4 to 9), namely:
- Physical quantities and measurement of inventory (excluding consumables)
- Rustenburg Section – accounting for the disposal
- Metal trading activities
- Restatements relating to metal inventory, translation of Unki depreciation and elimination of inter-company balance related to Kroondal.

The committee has deliberated on these and is comfortable that they are correctly represented.

INDEPENDENCE OF EXTERNAL AUDITOR

Deloitte & Touche has made the necessary representations to the committee, confirming that:
- The auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefit from the company or group
- The auditor's independence was not impaired by any consultancy, advisory or other work undertaken
- The auditor's independence was not prejudiced by any previous appointment as auditor
- The criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies have been met.
- Mr J Welch retired by rotation of the annual general meeting in April 2016 and Mr G Berry was appointed as the individual registered auditors.

After taking these factors into account, the committee is satisfied that Deloitte & Touche is independent of the group and has recommended to the board that this firm should be reappointed for the 2017 financial year. As required by King IV, it is noted that Deloitte & Touche has been the company's auditors since 31 October 1997.

FINANCE DIRECTOR AND FINANCE FUNCTION

The committee has reviewed an internal assessment of the expertise and experience of Ian Botha, the finance director, and is satisfied he has the appropriate skills to meet his responsibilities. The evaluation also considered the appropriateness of the expertise and adequacy of resources of the finance function.

In light of circumstances leading to the 2015 and H1 2016 restatements, complex calculations will be transitioned to systemic platforms where change management is more robust.

CONCLUSION

The audit and risk committee is satisfied that it has considered and discharged its responsibilities in line with its terms of reference in the review period.

On behalf of the committee

Richard Dunne
Chairman

Johannesburg
14 February 2017

SIGNIFICANT ACCOUNTING PRINCIPLES

for the year ended 31 December 2016

The significant accounting principles applied in the presentation of the Group and Company's annual financial statements are set out below. The complete set of Group and Company accounting policies adopted is detailed in Annexure D: Principal Accounting Policies.

BASIS OF PREPARATION

The financial statements are in compliance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the requirements of the JSE Limited Listings Requirements and the Companies Act of South Africa.

The Annual Financial Statements for the year ended 31 December 2016 are prepared under the supervision of the finance director, Mr Ian Botha (CA) SA.

The financial statements are prepared on the historical cost basis except for certain financial instruments and liabilities that are stated at fair value. Significant details of the Company's and the Group's accounting policies are set out below and are consistent with those applied in the previous year, except where otherwise indicated.

The following principal accounting policy elections in terms of IFRS have been made:

- Expenses are presented on a function basis;
- Items of other comprehensive income (OCI) have been disclosed before the related tax effects with the tax effects disclosed separately for each item;
- Operating cash flows are presented on the indirect method;
- Property, plant and equipment are measured on the historic cost model; and
- Cumulative gains and losses recognised in OCI in terms of cash flow hedge relations are transferred from OCI and included in the initial measurement of the non-financial asset or liability.

FUNCTIONAL CURRENCY

The annual financial statements are presented in South African rand, which is the presentation currency of the Group and the functional currency of the Company and its most significant operating subsidiary, namely Rustenburg Platinum Mines Limited.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the Annual Financial Statements in terms of IFRS, management is required to make certain estimates and assumptions that may materially affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period and the related disclosures. Critical accounting estimates and judgments have been disclosed on the following pages.

Critical accounting estimates

Those estimates and assumptions that may result in material adjustments to the carrying amount of assets and liabilities and related disclosures within the next financial year are discussed below and on page 16:

Metal inventory

Work in progress metal inventory is valued at the lower of net realisable value (NRV) and the average cost of production or purchase less net revenue from sales of other metals, in the ratio of the contribution of these metals to gross sales revenue. Production costs are allocated to platinum, palladium, rhodium and nickel (joint products) by dividing the mine output into total mine production costs, determined on a 12-month rolling average basis. Concentrate purchased from third parties is determined on a 12-month rolling average basis. The quantity of ounces of joint products in work in progress is calculated based on the following factors:

- The theoretical inventory at that point in time which is calculated by adding the inputs to the previous physical inventory and then deducting the outputs for the inventory period.
- The inputs and outputs include estimates due to the delay in finalising analytical values.
- The estimates are subsequently trued up to the final metal accounting quantities when available.
- The theoretical inventory is then converted to a refined equivalent inventory by applying appropriate recoveries depending on where the material is within the production pipeline. The recoveries are based on actual results as determined by the inventory count and are in line with industry standards.
- Unrealised profits and losses are excluded from the inventory valuation before determining the lower of NRV and cost calculation.

Other than at the precious metal refinery, an annual physical count of work in progress is done, usually around February of each year. The precious metal refinery is subject to a physical count usually every three years, but this could occur more frequently by exception. The annual physical count is limited to once per annum due to the dislocation of production required to perform the physical inventory count and the in-process inventories being contained in tanks, pipes and other vessels. Once the results of the physical count are finalised, the variance between the theoretical count and actual count is investigated and recorded. Thereafter the physical quantity forms the opening balance for the theoretical inventory calculation. Consequently, the estimates are refined based on actual results over time. The nature of the production process inherently limits the ability to precisely measure recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the variables used in the process are refined based on actual results over time.

Deferred consideration

Deferred consideration is treated as a financial instrument to the extent that it constitutes a right or obligation to receive cash from or deliver cash to a counterparty. The deferred consideration is revalued biannually with changes recognised in profit or loss. Deferred consideration has arisen as a result of the disposal of Rustenburg Mine.

SIGNIFICANT ACCOUNTING PRINCIPLES
continued

for the year ended 31 December 2016

The key assumptions used in arriving at the discounted cash flows of the deferred consideration include estimated future cash flows of Rustenburg Mine over eight years based on assumptions of future metal prices, costs and capital expenditure; the counterparty cost of borrowing and weighted average cost of capital; and the Group's cost of borrowing.

Derivative instruments
Current market prices are used to measure the obligations and assets under purchase and sale of concentrate arrangements and leasing and borrowing activities.

Fair value measurement
The Group makes use of fair value measurement on an ongoing basis for derivative instruments; investments in equity securities; concentrate receivables and payables; third-party-sourced trading metal inventory; and provisions arising from metal leasing and borrowing. Fair value measurement is also required in certain transactions including business combinations and disposals. The Group assesses the assumptions and data used to fair value such items and accordingly classifies the fair value as Level 1, Level 2 or Level 3 in accordance with the fair value hierarchy of IFRS 13 *Fair Value Measurement*. In the event that fair value cannot be determined from publicly available information, the Group makes use of relevant valuation techniques that make maximum use of observable market inputs. The Group determines fair value using the following techniques: unadjusted quoted prices in active markets (Level 1); valuations using quoted prices for similar assets and liabilities as well as relevant market-corroborated inputs (Level 2); and valuations using unobservable inputs along with Group assumptions of risk, cash flows and discount rates (Level 3).

Decommissioning and rehabilitation obligations
The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. Management estimates, with the assistance of independent experts, the Group's expected total spend for the rehabilitation, management and remediation of negative environmental impacts at closure at the end of the lives of the mines and processing operations. The estimation of future costs of environmental obligations relating to decommissioning and rehabilitation is particularly complex and requires management to make estimates, assumptions and judgements relating to the future. These estimates are dependent on a number of factors including assumptions around environmental legislation, Life-of-Mine estimates and discount rates.

Critical accounting judgements

The following accounting policies have been identified as being particularly complex or involving subjective judgements or assessments:

Classification of commodity contracts
The Group applies judgement in classifying its commodity contracts into either the trading or equity book. Classification in the trading book results in the contract being treated as a derivative and marked to market. Contracts classified into the equity book are entered into in accordance with the Group's expected sale or usage requirements and are consequently accounted for as executory contracts.

Trading book contracts are distinguished from their equity book counterparts by the presence of net settlement clauses and/or the intention to enact effective net settlement. The contracts included in the equity book will remain economically unhedged, thus avoiding the risk of effective net settlement.

Fair valuation of trading metal inventory
To the extent of third-party metal arising from its trading activities, the Group is considered to meet the commodity-broker exemption for inventory valuation, whereby inventories are valued at fair value less costs to sell. The Group acquires such inventories in a manner that ensures the achievement of optimal prices and to ensure active management of fair value.

Cash-generating unit and impairment assessment
Due to the vertically integrated operations of the Group and the fact that there is no active market for the Group's intermediate products, the Group's operations as a whole constitute the smallest cash-generating unit.

The recoverable amount of the Group is the higher of: the Group's market capitalisation, adjusted for the carrying amounts of assets that are tested for impairment separately – including financial assets, investments in associates and other assets that are excluded from the single platinum cash-generating unit owing to them being subject to a binding sale agreement; and the value in use of the Group. The cash flow projections used in the determination of value in use are based on financial budgets and Life-of-Mine Plans, which incorporate judgement with respect to the following key assumptions: reserves and resources; commodity prices; foreign exchange rates; discount rates; operating costs; capital expenditure and other operating factors.

Asset lives
Mining development and infrastructure assets are depreciated on a unit-of-production basis. The calculation of the unit-of-production depreciation is based on forecasted production which is calculated using numerous assumptions. Any changes in these assumptions may have an impact on the calculation.

Consolidation of special purpose entities
The Lefa La Rona Trust was established to subscribe for shares in the Company as part of the community economic empowerment transaction that was approved by shareholders at a general meeting of shareholders on 14 December 2011. The Trust will administer and hold the shares for the benefit of the beneficiaries as outlined in the circular to shareholders dated 14 November 2011. The substance of the transaction has been assessed and based on the results of this assessment, management has concluded that the Group does not control the Trust as it is not exposed nor has any rights to, the variable returns of the Trust.

NEW AND AMENDED ACCOUNTING STANDARDS

Accounting standards adopted having no impact on the annual financial statements

During the prior year, the Group early adopted new and/or amendments to accounting standards and interpretations for annual periods beginning on or after 1 January 2016. The adoption of these did not have a material impact on the Annual Financial Statements.

IMPACT OF STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

At the reporting date, the following new accounting standards were in issue but not yet effective:

	Effective for annual periods commencing on or after
IFRS 9 *Financial Instruments* – the complete finalised version IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement*.	1 January 2018
IFRS 15 *Revenue from Contracts with Customers* – provides a single, principle-based five-step approach to the recognition of revenue from all contracts with customers.	1 January 2018
IFRS 16 *Leases* – removes the classification of leases as operating or finance leases; and requires all leases to be brought onto companies' statement of financial position.	1 January 2019 (with earlier application permitted if IFRS 15 is also applied)
IFRIC 22 *Foreign Currency Transactions and Advance Consideration* – provides guidance for determining the date of transaction in a foreign currency transaction that includes consideration denominated in a foreign currency and for which a non-monetary prepayment asset or deferred income liability is recognised.	1 January 2018
Amendments to IAS 12 *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses* – clarifies the deferred tax consequences of debt instruments measured at fair value; the determination of future taxable profits; and the assessment of deferred tax assets in combination with other deferred tax assets of the same type.	1 January 2017
Amendments to IAS 7 *Statement of Cash Flows – Disclosure Initiative* – requires disclosures that enable users to evaluate changes in liabilities arising from financing activities.	1 January 2017
Clarifications to IFRS 15 *Revenue from Contracts with Customers* – amends IFRS 15 to clarify the principles regarding identifying performance obligations, principal versus agent considerations and licensing as well as providing some transitional relief.	1 January 2018
Amendments to IFRS 2 *Share-based Payment – Classification Measurement of Share-based Payment Transactions* – amends IFRS 2 to clarify accounting for cash-settled share-based payments that include a performance condition, classification of share-based payments with net settlement features and accounting for modifications.	1 January 2018
Annual Improvements to IFRS 2014-2016 Cycle – makes the following amendments: IFRS 1 – removing short-term exemptions; IFRS 12 – clarifying the scope of the standard; and IAS 28 – clarifying that the exemption from equity accounting can be applied on an investment-by-investment basis.	1 January 2017 for IFRS 12 amendments 1 January 2018 for the remaining amendments

The above amendments are not expected to have a material effect for the Group. The Group is in the process of assessing the impact of IFRS 9, IFRS 15 and IFRS 16.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2016

	Notes	2016 Rm	2015 (Note 52)* Rm
Gross sales revenue	1	**61,976**	59,829
Commissions paid		**(16)**	(14)
Net sales revenue	2	**61,960**	59,815
Cost of sales	3	**(56,096)**	(54,584)
Gross profit on metal sales	3	**5,864**	5,231
Other net expenditure	7	**(600)**	(514)
Loss on impairment and scrapping of property, plant and equipment	9	**(22)**	(10,242)
Market development and promotional expenditure		**(683)**	(800)
Operating profit/(loss)		**4,559**	(6,325)
Impairment of investments in associates	16	**(283)**	(4,082)
Impairment of non-current financial assets	9	**(111)**	(1,792)
Impairment of available-for-sale investment in Royal Bafokeng Platinum (RB Plat)	19	**–**	(775)
Share based payment expense for facilitation of BEE investment in Atomatic	48	**(156)**	–
Loss on disposal of Rustenburg Mine	49	**(1,681)**	–
Interest expensed	8	**(1,329)**	(1,049)
Interest received	8	**149**	98
Remeasurements of loans and receivables	8	**27**	40
Losses from associates (net of taxation)	16	**(115)**	(529)
Profit/(loss) before taxation	9	**1,060**	(14,414)
Taxation	10	**(364)**	1,979
Profit/(loss) for the year		**696**	(12,435)
Other comprehensive income, net of income tax			
Items that will be reclassified subsequently to profit or loss		**(465)**	1,731
Deferred foreign exchange translation (losses)/gains		**(769)**	1,582
Share of other comprehensive gains from associates		**–**	49
Actuarial loss on employees' service benefit obligation		**(6)**	(4)
Net gains/(losses) on available-for-sale investments		**310**	(671)
Recycling of cumulative losses on impairment of available-for-sale investment		**–**	775
Total comprehensive income/(loss) for the year		**231**	(10,704)
Profit/(loss) attributable to:			
Owners of the Company		**632**	(12,358)
Non-controlling interests		**64**	(77)
		696	(12,435)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**167**	(10,627)
Non-controlling interests		**64**	(77)
		231	(10,704)
Headline earnings/(loss)	12	**1,867**	(126)
Number of ordinary shares in issue (millions)#		**268.3**	268.0
Weighted average number of ordinary shares in issue (millions)		**261.9**	261.4
Weighted average number of diluted ordinary shares in issue (millions)		**263.0**	262.2
Earnings/(loss) per ordinary share (cents)	11		
– basic		**241**	(4,728)
– diluted		**240**	(4,714)

 # Includes the shares issued as part of the community economic empowerment transaction, but excludes the shares held by the Group ESOP and the shares held by various share schemes.

** Prior year restated.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2016

	Notes	2016 Rm	2015 (Note 52)* Rm	2014 (Note 52)* Rm
ASSETS				
Non-current assets		**51,662**	52,205	66,686
Property, plant and equipment	13	**38,574**	39,869	44,297
Capital work in progress	14	**4,892**	6,548	10,736
Investment in associates	16	**3,963**	3,883	7,637
Investments held by environmental trusts	18	**907**	882	842
Other financial assets	19	**3,326**	1,023	3,120
Other non-current assets		**–**	–	54
Current assets		**26,035**	20,715	22,373
Inventories	20	**16,369**	16,305	17,100
Trade and other receivables	21	**2,140**	1,761	2,631
Other assets	22	**1,554**	927	1,440
Other financial assets	23	**45**	–	–
Taxation	36	**470**	50	–
Cash and cash equivalents	24	**5,457**	1,672	1,202
Total assets		**77,697**	72,920	89,059
EQUITY AND LIABILITIES				
Share capital and reserves				
Share capital	25	**27**	27	27
Share premium		**22,498**	22,395	21,846
Foreign currency translation reserve		**2,317**	3,086	1,504
Available-for-sale reserve		**334**	24	(80)
Retained earnings		**14,840**	14,120	26,749
Non-controlling interests		**(234)**	(408)	(210)
Shareholders' equity		**39,782**	39,244	49,836
Non-current liabilities		**19,187**	22,564	21,847
Interest-bearing borrowings	26	**9,398**	12,124	9,459
Obligations due under finance leases	27	**96**	94	–
Environmental obligations	28	**1,938**	2,404	2,110
Employee benefits	29	**17**	14	8
Other financial liabilities	33	**219**	–	–
Deferred taxation	30	**7,519**	7,928	10,270
Current liabilities		**18,728**	11,112	17,376
Interest-bearing borrowings	26	**3,267**	2,209	6,361
Obligations due under finance leases	27	**15**	14	–
Trade and other payables	31	**10,241**	6,818	7,660
Other liabilities	32	**4,623**	2,058	2,043
Other financial liabilities	33	**567**	2	–
Share-based payment provision	29	**15**	11	19
Taxation	36	**–**	–	1,293
Total equity and liabilities		**77,697**	72,920	89,059

** Prior year restated.*

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2016

	Notes	2016 Rm	2015 (Note 52)* Rm
Cash flows from operating activities			
Cash receipts from customers		**61,783**	60,563
Cash paid to suppliers and employees		**(48,187)**	(49,621)
Cash generated from operations	35	**13,596**	10,942
Interest paid (net of interest capitalised)		**(1,071)**	(857)
Taxation paid	36	**(1,125)**	(1,821)
Net cash from operating activities		**11,400**	8,264
Cash flows used in investing activities			
Purchase of property, plant and equipment (includes interest capitalised)	37	**(5,018)**	(5,152)
Proceeds from sale of plant and equipment		**140**	41
Proceeds on sale of mineral rights and other investments		**–**	3
Proceeds on sale of Rustenburg Mine (net of cash disposed of)	49	**1,356**	–
Working capital support in respect of Rustenburg Mine	49	**(1,418)**	–
Funding to associates		**(448)**	(739)
Acquisition of equity investment in associate		**(34)**	(23)
Acquisition of available-for-sale investment in Greyrock		**(36)**	–
Acquisition of convertible notes in United Hydrogen		**(39)**	–
Acquisition of preference shares in Baphalane Siyanda Chrome Company (BSCC)	19	**(84)**	–
Advances made to Plateau Resources Proprietary Limited		**(312)**	(260)
Net increase in investments held by environmental trusts		**2**	(1)
Interest received		**95**	76
Growth in environmental trusts	18	**7**	6
Other advances		**(40)**	(15)
Net cash used in investing activities		**(5,829)**	(6,064)
Cash flows used in financing activities			
Purchase of treasury shares for the Bonus Share Plan (BSP)		**(163)**	(120)
Purchase of Anglo American plc shares for the Amplats share schemes		**(7)**	–
Repayment of interest-bearing borrowings		**(1,668)**	(1,487)
Repayment of finance lease obligation		**(16)**	(21)
Unpaid dividends written back		**–**	19
Funding for non-controlling interest's 26% share in subsidiary		**112**	–
Cash distributions to non-controlling interests		**(44)**	(121)
Net cash used in financing activities		**(1,786)**	(1,730)
Net increase in cash and cash equivalents		**3,785**	470
Cash and cash equivalents at beginning of year		**1,672**	1,202
Cash and cash equivalents at end of year	24	**5,457**	1,672
Movement in net debt			
Net debt at beginning of year		**(12,769)**	(14,618)
Net cash from operating activities		**11,400**	8,264
Net cash used in investing activities		**(5,829)**	(6,064)
Other		**(121)**	(351)
Net debt at end of year		**(7,319)**	(12,769)
Made up as follows:			
Cash and cash equivalents	24	**5,457**	1,672
Non-current interest-bearing borrowings	26	**(9,398)**	(12,124)
Obligations due under finance leases within one year	27	**(15)**	(14)
Current interest-bearing borrowings	26	**(3,267)**	(2,209)
Obligations due under finance leases	27	**(96)**	(94)
		(7,319)	(12,769)

** Prior year restated.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2016

	Share capital Rm	Share premium Rm	Foreign currency translation reserve (Note 52) Rm	Available-for-sale reserve Rm	Retained earnings (Note 52) Rm	Non-controlling interests (Note 52) Rm	Total (Note 52) Rm
Balance at 31 December 2014 (Restated)	27	21,846	1,504	(80)	26,749	(210)	49,836
Total comprehensive (loss)/income for the year (Restated)			1,582	104	(12,313)	(77)	(10,704)
Cash distributions to minorities						(121)	(121)
Shares acquired in terms of the BSP – treated as treasury shares	(–)*	(255)			135		(120)
Shares vested in terms of the BSP	–*	353			(353)		–
Shares vested in terms of the Group Employee Share Option Scheme (Kotula)	–*	451			(451)		–
Equity-settled share-based compensation					338		338
Shares purchased for employees					(4)		(4)
Unpaid dividends written back					19		19
Balance at 31 December 2015 (Restated)	27	22,395	3,086	24	14,120	(408)	39,244
Total comprehensive (loss)/income for the year			**(769)**	**310**	**626**	**64**	**231**
Non-controlling interest's 26% share in subsidiary						**112**	**112**
Cash distributions to minorities						**(44)**	**(44)**
Shares acquired in terms of the BSP – treated as treasury shares	**(–)***	**(163)**					**(163)**
Shares vested in terms of the BSP	**–***	**266**			**(266)**		**–**
Shares vested in terms of the Group Employee Share Option Scheme (Kotula)	**–***						**–**
Equity-settled share-based compensation					**389**	**42**	**431**
Shares purchased for employees					**(29)**		**(29)**
Balance at 31 December 2016	**27**	**22,498**	**2,317**	**334**	**14,840**	**(234)**	**39,782**

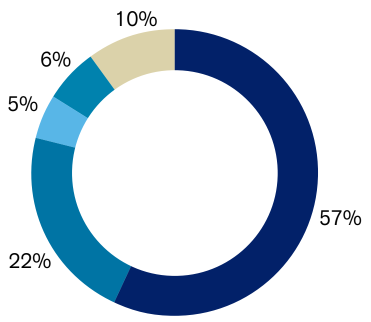
** Less than R500,000.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2016

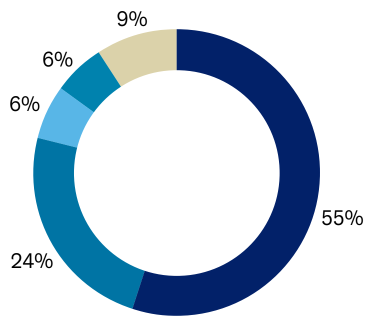
	2016 Rm	2015 Rm
1. GROSS SALES REVENUE		
Sales revenue emanated from the following principal regions:		
Precious metals	**55,674**	54,210
Asia	**23,960**	22,053
Europe	**25,186**	21,695
South Africa	**3,759**	4,180
North America	**2,769**	6,282
Base metals	**4,829**	4,866
South Africa	**635**	991
Rest of the world	**4,194**	3,875
Other	**1,473**	753
South Africa	**118**	150
Rest of the world	**1,355**	603
	61,976	59,829
Gross sales revenue by metal:		
Platinum	**35,156**	33,116
Palladium	**13,644**	14,222
Rhodium	**3,062**	3,772
Nickel	**3,787**	3,680
Other	**6,327**	5,039
Gross sales revenue	**61,976**	59,829

Gross sales revenue by metal – 2016



Platinum
Palladium
Rhodium
Nickel
Other

Gross sales revenue by metal – 2015



2. SEGMENTAL INFORMATION*

2.1 Segment revenue and results

	Net sales revenue		Operating contribution		Depreciation	
	2016 Rm	2015 Rm	**2016 Rm**	2015 Rm	**2016 Rm**	2015 Rm
Operations						
Mogalakwena Mine	**14,227**	13,864	**4,785**	5,174	**1,813**	1,600
Amandelbult Mine	**10,870**	9,032	**1,367**	841	**822**	755
Unki Platinum Mine	**2,227**	2,024	**22**	(62)	**424**	454
Twickenham Platinum Mine	**215**	329	**(448)**	(742)	**48**	268
Modikwa Platinum Mine[1]	**1,608**	1,469	**18**	76	**175**	173
Mototolo Platinum Mine[1]	**1,418**	1,411	**290**	371	**120**	105
Kroondal Platinum Mine[1]	**3,101**	3,010	**318**	476	**406**	306
Rustenburg Mine[2]	**9,307**	10,957	**410**	12	**299**	1,096
Union Mine	**3,958**	3,695	**596**	93	**253**	244
Total – mined	**46,931**	45,791	**7,358**	6,239	**4,360**	5,001
Process tailings retreatment[3]	**–**	61	**–**	(22)	**–**	3
Purchased metals	**15,029**	13,963	**1,325**	1,625	**269**	211
	61,960	59,815	**8,683**	7,842	**4,629**	5,215
Other costs (note 6)			**(2,819)**	(2,611)		
Gross profit on metal sales			**5,864**	5,231		

[1] Amplats' share (excluding purchase of concentrate).
[2] Effective 1 November 2016, Rustenburg Mine was disposed of.
[3] Slag tailings retreatment at Mortimer Smelter, closed September 2015.
** Prior year restated.*

Information reported to the Executive Committee of the Group for purposes of resource allocation and assessment of segment performance is done on a mine-by-mine basis.

Changes to the segmental information

The following change to the segmental reporting was made following changes to internal reporting to the Executive Committee:

Purchased metals was reclassified to include tailings from a third party and exclude it from Rustenburg Mine as it did not form part of the Rustenburg Mine sale.

This resulted in the following changes to the comparative figures:

	Net sales revenue		Operating contribution			Depreciation	
	As reported Rm	Reclassified Rm	As reported Rm	Restated Rm	Reclassified Rm	As reported Rm	Reclassified Rm
Rustenburg Mine	**11,117**	**10,957**	**38**	**56**	**12**	**1,098**	**1,096**
Purchased metals	**13,803**	**13,963**	**1,562**	**1,581**	**1,625**	**209**	**211**
	24,920	**24,920**	**1,600**	**1,637**	**1,637**	**1,307**	**1,307**

2.2 Information about customers

Included in net sales revenue, is revenue from five customers that represents the following percentages of the total net sales revenue:

	2016 %	2015 %
Customer A	**9**	9
Customer B	**17**	17
Customer C	**11**	20
Customer D	**13**	6
Customer E	**7**	5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2016

2. SEGMENTAL INFORMATION* continued

2.3 Other geographical information

The Group's mining, smelting and refining operations are all located in South Africa with the exception of Unki Platinum Mine, which is located in Zimbabwe.

	2016 Rm	2015 Rm
Non-current assets		
Zimbabwe	**5,331**	6,310
South Africa	**46,331**	45,895
	51,662	52,205

3. GROSS PROFIT ON METAL SALES#

	2016 Rm	2015 Rm
Gross sales revenue	**61,976**	59,829
Commissions paid	**(16)**	(14)
Net sales revenue	**61,960**	59,815
Cost of sales	**(56,096)**	(54,584)
On-mine	**(32,812)**	(33,913)
Cash operating costs (note 4)	**(29,615)**	(29,918)
Depreciation (note 5)	**(3,197)**	(3,995)
Purchase of metals and leasing activities*	**(13,518)**	(10,247)
Smelting	**(3,515)**	(3,403)
Cash operating costs (note 4)	**(2,834)**	(2,886)
Depreciation (note 5)	**(681)**	(517)
Treatment and refining	**(3,619)**	(3,381)
Cash operating costs (note 4)	**(2,868)**	(2,678)
Depreciation (note 5)	**(751)**	(703)
Increase/(decrease) in metal inventories	**187**	(1,029)
Other costs (note 6)	**(2,819)**	(2,611)
Gross profit on metal sales	**5,864**	5,231

** Consists of purchased metals in concentrate, secondary metals and other metals.*
 # Prior year restated.

4. CASH OPERATING COSTS

Cash operating costs comprise the following principal categories:

	On-mine+ Rm	Smelting Rm	Treatment and refining Rm
2016			
Labour	**12,576**	**546**	**819**
Stores	**8,249**	**544**	**868**
Utilities	**3,138**	**1,374**	**343**
Contracting	**2,081**	**9**	**70**
Toll refining	**–**	**–**	**147**
Sundry	**3,571**	**361**	**621**
	29,615	**2,834**	**2,868**
2015			
Labour	12,928	536	781
Stores	7,877	607	763
Utilities	2,965	1,262	311
Contracting	1,900	20	71
Toll refining	–	–	223
Sundry	4,248	461	529
	29,918	2,886	2,678

+ On-mine costs comprise mining and concentrating costs.

	2016 Rm	2015 Rm
5. DEPRECIATION OF PLANT AND EQUIPMENT*		
Depreciation of plant and equipment comprises the following categories:		
Operating assets	**4,629**	5,215
Mining	**3,197**	3,995
Smelting	**681**	517
Treatment and refining	**751**	703
Depreciation included in other costs	**38**	66
	4,667	5,281

** Prior year restated.*

	2016 Rm	2015 Rm
6. OTHER COSTS*		
Other costs comprise the following principal categories:		
Overheads		
Corporate costs	**364**	483
Contributions to education and community development	**419**	490
Research	**251**	330
Exploration	**95**	144
Total exploration costs	**162**	215
Less: Capitalised (note 15)	**(67)**	(71)
Other	**367**	200
	1,496	1,647
Direct operating overheads		
Transport of metals	**565**	318
Royalties	**493**	305
Share-based payments – other share schemes (note 29)	**265**	310
Share-based payments – the Kotula Trust (note 29)	**–**	31
	1,323	964
Total other costs	**2,819**	2,611

** Prior year restated.*

	2016 Rm	2015 Rm
7. OTHER NET EXPENDITURE#		
Other net expenditure comprises the following principal categories:		
Realised and unrealised foreign exchange loss – non-financial items	**–**	(2)
Foreign exchange (losses)/gains on loans and receivables	**(184)**	793
Foreign exchange gains/(losses) on other financial liabilities	**34**	(235)
Project maintenance costs*	**(233)**	(124)
Restructuring and other related costs	**(342)**	(996)
Loss on disposal of plant, equipment and conversion rights	**(23)**	(42)
Royalties received	**16**	29
Other – net	**132**	63
	(600)	(514)

**Project maintenance costs comprise costs incurred to maintain land held for future projects and costs to keep projects on care and maintenance. It also includes the costs of the operations put onto care and maintenance once the decision was made.*
#Prior year restated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2016

		2016 Rm	2015 Rm
8.	**INTEREST EXPENSED AND RECEIVED**		
	Interest expensed		
	Interest paid on financial liabilities classified as liabilities held at amortised cost	**(1,098)**	(863)
	Interest paid on financial liabilities classified as liabilities at amortised cost*	**(1,421)**	(1,269)
	Less: Capitalised (note 37)	**323**	406
	Time value of money adjustment to environmental obligations	**(231)**	(186)
	Decommissioning costs (note 28)	**(154)**	(127)
	Restoration costs (note 28)	**(77)**	(59)
		(1,329)	(1,049)
	Interest received		
	Interest received on financial assets classified as loans and receivables		
	Interest received	**142**	92
	Growth in environmental trusts investments (note 18)	**7**	6
		149	98
	Remeasurements of loans and receivables		
	Gains on remeasurements on other financial assets	**27**	40

** The rate used to capitalise borrowing costs was 8.80% (2015: 7.91%).*

		2016 Rm	2015 Rm
9.	**PROFIT/(LOSS) BEFORE TAXATION***		
	Profit /(loss) before taxation is arrived at after taking account of:		
	Auditors' remuneration	**15**	17
	Audit fees – current year	**12**	15
	Other services	**3**	2
	Losses/(gains) on financial liabilities designated at fair value through profit or loss	**21**	(288)
	Operating lease charges – buildings and equipment	**11**	16
	Impairment of investments in associates (note 16)	**283**	4,082
	Impairment of non-current financial assets (note 19)	**111**	1,792
	Share based payment expense for facilitation of BEE investment in Atomatic	**156**	–
	Impairment of available-for-sale investment in RB Plat (note 19)	**–**	775
	Loss on disposal of Rustenburg Mine (note 49)	**1,681**	–
	Loss on impairment, disposal and scrapping of property, plant, and equipment	**45**	10,267
	Loss on disposal of property, plant and equipment (note 12)	**23**	25
	Loss on impairment and scrapping of property, plant and equipment (note 12)	**22**	10,242
	Rustenburg Mine	**–**	6,216
	Twickenham Mine	**–**	3,435
	Mainstream inert grinding mills	**–**	170
	Various smaller assets scrapped	**22**	421
	Profit on sale of other mineral rights and investments (note 12)	**–**	(3)
	Writedown/(reversal) of inventories to net realisable value	**511**	26
	Mined	**325**	82
	Purchased	**186**	(56)

** Prior year restated.*

	2016 Rm	2015 Rm
10. TAXATION#		
Current (note 36)	**708**	474
Deferred (note 30)	**(344)**	(2,453)
	364	(1,979)
Comprising:		
South African normal taxation	**209**	(1,910)
Current year	**297**	(1,841)
Prior year	**(88)**	(69)
Foreign and withholding taxation	**155**	(69)
Current year	**52**	(50)
Prior year	**103**	(19)
	364	(1,979)

	%	%
A reconciliation of the standard rate of South African normal taxation compared with that charged in the statement of comprehensive income is set out in the following table:		
South African normal tax rate	**28.0**	(28.0)
Disallowable items	**9.7**	1.4
Share-based payment expense for facilitation of BEE investment in Atomatic	**4.1**	–
Employee housing expenditure disallowed	**4.3**	–
Impairment of loans and investments	**10.4**	13.2
Prior year underprovision/(overprovision)	**2.3**	(0.3)
Effect of after-tax share of losses from associates	**3.0**	1.0
Difference in tax rates of subsidiaries	**(3.1)**	(0.6)
Impact of disposal of Rustenburg Mine	**(27.5)**	–
Zimbabwean AIDS levy	**1.3**	–
Other	**1.8**	(0.4)
Effective taxation rate	**34.3**	(13.7)

Prior year restated.

11. EARNINGS/(LOSS) PER ORDINARY SHARE

The calculation of basic earnings/(loss) and headline earnings per ordinary share is based on a basic earnings of R632 million and headline earnings of R1,867 million respectively (2015: restated loss of R12,358 million and restated headline loss of R126 million) and a weighted average of 261,905,134 (2015: 261,377,956) ordinary shares in issue during the year.

The calculation of diluted earning/(loss) per ordinary share, basic and headline, is based on a basic earnings of R632 million and headline earnings of R1,867 million respectively (2015: restated loss of R12,358 million and restated headline loss of R126 million). Refer below for weighted average number of potential diluted ordinary shares in issue during the year.

	2016	2015
Weighted average number of potential diluted ordinary shares in issue		
Weighted average number of ordinary shares in issue	**261,905,134**	261,377,956
Dilutive potential ordinary shares relating to share option schemes	**1,095,807**	780,344
Weighted average number of potential diluted ordinary shares in issue – basic	**263,000,941**	262,158,300

The weighted average number of ordinary shares in issue has been adjusted to exclude the ordinary shares issued as part of the community economic empowerment transaction, as these shares are subject to repurchase by the Company. For accounting purposes, these shares have been treated as though the Company has granted an option over its own equity to the community development trusts. Therefore, the shares issued as part of this transaction only impact diluted earnings per share. These shares have had no impact on the number of potential diluted ordinary shares in issue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2016

	2016 Rm	2015 Rm
12. RECONCILIATION BETWEEN PROFIT/(LOSS) AND HEADLINE EARNINGS/(LOSS)[#]		
Profit/(loss) attributable to shareholders	**632**	(12,358)
Adjustments		
Net loss on disposal of property, plant and equipment (note 9)	**23**	25
Tax effect thereon	**(6)**	(7)
Loss on impairment and scrapping of property, plant and equipment (note 9)	**22**	10,242
Tax effect thereon	**(6)**	(2,862)
Non-controlling interests' share	**–**	(20)
Impairment of investments in associates (note 16)	**283**	4,082
Tax effect thereon	**–**	–
Impairment of available-for-sale investment in RB Plat	**–**	775
Tax effect thereon	**–**	–
Loss of disposal of Rustenburg Mine (note 49)	**1,681**	–
Tax effect thereon	**(762)**	–
Profit on sale of other mineral rights and investments (note 9)	**–**	(3)
Tax effect thereon	**–**	–
Headline earnings/(loss)	**1,867**	(126)
Attributable headline earnings/(loss) per ordinary share (cents)		
Headline	**713**	(48)
Diluted	**710**	(48)

[#] Prior year restated.

13. PROPERTY, PLANT AND EQUIPMENT*

Property, plant and equipment is made up of two main categories, namely:

- Mining and process property, plant and equipment which comprise expenditure on mining rights, qualifying exploration costs, properties, shaft sinking, development, equipment, plant, buildings, decommissioning and mining projects.
- Non-mining property, plant and equipment which comprise freehold land, equipment, motor vehicles and office equipment.

	2016 Rm	2015 Rm
Cost		
Opening balance	**88,968**	82,847
Transfer from capital work in progress (note 14)	**5,038**	8,251
Additions at cost (note 37)	**313**	548
Additions to decommissioning asset (note 28)	**27**	(15)
Disposal of Rustenburg Mine (note 49)	**(16,374)**	–
Disposals/scrapping of assets	**(996)**	(4,450)
Foreign currency translation differences	**(729)**	1,787
Closing balance	**76,247**	88,968
Accumulated depreciation		
Opening balance	**49,099**	38,550
Charge for the year (note 5)	**4,667**	5,281
Impairment of assets of Rustenburg Mine (note 49)	**–**	6,216
Disposal of Rustenburg Mine (note 49)	**(14,977)**	–
Disposals/scrapping of assets	**(874)**	(1,283)
Foreign currency translation differences	**(242)**	335
Closing balance	**37,673**	49,099
Carrying amount (Annexure A)	**38,574**	39,869

**Prior year restated.*

14. CAPITAL WORK IN PROGRESS

	2016 Rm	2015 Rm
Opening balance	**6,548**	10,736
Additions at cost (note 37)	**4,705**	4,779
Transfer to property, plant and equipment (note 13)	**(5,038)**	(8,251)
Scrapping of capital work in progress	**(61)**	(925)
Disposal of Rustenburg Mine (note 49)	**(1,011)**	–
Foreign currency translation differences	**(251)**	209
Closing balance	**4,892**	6,548

		2016 Rm	2015 Rm
15.	**EXPLORATION AND EVALUATION**		
	The balances and movements for exploration and evaluation costs as included in notes 13 and 14 above are as follows:		
	Cost		
	Opening balance	**1,983**	1,912
	Additions (note 6)	**67**	71
	Closing balance	**2,050**	1,983
	Accumulated depreciation		
	Opening balance	**(678)**	(425)
	Disposal of Rustenburg Mine (note 49)	**(419)**	–
	Charge and impairments for the year	**(37)**	(253)
	Closing balance	**(1,134)**	(678)
	Carrying amount	**916**	1,305
16.	**INVESTMENT IN ASSOCIATES**		
	Listed (market value: R113 million (2015: R61 million))		
	Investment in Atlatsa Resources Corporation*	**–**	–
	Unlisted	**3,963**	3,883
	Bokoni Platinum Holdings Proprietary Limited (Bokoni Holdco)*		
	Carrying value of investment	**–**	–
	Bafokeng-Rasimone Platinum Mine (BRPM)+		
	Carrying value of investment	**3,665**	3,434
	Richtrau No. 123 Proprietary Limited		
	Carrying value of investment	**5**	5
	Peglerae Hospital Proprietary Limited		
	Carrying value of investment	**56**	52
	Unincorporated associate – Pandora		
	Carrying value of investment	**192**	366
	Hydrogenious Technologies GmbH		
	Carrying value of investment	**45**	26
		3,963	3,883
	The movement for the year in the Group's investment in associates was as follows:		
	Opening balance	**3,883**	7,637
	Loss after taxation	**(115)**	(529)
	Loss from associates	**(130)**	(557)
	Taxation – deferred	**15**	28
	Additional funding provided to associates	**448**	808
	Share of movement in other reserves of associates	**–**	49
	Other movements of associates directly to equity	**–**	1
	Revaluation of loan to associate	**–**	2
	Deferred foreign exchange translation losses	**(4)**	(26)
	Impairment of investments in associates	**(283)**	(4,082)
	Additional investment in associate – Hydrogenious Technologies GmbH	**34**	23
	Closing balance	**3,963**	3,883

All of the Group's interests in investments in associates are measured and accounted for in terms of the equity method.

The market value disclosed for the listed investment in associates is categorised as Level 1 as per the fair value hierarchy (as defined in note 40).

** Equity investments in Atlatsa and Bokoni Holdco and further advances during 2016 were impaired during the prior and current years.*

+ The investment in BRPM was partially impaired during the prior year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2016

16. INVESTMENT IN ASSOCIATES continued

Listed investment: Atlatsa Resources Corporation

The Group has a 22.76% shareholding in Atlatsa. Atlatsa has a 51% controlling interest in the operations of Bokoni Platinum Mine and the Kwanda project.

This company is incorporated in Canada and listed on the Toronto Stock Exchange and on the JSE, but its principal place of business is in South Africa. The company has a December year end and the equity accounting includes the latest publicly available quarterly results. During the prior year, the equity-accounted investment was fully impaired (refer note 44). The Group's cumulative share of unrecognised equity-accounted losses amounted to R882 million (2015: R749 million) and its cumulative share of movements in other comprehensive losses amounted to R33 million (2015: R26 million).

The information below comprises the latest publicly available quarterly results at 30 September 2016. The 31 December 2016 information cannot be disclosed as the associate is listed and the information is not yet publicly available.

	2016 Rm	2015 Rm
Statement of comprehensive income		
Revenue	**1,885**	2,111
Loss before taxation	**(695)**	(4,355)
Taxation	**110**	667
Loss after taxation	**(585)**	(3,688)
Statement of financial position		
Non-current assets	**3,588**	3,847
Current assets	**377**	125
	3,965	3,972
Non-current liabilities	**2,871**	2,313
Current liabilities	**283**	841
Equity	**811**	818
	3,965	3,972

Unlisted investment: Bokoni Platinum Holdings Proprietary Limited (Bokoni Holdco)

The Group has a 49% shareholding in Bokoni Holdco which effectively holds 100% of Bokoni Platinum Mine and the Kwanda project. The principal business of the company takes place in the Eastern Limb of the Bushveld Complex. This investment has been equity-accounted. The Company has a December year end and equity accounting is performed using Bokoni's management accounts. During the current year, the equity-accounted investment was fully impaired (note 44). The Group's cumulative share of unrecognised equity-accounted losses amounted to R0.1 million (2015: gain of R28 million).

The financial information presented below is for the year ended 31 December 2016.

	2016 Rm	2015 Rm
Statement of comprehensive income		
Revenue	**1,800**	2,046
Loss before taxation	**(384)**	(758)
Taxation	**–**	–
Loss after taxation	**(384)**	(758)
Statement of financial position		
Non-current assets	**7,044**	6,910
Current assets	**209**	(293)
	7,253	6,617
Non-current liabilities	**1,362**	154
Current liabilities	**259**	433
Equity	**5,632**	6,030
	7,253	6,617

16. INVESTMENT IN ASSOCIATES continued

Unlisted investment: Bafokeng-Rasimone Platinum Mine (BRPM)

The Group has a 33% direct interest in BRPM, an unincorporated joint arrangement. BRPM has an operating mine in the Western Limb of the Bushveld Complex.

BRPM has a December year end. The equity accounting is done using its management accounts for the year ended 31 December 2016 and is adjusted for certain consolidation entries. During the prior year, the equity-accounted investment was partially impaired.

As BRPM is consolidated by RB Plat, and RB Plat is a listed entity, the financial information of BRPM is price sensitive. Therefore, the Group has not disclosed the financial information of BRPM. However, the financial information of BRPM will be available on or about 1 March 2017, when RB Plat releases its annual results.

Unlisted investment: Pandora

The Group, Eastern Platinum Limited, and Mvela Resources Limited (on behalf of Northam Platinum Limited) entered into a 42.5: 50: 7.5 arrangement. In terms of the agreement, the Group contributed certain mineral rights to the venture, while Eastern Platinum Limited contributed certain surface infrastructure. The venture has an operating mine in the Western Limb of the Bushveld Complex.

Pandora has a September year end. The equity accounting is based on its management accounts for the 12 months ended 30 November 2016.

	2016 Rm	2015 Rm
Statement of comprehensive income		
Revenue	**559**	438
Loss before taxation	**(129)**	(175)
Taxation	**36**	48
Loss after taxation	**(93)**	(127)
Statement of financial position		
Non-current assets	**764**	813
Current assets	**306**	259
	1,070	1,072
Non-current liabilities	**14**	14
Current liabilities	**61**	65
Equity	**995**	993
	1,070	1,072

Due to the agreement to dispose of Amplats' interest in Pandora, an impairment loss was recognised (refer note 43).

Unlisted investment: Johnson Matthey Fuel Cells Limited (JMFC)

At 31 December 2016, the Group held 17.5% of the equity and 43% of the voting rights in JMFC, which is incorporated and has its principal place of business in the United Kingdom. The interest is represented by 35 ordinary shares (acquired for GBP13 million) and 7 million redeemable preference shares (acquired for GBP7 million). JMFC carries on research and development for the enhancement and development of fuel cells and associated hydrogen generation technology from fuels and the commercial exploitation thereof, including the manufacture and sale of fuel cell-related products. In prior years, the Group impaired the carrying value of its investment in JMFC. At 31 December 2016, the Group's cumulative share of unrecognised equity-accounted losses amounted to R44 million (2015: R27 million).

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17. JOINT ARRANGEMENTS

Joint operations

The Group has classified all the joint arrangements to which it is a party to as joint operations, as they are unincorporated 'joint ventures' and the Group has rights to the assets and obligations for the liabilities of the arrangements. The classification was made in line with the requirements of IFRS 11 *Joint Arrangements*.

A number of these joint arrangements have additional separate legal entities, as detailed in Annexure C. The Group is of the opinion that the substance of these joint arrangements must be given prominence over their legal form. In most cases, the separate legal entities have been formed to hold legal title to mineral and surface rights as well as to legally employ employees working at the joint operation. The substance is that these companies are mere extensions of the main joint arrangement to which they relate and consequently should be accounted for in the same manner, namely as a joint operation.

Modikwa Platinum Mine
The Group and ARM Mining Consortium Limited (ARMMC) established a 50:50 joint operation, known as the Modikwa Platinum Mine Joint Venture (Modikwa). Modikwa operates a mine and a processing plant on the Eastern Limb of the Bushveld Complex.

Mototolo Platinum Mine
The Group and Glencore Kagiso Tiso Platinum Partnership have entered into a 50:50 joint operation. The Mototolo Mine, which is managed by Xstrata SA Proprietary Limited, is located on the Eastern Limb of the Bushveld Complex, while the processing plant is managed by the Group.

Kroondal Platinum Mine
The Group and Aquarius Platinum (South Africa) Proprietary Limited (Aquarius) have pooled certain mineral rights and infrastructure via a pooling-and-sharing agreement. The parties share 50:50 in the profits and losses from the jointly operated mine and processing plant located on the Western Limb of the Bushveld Complex, which is managed by Aquarius.

	2016 Rm	2015 Rm
18. INVESTMENTS HELD BY ENVIRONMENTAL TRUSTS		
Investments held by the environmental trust comprise:		
Financial instruments designated as fair value through profit or loss	**907**	882
Movement in total investments held by environmental trusts		
Opening balance	**979**	932
Contributions	**2**	1
Growth in environmental trusts (note 8)	**7**	6
Disposal of Rustenburg Mine (note 49)	**(281)**	–
Value attributable to Rustenburg Mine not yet transferred to Sibanye	**281**	–
Remeasurements	**27**	40
Closing balance	**1,015**	979
Disclosed as:		
Investments held by environmental trusts	**907**	882
Cash and cash equivalents (note 24)	**108**	97
	1,015	979

These funds may only be utilised for purposes of settling decommissioning and environmental liabilities relating to existing mining operations. All income earned on these funds is reinvested or spent to meet these obligations. These obligations are included in environmental obligations (note 28).

		2016 Rm	2015 Rm
19.	**OTHER FINANCIAL ASSETS**		
	Loans carried at amortised cost		
	Loans to Plateau Resources Proprietary Limited (Plateau)*	**201**	–
	Loan to Atlatsa Holdings Proprietary Limited (Atlatsa Holdings)**	**–**	–
	Loan to ARM Mining Consortium Limited***	**65**	66
	Advance to Bakgatla-Ba-Kgafela traditional community****	**200**	179
	Convertible notes in United Hydrogen Group Inc.*****	**33**	–
	Preference share investment in Baphalane Siyanda Chrome Company (note 48)	**84**	–
	Other	**103**	75
		686	320
	Available-for-sale investments carried at fair value		
	Investment in Royal Bafokeng Platinum Limited (RB Plat)^	**798**	597
	Investment in Wesizwe Platinum Limited (Wesizwe)#	**161**	87
	Investment in Greyrock Energy Inc. (Greyrock)##	**34**	–
	Investment in Food Freshness Technology Holdings^x^	**49**	19
		1,042	703
	Investments at fair value through profit or loss		
	Deferred consideration on sale of Rustenburg Mine### (note 49)	**1,598**	–
	Total other financial assets	**3,326**	1,023

* *Historically the Group provided Plateau (a wholly owned subsidiary of Atlatsa) with a secured facility to meet its obligations in respect of operating and capital expenditure for Bokoni Platinum Mine. During 2016, the facility was renegotiated and restructured and any new loans advanced to Plateau were assessed for impairment. The security for this facility includes a pledge of shares and claims in Plateau and Bokoni Platinum Mine, as well as certain assets of Plateau and Bokoni Platinum Mine.*
The Group further provided Plateau with a R90 million working capital facility which was increased to R122 million in 2015 to meet its working capital and operational requirements. The facility is available to Plateau until 31 December 2018.
At 31 December 2016, the facility was wholly utilised. During the current year, an impairment of R111 million was recognised in respect of the amortised cost carrying values of all the facilities provided to Plateau (refer note 44).

** *The loan is interest-bearing at a rate equivalent to the effective interest rate on the senior facility provided by the Group to Plateau. It is secured by way of a pledge and cession of Atlatsa Holding's entire shareholding in Atlatsa, which shares are subject to a lock-in arrangement until 2020. The loan is repayable in full by 30 September 2020. During the prior year, the amortised cost carrying value of the loan to Atlatsa Holdings was fully impaired (refer note 44).*

*** *This advance is interest free and the repayment thereof is dependent on the free cash flows from Modikwa Platinum Mine. This advance was fair valued on initial recognition by discounting the expected cash flows using a market-related interest rate. At each reporting date the cash flows are reassessed and the value updated accordingly. As security for the repayment of the advance, ARMMC has ceded its right to payments from Modikwa Platinum Mine to the Group. (Related party transaction).*

**** *The Group made a R45 million interest-bearing loan to the Bakgatla-Ba-Kgafela traditional community (Bakgatla). As security for this loan, the Bakgatla pledged, to the Group, its 55% interest in Lexshell 49 General Trading Proprietary Limited, the company that holds the right to be granted a prospecting right on portion 2 of Rooderand 46 JQ (Rooderand). The Group has the election to acquire the Bakgatla's interest in Lexshell at par value in lieu of the capital and any interest accrued on the loan at that date. The Group, as the holder of the unused old-order right over Rooderand, applied for a new-order prospecting right, which was granted on 27 November 2013. The Department of Mineral Resources is to provide an execution date for the prospecting right whereafter the prospecting right will be registered.*
In addition, the Group provided the Bakgatla with a loan of R47 million to service their debt under a hedge facility with an external bank. The loan is unsecured and bears interest at JIBAR plus 2%.

***** *The Group made an investment in United Hydrogen Group Inc. by way of a convertible note purchase for USD2 million which carries interest at 7%. A further tranche of USD2 million will be acquired in future. Should the terms of the agreement not be met within two years, United Hydrogen will be obliged to settle the balance, including interest in cash.*

^ *The Group holds approximately 11.68% in RB Plat. During the prior year the investment in RB Plat was impaired by recognising in profit or loss for the year, the cumulative losses included in other comprehensive income, attributable to this investment at the date of impairment. The impairment loss in the prior year was R775 million.*

\# *The Group holds approximately 13% in Wesizwe.*

\## *The Group has acquired a convertible note for USD2.5 million in Greyrock Energy Inc. The notes bear interest at 0.67% are cumulative, non-redeemable and are convertible into C-preferred share equity at USD6.52. The C-preferred share equity mimics ordinary shareholder rights. The interest will not be paid in cash and is also mandatorily convertible into C-preferred share equity. Further tranches up to USD5 million will be acquired in future.*
This indicates both interest and capital only give a right to C-preferred share equity. As a result only the right to equity exists and the investment in convertible notes will be designated as an available-for-sale asset.

\### *The deferred consideration results from the discounted deferred purchase price for the disposal of Amplats' Rustenburg Mine (note 49).*

x *The Group holds 10% in Food Freshness Technology Holdings.*

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		2016 Rm	2015 Rm
20.	**INVENTORIES#**		
	Refined metals	**3,165**	4,077
	At cost	**1,665**	3,317
	At net realisable values	**1,500**	760
	Work-in-process	**10,593**	9,497
	At cost	**5,396**	7,775
	At net realisable values	**5,197**	1,722
	Trading metal originating from third parties at fair value less costs of disposal*	**3**	–
	Total metal inventories	**13,761**	13,574
	Stores and materials at cost less obsolescence provision	**2,608**	2,731
		16,369	16,305

** Trading metal comprises metal acquired from third parties in a refined state, and which is valued at spot prices at the end of the reporting period.*
 # Prior year restated.

		2016 Rm	2015 Rm
21.	**TRADE AND OTHER RECEIVABLES#**		
	Trade accounts receivable	**1,509**	1,334
	Other receivables	**631**	427
		2,140	1,761

 # Prior year restated.

There were no trade debtors past due but not impaired as the average credit period on the sale of precious metals is five days and base metals is 20 days. Interest is charged at market-related rates on the outstanding balance. No provision for doubtful debts has been raised on any amounts past due at balance sheet date as these amounts have either been received post year end or the amounts are still considered recoverable. The Group holds no collateral over these balances.

Before accepting any new customers, the Group uses a credit bureau or performs a credit assessment to assess the potential customer's credit quality and credit limits. The credit limits are reviewed on a regular basis throughout the year due to the volatility in commodity price movements which necessitates the frequent review of credit limits. Trade accounts receivable involve primarily a small group of international companies. The financial conditions of these companies and the countries in which they operate are regularly reviewed. Therefore, the Group has no provision for doubtful debts.

The fair value of accounts receivable is not materially different from the carrying values presented due to the short term to maturity (note 40). There are no trade receivables pledged as security to secure any borrowings of the Group.

		2016 Rm	2015 Rm
22.	**OTHER ASSETS**		
	Prepayments	**385**	337
	VAT receivable	**1,158**	584
	Other	**11**	6
	Non-financial assets	**1,554**	927
23.	**OTHER FINANCIAL ASSETS**		
	Fair value of forward exchange contracts	**1**	–
	Deferred consideration on sale of Rustenburg Mine – short-term portion (note 49)	**44**	–
		45	–
24.	**CASH AND CASH EQUIVALENTS**		
	Cash and cash equivalents comprise cash on hand, balances with banks and money-market instruments.		
	Cash on deposit and on hand*	**5,349**	1,575
	Cash investments held by environmental trusts (note 18)	**108**	97
		5,457	1,672

Cash held in trust comprises funds which may only be utilised for purposes of settling decommissioning and environmental liabilities relating to existing mining operations. All income earned on these funds is reinvested or spent to meet these obligations. These obligations are included in environmental obligations (note 28).

** Includes cash on deposit of R2,051 million held as a natural foreign currency exchange hedge on the deferred income transaction (note 32).*

25. SHARE CAPITAL

2015 Number of shares	**2016 Number of shares**		**2016 Rm**	2015 Rm
		Authorised		
413,595,651	**413,595,651**	Ordinary shares of 10 cents each	**41**	41
504,260	**504,260**	'A' ordinary shares of 10 cents each convertible	**–***	–*
		Issued – Ordinary shares		
269,681,886	**269,681,886**	Ordinary shares of 10 cents	**27**	27
		Issued – 'A' ordinary shares		
–	**–**	Ordinary shares of 10 cents each convertible	**–***	–*
		Treasury shares held within the Group		
–	**–**	Ordinary shares held by the Group ESOP	**–***	–*
–	**–**	'A' ordinary shares held by the Group ESOP	**–***	–*
1,700,843	**1,408,887**	Ordinary shares held by the Group in terms of the BSP and other share schemes	**–***	–*

Ordinary shares

The unissued ordinary shares are under the control of the directors until the forthcoming annual general meeting.

'A' ordinary shares

The 'A' ordinary shares were created to facilitate the implementation of Anglo American Platinum Employee Share Participation Scheme. Refer to Annexure B for details of the scheme. 504 260 'A' ordinary shares were repurchased and cancelled as part of the rules of the scheme during the prior year.

Treasury shares

For details of the treasury shares, refer to Annexure B which contains details of the various equity compensation schemes.

** Less than R500,000.*

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	2016 Facility amount Rm	2016 Utilised amount Rm	2015 Facility amount Rm	2015 Utilised amount Rm
26. INTEREST-BEARING BORROWINGS				
Unsecured financial liabilities measured at amortised cost				
The Group has the following borrowing facilities:				
Committed facilities	**22,286**	**9,430**	22,316	12,490
ABSA Bank Limited	**2,000**	**–**	2,000	335
Anglo American SA Finance Limited	**9,100**	**9,100**	9,100	9,100
FirstRand Bank Limited	**2,857**	**–**	2,857	1,557
Nedbank Limited	**4,329**	**330**	4,359	1,163
Standard Bank of South Africa Limited	**4,000**	**–**	4,000	335
Uncommitted facilities	**5,824**	**3,199**	8,928	1,843
Anglo American SA Finance Limited	**5,000**	**3,199**	8,000	1,843
Anglo American Capital plc	**–**	**–**	–	–
Nedbank London#	**824**	**–**	928	–
Standard Bank of South Africa Limited	**–**	**–**	–	–
Total facilities	**28,110**	**12,629**	31,244	14,333
Deferred income – top up (note 32)	**–**	**36**	–	–
Total interestinterest bearing borrowings	**28,110**	**12,665**	31,244	14,333
Current interest-bearing borrowings		**3,267**		2,209
Non-current interest-bearing borrowings		**9,398**		12,124
		12,665		14,333
Weighted average borrowing rate (%)		**8.80**		7.91

Borrowing powers

The borrowing powers in terms of the memorandum of incorporation of the holding company and its subsidiaries are unlimited.

Committed facilities are defined as the bank's obligation to provide funding until maturity of the facility, by which time the renewal of the facility is negotiated.

An amount of R19,657 million (2015: R18,515 million) of the facilities is committed for one to five years; R1,300 million (2015: R2,300 million) is committed for a rolling period of 364 days; R1,000 million (2015: Rnil) is committed for a rolling period of 18 months; while the rest is committed for less than 364 days. The Company has adequate committed facilities to meet its future funding requirements.

Uncommitted facilities are callable on demand.

 # US$60 million uncommitted facility.

27. OBLIGATIONS DUE UNDER FINANCE LEASES

The Group holds, under finance lease, an energy recovery plant at the Waterval Smelter site in terms of an agreement assessed to be a lease in terms of IFRIC 4 *Determining whether an Arrangement contains a Lease*. The carrying amount of the plant amounts to R108 million (2015: R116 million) and is included in property, plant and equipment (note 13).

The lease term is for a period of 15 years, whereafter the Group has the option to purchase the plant at fair value. The interest rate implicit in the lease amounts to 17.74%.

	2016 Rm	2015 Rm
Finance lease obligations	**111**	108
Less: Short-term portion included in current liabilities	**(15)**	(14)
	96	94

Reconciliation of future minimum lease payments under finance leases

	Minimum lease payments		**Present value of minimum lease payments**	
	2016 Rm	2015 Rm	**2016 Rm**	2015 Rm
Due within one year	**17**	16	**15**	14
Due within two to five years	**78**	74	**46**	44
More than five years	**249**	271	**50**	50
	344	361	**111**	108
Less: Future finance charges	**(233)**	(253)	**–**	–
Present value of minimum lease payments	**111**	108	**111**	108

28. ENVIRONMENTAL OBLIGATIONS

	2016 Rm	2015 Rm
Provision for decommissioning cost	**1,287**	1,614
Opening balance	**1,614**	1,474
Discounted amount for decommissioning of expansion projects (note 13)	**27**	(15)
Charged to interest expensed (note 8)	**154**	127
Disposal of Rustenburg Mine (note 49)	**(497)**	–
Foreign currency translation differences	**(11)**	28
Provision for restoration cost	**651**	790
Opening balance	**790**	636
Discounted amount for increase in restoration obligation charged to the statement of comprehensive income	**34**	81
Charged to interest expensed (note 8)	**77**	59
Disposal of Rustenburg Mine (note 49)	**(239)**	–
Foreign currency translation differences	**(11)**	14
Environmental obligations before funding	**1,938**	2,404
Environmental obligations before funding	**1,938**	2,404
Less: Environmental trusts (note 18)	**(1,015)**	(979)
Unfunded environmental obligations	**923**	1,425
Real pretax risk-free discount rate (South African rand)	**4%**	4%
Real pretax risk-free discount rate (US dollar)	**2%**	2%
Undiscounted amount of environmental obligations in real terms	**3,178**	4,007

Refer to note 39 with respect to details on guarantees provided to the Department of Mineral Resources in this regard.

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	2016 Rm	2015 Rm
29. EMPLOYEE BENEFITS		
Employees' service benefit obligations (non-current)		
Provision for post-retirement medical aid benefits	**17**	14
Share-based payments provision	**–**	–
Total	**15**	11
Less: Transferred to current liabilities	**(15)**	(11)
	17	14
Aggregate earnings		
The aggregate earnings of employees including directors were:		
Salaries and wages and other benefits	**13,537**	14,783
Retirement benefit costs	**1,122**	1,249
Medical aid contributions	**619**	630
Share-based compensation (note 6)	**265**	341
Equity-settled	**245**	307
Equity-settled – the Group ESOP	**–**	31
Cash-settled	**4**	(8)
Cash payments	**16**	11
	15,543	17,003
Termination benefits		
Voluntary separation costs (included in restructuring and other related costs)	**311**	799
Directors' emoluments		
Remuneration for executives		
– Fees	**–**	–
– Salaries, benefits, performance-related bonuses and other emoluments	**26**	22
Remuneration for non-executives		
– Fees	**6**	6
Paid by holding company and subsidiaries	**32**	28
Paid by subsidiaries	**(26)**	(22)
Paid by holding company	**6**	6

Directors' remuneration is disclosed in Annexure E.

Equity compensation benefits

The directors' report sets out details of the Company's share option schemes, and Annexure B provides details of share options and awards issued and exercised during the year by participants as well as the disclosures required by IFRS 2 *Share-based Payments*. The details pertaining to share options and awards issued to and exercised by directors during the year are disclosed in the remuneration report.

29. EMPLOYEE BENEFITS continued

Retirement funds

Separate funds, independent of the Group, provide retirement and other benefits to all employees. These funds comprise defined contribution plans. All funds are subject to the Pension Funds Act, 1956. The Amplats Officials Pension Fund, the Amplats Employees Pension Fund and the MRR Pension Fund are in the process of being wound up.

Defined contribution plans

Contributions are made to the following defined contribution plans:

	Number of members	Employer contributions Rm	Market value of fund assets Rm
2016			
Old Mutual SuperFund	**16,762**	**691**	**9,844**
Amplats Group Provident Fund	**30,300**	**518**	**6,329**
	47,062	**1,209**	**16,173**
2015			
Old Mutual SuperFund	18,418	603	9,877
Amplats Group Provident Fund	31,907	758	5,986
	50,325	1,361	15,863

Post-retirement medical aid benefits

The post-retirement medical aid obligation is actuarially valued annually. The obligation was last valued as at 31 December 2016 using the projected unit credit method. The assumptions used in the valuation included estimates of life expectancy and long-term estimates of the increase in medical costs, appropriate discount rates and the level of claims based on the Group's experiences.

The plan assets comprise a captive cell arrangement with Guardrisk, which arrangement exists to fund the Group's obligations towards pensioners. The funds are invested in the money market and the medical aid premiums are paid by Guardrisk to the medical aid funds on behalf of the Group. The Group did not make a contribution (2015: nil) to the captive cell for the 2016 year. The actual return on plan assets for the year amounted to R8 million (2015: R10 million).

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29. EMPLOYEE BENEFITS continued

Retirement funds continued

Post-retirement medical aid benefits continued

	2016	2015
The principal actuarial assumptions used were as follows:		
Actuarial assumptions		
Discount rate (nominal)	**9.4%**	8.9%
Healthcare cost inflation	**8.3%**	7.8%
Expected return on reimbursive rights	**9.4%**	8.9%
Membership		
In-service members	**51**	57
Continuation members	**783**	813

	Rm	Rm
Amounts recognised in profit or loss (cost of sales) in respect of the defined benefit plan:	**2**	2
Current service cost	**1**	1
Net interest expense	**1**	1
Fund status		
Fair value of plan assets	**(169)**	(169)
Present value of obligations	**185**	183
Net unfunded liability	**16**	14
Movements in the net liability		
Opening balance	**14**	8
Amounts recognised in the statement of comprehensive income	**2**	6
Current service cost	**1**	1
Net interest cost	**1**	1
Employer contributions	**(6)**	–
Actuarial loss	**6**	4
Closing balance	**16**	14

The history of experience adjustments is as follows:

	2016 Rm	2015 Rm	2014 Rm	2013 Rm
Present value of obligations	**185**	183	178	179
Fair value of plan assets	**(169)**	(169)	(170)	(176)
Net unfunded liability	**16**	14	8	3
Experience adjustments				
Actuarial losses/(gains) before changes in assumptions				
In respect of present value of obligations	**–**	5	(9)	(7)
In respect of present value of plan assets	**7**	3	9	4

Assumed healthcare trend rates have a significant impact on the amounts recognised in the statement of comprehensive income.

A 0.5% change in the healthcare cost trends would have the following impact:

	0.5% increase		**0.5% decrease**	
	2016 Rm	2015 Rm	**2016 Rm**	2015 Rm
Aggregate of current service and interest costs	**1**	1	**(1)**	(1)
Present value of obligations	**9**	9	**(8)**	(9)

	2016 Rm	2015 Rm
30. DEFERRED TAXATION#		
Opening balance	**7,928**	10,270
Released to the statement of comprehensive income (note 10)	**(344)**	(2,453)
Charged directly to equity	**–**	–
Other	**(65)**	111
Closing balance	**7,519**	7,928
Comprising:		
Deferred taxation liabilities	**8,798**	9,196
Mining property, plant and equipment	**8,244**	8,487
Loss on disposal of Rustenburg Mine	**–**	–
Other	**554**	709
Deferred taxation assets	**(1,279)**	(1,268)
Accrual for leave pay	**(250)**	(368)
Loss on disposal of Rustenburg Mine	**(254)**	–
Share-based payment provision	**(12)**	(23)
Post-retirement medical aid benefits	**(5)**	(4)
Other	**(758)**	(873)
Net position as at 31 December	**7,519**	7,928

 # Prior year restated

	2016 Rm	2015 Rm
31. TRADE AND OTHER PAYABLES		
Trade accounts	**7,818**	4,337
Related parties (note 34)	**1,427**	1,276
Other	**6,391**	3,061
Other accounts payable	**2,423**	2,481
	10,241	6,818

The fair value of accounts payable are not materially different to the carrying values presented due to the short term to maturity.

	2016 Rm	2015 Rm
32. OTHER LIABILITIES		
Accrual for leave pay	**914**	1,343
Liabilities for the return of metal*	**535**	–
Deferred income transaction†	**2,015**	–
Other accruals	**1,159**	715
	4,623	2,058

** Liabilities for the return of metal comprise provisions arising from metal leasing transactions, the best estimate of which is determined with reference to the spot metal price at the end of the reporting period applied to the ounces of metal obtained under such leasing arrangements.*
† The deferred income liability represents a payment in advance for metal to be delivered in six months' time. The deferred income is received monthly on a rolling six-month basis over five years of the contract. Cash and cash equivalents are held as a natural foreign exchange risk hedge on this transaction (note 24).

	2016 Rm	2015 Rm
Reconciliation of deferred income transaction balance		
Carrying amount at beginning of period	**–**	–
Increases in liability	**2,078**	–
Top up reclassification	**(36)**	–
Foreign exchange differences	**(27)**	–
Other movements – reversals	**–**	–
Carrying amount at end of period	**2,015**	–

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	2016 Rm	2015 Rm
33. OTHER FINANCIAL LIABILITIES		
Financial liabilities carried at fair value		
Fair value of forward foreign exchange contracts*	**–**	–
Deferred consideration payable on sale of Rustenburg Mine (note 49)	**219**	–
Non-current	**219**	–
Financial liabilities carried at amortised cost		
Platinum Producers' Environmental Trust payable to Sibanye **	**282**	–
Financial liabilities carried at fair value		
Fair value of forward foreign exchange contracts*	**3**	2
Deferred consideration payable on sale of Rustenburg Mine (note 49)	**282**	–
Current	**567**	2
Total other financial liabilities	**786**	2

** Consists of USD36.0 million (2015: USD20.9 million) of forward foreign exchange contracts maturing within 30 days.*
*** Comprises cash balances attributable to Rustenburg Mine.*

34. RELATED PARTY TRANSACTIONS

The Company and its subsidiaries, in the ordinary course of business, enter into various sale, purchase, service and lease transactions with the ultimate holding company, Anglo American plc, its subsidiaries, joint arrangements and associates, as well as transactions with the Group's associates. Certain deposits and borrowings are also placed with subsidiaries of the holding company. The Group participates in the Anglo American plc insurance programme. These transactions are priced on an arm's length basis. Material related party transactions with subsidiaries and associates of Anglo American plc and the Group's associates (note 16) and not disclosed elsewhere in the notes to the financial statements are as follows:

	2016 Rm	2015 Rm
Compensation paid to key management personnel	**81**	95
Interest paid for the year**	**1,111**	1,139
Interest received for the year**	**9**	2
Insurance paid for the year**	**347**	448
Purchase of goods and services for the year*	**6,209**	5,756
Associates	**5,566**	5,146
Anglo American plc and other subsidiaries	**643**	610
Deposits**	**1,684**	803
Interest-bearing borrowings (including interest accrued)**	**12,390**	11,029
Amounts owed to related parties (note 31)	**1,427**	1,276
Associates	**1,388**	1,259
Anglo American plc and other subsidiaries	**39**	17

Trade payables

Trade payables are settled on commercial terms.

Deposits

Deposits earn interest at market-related rates and are repayable on maturity.

Interest-bearing borrowings

Interest-bearing borrowings bear interest at market-related rates and are repayable on maturity.

Directors

Refer to Annexure E.

Key management personnel

Refer to Annexure E.

Shareholders

The principal shareholders of the Company are detailed in note 41 'Analysis of shareholders'.

** This includes purchase of concentrate from the Group's associates.*
*** Anglo American plc and other subsidiaries.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

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	Notes	2016 Rm	2015 Rm
35. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS*			
Profit/(loss) before taxation		**1,060**	(14,414)
Adjustments for:			
Interest received	8	**(142)**	(92)
Growth in environmental trusts	8	**(7)**	(6)
Interest expensed	8	**1,098**	863
Time value of money adjustment to environmental obligations	8	**231**	186
Gains on remeasurement of loans and receivables	8	**(27)**	(40)
Depreciation of property, plant and equipment	5	**4,667**	5,281
Loss on impairment, disposal and scrapping of property, plant and equipment	9	**45**	10,267
Loss on disposal of Rustenburg Mine	49	**1,681**	–
Profit on sale of other mineral rights and investments	9	**–**	(3)
Losses from associates	16	**115**	529
Exchange losses on revaluation of loan to associates	16	**–**	(2)
Unrealised fair value adjustment in respect of other financial assets and liabilities		**–**	2
Impairment of investment in associates	16	**283**	4,082
Impairment of non-current financial assets	9	**111**	1,792
Impairment of available-for-sale investment in RB Plat	9	**–**	775
Net equity-settled share-based payments charge to reserves		**294**	338
Share-based payment expense for facilitation of BEE investment in Atomatic	48	**156**	–
Cash payment on vesting of cash-settled share-based payments		**(28)**	–
Foreign translation losses/(gains)		**(103)**	5
		9,434	9,563
Movement in non-cash items		**37**	87
Increase in employees' service benefit obligations		**3**	6
Increase in provision for environmental obligations		**34**	81
Working capital changes		**4,125**	1,292
(Increase)/decrease in metal inventories		**(187)**	1,029
Decrease/(increase) in stores and materials		**43**	(163)
(Increase)/decrease in trade and other receivables		**(503)**	769
(Increase)/decrease in other assets		**(627)**	513
Decrease/(increase) in trade and other payables		**2,829**	(863)
Increase in other liabilities		**2,566**	15
Decrease/(increase) in share-based payment provision		**4**	(8)
Cash generated from operations		**13,596**	10,942

** Prior year restated.*

	Notes	2016 Rm	2015 Rm
36. TAXATION PAID*			
Amount unpaid at beginning of year		**(50)**	1,293
Current taxation provided (note 10)		**708**	474
Foreign exchange differences		**(3)**	4
Amount unpaid at end of year		**470**	50
Payments made		**1,125**	1,821

** Prior year restated.*

		2016 Rm	2015 Rm
37.	**PURCHASE OF PROPERTY, PLANT AND EQUIPMENT**		
	Additions to capital work-in-progress (note 14)	**4,705**	4,779
	Additions to plant and equipment (note 13)	**313**	548
	Total additions	**5,018**	5,327
	Less: Non-cash transactions	**–**	(175)
		5,018	5,152
	Cash purchases are made up as follows:		
	Stay-in-business	**2,750**	2,536
	Projects	**648**	1,211
	Waste stripping	**1,297**	999
	Interest capitalised (note 8)	**323**	406
		5,018	5,152
	Total additions are made up as follows:		
	Stay-in-business	**2,750**	2,662
	Projects	**648**	1,260
	Waste stripping	**1,297**	999
	Interest capitalised (note 8)	**323**	406
		5,018	5,327
38.	**COMMITMENTS**		
	Mining and process property, plant and equipment		
	Contracted for	**1,106**	1,256
	Not yet contracted for	**5,649**	8,636
	Authorised by the directors	**6,755**	9,892
	Project capital	**3,114**	4,757
	Within one year	**408**	802
	Thereafter	**2,706**	3,955
	Stay-in-business capital	**3,641**	5,135
	Within one year	**2,312**	2,736
	Thereafter	**1,329**	2,399
	Capital commitments relating to the Group's share in associates		
	Contracted for	**167**	244
	Not yet contracted for	**2,305**	1,697
		2,472	1,941
	Other		
	Operating lease rentals – buildings and equipment	**27**	60
	Due within one year	**27**	33
	Due within two to five years	**–**	27

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2016

39. CONTINGENT LIABILITIES

Letters of comfort have been issued to financial institutions to cover banking facilities. There are no encumbrances of Group assets.

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

The Group has provided guarantees to certain financial institutions to cover various metal borrowing facilities. At 31 December 2016 these guarantees amounted to R1,236 million (31 December 2015: Rnil).

The Group has, in the case of some of its mines, provided the Department of Mineral Resources with guarantees that cover the difference between closure cost and amounts held in the environmental trusts. At 31 December 2016, these guarantees amounted to R2,654 million (2015: R3,323 million) (note 28).

40. FINANCIAL INSTRUMENTS

Capital risk management

The capital structure of the Group consists of debt, which includes interest-bearing borrowings disclosed under note 26, cash and cash equivalents and equity attributable to equity holders of the parent company, which comprises issued share capital and premium and accumulated profits disclosed in the consolidated statement of changes in equity.

The Group's capital management objective is to safeguard the Group's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and continue as a going concern while achieving an optimal weighted average cost of capital.

The policy of the Group is to achieve sufficient gearing so as to have an optimal weighted average cost of capital while also ensuring that at all times its creditworthiness is maintained.

The targeted level of gearing is determined after consideration of the following key factors:

- Current and forecast metal prices and exchange rates and their impact upon revenue and gearing under various scenarios.
- The needs of the Group to fund current and future capital expenditure.
- The desire of the Group to maintain its gearing within levels considered to be acceptable and consistent with a suitable credit standing, taking into account potential business volatility and position of the Group in the business cycle.

On an annual basis the Group updates its long-term business plan. These outputs are then incorporated into the budget process.

Should the Group have excess capital, the Group will consider returning this to shareholders (through dividends or share buybacks, whichever may be appropriate at the time). Alternatively, if additional capital is required, the Group will look to source this from either the debt markets or from shareholders, whichever is most appropriate at the time so as to meet its policy objectives and based on market circumstances.

These decisions are evaluated by the Group's corporate finance and treasury departments, before being approved by the Executive Committee and Board, where required.

The Group has entered into a number of debt facilities that dictate certain requirements in respect of capital management.

These covenants are a key consideration when the capital management strategies of the Group are evaluated and include:

- maximum net debt/tangible net worth ratios;
- minimum tangible net worth values; and
- an undertaking not to exceed a maximum value of guarantees, excluding guarantees provided to the Department of Mineral Resources.

The Group has complied with these requirements. The Group's overall strategy remains unchanged from 2015.

Significant accounting policies

Details of significant accounting policies, including the recognition criteria, the basis for measurement and the basis on which income and expenses are recognised, in respect of each category of financial asset, financial liability and equity instrument are disclosed under the note on accounting policies (refer Annexure D).

40. FINANCIAL INSTRUMENTS continued

Categories of financial instruments

	Loans and receivables Rm	FVTPL/ held for trading Rm	Available-for-sale Rm	Total Rm	Fair value Rm
2016					
Financial assets					
Investments held by environmental trusts	**–**	**907**	**–**	**907**	**907**
Other financial assets	**686**	**1,643**	**1,042**	**3,371**	**3,371**
Trade and other receivables	**2,140**	**–**	**–**	**2,140**	**2,140**
Cash and cash equivalents	**5,457**	**–**	**–**	**5,457**	**5,457**
	8,283	**2,550**	**1,042**	**11,875**	**11,875**
2015					
Financial assets					
Investments held by environmental trusts	–	882	–	882	882
Other financial assets	320	–	703	1,023	1,023
Trade and other receivables	1,761	–	–	1,761	1,761
Cash and cash equivalents	1,672	–	–	1,672	1,672
	3,753	882	703	5,338	5,338

	FVTPL Rm	Other financial liabilities Rm	Total Rm	Fair value Rm
2016				
Financial liabilities				
Non-current interest-bearing borrowings	**–**	**(9,398)**	**(9,398)**	**(9,398)**
Obligations due under finance leases	**–**	**(96)**	**(96)**	**(96)**
Current interest-bearing borrowings	**–**	**(3,267)**	**(3,267)**	**(3,267)**
Obligations due under finance leases within one year	**–**	**(15)**	**(15)**	**(15)**
Trade and other payables	**(6,266)**	**(3,975)**	**(10,241)**	**(10,241)**
Other financial liabilities	**(504)**	**(282)**	**(786)**	**(786)**
	(6,770)	**(17,033)**	**(23,803)**	**(23,803)**
2015				
Financial liabilities				
Non-current interest-bearing borrowings	–	(12,124)	(12,124)	(12,124)
Obligations due under finance leases	–	(94)	(94)	(94)
Current interest-bearing borrowings	–	(2,209)	(2,209)	(2,209)
Obligations due under finance leases within one year	–	(14)	(14)	(14)
Trade and other payables	(2,972)	(3,846)	(6,818)	(6,818)
Other financial liabilities	(2)	–	(2)	(2)
	(2,974)	(18,287)	(21,261)	(21,261)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2016

40. FINANCIAL INSTRUMENTS continued

Categories of financial instruments continued

Fair value disclosures

The following is an analysis of the financial instruments that are measured subsequent to initial recognition at fair value. They are grouped into levels 1 to 3 based on the extent to which the fair value is observable.

The levels are classified as follows:

- Level 1 – fair value is based on quoted prices in active markets for identical financial assets or liabilities.
- Level 2 – fair value is determined using directly observable inputs other than Level 1 inputs.
- Level 3 – fair value is determined on inputs not based on observable market data.

	31 December 2016	Fair value measurement at 31 December 2016		
Description	Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
Financial assets through profit and loss				
Investments held by environmental trusts	**907**	**907**	**–**	**–**
Other financial assets	**1,643**	**–**	**1**	**1,642**
Available-for-sale assets at fair value through other comprehensive income				
Other financial assets	**1,042**	**959**	**–**	**83**
Non-financial assets at fair value through profit and loss				
Trading metal inventories originating from third parties	**3**	**3**	**–**	**–**
Total	**3,595**	**1,869**	**1**	**1,725**
Financial liabilities through profit and loss				
Trade and other payables*	**(6,266)**	**–**	**(6,266)**	**–**
Other financial liabilities	**(504)**	**–**	**(3)**	**(501)**
Non-financial liabilities at fair value through profit and loss				
Liabilities for return of metal	**(535)**	**–**	**(535)**	**–**
Total	**(7,305)**	**–**	**(6,804)**	**(501)**

	31 December 2015	Fair value measurement at 31 December 2015		
Description	Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
Financial assets through profit and loss				
Investments held by environmental trusts	882	882	–	–
Other financial assets	–	–	–	–
Available-for-sale assets at fair value through other comprehensive income				
Other financial assets	703	684	–	19
Non-financial assets at fair value through profit and loss				
Trading metal inventories originating from third parties	–	–	–	–
Total	1,585	1,566	–	19
Financial liabilities through profit and loss				
Trade and other payables*	(2,972)	–	(2,972)	–
Other current financial liabilities	(2)	–	(2)	–
Non-financial liabilities at fair value through profit and loss				
Liabilities for return of metal	–	–	–	–
Total	(2,974)	–	(2,974)	–

** Represents payables under purchase of concentrate agreements.*

40. FINANCIAL INSTRUMENTS continued

Categories of financial instruments continued

Fair value disclosures continued

There were no transfers between the levels during the year.

Valuation techniques used to derive Level 2 fair values

Level 2 fair values for other current financial liabilities relate specifically to forward foreign exchange contracts.

The valuation of forward foreign exchange contracts is a function of the ZAR:USD exchange rate at balance sheet date and the forward exchange rate that was fixed as per the forward foreign exchange rate contract.

Level 2 fair values for trade and other payables relate specifically to purchase of concentrate trade creditors which are priced in US dollars. The settlement of these purchase of concentrate trade creditors takes place on average three to four months after the purchase has taken place. The fair value is a function of the expected ZAR:USD exchange rate and the metal prices at the time of settlement.

Level 3 fair value measurement of financial assets at fair value

The Level 3 fair value of other financial assets comprises investments in unlisted companies Food Freshness Technology Holdings and Greyrock Energy Inc, which are classified as available-for-sale in terms of IAS 39 *Financial Instruments: Recognition and Measurement* and the deferred consideration on the disposal of the Rustenburg Mine which is classified as a financial asset at fair value through profit and loss. The fair values are based on unobservable market data, and estimated with reference to recent third party transactions in the instruments of the Company, or based on the underlying discounted cash flows expected.

The Level 3 fair value of other financial liabilities comprises the components of the deferred consideration on the disposal of the Rustenburg Mine, payable to Sibanye, which is classified as a financial liability at fair value through profit and loss. The fair value is based on the underlying discounted cash flows expected.

Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities at fair value

	2016 Other financial assets Rm	2015 Other financial assets Rm	**2016 Other financial liabilities Rm**	2015 Other financial liabilities Rm
Opening balance	**19**	–	**–**	–
Acquisition of investment	**35**	19		–
Recognition of proceeds on disposal of Rustenburg Mine (note 49)	**1,615**	–	**(494)**	–
Interest included in profit or loss	**27**	–	**(7)**	–
Total gains included in profit or loss	**–**	–	**–**	–
Total gains included in other comprehensive income	**35**	–	**–**	–
Foreign exchange translation	**(6)**	–	**–**	–
Closing balance	**1,725**	19	**(501)**	–

Level 3 fair value sensitivities

Assumed expected cash flows, discount rates and market prices of peer groups have a significant impact on the amounts recognised in the statement of comprehensive income. A 10% change in expected cash flows, a 0.5% change in the discount rates and a 10% change in market prices of peer groups would have the following impact:

	Financial asset		**Financial liability**	
	2016 Rm	2015 Rm	**2016 Rm**	2015 Rm
10% change in expected cash flows				
Reduction to profit or loss	**28**	–	**–**	–
Increase to profit or loss	**28**	–	**–**	–
0.5% change in discount rates				
Reduction to profit or loss	**51**	–	**4**	–
Increase to profit or loss	**53**	–	**4**	–
10% change in market price of peer groups				
Reduction to profit or loss	**5**	–	**–**	–
Increase to profit or loss	**5**	–	**–**	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

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40. FINANCIAL INSTRUMENTS continued

Financial risk management

The Group does not trade in financial instruments but, in the normal course of its operations, the Group is primarily exposed to currency, metal price, credit, interest rate, equity and liquidity risks. In order to manage these risks, the Group may enter into transactions that make use of financial instruments. The Group has developed a comprehensive risk management process to facilitate, control and monitor these risks. This process includes formal documentation of policies, including limits, controls and reporting structures.

Managing risk in the Group

The Executive Committee and the Board of directors are responsible for risk management activities within the Group. Overall limits have been set by the Board, while the Executive Committee is responsible for setting individual limits. In order to ensure adherence to these limits, activities are marked to market on a daily basis and reported to the Group Treasury. The Group Treasury is responsible for monitoring currency, interest rate and liquidity risk within the limits and constraints set by the Board. The marketing department is responsible for monitoring metal price risk, also within the limits and constraints set by the Board.

Currency risk

The carrying amount of the Group's foreign currency-denominated monetary assets and liabilities at 31 December is as follows:

	South African rand Rm	US dollar Rm	Other Rm	Total Rm
2016				
Financial assets				
Investments held by environmental trusts	**907**	**–**	**–**	**907**
Other financial assets	**3,251**	**120**	**–**	**3,371**
Trade and other receivables	**513**	**1,557**	**70**	**2,140**
Cash and cash equivalents	**740**	**4,626**	**91**	**5,457**
	5,411	**6,303**	**161**	**11,875**
Financial liabilities				
Non-current interest-bearing borrowings	**(9,398)**	**–**	**–**	**(9,398)**
Obligations due under finance leases	**(96)**	**–**	**–**	**(96)**
Current interest-bearing borrowings	**(3,231)**	**(36)**	**–**	**(3,267)**
Obligations due under finance leases within one year	**(15)**	**–**	**–**	**(15)**
Trade and other payables	**(4,114)**	**(6,074)**	**(53)**	**(10,241)**
Other financial liabilities	**(783)**	**(3)**	**–**	**(786)**
	(17,637)	**(6,113)**	**(53)**	**(23,803)**
2015				
Financial assets				
Investments held by environmental trusts	882	–	–	882
Other financial assets	1,004	19	–	1,023
Trade and other receivables	431	1,202	128	1,761
Cash and cash equivalents	639	972	61	1,672
	2,956	2,193	189	5,338
Financial liabilities				
Non-current interest-bearing borrowings	(12,124)	–	–	(12,124)
Obligations due under finance leases	(94)	–	–	(94)
Current interest-bearing borrowings	(2,209)	–	–	(2,209)
Obligations due under finance leases within one year	(14)	–	–	(14)
Trade and other payables	(4,069)	(2,686)	(63)	(6,818)
Other financial liabilities	–	(2)	–	(2)
	(18,510)	(2,688)	(63)	(21,261)

40. FINANCIAL INSTRUMENTS continued

Foreign currency sensitivity

The US dollar is the primary foreign currency to which the Group is exposed. The following table indicates the Group's sensitivity at year end to the indicated movements in the US dollar on financial instruments:

	US dollar	
	Rm 10% increase	Rm 10% decrease
2016		
(Loss)/profit	**(58)**	**58**
Financial assets	**630**	**(630)**
Financial liabilities	**(688)**	**688**
2015		
(Loss)/profit	(82)	82
Financial assets	219	(219)
Financial liabilities	(301)	301

Forward foreign exchange contracts

The Group operates in the global business environment and many transactions are priced in a currency other than South African rand. Accordingly the Group is exposed to the risk of fluctuating exchange rates and manages this exposure, when appropriate, through the use of financial instruments. These instruments typically comprise forward exchange contracts and options. Forward contracts are the primary instruments used to manage currency risk. Forward contracts require a future purchase or sale of foreign currency at a specified price.

Current policy prevents the use of option contracts without Executive Committee approval. Options provide the Group with the right but not the obligation to purchase (or sell) foreign currency at a predetermined price, on or before a future date. No foreign currency options were entered into during the year.

Metal price risk

Metal price risk arises from the risk of an adverse effect on current or future earnings or uncertainty resulting from fluctuations in metal prices. The ability to place forward contracts is restricted owing to the limited size of the financial market in PGMs. Financial markets in certain base metals are, however, well established. At the recommendation of the Executive Committee, the Group may place contracts where opportunities present themselves to increase/reduce the exposure to metal price fluctuations. At times historically, the Group has made use of forward contracts to manage this exposure. Forward contracts enable the Group to obtain a predetermined price for delivery at a future date. No such contracts existed at year end.

The carrying amount of the Group's financial assets and liabilities at balance sheet date that are subject to metal price risk is as follows:

	Subject to metal price movements Rm	Not impacted by metal price movements Rm	Total Rm
2016			
Financial liabilities			
Trade and other payables	**(6,266)**	**(3,975)**	**(10,241)**
2015			
Financial liabilities			
Trade and other payables	(2,972)	(3,846)	(6,818)

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40. FINANCIAL INSTRUMENTS continued

Metal price sensitivity

The Group is exposed primarily to movements in platinum, palladium, rhodium and nickel prices. The following table indicates the Group's sensitivity at year end to the indicated movements in metal prices on financial instruments. The rates of sensitivity represent management's assessment of the possible change in metal price movements:

	2016		2015	
	Rm 10% increase	**Rm 10% decrease**	Rm 10% increase	Rm 10% decrease
Platinum				
(Loss)/profit	**(271)**	**271**	(136)	136
Financial liabilities	**(271)**	**271**	(136)	136
Palladium				
(Loss)/profit	**(108)**	**108**	(48)	48
Financial liabilities	**(108)**	**108**	(48)	48
Rhodium				
(Loss)/profit	**(31)**	**31**	(15)	15
Financial liabilities	**(31)**	**31**	(15)	15
Nickel				
(Loss)/profit	**(19)**	**19**	(8)	8
Financial liabilities	**(19)**	**19**	(8)	8

Interest rate risk

During the year, the Group was in a net borrowed position, while still maintaining some surplus cash on deposit. The size of the Group's position, be it either short cash or long cash, exposes it to interest rate risk. This risk is managed through the term structure utilised when placing deposits or taking out borrowings. Furthermore, when appropriate, the Group may also cover these exposures by means of derivative financial instruments subject to the approval of the Executive Committee. During the period, the Group did not use any forward rate agreements to manage this risk.

The carrying amount of the Group's financial assets and liabilities at 31 December that are subject to interest rate risk is as follows:

	Subject to interest rate movements		**Non-interest-bearing**	**Total**
	Fixed Rm	**Floating Rm**	**Rm**	**Rm**
2016				
Financial assets				
Investment held by environmental trusts	**–**	**–**	**907**	**907**
Other financial assets	**33**	**284**	**3,054**	**3,371**
Trade and other receivables	**–**	**–**	**2,140**	**2,140**
Cash and cash equivalents	**–**	**5,457**	**–**	**5,457**
	33	**5,741**	**6,101**	**11,875**
Financial liabilities				
Non-current interest-bearing borrowings	**–**	**(9,398)**	**–**	**(9,398)**
Obligations due under finance leases	**(96)**	**–**	**–**	**(96)**
Current interest-bearing borrowings	**–**	**(3,267)**	**–**	**(3,267)**
Obligations due under finance leases within one year	**(15)**			**(15)**
Trade and other payables	**–**	**–**	**(10,241)**	**(10,241)**
Other current financial liabilities	**–**	**–**	**(786)**	**(786)**
	(111)	**(12,665)**	**(11,027)**	**(23,803)**

40. FINANCIAL INSTRUMENTS continued

Interest rate risk continued

The carrying amount of the Group's financial assets and liabilities at 31 December that are subject to interest rate risk is as follows:

	Subject to interest rate movements		Non-interest-bearing	Total
	Fixed Rm	Floating Rm	Rm	Rm
2015				
FINANCIAL ASSETS				
Investments held by environmental trusts	–	–	882	882
Other financial assets	–	179	844	1,023
Trade and other receivables	–	–	1,761	1,761
Cash and cash equivalents	–	1,672	–	1,672
	–	1,851	3,487	5,338
FINANCIAL LIABILITIES				
Non-current interest-bearing borrowings	–	(12,124)	–	(12,124)
Obligations due under finance leases	(94)	–	–	(94)
Current interest-bearing borrowings	–	(2,209)	–	(2,209)
Obligations due under finance leases within one year	(14)	–	–	(14)
Trade and other payables	–	–	(6,818)	(6,818)
Other current financial liabilities	–	–	(2)	(2)
	(108)	(14,333)	(6,820)	(21,261)

Interest rate sensitivity

The Group is sensitive to the movements in the ZAR and US dollar interest rates which are the primary interest rates to which the Group is exposed. If the ZAR interest rate decreased by 50 basis points (2015: 50 basis points) and the USD interest rate decreased by 50 basis points (2015: 50 basis points) at year end, then income for the year would have increased by R49 million (2015 increase: R67 million) and decreased by R23 million (2015 decrease: R5 million) respectively.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet a financial commitment in any location or currency. This risk is minimised through the holding of cash balances and sufficient available borrowing facilities (note 26). In addition, detailed cash flow forecasts are regularly prepared and reviewed by Group Treasury. The cash needs of the Group are managed according to its requirements.

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40. FINANCIAL INSTRUMENTS continued

Interest rate risk continued

Liquidity risk continued

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been compiled based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to repay the liability. The cash flows include both the principal and interest payments. The adjustment column includes the possible future cash flows attributable to the financial instruments which are not included in the carrying value of the financial liability at balance sheet date:

	Weighted average effective interest rate (%)	Less than 12 months Rm	One to two years Rm	Two to five years Rm	Greater than five years Rm	Adjustment* Rm	Total Rm
Non-derivative financial instruments							
2016							
Non-current interest-bearing borrowings	**8.80**	**–**	**(859)**	**(9,740)**	**(153)**	**1,354**	**(9,398)**
Obligations due under finance leases	**17.74**	**–**	**(18)**	**(60)**	**(249)**	**231**	**(96)**
Current interest-bearing borrowings	**8.80**	**(4,116)**	**–**	**–**	**–**	**849**	**(3,267)**
Obligations due under finance leases within one year	**17.74**	**(17)**	**–**	**–**	**–**	**2**	**(15)**
Trade and other payables	**n/a**	**(10,241)**	**–**	**–**	**–**	**–**	**(10,241)**
		(14,374)	**(877)**	**(9,800)**	**(402)**	**2,436**	**(23,017)**
2015							
Non-current interest-bearing borrowings	7.91	–	(10,006)	(2,986)	(208)	1,076	(12,124)
Obligations due under finance leases	17.74	–	(17)	(57)	(271)	251	(94)
Current interest-bearing borrowings	7.91	(3,219)	–	–	–	1,010	(2,209)
Obligations due under finance leases within one year	17.74	(16)	–	–	–	2	(14)
Trade and other payables	n/a	(6,818)	–	–	–	–	(6,818)
		(10,053)	(10,023)	(3,043)	(479)	2,339	(21,259)
Derivative financial instruments							
2016							
Other current financial liabilities	**n/a**	**(3)**	**–**	**–**	**–**	**–**	**(3)**
2015							
Other current financial liabilities	n/a	(2)	–	–	–	–	(2)

** Represents unearned finance charges.*

40. FINANCIAL INSTRUMENTS continued

Credit risk

Potential concentrations of credit risk consist primarily of short-term cash investments and accounts receivable. Credit risk arises from the risk that a counterparty may default or not meet its obligations timeously. The Group minimises credit risk by ensuring that counterparties are banking institutions of the highest quality, that appropriate credit limits are in place for each counterparty and that short-term cash investments are spread among a number of different counterparties. Banking counterparty limits are reviewed annually by the Board.

Trade accounts receivable involve primarily a small group of international companies. Therefore, a significant portion of the Group's revenue and accounts receivable are from these major customers. The financial condition of these companies and the countries they operate in are reviewed annually by the Executive Committee.

The carrying amount of the financial assets represents the Group's maximum exposure to credit risk without taking into consideration any collateral provided:

	Maximum credit risk	
	2016 Rm	2015 Rm
Financial assets and other credit exposures		
Investments held by environmental trusts	**907**	882
Other financial assets	**3,371**	1,023
Trade and other receivables	**2,140**	1,761
Cash and cash equivalents	**5,457**	1,672
	11,875	5,338

In addition, the Group has provided facilities/guarantees to certain third parties. Refer to note 39 for details.

The Group has the following amounts due from major customers:

	2016			2015		
	Number of customers	**Value Rm**	**Percentage**	Number of customers	Value Rm	Percentage
Greater than R200 million	**2**	**726**	**48**	2	597	45
Greater than R100 million but less than R200 million	**3**	**370**	**25**	2	267	20
Less than R100 million	**55**	**413**	**27**	51	470	35
	60	**1 509**	**100**	55	1,334	100

Market equity risk

The Group has equity price risk on certain assets and liabilities. These financial instruments are held for strategic purposes and are managed on this basis.

	2016 Rm	2015 Rm
Financial assets		
Investment held by environmental trusts	**907**	882
Other financial assets	**1,042**	703
	1,949	1,585

Equity price sensitivity

The Group is sensitive to the movements in equity prices on certain listed shares on the JSE. If the equity prices had been 10% higher at year end, then income for the year would have increased by R32 million (2015: R35 million) and other comprehensive income would have increased by R96 million (2015: R68 million). If the equity prices had been 10% lower at year end, then income for the year would have decreased by R2 million (2015: R2 million) and other comprehensive income would have decreased by R96 million (2015: R68 million).

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41. ANALYSIS OF SHAREHOLDERS

An analysis of the share register at year end showed the following:

Ordinary shares

	2016		2015	
	Number of shareholders	**Percentage of issued capital**	Number of shareholders	Percentage of issued capital
Size of shareholding				
1 – 1,000	**11,280**	**0.59**	11,726	0.65
1,001 – 10,000	**1,096**	**1.31**	1,102	1.26
10,001 – 100,000	**322**	**3.84**	289	3.39
100,001 – 1,000,000	**86**	**9.00**	83	9.67
1,000,001 – and over	**7**	**85.25**	6	85.03
	12,791	**100.00**	13,206	100.00
Category of shareholder				
Companies	**195**	**77.79**	206	77.95
Individuals	**10,176**	**1.01**	10,599	1.12
Pension and provident funds	**316**	**5.42**	257	5.79
Insurance companies	**65**	**0.63**	44	0.48
Bank, nominee and finance companies	**348**	**8.75**	266	8.26
Trust funds and investment companies	**1,449**	**6.18**	1,558	6.14
Other corporate bodies	**242**	**0.21**	276	0.26
	12,791	**100.00**	13,206	100.00
Shareholder spread				
Public shareholders	**12,786**	**22.31**	13,201	22.23
Non-public shareholders				
– directors and associates	**4**	**–***	4	–*
– persons interested, directly or indirectly, in 10% or more	**1**	**77.69**	1	77.77
	12,791	**100.00**	13,206	100.00

Major shareholder

According to the Company's share register at year end, the following shareholders held shares equal to or in excess of 5% of the issued ordinary share capital of the Company:

	Number of shares	**Percentage**	Number of shares	Percentage
Anglo South Africa Capital Proprietary Limited	**208,417,151**	77.69	208,417,151	77.77

Geographical analysis of shareholders

Resident shareholders held 243,350,601 shares (90.71%) (2015: 244,578,429; 91.27%) and non-resident shareholders held 24,922,398 shares (9.29%) (2015: 23,402,614; 8.73%) of the Company's issued ordinary share capital of 268,272,999 shares at 31 December 2016 (2015: 267,981,043).

The treasury shares of 1,408,887 (2015: 1,700,843) held in terms of the Bonus Share Plan and other schemes, have been excluded from the shareholder analysis. The shareholder details above include the shares issued by the Company in respect of the community economic empowerment transaction.

** Less than 0.01%.*

42. CHANGES IN ACCOUNTING ESTIMATES

Change in estimate of quantities of inventory

During the current year, the Group changed its estimate of the quantities of inventory based on the outcome of a physical count of in-process metals. The Group runs a theoretical metal inventory system based on inputs, the results of previous counts and outputs. Due to the nature of in-process inventories being contained in weirs, pipes and other vessels, physical counts only take place once per annum, except in the Precious Metal Refinery, where the physical count is usually conducted every three years. The Precious Metals Refinery physical count was conducted by exception again in 2016.

This change in estimate has had the effect of increasing the value of inventory disclosed in the financial statements by R618 million (2015 (restated): increase of R2,125 million). This results in the recognition of an after-tax gain of R445 million (2015 (restated): after-tax gain of R1,530 million).

43. ANNOUNCEMENT OF DISPOSAL TRANSACTIONS

Equity investments in Pandora

Amplats entered into a conditional Sale and Purchase Agreement (SPA) on 10 November 2016 with Eastern Platinum Limited, a wholly owned subsidiary of Lonmin plc (Lonmin) to sell its 42.5% interest in the Pandora Joint Venture (Pandora). The consideration for this interest will comprise a deferred cash payment of 20% of the distributable free cash flows generated by Pandora over six years, with minimum amount of R400 million; and a rental agreement for the use and full operational control of Lonmin's Baobab concentrator for a three-year period.

Following the signing of the binding sales agreement, the investment in associate was assessed separately for impairment. As such, the recoverable value of Pandora is calculated as the fair value of the estimated proceeds less transaction costs, and amounts to R192 million – resulting in an impairment of R153 million. It excludes any economic value generated from the Baobab rental agreement which will be recognised for accounting purposes at the time when the benefit is received. The recoverable amount comprises a Level 3 fair value in terms of the fair value hierarchy (as defined in note 40). The fair value of the deferred consideration payable by Eastern Platinum Limited was determined based on the projected cash flows for Pandora's E3 operations on a mine-to-ore basis. The relevant amounts were discounted at the cost of borrowing of Lonmin plc.

Since the transaction remains subject to DMR approval in terms of section 11, the investment has not been reclassified as held for sale.

Amandelbult reserves

On 11 November 2016 Amplats announced the disposal of mineral resources within the Amandelbult mining right (the Resource), and surface properties above and adjacent to the Resource, to Northam Platinum Limited (Northam) for a consideration comprising R1.0 billion in cash (the Proceeds) and an ancillary mineral resource within Northam's Zondereinde mining right that borders Amandelbult's mining right and which provides the Company with flexibility for the placement of future mining infrastructure.

The Resource is long-dated and outside of Amplats' long-term life-of-mine plans and therefore does not impact any current or future mining plans. The transaction does not constrain the Company's next generation options for the Amandelbult mine, which has a number of shallow and less capital intensive life extension options. The surface properties forming part of the transaction will enable Northam to access the Resource.

No impairment was recognised as the carrying value of the Resource is nil. The transaction remains subject to DMR approval under section 102.

44. IMPAIRMENT OF ASSETS AND INVESTMENTS

Equity investments in Atlatsa and Bokoni Holdco and associated loans

Amplats has a 22.76% shareholding in Atlatsa as well as a 49% shareholding in Bokoni Holdco (which is equity accounted as an associate). The Group, together with Atlatsa, has completed a technical review of the Bokoni Platinum Mine to develop a new optimised mine plan. Following the closure of Vertical and UM2 shafts and reducing headcount by a third, Bokoni is implementing this new optimised mine plan.

In light of the difficult market conditions and negative cash flows incurred by Bokoni Platinum Mine, Amplats impaired its equity interests in Atlatsa and Bokoni Holdco in 2015. A further impairment of R130 million arose in 2016 with respect to the investment in Bokoni owing to the capitalisation of funding. These write-offs are included in basic earnings but excluded from headline earnings, in terms of SAICA circular 2/2015.

Atlatsa's ability to service its debt obligations in the context of the current market conditions, where Bokoni Platinum Mine is its main source of funding, is doubtful at current PGM price levels. In 2015 Amplats, therefore, for accounting purposes impaired the various loans extended to Atlatsa and Atlatsa Holdings to the value of R1,792 million. A further impairment of R111 million was recognised in this regard during 2016. The impairment losses arising from these loan write-offs are included in basic and headline earnings.

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45. SCRAPPING OF ASSETS

During 2016 one of Amplats' furnaces suffered a leak of molten furnace matte from the Waterval furnace hearth. A preliminary assessment of the damage to the furnace has shown that a rebuild of the furnace should be brought forward, as the most prudent means of mitigating future potential operational risks.

The capital expenditure for the rebuild will be capitalised. The net book value of the affected assets scrapped was R7 million. The proceeds from the insurance policy (cost incurred by Amplats less deductible) will be recognised as insurance income when received.

A claim for the rebuild has been submitted to the insurers. The insurance policy covers asset and business interruption including machinery breakdown. It insures property against all risks of physical loss, destruction, damage and electrical or machinery breakdown and against losses resulting from interruption with the business because of an insured property damage event and against extra expenses. The claim limit is USD1.5 billion.

46. UNKI PLATINUM MINE INDIGENISATION PLAN

Following approval of its indigenisation plan by the government of Zimbabwe, Amplats signed a Heads of Agreement with the government of Zimbabwe in November 2012 that set out the key terms of the approved indigenisation plan for the Company's Unki Mine investment. The plan has not yet been implemented.

In early April 2016, President Mugabe issued a press statement which sought to clarify the government of Zimbabwe's position on the indigenisation and economic empowerment policy. In terms of the statement, existing mining companies such as Unki, would achieve compliance with the indigenisation requirements through ensuring that at least 75% of gross sales proceeds are spent and retained in Zimbabwe. The statement concluded by stating that President Mugabe had directed that the indigenisation legislation be amended to comply with this latest position. Amendments to the Indigenisation Act are yet to be made.

Stakeholders will be kept informed of any material developments in this regard.

47. INTEREST IN AN UNCONSOLIDATED STRUCTURED ENTITY

Amplats shareholders approved a broad-based community economic empowerment transaction involving certain Amplats' host communities on 14 December 2011. In terms of this transaction, Amplats established a trust (Lefa La Rona Trust) through which certain mine host communities will hold a participation interest. Amplats subsequently issued 6,290,365 Amplats ordinary shares on 14 December 2011 to the Lefa La Rona Trust. These shares have been issued subject to a notional vendor finance (NVF) mechanism. The transaction was valued at R3.5 billion at the effective date and equated to a 2.33% ownership interest in Amplats at the date of announcement.

The substance of the transaction has been assessed and, based on the results of this assessment, management has concluded that the Group does not control the Trust as it is not exposed nor has any rights to the variable returns of the Trust. Consequently this Trust has not been consolidated into the financial results of the Group at balance sheet date.

48. BROAD-BASED ECONOMIC EMPOWERMENT (BEE) TRANSACTION

A group subsidiary, Atomatic, holds a Chrome Processing Plant adjacent to the Amandelbult Mine. As part of Amplats' commitment to transformation, Atomatic has issued 26% of its own shares to a BEE partner, Baphalane Siyanda Chrome Company Proprietary Limited (BSCC) which was primarily funded by way of cumulative, non-convertible and redeemable preference shares by the Amplats group.
For accounting purposes, the shares issued by Atomatic have been treated as an option over its own equity, which resulted in a once-off share-based BEE expense of R156 million on initial recognition of the transaction. The option was effectively granted in 2014 when the transaction was substantively agreed to by all parties as there were no conditions which would have resulted in the deal subsequently being cancelled. The transaction however vested in 2016 when the plant was commissioned and transferred to Atomatic. The fair value was determined based on a discounted cash flow of the business at grant date using a risk adjusted discount rate.

49. DISPOSAL OF RUSTENBURG MINE

On 9 September 2015, Amplats entered into a sale and purchase agreement (SPA) with Sibanye Rustenburg Platinum Mines Proprietary Limited (a subsidiary of Sibanye Gold Limited) (Sibanye) for the disposal of Rustenburg Mine.

Amplats considers its mining, smelting and refining operations as a single cash-generating unit. Following the announcement of the signing of the SPA with Sibanye in 2015, the assets attributable to Rustenburg Mine were assessed separately within the cash-generating unit for impairment. As such, the recoverable value of Rustenburg Mine was calculated as the fair value of the estimated proceeds less transaction costs, and amounted to R2,798 million. It excluded any economic value generated from the future purchase of concentrate and toll treatment arrangements which will be recognised for accounting purposes at the time when the benefit is received. The recoverable amount comprised a Level 3 fair value in terms of the fair value hierarchy (as defined in note 40). The fair value of the deferred consideration payable by Sibanye, and negative free cash flow funding payable by Amplats were determined based on the projected cash flows for Rustenburg Mine. The relevant amounts were discounted at the cost of borrowing of Sibanye and Amplats respectively.

The net carrying value of Rustenburg Mine at 1 September 2015 was R7,274 million. The excess of the carrying value above the recoverable amount gave rise to an impairment in 2015 of R6,216 million (R4,476 million net of tax). The entire impairment was attributable to property, plant and equipment. A resulting impairment loss was recognised in the statement of comprehensive income and was separately presented. This impairment loss was included in basic earnings but excluded from headline earnings.

49. DISPOSAL OF RUSTENBURG MINE continued

Rustenburg Mine was sold as a going concern for an upfront cash consideration of R1,500 million and deferred consideration amounting to 35% of the business's distributable free cash flow for six to eight years subject to a minimum of R3,000 million. These proceeds will be offset by funding to be provided by Amplats in the event of the business having a negative free cash flow between the closing of the transaction and 31 December 2018. This funding is limited to R267 million per annum and is pro-rated. Taking into account the most recent cash flow estimates for the business, the estimated fair value of the total consideration amounts to R2,033 million. This excludes any economic value generated from the future purchase of concentrate and toll treatment arrangements which will be recognised for accounting purposes at the time when the benefit is received. A conditional section 11 approval was received on 2 August 2016 and Rustenburg Mine was reclassified as held for sale at that stage. The final section 11 was granted during the course of October 2016.

Effective 1 November 2016, Amplats disposed of its Rustenburg Mine.

	2016 Rm
Consideration (including purchase price adjustments)	
Consideration received in cash	1,551
Purchase of concentrate adjustment	(2,933)
Deferred sales proceeds (discounted)*	676
Total consideration	(706)
Analysis of assets and liabilities over which control was lost	
Non-current assets	
Property, plant and equipment	1,397
Capital work in progress	1,011
Environmental trust funds	281
Current assets	
Trade and other receivables	46
Inventories	80
Other assets	13
Cash and cash equivalents**	–
Non-current liabilities	
Provision for decommissioning and restoration costs	(736)
Deferred tax	–
Current liabilities	
Trade and other payables	(677)
Provisions	(635)
Net assets disposed of	780
Loss on disposal of Rustenburg Mine	
Consideration	(706)
Net assets disposed of	(780)
Transaction costs directly attributable to disposal	(195)
Loss on disposal before taxation effects	(1,681)
Effects of taxation on consideration and release of unredeemed capex	762
	(919)
The loss on disposal is included in profit for the year.	
Net cash inflow on disposal of Rustenburg Mine	
Consideration received in cash	1,551
Transaction costs	(195)
Less: Cash and cash equivalents disposed of**	–
	1,356
Purchase of concentrate payments related to concentrate transferred	(1,418)

* *Deferred consideration consists of the amounts payable to and due from Sibanye as part of the sales consideration. The amounts have been grouped as a single item as they all relate to a single sales agreement and adjustment to the purchase price.*

** *Less than R500,000.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2016

50. POST-BALANCE SHEET EVENTS

There are no post balance sheet events other than disclosed below.

Sale of Union Mine

As part of the Group's divesture initiatives, a binding sale and purchase agreement with Siyanda Resources (Siyanda) was signed on 14 February 2017 for the Group's interest in Union Mine, which sets out the following key commercial terms:

- Initial purchase price of R400 million
- Deferred consideration of 35% of net cumulative positive free cash flow for 10 years (with an early settlement option)
- Purchase of concentrate agreement for seven years with a toll arrangement from year eight onwards.

As a result of definitive agreements being signed, Union Mine will be considered separate from the Amplats single cash-generating unit as of this date and will accordingly be separately assessed for impairment.

51. EXCHANGE RATES TO THE SOUTH AFRICAN RAND

	2016	2015
Year-end rates		
US dollar	**13.7289**	15.4672
British pound	**16.8931**	22.8910
Average rates for the year		
US dollar	**14.6989**	12.7798
British pound	**19.9215**	19.5345

52. ADJUSTMENTS TO PRIOR PERIODS

Inventory error

The following errors were detected in respect of inventory:

- A non-systemic error in the unit cost calculation to determine the value of work in progress and finished goods metal inventory. This arose mainly in the current year owing to the preparatory work in separating Rustenburg Mine. The balance, which was restated back to 2014, related to the effect of the purchase of concentrate arrangement with Union Mine that has a 15% non-controlling interest.
- An error in the determination of net realisable value. All stock is valued at the lowest of Cost or net realisable value. The net realisable value equates to the market value at month end. When determining the net realisable value for the work in progress stock, the market value should have been reduced with the outstanding down stream cost. I.e. the net realisable value for stock in the Smelter should be reduced with the applicable Rustenburg Base Metals Refinery and Precious Metals Refinery unit costs. This has been corrected going back to 2011.
- Certain consolidation adjustments, which have been corrected going back to 2011.

For the year ended December 2015 the adjustment comprised 2% of the inventory balance and for June 2016 it comprised 6%.

Translation error

During the year it was found that Unki dollar depreciation was being incorrectly translated at the historic exchange rate, rather the average exchange rate. The incorrect depreciation resulted from the SAP accounting system being configured with an incorrect rule during Unki's system implementation in 2011.

52. ADJUSTMENTS TO PRIOR PERIODS continued

Joint venture elimination error

Amplats is party to a pooling and sharing arrangement (PSA) with Sibanye Platinum (previously Aquarius Platinum) – referred to as the Kroondal PSA. The interest is accounted for as a joint operation and proportionately consolidated. In performing a review of intercompany balances, a receivable balance brought forward from prior years had not completely eliminated.

The above errors were adjusted through a restatement of: opening balances at 1 January 2015, for the cumulative effect of prior periods, and earnings for the year ended 31 December 2015.

Effect on 30 June interim results

The above errors had an impact on the 30 June 2016 published interim results. Accordingly the effect to the impact has been disclosed below.

Effect per error	**June 2016***	December 2015	December 2014 and prior periods effect
Inventory impact on earnings before tax	**1 084**	85	(351)
Royalties	**1**	16	1
Tax effects	**(308)**	(21)	84
Non-controlling interest	**–**	(3)	–
Total inventory impact on earnings	**777**	77	(266)
Total depreciation impact on earnings	**(108)**	(141)	(159)
Kroondal impact on earnings before tax	**(93)**	(235)	(589)
Tax effects	**26**	66	165
Total Kroondal impact on earnings	**(67)**	(169)	(424)
Total impact of errors on retained earnings	**602**	(233)	(849)
Cumulative adjustment to retained earnings	**(480)**	(1 082)	(849)

** The June 2016 financial information has been reviewed but not audited by the external auditors.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2016

52. ADJUSTMENTS TO PRIOR PERIODS continued

The following is the effect of the adjustments on the respective prior periods:

Full effect of errors		As previously reported* 30 June 2016 Rm	Adjustment Rm	Restated* 30 June 2016 Rm
IMPACT ON STATEMENT OF COMPREHENSIVE INCOME				
Cost of sales		(27,948)	977	(26,971)
Gross profit on metal sales		2,707	977	3,684
Other net expenditure		(213)	(93)	(306)
Operating profit/(loss)		2,162	884	3,046
Profit before taxation		1,380	884	2,264
Taxation		(459)	(282)	(741)
Profit/(loss) for the year		921	602	1,523
Total comprehensive income for the year		833	710	1,543
Profit attributable to:				
Owners of the Company		938	602	1,540
Non-controlling interests		(17)	–	(17)
Total comprehensive income attributable to:				
Owners of the Company		850	710	1,560
Non-controlling interests		(17)	–	(17)
Headline earnings		1,044	603	1,647
Earnings per ordinary share (cents)				
– Basic		358	231	589
– Diluted		357	230	587
STATEMENT OF FINANCIAL POSITION				
Current assets		24,576	(99)	24,477
Inventories		16,314	818	17,132
Trade and other receivables		2,235	(917)	1,318
Share capital and reserves		40,783	(69)	40,714
Foreign currency translation reserve		2,293	408	2,701
Retained earnings		15,981	(480)	15,501
Non-controlling interests		(452)	3	(449)
Non-current liabilities		21,694	(200)	21,494
Deferred taxation		8,153	(200)	7,953
Current liabilities		14,251	170	14,421
Other liabilities		2,591	(18)	2,573
Taxation		29	188	217
RATIO ANALYSIS				
Gross profit margin	%	8.8	3.2	12.0
Operating profit as a % of average operating assets	%	7.3	3.1	10.4
EBITDA	R million	4,326	992	5,318
Return on average shareholders equity	%	9.4	(1.8)	7.6
Return on average capital employed	%	8.5	(2.5)	6.0
Return on average attributable capital employed	%	8.7	3.6	12.3
Current ratio	%	1.7:1	–	1.7:1
Debt:Equity ratio	%	1:2.7	–	1:2.7
Interest cover – EBITDA	times	5.9	1.3	7.2
Debt cover ratio	times	0.4	–	0.4
Net debt to capital employed	%	19.6	–	19.6
Interest-bearing debt to shareholders equity	%	37.3	0.1	37.4
Net asset value as a % of market capitalisation	%	41.2	(0.1)	41.1
Effective tax rate	%	33.3	0.1	33.4
SHARE PERFORMANCE				
Headline earnings/(loss) per ordinary share (cents)		399	230	629
Net asset value per ordinary share		152	–	152

** The June 2016 financial information has been reviewed but not audited by the external auditors.*

 # R50 million tax balance, reclassified to current assets, resulting in a restated current assets balance of R20,715 million.

As previously reported 31 December 2015 Rm	Adjustment Rm	Restated 31 December 2015 Rm	As previously reported 1 January 2015 Rm	Adjustment Rm	Restated 1 January 2015 Rm
(54,544)	(40)	(54,584)			
5,271	(40)	5,231			
(279)	(235)	(514)			
(6,050)	(275)	(6,325)			
(14,139)	(275)	(14,414)			
1,934	45	1,979			
(12,205)	(230)	(12,435)			
(10,615)	(89)	(10,704)			
(12,125)	(233)	(12,358)			
(80)	3	(77)			
(10,535)	(92)	(10,627)			
(80)	3	(77)			
107	(233)	(126)			
(4,638)	(90)	(4,728)			
(4,625)	(89)	(4,714)			
21,755	(1,090)	20,665#	23,313	(940)	22,373
16,571	(266)	16,305	17,451	(351)	17,100
2,585	(824)	1,761	3,220	(589)	2,631
40,023	(779)	39,244	50,526	(690)	49,836
2,786	300	3,086	1,345	159	1,504
15,202	(1,082)	14,120	27,598	(849)	26,749
(411)	3	(408)	(210)	–	(210)
22,776	(212)	22,564	22,093	(246)	21,847
8,140	(212)	7,928	10,516	(246)	10,270
11,161	(99)	11,062	17,380	(4)	17,376
2,075	(17)	2,058	2,044	(1)	2,043
32	(82)	(50)#	1,296	(3)	1,293
8.8	(0.1)	8.7	4.8	(0.7)	4.1
(9.6)	(0.6)	(10.2)	1.3	(0.7)	0.6
(1,467)	(134)	(1,601)	5,658	(218)	5,440
(27.0)	(0.9)	(27.9)	0.7	(0.6)	0.1
(11.2)	(0.6)	(11.8)	1.2	(0.7)	0.5
(11.5)	(0.7)	(12.2)	1.3	(0.7)	0.6
1.9:1	–	1.9:1	1.3:1	–	1.3:1
1:2.8	(0.1)	1:2.7	1:3.2	–	1:3.2
(1.2)	(0.1)	(1.3)	5.3	(0.2)	5.1
0.8	–	0.8	0.5	–	0.5
24.2	0.3	24.5	22.4	0.3	22.7
36.1	0.7	36.8	31.3	0.4	31.7
80.1	(1.6)	78.5	54.9	(0.7)	54.2
(13.7)	–	(13.7)	18.1	(3.8)	14.3
41	(89)	(48)	–	–	–
149	(3)	146	189	(3)	186

ANNEXURES

for the year ended 31 December 2016

ANNEXURE A

Property, plant and equipment#

	31 December 2016 Cost Rm	31 December 2016 Accumulated depreciation Rm	31 December 2016 Carrying amount Rm	31 December 2015 Cost Rm	31 December 2015 Accumulated depreciation Rm	31 December 2015 Carrying amount Rm
Owned and leased assets						
Mining development and infrastructure	**28,803**	**8,828**	**19,974**	31,563	12,806	18,757
Plant and equipment*	**39,601**	**25,458**	**14,143**	47,672	31,761	15,911
Land and buildings	**6,045**	**2,120**	**3,925**	7,577	3,017	4,560
Motor vehicles	**1,101**	**920**	**181**	1,276	1,020	256
Furniture, fittings and equipment	**156**	**133**	**23**	184	161	23
	75,705	**37,460**	**38,246**	88,272	48,765	39,507
Decommissioning asset	**542**	**214**	**328**	696	334	362
Note 13	**76,247**	**37,674**	**38,574**	88,968	49,099	39,869

The carrying amount of property, plant and equipment can be reconciled as follows:

	Carrying amount at beginning of year Rm	Additions Rm	Reclassifi-cations/ transfers Rm	Impairments, disposals and scrapping Rm	Depreciation Rm	Foreign currency translation differences Rm	Carrying amount at end of year Rm
2016							
Owned and leased assets							
Mining development and infrastructure	**18,757**	**2,479**	**865**	**(315)**	**(1,459)**	**(352)**	**19,974**
Plant and equipment*	**15,911**	**2,277**	**(7)**	**(1,052)**	**(2,811)**	**(175)**	**14,143**
Land and buildings	**4,560**	**514**	**(857)**	**(105)**	**(236)**	**49**	**3,925**
Motor vehicles	**256**	**76**	**–**	**(37)**	**(111)**	**(3)**	**181**
Furniture, fittings and equipment	**23**	**5**	**(1)**	**–**	**(7)**	**2**	**23**
	39,507	**5,351**	**–**	**(1,509)**	**(4,624)**	**(479)**	**38,246**
Decommissioning asset	**362**	**27**	**–**	**(10)**	**(43)**	**(8)**	**328**
Note 13	**39,869**	**5,378**	**–**	**(1,519)**	**(4,667)**	**(487)**	**38,574**
2015							
Owned and leased assets							
Mining development and infrastructure	21,218	3,981	8	(5,630)	(1,638)	818	18,757
Plant and equipment	17,406	4,137	(21)	(2,971)	(3,107)	467	15,911
Land and buildings	4,814	526	13	(638)	(297)	142	4,560
Motor vehicles	380	138	1	(63)	(203)	3	256
Furniture, fittings and equipment	21	17	(1)	(8)	(9)	3	23
	43,839	8,799	–	(9,310)	(5,254)	1,433	39,507
Decommissioning asset	458	(15)	–	(73)	(27)	19	362
Note 13	44,297	8,784	–	(9,383)	(5,281)	1,452	39,869
					Note 5		

* *Included in plant and equipment is an energy recovery plant held by the Group under finance lease (refer note 26). The carrying amount of the plant at 31 December 2016 was R108 million (2015: R116 million).*

Prior year restated.

Useful lives of assets

Mining development and infrastructure	5 to 20 years
Plant and equipment	2 to 20 years
Buildings	10 to 20 years
Motor vehicles	4 to 5 years
Furniture, fittings and equipment	2 to 10 years
Decommissioning asset	30 years

ANNEXURE B

Equity compensation benefits

1. Anglo American Platinum Employee Share Appreciation Scheme (cash-settled)

	2016			2015		
	Directors	**Employees and others**	**Total**	Directors	Employees and others	Total
Outstanding at 1 January	**–**	**–**	**–**	8	67,813	67,821
Exercised during the year	**–**	**–**	**–**	(8)	(31,984)	(31,992)
Lapsed during the year	**–**		**–**	–	(35,829)	(35,829)
Outstanding at 31 December	**–**	**–**	**–**	–	–	–
Exercisable at end of year	**–**	**–**	**–**	–	–	–
Number of share options exercised	**–**	**–**	**–**	8	31,984	31,992
Allocation price per share (R)	**–**	**–**	**–**	211	211	211
Weighted average share price at date of exercise (R)	**–**	**–**	**–**	388	381	381

Terms of the options outstanding at 31 December

Expiry date	**Allocation price R**	**2016 Number**	2015 Number
31 December 2016	**–**	**–**	–
No awards were granted under this plan during the course of the year.			

2. Anglo American Platinum Employee Share Ownership Scheme (equity-settled)

	2016			2015		
	Directors	**Employees and others**	**Total**	Directors	Employees and others	Total
Outstanding at 1 January	**1,979**	**109,573**	**111,552**	1,979	109,999	111,978
Exercised during the year	**–**	**–**	**–**	–	–	–
Lapsed and forfeited during the year	**(1,979)**	**(109,573)**	**(111,552)**	–	(426)	(426)
Outstanding at 31 December	**–**	**–**	**–**	1,979	109,573	111,552
Exercisable at end of year	**–**	**–**	**–**	1,979	109,573	111,552
Number of share options exercised	**–**	**–**	**–**	–	–	–
Allocation price per share (R)	**–**	**–**	**–**	–	–	–
Weighted average share price at date of exercise (R)	**–**	**–**	**–**	–	–	–

Terms of the options outstanding at 31 December

Expiry date	**Allocation price R**	**2016 Number**	2015 Number
31 December 2016	454 – 763	**–**	111,552
No awards were granted under this plan during the year.			

ANNEXURES continued

for the year ended 31 December 2016

ANNEXURE B continued

Equity compensation benefits continued

3. Anglo American Platinum Long-term Incentive Plan (equity-settled)

	2016			2015		
	Directors	**Employees and others**	**Total**	Directors	Employees and others	Total
Outstanding at 1 January	**92,290**	**268,848**	**361,138**	85,319	201,765	287,084
Granted during the year	**49,852**	**69,892**	**119,744**	40,529	112,400	152,929
Exercised during the year	**(15,423)**	**(39,119)**	**(54,542)**	–	(18,189)	(18,189)
Conditional forfeiture during the year[1]	**(13,738)**	**(36,470)**	**(50,208)**	–	(17,702)	(17,702)
Reclassified	**–**	**–**	**–**	(33,558)	33,558	–
Lapsed	**–**	**(11,501)**	**(11,501)**	–	(42,984)	(42,984)
Outstanding at 31 December	**112,981**	**251,650**	**364,631**	92,290	268,848	361,138
Exercisable at end of year	**–**	**–**	**–**	–	–	–
Number of awards allocated during the year:	**49,852**	**69,892**	**119,744**	40,529	112,400	152,929
Expiry date	**2019**	**2019**	**2019**	2018	2018	2018
Allocation price per share (R)	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a

[1] *The performance criteria were partially met.*

Terms of the awards outstanding at 31 December

Vesting date	**2016 Number**	2015 Number
26 May 2016	**–**	116,251
16 April 2017	**91,958**	91,958
16 April 2018	**152,929**	152,929
13 April 2019	**119,744**	–
	364,631	361,138

Options are exercisable as follows:

100% – three years after allocation. 50% of the grant is subject to a total shareholders' return target and 50% of the grant is subject to an asset optimisation and supply chain target. From 2014, 50% of the grant is subject to the total shareholders' return target and 50% of the grant is subject to a return on capital employed target.

For purposes of IFRS 2, the grant price is discounted with the dividend yield and the proportion of shares that is expected to vest is based on management's expectation of achieving the asset optimisation and supply chain target and the return on capital employed target. The fair value of the market condition (total shareholders' return) is measured using a Monte Carlo simulation. Expected volatility is based on historic volatility of 71.86% on average for 2016 (2015: 40.17%). The weighted average fair value of long-term incentive plan rights granted during the year is R161.27 (2015: R204.88). A risk-free rate of 8.4% (2015: 6.8%) and a dividend yield of 0% (2015: 0%) was applied.

ANNEXURE B continued

Equity compensation benefits continued

4. Anglo American Platinum Long-term Incentive Plan – Non-conditional (equity-settled)

	2016			2015		
	Directors	**Employees and others**	**Total**	Directors	Employees and others	Total
Outstanding at 1 January	**–**	**219,948**	**219,948**	–	146,159	146,159
Granted during the year	**–**	**31,981**	**31,981**	–	119,835	119,835
Exercised during the year	**–**	**(80,864)**	**(80,864)**	–	(37,644)	(37,644)
Lapsed	**–**	**(5,177)**	**(5,177)**	–	(8,402)	(8,402)
Outstanding at 31 December	**–**	**165,888**	**165,888**	–	219,948	219,948
Exercisable at end of year	**–**	**–**	**–**	–	–	–
Number of awards allocated during the year:	**–**	**31,981**	**31,981**	–	119,835	119,835
Expiry date	**–**	**2019**	**2019**	–	2018	2018
Allocation price per share (R)	**–**	**n/a**	**n/a**	–	n/a	n/a

Terms of the awards outstanding at 31 December

Expiry date	**2016 Number**	2015 Number
26 May 2016	**–**	66,775
16 April 2017	**46,453**	53,320
16 April 2018	**88,068**	99,853
13 April 2019	**31,367**	–
	165,888	219,948

For purposes of IFRS 2, the grant price is discounted with the dividend yield.

5. Anglo American Platinum Bonus Share Plan (equity-settled)

	2016			2015		
	Directors	**Employees and others**	**Total**	Directors	Employees and others	Total
Outstanding at 1 January	**36,956**	**1,575,741**	**1,612,697**	35,740	1,500,616	1,536,356
Granted during the year	**19,044**	**373,925**	**392,969**	17,531	667,059	684,590
Released during the year	**(11,399)**	**(581,194)**	**(592,593)**	(2,577)	(533,279)	(535,856)
Lapsed	**–**	**(40,736)**	**(40,736)**	(13,738)	(58,655)	(72,393)
Outstanding at 31 December	**44,601**	**1,327,736**	**1,372,337**	36,956	1,575,741	1,612,697
Exercisable at end of year	**–**	**–**	**–**	–	–	–
Number of awards allocated during the year:	**19,044**	**373,925**	**392,969**	17,531	667,059	684,590
Expiry date	**2019**	**2019**	**2019**	2018	2018	2018
Allocation price per share (R)	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a

ANNEXURES continued

for the year ended 31 December 2016

ANNEXURE B continued

Equity compensation benefits continued

5. Anglo American Platinum Bonus Share Plan (equity-settled) continued

Terms of the awards outstanding at 31 December

Vesting date	2016 Number	2015 Number
26 May 2016	–	490,357
16 April 2017	465,848	526,838
16 April 2018	529,528	595,502
13 April 2019	376,961	–
	1,372,337	1,612,697

The Bonus Share Plan consists of a forfeitable award of Anglo American Platinum Limited shares based on the amount of the cash bonus received by an employee. The award will vest after three years, provided that the employee is still in the Group's employ.

For purposes of IFRS 2, the grant is valued at grant date using the grant date fair market value.

Due to the disposal of the Rustenburg Mine and good leaver status of the employees being transferred, the vesting period has been reduced to early 2017. Accordingly the share-based payment expense for these employees is being accelerated for the long-term incentive plan — non-conditional and the bonus share plan.

6. Unki Notional Bonus Share Plan (cash-settled)

	2016			2015		
	Directors	Employees and others	Total	Directors	Employees and others	Total
Outstanding at 1 January	–	106,010	106,010	–	87,136	87,136
Granted during the year	–	31,352	31,352	–	37,235	37,235
Exercised	–	(36,668)	(36,668)	–	(16,321)	(16,321)
Lapsed	–		–	–	(2,040)	(2,040)
Outstanding at 31 December	–	100,694	100,694	–	106,010	106,010
Exercisable at the end of the year	–	–	–	–	–	–
Number of awards allocated during the year:	–	31,352	31,352	–	37,235	37,235
Expiry date	–	2019	2019	–	2018	2018
Allocation price per share (R)	–	n/a	n/a	–	n/a	n/a

Terms of the options outstanding at 31 December

Vesting date	2016 Number	2015 Number
26 May 2016	–	36,071
16 April 2017	32,107	32,704
16 April 2018	37,235	37,235
13 April 2019	31,352	–
	100,694	106,010

The Unki Notional Bonus Share Plan consists of a forfeitable award of notional Anglo American Platinum Limited shares based on the amount of the cash bonus received by an employee. The award will vest after three years, provided that the employee is still in the Group's employ.

For purposes of IFRS 2, the grant is valued at grant date using the fair market value and subsequently revalued to its latest fair value.

ANNEXURE B continued

Equity compensation benefits continued

7. The Group Employee Share Participation Scheme (equity-settled)

Anglo American Platinum Limited (Amplats) decided to implement the Employee Share Participation Scheme, the Anglo Platinum Kotula ESOP (the Scheme) to incentivise its employees, and recognised that the Scheme will contribute to the alignment of shareholders' and employees' interests in respect of the value growth of the Company. Amplats is fully supportive of BEE as a strategic transformation objective and recognised the importance of the participation of its employees in its transformation initiatives. Amplats reached consensus with its recognised unions on the key terms and structure of the Scheme and the Scheme was approved at a combined general meeting of shareholders on 31 March 2008. The Scheme has empowered those Amplats employees who were not participating in any other Amplats share scheme to acquire approximately 1% of the issued ordinary share capital of the Company, subject to the provisions of the Kotula Trust (the Trust).

To facilitate the Scheme, Amplats established the Trust for an eight-year duration. The number of shares subscribed for by the Trust was in the proportion of 60% 'A' ordinary shares (loan shares) to 40% scheme ordinary shares (fully facilitated shares).The Company allotted 1,008,519 ordinary shares and 1,512,780 'A' ordinary shares to the Trust on 16 May 2008. The 'A' ordinary shares were created specifically to facilitate the implementation of the Scheme. The key terms of the 'A' ordinary shares are as follows:

- Amplats will have the right to repurchase and cancel all or some of the 'A' ordinary shares in accordance with the cancellation formula.
- The 'A' ordinary shares will not be listed but will be considered in determining a quorum and entitled to vote on any or all resolutions proposed at general/annual general meetings.
- The 'A' ordinary shares which are not repurchased and cancelled will be converted into ordinary shares.
- The 'A' ordinary shares will be entitled to receive an 'A' ordinary share dividend equal to one-sixth of the dividend per ordinary share declared by the Company from time to time and will rank pari passu with the ordinary dividends.

The beneficiaries of the Scheme are all permanent employees of any member of the Group who are not participating in any other share option or share incentive plan implemented by any member of the Group.

The Scheme is unitised. The Trust will allocate 10 million 'Kotula units' to participants annually based on an employee's employment status on 31 March every year. On each vesting date, the beneficiaries will become entitled to receive their distribution shares and will correspondingly realise that portion of their Kotula units that corresponds to the distribution shares distributed by the Trust. Vesting will occur on the fifth, sixth and seventh anniversaries of the subscription date.

The Trust will pay dividends (after making provision for Trust expenses and liabilities) to the beneficiaries in proportion to the Trust interest number of Kotula units accumulated, annually in November of each year.

	Free shares	Loan shares
Ordinary shares	1,008,519	
'A' ordinary shares		1,512,780
Fair value at grant date		
Free shares	R1,311.00	
Loan shares – tranche vesting in year five		R429.25
Loan shares – tranche vesting in year six		R415.52
Loan shares – tranche vesting in year seven		R408.58
IFRS 2 *Share-based payment charge*	R1,322,168,409	R632,014,271

The share-based payment charge was calculated using the Black-Scholes option-pricing model.

The following key assumptions were made:	
Risk-free interest rate	10.1%
Expected volatility	40.1%
Expected dividend yield	4.0%
Funding rate	9.5%
Vesting dates	May 2013, May 2014, May 2015

ANNEXURES continued

for the year ended 31 December 2016

ANNEXURE C

Investments in subsidiaries, joint arrangements and associates

	Nature of business	Number of shares held 2016	2015
Direct investments			
Anglo Platinum Development Limited	J	**–**	180,709,809
Anglo Platinum Management Services Proprietary Limited	J	**23,250**	23,250
Mogalakwena Platinum Limited	J	**129,762,372**	129,762,372
Rustenburg Platinum Mines Limited	A, B, C, D	**426,230**	426,230
Kaymin Resources Limited[10]	F	**1,000**	1,000
Indirect investments			
Africa Pipe Industries North Proprietary Limited	B, K	**510**	510
Anglo Platinum International S.a.r.l.[8]	E	**–**	–
Anglo Platinum International Brazil S.a.r.l.[8]	E	**–**	–
Anglo Platinum Marketing Limited[4]	I	**4,000,350**	4,000,350
Atomatic Trading Proprietary Limited	B, K	**74**	1
Blinkwater Farms 244 KR Proprietary Limited	C	**100**	100
Erabas B.V.[2]	E	**17 500**	17,500
Lexshell 688 Investments Proprietary Limited*	C	**578**	578
Masa Chrome Company Proprietary Limited*	D	**501**	501
Matthey Rustenburg Refiners Proprietary Limited	J	**1,360,000**	1,360,000
Micawber 146 Proprietary Limited	J	**1**	1
Norsand Holdings Proprietary Limited	C	**9**	9
PGI SA[1]	I	**100**	100
PGI KK[3]	I	**40,000**	40,000
PGI (Shanghai) Co. Limited[9]	I	**100**	100
PGI (United Kingdom) Limited[4]	I	**2**	2
PGI (United States of America) Jewelry Inc.[7]	I	**100**	100
PGI (Hong Kong)[6]	I	**100**	100
PGM Investment Company Proprietary Limited	F	**100**	100
Platinum Guild India PVT Limited[5]	I	**10,005**	10,005
Platmed Properties Proprietary Limited	C	**100**	100
Platmed Proprietary Limited	H	**100**	100
Precious Metal Refiners Proprietary Limited	J	**1,000**	1,000
RA Gilbert Proprietary Limited	H	**100**	100
Rustenburg Base Metal Refiners Proprietary Limited	J	**1,000**	1,000
Whiskey Creek Management Services Proprietary Limited	G	**1,000**	1,000

** Indicates a shareholding of less than 100%.*

Joint operations	
Kroondal Platinum Mine (Note 17)	A
Modikwa Platinum Mine (Note 17)	A
Mototolo Platinum Mine (Note 17)	A
Micawber 469 Proprietary Limited#	J
Modikwa Mining Personnel Services Proprietary Limited#	G
Modikwa Platinum Mine Proprietary Limited#	C
Mototolo Holdings Proprietary Limited#	C

 # Refer to note 17 for details as to why these entities are assessed as joint operations.

Carrying amount		Holding company current account	
2016 Rm	2015 Rm	**2016 Rm**	2015 Rm
–	–	**–**	–
1,214	1,214	**(1,255)**	(1,255)
598	598	**–**	–
14,302	15,316	**50,284**	43,025
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
16,114	17,128	**49,029**	41,770

	Nature of business
Associates	
Atlatsa Resources Corporation (Note 16)[10]	A, C
Bafokeng Rasimone Platinum Mine (Note 16)	A
Bokoni Platinum Holdings Proprietary Limited (Note 16)	E
Johnson Matthey Fuel Cells Limited[4] (Note 16)	F
Lexshell 49 General Trading Proprietary Limited	A, C
Pandora (Note 16)	A
Sheba's Ridge Proprietary Limited	A, C
Hydrogenious Technologies GmbH (Note 16)[11]	K

Nature of business

A – Mining
B – Treatment and refining
C – Minerals and surface rights holding
D – Metals trading
E – Intermediate holding
F – Investment
G – Management/service
H – Medical facilities
I – Marketing
J – Dormant
K – Other

All companies are incorporated in the Republic of South Africa except where otherwise indicated.
[1] Incorporated in Switzerland
[2] Incorporated in the Netherlands
[3] Incorporated in Japan
[4] Incorporated in the United Kingdom
[5] Incorporated in India
[6] Incorporated in Hong Kong
[7] Incorporated in the United States of America
[8] Incorporated in Luxembourg
[9] Incorporated in China
[10] Incorporated in Canada
[11] Incorporated in Germany

ANNEXURES continued

for the year ended 31 December 2016

ANNEXURE D
PRINCIPAL ACCOUNTING POLICIES

1. Consolidation

The consolidated financial statements include the results and financial position of Anglo American Platinum Limited, its subsidiaries, joint ventures and associates. Subsidiaries are entities in respect of which the Group has power over and is exposed, or has rights, to variable returns from its involvement with these entities and has the ability to affect those returns through its power over those entities. The results of any subsidiaries acquired or disposed of during the year are included from the date control was acquired and up to the date control ceased to exist. Total comprehensive income of the subsidiary is attributed to owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a negative balance.

All intragroup transactions and balances are eliminated on consolidation. Unrealised profits that arise between Group entities are also eliminated.

All changes in the parent's ownership interests that do not result in the loss of control are accounted for within equity. The carrying amount of the Group's interest and the interest of the non-controlling shareholders is adjusted to reflect the changes in their relative interests in the subsidiary. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid/received are recognised directly in equity.

When an entity loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary at their carrying amounts at the date when control is lost and also derecognises the carrying amount of any non-controlling interests in the former subsidiary at that date. It also recognises the fair value of any consideration received on the loss of control and recognises any of the investment retained in the former subsidiary at its fair value at the date when control is lost. Any resulting differences are reflected as a gain or loss in profit or loss attributable to the Group.

Common control transactions are business combinations between entities which are ultimately controlled by Amplats. The Group applies the predecessor accounting method when accounting for common control transactions, whereby the assets and liabilities of the combining entities are not adjusted to fair value but are rather transferred at their carrying amounts at the date of the transaction. Any difference between the consideration paid/transferred and the net asset value 'acquired' is recognised in retained earnings. No new goodwill will be recognised as a result of the common control transaction. The statement of financial position and income statement will be adjusted from the date of the transaction.

2. Investment in associates and joint ventures

An associate is an entity over which the Group exercises significant influence but which it does not control, through participation in the financial and operating policy decisions of the investee.

A joint venture is a joint arrangement whereby the parties that have joint control over the strategic, financial and operating decisions with one or more other venturers under a contractual agreement, have rights to the net assets of the joint arrangement.

These investments are accounted for using the equity method, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

The carrying amount of the investment in an associate or joint venture in the statement of financial position represents the cost of the investment, including goodwill arising on acquisition, the Group's share of post-acquisition retained earnings and any other movements in reserves as well as any long-term debt interests which in substance form part of the Group's net investment in the associate or joint venture. Where the Group's share of losses in the associates or joint venture is in excess of its interest in that associate or joint venture, these losses are not recognised unless the Group has an obligation to fund such losses. The total carrying amount of the associate or joint venture is reviewed for impairment when there is objective evidence that the asset is impaired. If an impairment is identified, it is recorded in the period in which the circumstances arose.

When a Group entity transacts with its associates or joint venture, any profits or losses arising on the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of the interests in the associate or joint venture that are not related to the Group.

When the Group loses significant influence over an associate or joint venture, it recognises the fair value of any consideration received on the loss of significant influence and recognises any of the investment retained in the former associate or joint venture at its fair value at the date when significant influence is lost. Any resulting differences are reflected as a gain or loss in profit or loss attributable to the Group.

3. Investments in joint operations

A joint operation is a joint arrangement in which the Group holds a long-term interest and shares joint control over the strategic, financial and operating decisions with one or more other venturers under a contractual agreement and has rights to the assets, and obligations for the liabilities, of the arrangement. The Group's interest in joint operations, except when the investment is classified as held for sale and treated in accordance with IFRS 5, is accounted for as mentioned on the following pages.

Under this method, the Group recognises its share of the joint operations' individual income and expenses, assets and liabilities in the relevant components of its financial statements on a line-by-line basis. The Group accounts for the assets, liabilities, revenue and expenditure relating to its interests in the joint operation in terms IFRS.

When a Group entity transacts with its joint operation, any profits or losses arising on the transactions with the joint operation are recognised in the Group's consolidated financial statements only to the extent of the interests in joint operation that are not related to the Group.

When the Group loses joint control over a joint operation, it derecognises its share of the assets and liabilities of the joint operation at their carrying amounts at the date when joint control is lost. It also recognises the fair value of any consideration received on the loss of joint control and recognises any of the investment retained in the former joint operation at its fair value at the date when joint control is lost. Any resulting differences are reflected as a gain or loss in profit or loss attributable to the Group.

4. Property, plant and equipment

Mining

Mine development and infrastructure costs are capitalised to capital work in progress and transferred to mining property, plant and equipment when the mining venture reaches commercial production.

Capitalised mine development and infrastructure costs include expenditure incurred to develop new mining operations and to expand the capacity of the mine. Costs include interest capitalised during the construction period where qualifying expenditure is financed by borrowings and the discounted amount of future decommissioning costs. Items of mine property, plant and equipment, excluding capitalised mine development and infrastructure costs, are depreciated on a straight-line basis over their expected useful lives. Capitalised mine development and infrastructure costs are depreciated on a unit-of-production basis. Depreciation is first charged on mining assets from the date on which they are available for use.

Items of property, plant and equipment that are withdrawn from use, or have no reasonable prospect of being recovered through use or sale, are regularly identified and written off. Residual values and useful economic lives are reviewed at least annually, and adjusted if and where appropriate.

Revenue derived during the project phase is recognised in the statement of comprehensive income and an appropriate amount of development costs is charged against it.

With respect to open-pit operations, waste removal costs that are incurred in the open-pit operations during the production phase of these mines, which provide improved access to the ore, are recognised as stripping assets in non-current assets in either property, plant and equipment or capital work in progress. The costs of normal ongoing operational stripping activities are expensed as incurred or accrued. The stripping asset is depreciated on a unit-of-production basis over the life of the orebody to which it improves access.

Non-mining

Non-mining assets are measured at historical cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the useful lives of these assets.

Residual values and useful economic lives are reviewed at least annually, and adjusted if and where appropriate.

Impairment

An impairment review of property, plant and equipment is carried out when there is an indication that these may be impaired by comparing the carrying amount thereof to its recoverable amount. The Group's operations as a whole constitute the smallest cash-generating unit. The recoverable amount thereof is the higher of: the Group's market capitalisation, adjusted for the carrying amounts of financial assets and investments in associates that are tested for impairment separately; and the value in use of the Group determined with reference to a discounted cash flow valuation. In performing the discounted cash flow valuation, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the Group for which estimates of future cash flows have not been adjusted. Specific asset impairment results from the disposal of assets within the Group due to definitive sales agreements which result in the assets being able to be carved out of the Group's operations. Individual assets may also be impaired by way of scrapping which only arises when a very specific indicator event occurs which results in the individual asset no longer being able to be used as intended by management.

Where the recoverable amount is less than the carrying amount, the impairment charge is included in other net expenditure in order to reduce the carrying amount of property, plant and equipment to its recoverable amount. The adjusted carrying amount is depreciated on a straight-line basis over the remaining useful life of property, plant and equipment.

5. Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if the carrying amount of these assets will be recovered principally through a sale transaction rather than through continued use. This condition will only be regarded as met if the sale transaction is highly probable and the asset (or disposal group) is available for sale in its present condition. Furthermore, for the sale to be highly probable management must be committed to the plan to sell the asset (or disposal group) and the transaction should be expected to qualify for recognition as a completed sale within 12 months from date of classification.

Non-current assets (or disposal groups) held for sale are measured at the lower of their previous carrying amounts and their fair value less costs to sell.

ANNEXURES continued

for the year ended 31 December 2016

ANNEXURE D continued

PRINCIPAL ACCOUNTING POLICIES continued

6. Leases

A finance lease transfers substantially all the risks and rewards of ownership of an asset to the Group.

Assets subject to finance leases are capitalised as property, plant and equipment at the lower of the present value of minimum lease payments or the fair value of the leased asset at inception of the lease, with the related lease obligation recognised at the same amount. Capitalised leased assets are depreciated over their estimated useful lives.

Finance lease payments are allocated between finance costs and the capital repayments, using the effective interest method.

Minimum lease payments on operating leases are charged against operating profit on a straight-line basis over the lease term.

7. Investments

Investments in subsidiaries are measured at cost.

8. Inventories

Own refined metals

Metal inventories are measured at the lower of cost, on the weighted average basis, or net realisable value. The cost per ounce or tonne is determined as follows:

- Platinum, palladium, rhodium and nickel from own mine production are treated as joint products and are measured by dividing the mine output into total mine production cost, determined on a 12-month rolling average basis, less net revenue from sales of other metals, in the ratio of the contribution of these metals to gross sales revenue. Concentrate purchased from third parties is measured based on costs determined on a 12-month rolling average basis.
- Gold, copper and cobalt sulphate are measured at net realisable value.
- Iridium and ruthenium are measured at a nominal value of R1 per ounce.

Third-party refined metals

Third-party metals that are acquired in a fully refined state are considered to be trading inventories, which are measured at fair value less costs to sell. Fair value gains or losses are recognised in profit or loss.

Work in progress

Work in progress is valued at the average cost of production or purchase less net revenue from sales of other metals. Production cost is allocated to joint products in the same way as is the case for refined metals. Work in progress includes purchased and produced concentrate.

Stores and materials

Stores and materials consist of consumable stores and are valued at cost on the first-in first-out (FIFO) basis. Obsolete and redundant items are written off to operating costs.

Chrome inventory

Chrome inventory is valued at the lower of cost or net realisable value. Unit cost is calculated by determining the average cost of production for a 12-month period and then dividing by the average production for the corresponding period.

9. Revenue recognition

- Revenue from the sale of metals and intermediary products is recognised when the risk and rewards of ownership are transferred to the buyer, and measured at the fair value of the consideration received. Gross sales revenue represents the invoiced amounts excluding value-added tax.
- Dividends are recognised when the right to receive payment is established.
- Interest is recognised on a time proportion basis, which takes into account the effective yield on the asset over the period it is expected to be held.

10. Dividends declared

The liability for dividends and related taxation thereon is raised only when the dividend is declared.

11. Provisions

A provision is recognised when there is a legal or constructive obligation as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

12. Taxation

The charge for current tax is based on the profit before tax for the year, as adjusted for items which are exempt or disallowed. It is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Current and deferred tax is recognised in profit or loss, except when it relates to items credited or charged directly to other comprehensive income or to equity, in which case the taxation effect is also recognised in other comprehensive income or equity respectively.

Deferred tax assets and liabilities are measured using tax rates that are expected to apply to the period when the asset is realised and the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences or assessed or calculated losses can be utilised. However, such assets or liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or an asset or liability in a transaction (other than in a business combination) that affects neither the taxable income nor the accounting profit.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

13. Research and exploration cost

Research expenditure is written off when incurred. Exploration expenditure is written off when incurred, except when it is probable that a mining asset will be developed for commercial production as a result of the exploration work. In such cases, the capitalised exploration expenditure is depreciated on a unit-of-production basis over the expected useful life of the constructed mining asset.

Capitalisation of exploration expenditure ceases when the project is discontinued. Any previously capitalised costs are expensed.

14. Metal trading activities

Leasing

When metal is leased in accordance with the trading activities of the Group, a liability is recognised for the return of metal. This liability comprises a provision and is measured at the fair value of the physical metal to be delivered to the counterparty. Fair value gains and losses arising on the remeasurement of the liability are included in profit or loss. Upon the sale of such leased metal, cost of sales is initially recognised at the fair value of the metal on the leased in date. Upon settlement of the lease with own metal, a gain arises which is partly attributed to cost of sales in order to normalise the margin on the sale of that metal, with the remainder being recognised in profit or loss as a realisation of trading gains or losses. Lease costs are included in profit or loss.

Borrowing

When metal is borrowed in accordance with the trading activities of the Group, the substance of the transaction is that of a financing arrangement giving rise to an interest-bearing financial asset. This financial asset is classified as a loan and receivable and measured at amortised cost. Resultant interest is included in profit or loss. Upon sale of borrowed metal, a liability is recognised for the return of metal. This liability comprises a provision and is measured at the fair value of the physical metal to be delivered to the counterparty to the borrowing. The cost of sales for the sale of borrowed metal amounts to the fair value of the metal on the date of sale. Fair value gains and losses arising on the remeasurement of the liability are included in profit or loss. Upon settlement of the borrowing with own metal, a gain arises which is partly attributed to cost of sales in order to normalise the margin on the sale of that borrowed metal, with the remainder being recognised in profit or loss as a realisation of trading gains or losses.

Lending

When excess metal is lent to third parties in accordance with the trading activities of the Group, the substance of the transaction is that of a financing arrangement giving rise to an interest-bearing financial liability. This financial liability is measured at amortised cost. Resultant interest is included in profit or loss.

Other

Other trading strategies include the use of derivative instruments, which are measured at fair value through profit or loss in line with the accounting policy for financial instruments set out below.

15. Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity. The Group's financial instruments consist primarily of the following financial assets: non-current receivables, cash and cash equivalents, trade and other receivables; other current and non-current financial assets; and the following financial liabilities: borrowings, trade and other payables, current and non-current financial liabilities and certain derivative instruments.

Fair value

Where financial instruments are recognised at fair value, the instruments are measured at the amount for which an asset could be sold, or an amount paid to transfer a liability, in an orderly transaction in the principal or most advantageous market, at the measurement date under current market conditions regardless of whether this price is directly observable or estimated using a valuation technique. Fair values have been determined as follows:

- Where market prices are available, these have been used.
- Where there are no market prices available, fair values have been determined using valuation techniques incorporating observable market inputs or discounting expected cash flows at market rates.

The fair value of the trade and other receivables, cash and cash equivalents, and trade and other payables approximates their carrying amount due to the short maturity period of these instruments.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or expense over the period of the instrument.

Effectively, this method determines the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or, if appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

Financial assets

The Group classifies financial assets into the following categories:

- At fair value through profit or loss (FVTPL).
- Loans and receivables.
- Held to maturity (HTM).
- Available for sale (AFS).

The classification of the financial assets is dependent on the purpose and characteristics of the particular financial assets and is determined at the date of initial recognition. Management reassesses the classification of financial assets on a biannual basis.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL when the asset is either held for trading or is a derivative that does not satisfy the criteria for hedge accounting or is designated at FVTPL.

A financial asset is designated at FVTPL on initial recognition if this designation provides more useful information because:

- it eliminates or significantly reduces a measurement or recognition inconsistency (ie an accounting mismatch); or
- the financial asset is part of a group of financial assets, financial liabilities or both, that is managed and its performance evaluated on a fair value basis in accordance with a documented risk/investment management strategy, and information regarding this grouping is reported internally to key management on this basis.

In addition, if a contract contains one or more embedded derivatives, the entire contract can be designated at FVTPL.

Financial assets at FVTPL are recognised at fair value. Any subsequent gains or losses are recognised in profit or loss.

Financial assets classified as held for trading comprise foreign forward exchange contracts and commodity derivatives which are not designated as hedges in terms of IAS 39 *Financial Instruments: Recognition and Measurement.*

Loans and receivables

Financial assets that are non-derivative with fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'.

ANNEXURES continued

for the year ended 31 December 2016

ANNEXURE D continued

PRINCIPAL ACCOUNTING POLICIES continued

15. Financial instruments continued

Loans and receivables are measured at amortised cost using the effective interest method. Any subsequent impairment is included in the determination of other net income/expenditure.

Loans, trade and other receivables, receivables arising from borrowing metal in the course of trading activities and cash and cash equivalents with short-term maturities have been classified as 'loans and receivables'. Loans and receivables are considered as current if their maturity is within a year, otherwise they are reflected in non-current assets.

Held to maturity (HTM)

The Group held no HTM instruments during the period or at year end.

Available for sale (AFS)

Other non-derivative financial assets are classified as AFS which are initially recognised at fair value. Any subsequent gains or losses are recognised directly in other comprehensive income, unless there is objective evidence and the fair value has declined below cost less accumulated impairments. On disposal or impairment of the financial asset, all cumulative unrecognised gains or losses, which were previously reflected in equity, are included in profit or loss for the period.

Impairments

Financial assets that are not held for trading or designated at FVTPL, are assessed for objective evidence of impairment at the reporting date (eg evidence that the Group will not be able to collect all the amounts due according to the original terms of the receivable). If such evidence exists, the impairment for financial assets at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of these financial assets, with the exception of trade receivables, is reduced by the impairment. Trade receivables are reduced through an allowance account, with movements in the allowance account included in the determination of net income/expenditure.

Classification between debt and equity

Debt and equity instruments are classified according to the substance of the contractual arrangements entered into.

Equity instruments

An equity instrument represents a contract that evidences a residual interest in the net assets of an entity. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the liability is either incurred for trading or is a derivative that does not satisfy the criteria for hedge accounting or is designated at FVTPL.

A financial liability is designated at FVTPL on initial recognition if this designation provides more useful information because:

- it eliminates or significantly reduces a measurement or recognition inconsistency (ie an accounting mismatch); or
- the financial liability forms part of a group of financial assets, financial liabilities or both, that is managed and its performance evaluated on a fair value basis in accordance with a documented risk/investment management strategy, and information regarding this grouping is reported internally to key management on this basis.

In addition, if a contract contains one or more embedded derivatives, the entire contract can be designated at FVTPL.

Financial liabilities at FVTPL are recognised at fair value. Any subsequent gains or losses are recognised in profit or loss.

Financial liabilities which have been designated at FVTPL consist of trade creditors due in respect of purchase of concentrate. The reason for this designation is that these liabilities due to the third parties are based on concentrate purchased from them which is mostly priced three months into the future. The pricing is thus dependent on commodity and exchange rate movements in the interim period. Consequently, the liability is initially reflected at fair value. This liability is then remeasured on a monthly basis based on the movement in the forward curves of commodity prices and exchange rates. Any gains/losses on the remeasurements are reflected in cost of sales.

Financial liabilities which are regarded as held for trading comprise foreign forward exchange contracts and commodity derivatives which have not been designated as hedges in terms of IAS 39 *Financial Instruments: Recognition and Measurement*.

Other financial liabilities

Other financial liabilities are recorded initially at the fair value of the consideration received, which is cost net of any issue costs associated with the borrowing. These liabilities are subsequently measured at amortised cost, using the effective interest method. Amortised cost is calculated taking into account any issue costs and any discount or premium on settlement.

Borrowings, obligations under finance leases trade and other payables and payables arising from lending metal in the course of trading activities have been classified as other financial liabilities.

Loan commitments

Loan commitments provided at below market interest rates are measured at initial recognition at their fair values and if not designated at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation in terms of the contract as determined in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; or
- the amount initially recognised less the cumulative amortisation recognised in accordance with IAS 18 *Revenue*.

Derivative instruments

In the ordinary course of its operations, the Group is exposed to fluctuations in metal prices, volatility of exchange rates and changes in interest rates. From time to time portions of these exposures are managed through the use of derivative financial instruments. Derivatives are initially measured at cost.

All derivatives are subsequently marked-to-market at financial reporting dates and any changes in their fair values are included in other net income/expenditure in the period to which they relate.

Commodity contracts that are entered into and continue to meet the Group's expected purchase, sale or usage requirements, which were designated for that purpose at their inception and are expected to be settled by delivery, are recognised in the financial statements when they are delivered into, and are not marked-to-market.

Commodity contracts that are included in the Group's trading activities fall within the scope of IAS 39 are recognised and measured at fair value.

Gains and losses arising on all other contracts not spanning a reporting interval are recognised and included in the determination of other net income/expenditure at the time that the contract expires.

Cash flow hedges

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss for the period. If the cash flow hedge of a firm commitment or a forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the related gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. If an effective hedge of a forecasted transaction subsequently results in the recognition of a financial asset or liability, the related gains or losses recognised in equity are recycled in profit or loss for the period in the same period when the hedged item affects earnings for the period.

A hedge of the foreign currency risk of a firm commitment is designated and accounted for as a cash flow hedge.

When a hedge expires, is sold, or no longer meets the criteria for hedge accounting, any cumulative gains or losses in equity at that time remain in equity until the forecasted transaction occurs, at which time it is recognised in profit or loss. When the forecasted transaction is no longer expected to occur, the cumulative gains or losses reflected in equity are immediately transferred to the profit or loss for the period.

Fair value hedges

Changes in the fair value of derivative financial instruments that are designated and qualify as fair value hedges, together with any changes in the fair value of the hedged assets or liability that are attributable to the hedged risk, are recognised immediately in profit or loss for the period.

Embedded derivatives

Derivatives embedded in other financial instruments or host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of their host contracts and the host contracts themselves are not carried at fair value with unrealised gains or losses reported in the profit or loss for the period.

16. Foreign currencies

The South African rand is the functional currency of all the operations of the Group, except Unki Platinum Mine which has a US dollar functional currency.

Foreign currency transactions are recorded at the spot rate of exchange on the transaction date. At the end of the period, monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange ruling at the reporting date. Non-monetary assets and liabilities carried at fair value are translated at the rate of exchange ruling at the date of determining the fair value. Non-monetary items that are denominated in foreign currencies and measured at historical cost are not retranslated. Foreign exchange differences arising on monetary items are reflected in profit or loss except in limited circumstances.

The financial position of the Group's foreign operations is translated into rand, using the exchange rate ruling at the end of the reporting period. Income and expenses are translated at the average exchange rates for the period. If the exchange rates fluctuate significantly, then the items are translated at the exchange rates ruling at the date of the transaction. All resulting exchange differences on the Group's foreign operations are recognised in other comprehensive income.

17. Environmental rehabilitation provisions

Estimated long-term environmental obligations, comprising pollution control, rehabilitation and mine closure, are based on the Group's environmental management plans in compliance with current technology, environmental and regulatory requirements.

ANNEXURES continued

for the year ended 31 December 2016

ANNEXURE D continued

PRINCIPAL ACCOUNTING POLICIES continued

17. Environmental rehabilitation provisions continued

Decommissioning costs

When the asset reaches commercial production an estimate is made of future decommissioning costs. The discounted amount of estimated decommissioning costs that embody future economic benefits is capitalised as a decommissioning asset and concomitant provisions are raised. These estimates are reviewed annually and discounted using a pre-tax risk-free rate that reflects current market assessments of the time value of money. The increase in decommissioning provisions, due to the passage of time, is charged to interest paid. All other changes in the carrying amount of the provision subsequent to initial recognition are included in the determination of the carrying amount of the decommissioning asset. Decommissioning assets are amortised on a straight-line basis over the lesser of 30 years or the expected benefit period.

Restoration costs

Changes in the discounted amount of estimated restoration costs are charged to profit or loss during the period in which such changes occur. Estimated restoration costs are reviewed annually and discounted using a pre-tax risk-free rate that reflects current market assessments of the time value of money. The increase in restoration provisions, owing to the passage of time, is charged to interest paid. All other changes in the carrying amount of the provision subsequent to initial recognition are included in profit or loss for the period in which they occur.

Ongoing rehabilitation costs

Expenditure on ongoing rehabilitation costs is recognised as an expense when incurred.

Platinum Producers' Environmental Trust

The Platinum Producers' Environmental Trust was created to fund the estimated cost of pollution control, rehabilitation and mine closure at the end of the lives of the Group's mines. The Group funds its environmental obligations through a combination of funding the Platinum Producers' Environmental Trust and providing guarantees to the Department of Mineral Resources. Contributions are determined on the basis of the estimated environmental obligation over the life of a mine. Contributions made are reflected in non-current investments held by the Platinum Producers' Environmental Trust if the investments are not short term. If the investments are short term and highly liquid, the amounts are reflected as cash and cash equivalents, but the restrictions are disclosed.

18. Borrowing costs

Borrowing costs are charged to interest paid.

When borrowings are utilised to fund qualifying capital expenditure, such borrowing costs are capitalised in the period in which the capital expenditure and related borrowing costs are incurred.

19. Employee benefits

Short-term employee benefits

Remuneration paid to employees in respect of services rendered during a reporting period is recognised as an expense in that reporting period. Accruals are made for accumulated leave and are measured at the amount that the Group expects to pay when the leave is used.

Termination benefits

Termination benefits are charged against income when the Group is demonstrably committed to terminating the employment of an employee or group of employees before their normal retirement date.

Post-employment benefits

Defined contribution plans

Retirement, provident and pension funds

Contributions to defined contribution plans in respect of services rendered during a reporting period are recognised as an expense in that period.

Defined benefit plans

Post-retirement medical aid liability

The post-retirement medical aid liability is recognised as an expense systematically over the periods during which services are rendered using the projected unit credit method. Independent actuarial valuations are conducted annually.

Remeasurements, comprising actuarial gains and losses arising as a result of experience adjustments and/or the effects of changes in actuarial assumptions, the effect of changes to the asset ceiling and the return on plan assets (excluding interest) are recognised immediately in other comprehensive income when they occur. Any increase in the present value of plan liabilities expected to arise from employee service during the period is charged to operating profit. Net interest is determined by applying the discount rate at the beginning of the year to the net defined liability or asset.

Past-service cost is recognised immediately in profit or loss in the period to the extent that benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised at the reporting date represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets.

20. Share-based payments

The Group issues equity-settled and cash-settled share-based instruments to certain employees. Equity-settled share-based payments are measured at the fair value of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on management's estimate of shares that are expected to eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the services or goods received is recognised initially at fair value. This is then remeasured at each reporting period until the liability is settled, with the resulting gain or loss in fair value being recognised in profit or loss for the period. Fair value is measured using the binomial option-pricing model. The fair values used in the model have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Equity-settled share-based payments transactions with parties other than employees are measured at the fair value of the goods or services rendered. If the fair value of the goods or services cannot be reliably measured, it is then based on the fair value of the equity instruments issued to the third party at the relevant date.

21. Black economic empowerment (BEE) transactions

When the Group disposes of a portion of its subsidiary/operation to a BEE company at a discount, this is treated as a share-based payment in accordance with the principles of SAICA's financial reporting guide 2. The IFRS 2 charge is calculated as the difference between the fair value of the asset disposed of and the proceeds received. This charge is included in the determination of profit and loss on the disposal.

22. Treasury shares

The carrying value of the Company's shares held by the Group Employee Share Participation Scheme (the Kotula Trust) and the Company's subsidiaries in respect of the Group's share option schemes are reflected as treasury shares and shown as a reduction in shareholders' equity.

The cost of purchasing shares to settle the Group's obligation in respect of equity-settled share schemes is deducted from equity when the shares vest.

23. Guarantees

A financial guarantee contract requires the issuer to re-imburse the holder for a loss it incurs by the debtor failing to make payments when due in accordance with the agreed terms of the debt instrument.

On a transaction-by-transaction basis Amplats assesses whether such guarantees will be treated as financial instruments or as insurance contracts.

Where such a guarantee is explicitly stated as being an insurance contract by the Group, the guarantee is only recognised and disclosed to the extent that such contract will need to be honoured.

24. Comparative figures

The comparative figures are reclassified or restated as necessary to afford a proper and more meaningful comparison of results as set out in the affected notes to the financial statements.

To the extent that restatements occur, the statement of financial position includes a third comparative period and the previous comparative period of the statements of comprehensive income, financial position, cash flow and changes in equity are readjusted accordingly. A note is included in the financial statements which explains the nature of the restatement as well as actions taken and an analysis comparing restated information to previously reported information, that were directly restated.

Certain additional disclosure has been provided in respect of the current year. To the extent practicable, comparative information has also been provided.

ANNEXURES continued

for the year ended 31 December 2016

ANNEXURE E
REMUNERATION TO KEY MANAGEMENT

Service contracts of executive directors and prescribed officers

To reflect their responsibilities appropriately, all executive directors and prescribed officers have contracts with Anglo American Platinum or its subsidiaries. The contracts are indefinite and include notice periods of 12 months for the chief executive officer and six months for the finance director and prescribed officers. Executive directors and prescribed officers are subject to a restraint-of-trade period of six months from their date of termination. These contracts are regularly reviewed to ensure they remain aligned with best governance and legislative requirements.

Increase in non-executive director fees

In line with not granting increases to executive directors and prescribed officers, there was no adjustment to non-executive director fees for 2016 but an adjustment is envisaged for 2017. Please refer to special resolution 1 in the notice of AGM, detailing non-executive directors' fees.

Executive directors and prescribed officers

The remuneration of executive directors and prescribed officers in 2016 is detailed below:

Names	Base salary[1] R	Benefits[2] (retirement and medical aid) R	Cash incentive[3] R	BSP shares awarded[4] R	LTIP[5] R	Other[6] R	Total emoluments R
Executive directors							
Current	**13,937,263**	**2,308,666**	**8,383,693**	**10,609,053**	**2,372,287**	**1,003,068**	**38,614,030**
CI Griffith[6]	7,937,263	1,415,986	4,450,720	6,676,080	2,372,287	1,003,068	23,855,404
I Botha	6,000,000	892,680	3,932,973	3,932,973	–	–	14,758,626
Prescribed officers							
Current	**30,371,989**	**4,747,204**	**14,885,960**	**21,999,724**	**4,963,798**	**–**	**76,968,675**
AR Hinkly[7]	6,935,330	995,606	4,094,315	5,732,041[8]	–	–	17,757,292
DW Pelser	4,189,511	673,922	2,081,386	2,913,940	983,978	–	10,842,737
GL Smith	3,858,276	600,744	1,927,209	2,698,093	983,978	–	10,068,300
I Pillay	3,639,888	602,328	1,939,330	2,715,062	928,067	–	9,824,675
LN Mogaki	3,858,276	614,424	1,670,248	2,338,347	983,978	–	9,465,273
S Macheli-Mkhabela	3,639,888	582,648	1,333,290	1,866,606	–	–	7,422,432
VP Pillay[9]	4,250,820	677,532	1,840,182	3,735,635	1,083,797	–	11,587,966
Former	**2,999,096**	**484,848**	**1,298,309**	**1,817,633**	**1,926,891**	**–**	**8,526,777**
J Ndlovu[10]	2,999,096	484,848	1,298,309	1,817,633	1,146,974	–	7,746,860
PJ Louw[11]	–	–			779,917	–	779,917
Grand total	**47,308,348**	**7,540,718**	**24,567,962**	**34,426,410**	**9,262,976**	**1,003,068**	**124,109,482**

Base salary includes cash and travel allowance, while benefits include retirement and medical aid contributions.

[1] *Base salary includes cash and travel allowance.*
[2] *Benefits include retirement and medical aid contributions.*
[3] *Based on 2016 performance year and paid in 2017.*
[4] *Based on 2016 performance year and awarded in 2017.*
[5] *LTIPs granted in 2014, vesting in 2017, achieve 33.23%, with performance period ended in 2016 calculated at the company's volume weighted average share price for the last three months of 2016.*
[6] *Cash awards include a value for personal use of a company asset by CI Griffith and he pays fringe benefit tax on the use of the asset in accordance with the requirement of the South African Revenue Service.*
[7] *AR Hinkly will be awarded Anglo American plc BSP shares.*
[8] *South African currency reflected contains a GBP component converted to ZAR at monthly exchange rates.*
[9] *Includes replacement awards for benefits lost on resignation from previous employer.*
[10] *J Ndlovu was transferred to Anglo American Coal with effect from 1 September 2016.*
[11] *PJ Louw left on 31 December 2015.*

The remuneration of executive directors and prescribed officers in 2015 is detailed below:

Names	Base salary R	Benefits (retirement and medical aid) R	Cash incentive[1] R	BSP shares awarded[2] R	Other R	LTIP[3] R	Total emoluments R
Executive directors							
Current							
CI Griffith[8]	7,915,900	1,406,084	3,326,150	4,989,225	986,993[4]	5,702,274	24,326,626
I Botha (appointed 1 May 2015)	4,000,000	593,600	2,592,000	2,592,000	304,172	–	10,081,772
Former							
B Nqwababa (resigned 28 February 2015)	801,912	124,518	–	–		–	926,430
Prescribed officers							
Current							
J Ndlovu	4,498,644	718,992	2,051,383	2,871,936	–	2,875,677	13,016,632
VP Pillay	4,250,820	670,694	1,938,376	3,807,481[5]	–	2,717,311	13,384,682
AR Hinkly[8]	6,865,491	1,725,782	2,397,260	3,356,164[7]	–	3,128,714	17,473,411
LN Mogaki	3,858,276	608,419	1,539,453	2,155,234	–	–	8,161,382
DW Pelser	3,858,276	602,298	1,539,453	2,155,234	–	2,466,237	10,621,498
GL Smith	3,858,276	596,179	1,649,413	2,309,179	–	–	8,413,047
S Macheli-Mkhabela	3,639,888	576,643	1,348,577	1,888,008	–	–	7,453,116
I Pillay	3,639,888	588,243	1,348,577	1,888,008	–	–	7,464,716
Former							
PJ Louw (left service on 31 December 2015)	4,586,856	754,387	–	–	12,970,639[6]	2,931,956	21,243,838
MJ Morifi (resigned 31 December 2013)	–	–	–	–	–	661,168	661,168
Total	51,774,227	8,965,839	19,730,642	28,012,469	14,261,804	20,483,337	143,228,318

Base salary includes cash and travel allowance, while benefits include retirement and medical aid contributions.

[1] *Based on 2015 performance year and paid in 2016.*
[2] *Based on 2015 performance year and awarded in 2016.*
[3] *LTIPs granted in 2013, vesting in 2016, with a vesting percentage of 89.65%, and performance period ended in 2015 calculated at the company's volume weighted average share price for the last three months of 2015.*
[4] *Cash awards include a value for personal use of a company-owned vehicle by CI Griffith during his tenure as CEO of Kumba Iron Ore. This arrangement was continued on his appointment at Amplats. Accordingly, the asset was transferred to Amplats and Mr Griffith pays fringe benefit tax on its use in line with the requirement of the South African Revenue Service.*
[5] *Includes a replacement award for benefits lost on resignation from previous employer.*
[6] *PJ Louw received a termination payment in terms of a mutual separation agreement.*
[7] *AR Hinkly will be awarded Anglo American plc BSP shares.*
[8] *South African currency reflected contains a GBP component to ZAR at monthly exchange rates.*

ANNEXURES continued

for the year ended 31 December 2016

ANNEXURE E continued

REMUNERATION TO KEY MANAGEMENT continued

Market value of beneficial held and BSP as percentage of base salary as at 31 December 2016

Names	Base salary R	Market value of shares, beneficially held and bonus as % of base salary	Beneficially held	Bonus shares	Total	Market value of the shares[2] R
Executive directors						
CI Griffith	8,272,876[1]	144	6,969	38,090	45,059	11,914,050
I Botha (appointed 1 May 2015)	6,000,000	29	–	6,511	6,511	1,721,574
Prescribed officers						
AR Hinkly	6,865,005[1,3]	25	–	6,435	6,435	1,701,478
D Pelser	3,858,276	233	16,013	17,936	33,949	8,976,455
G L Smith	3,858,276	138	4,447	15,686	20,133	5,323,367
J Ndlovu	4,498,644	143	2,310	21,936	24,246	6,410,885
S Mkhabela	3,639,888	59	200	7,889	8,089	2,138,812
L Mogaki	3,858,276	102	–	14,894	14,894	3,938,123
VP Pillay	4,250,820	121	31	19,350	19,381	5,124,530
I Pillay	3,639,888	99	–	13,593	13,593	3,594,125
			29,970	162,320	192,290	

[1] Includes GBP portion converted at R16.8931 at 31 December 2016.
[2] Price used of R264.41 per share – closing price on 30 December 2016.
[3] Includes car allowance as per new arrangements.

Market value of performance-conditional shareholding as percentage of base salary as at 31 December 2016

Names	Base salary R	Market value of shares with performance conditions as % of base salary	LTIPs conditional	Total	Market value of the shares[2] R
Executive directors					
CI Griffith	8,272,876[1]	301	94,201	94,201	24,907,686
I Botha (appointed 1 May 2015)	6,000,000	83	18,780	18,780	4,965,620
Prescribed officers					
AR Hinkly	6,865,005[1,3]	–	–	–	–
D Pelser	3,858,276	228	33,279	33,279	8,799,300
PJ Louw[4]	4,586,856	157	27,159	27,159	7,181,111
G L Smith	3,858,276	223	32,506	32,506	8,594,911
J Ndlovu	4,498,644	223	37,900	37,900	10,021,139
S Mkhabela	3,639,888	159	21,823	21,823	5,770,219
L Mogaki	3,858,276	223	32,506	32,506	8,594,911
VP Pillay	4,250,820	223	35,812	35,812	9,469,051
I Pillay	3,639,888	110	30,665	30,665	8,108,133
			364,631	364,631	

[1] Includes GBP portion converted at R16.8931 at 31 December 2016.
[2] Price used of R264.41 per share – closing price on 30 December 2016.
[3] Includes car allowance as per new arrangements.
[4] Left service on 31 December 2015.

Aggregate holdings of long-term incentives for executive directors

The tables below reflect the company's prior and current long-term incentives at 31 December 2016.

Non-executive directors' fees

Non-executive directors' fees for 2016

Current	Directors' fees R	Ad hoc committee meeting R	Committee fees R	Total remuneration R
M Cutifani[3, 8]	**223,813**	**–**	**92,155**	**315,968**
RMW Dunne[1, 2, 3, 4, 5, 6]	**223,813**	**15,000**	**645,095**	**883,908**
R Médori[8]	**223,813**	**–**	**–**	**223,813**
V Moosa[2, 3, 4, 5, 6]	**1,316,578**	**15,000**	**585,858**	**1,917,436**
NP Mageza[1, 4]	**223,813**	**15,000**	**210,641**	**449,454**
NT Moholi[2, 4, 5, 6]	**223,813**	**15,000**	**500,229**	**739,042**
D Naidoo[1, 2, 4]	**223,813**	**15,000**	**309,381**	**548,194**
A O'Neill[8]	**223,813**	**–**	**–**	**223,813**
AH Sangqu[5, 7]	**223,813**	**–**	**88,399**	**312,212**
JM Vice[1, 4]	**223,813**	**–**	**210,641**	**434,454**
Dorian Emmett[5,6,9]	**–**		**202,966**	**202,966**
Total	**3,330,895**	**75,000**	**2,845,364**	**6,251,259**

1 *Audit committee.*
2 *Remuneration committee.*
3 *Nomination committee.*
4 *Corporate governance committee.*
5 *Social, ethics and transformation committee.*
6 *S&SD committee.*
7 *Directors' fees ceded to Anglo Operations Limited (AOL), a wholly owned subsidiary of Anglo American plc.*
8 *Directors' fees ceded to Anglo American Services UK Limited, a wholly owned subsidiary of Anglo American plc.*
9 *Dorian is not a director but a committee member only.*

Non-executive directors' fees for 2015

Current	Directors' fees R	Ad hoc board meeting and committee meeting R	Committee fees R	Total remuneration R
K Kweyama[4, 5, 7]	71,437	–	58,828	130,265
M Cutifani[3, 8]	220,646	16,000	90,851	327,497
RMW Dunne[1, 2, 3, 4, 5, 6]	220,646	32,000	700,824	953,470
R Médori[8]	220,646	16,000	–	236,646
V Moosa[2, 3, 4, 5, 6]	1,289,401	16,000	577,567	1,882,968
NP Mageza[1, 4]	220,646	32,000	207,660	460,306
NT Moholi[2, 4, 5, 6]	220,646	16,000	428,306	664,952
D Naidoo[1, 4]	220,646	32,000	232,345	484,991
A O'Neill[8]	220,646	16,000	–	236,646
AH Sangqu[5, 7]	102,783	16,000	38,565	157,348
JM Vice[1,4]	220,646	32,000	207,660	460,306
Total	3,228,789	224,000	2,542,606	5,995,395

1 *Audit committee.*
2 *Remuneration committee.*
3 *Nomination committee.*
4 *Corporate governance committee.*
5 *Social, ethics and transformation committee.*
6 *S&SD committee.*
7 *Directors' fees ceded to Anglo Operations Limited (AOL), a wholly owned subsidiary of Anglo American plc.*
8 *Directors' fees ceded to Anglo American Services UK Limited, a wholly owned subsidiary of Anglo American plc.*

ANGLO AMERICAN PLATINUM LIMITED

for the year ended 31 December 2016

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December

	Notes	2016 Rm	2015 Rm
Operating profit/(loss)		**25**	(12)
Net investment income	1	**1**	2
Loss on deregistration of Anglo Platinum Development Limited	2	**(1,277)**	–
Reversal of impairment/(impairment) of loan to Rustenburg Platinum Mines Limited (RPM)	2	**7,526**	(26,629)
Profit/(loss) before taxation	2	**6,275**	(26,639)
Taxation	3	**(1)**	2
Profit/(loss) for the year		**6,274**	(26,637)
Other comprehensive income		**–**	–
Total comprehensive profit/(loss)		**6,274**	(26,637)

STATEMENT OF FINANCIAL POSITION

as at 31 December

	Notes	2016 Rm	2015 Rm
ASSETS			
Non-current assets			
Investments	4	**16,114**	17,128
Loans to subsidiaries (Annexure C)	5	**50,284**	43,025
Deferred taxation		**8**	9
Current assets		**–**	–
Taxation	9	**–**	–
Total assets		**66,406**	60,162
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	6	**27**	27
Share premium		**23,112**	23,112
Retained earnings		**42,006**	35,761
Shareholders' equity		**65,145**	58,900
Non-current liabilities			
Loans from subsidiaries (Annexure C)		**1,255**	1,255
Current liabilities			
Trade and other payables	7	**6**	7
Total equity and liabilities		**66,406**	60,162

STATEMENT OF CASH FLOWS

for the year ended 31 December

	Notes	2016 Rm	2015 Rm
Cash flows used in operating activities			
Cash used in operations	8	**(267)**	(248)
Taxation refunded	9	**–**	3
Net cash used in operating activities		**(267)**	(245)
Cash flows from investing activities			
Decrease in loans from subsidiaries		**266**	224
Interest received		**1**	2
Net cash from investing activities		**267**	226
Cash flows from financing activities			
Unpaid dividends written back		**–**	19
Net cash from financing activities		**–**	19
Net movement in cash and cash equivalents		**–**	–
Cash and cash equivalents at beginning of year		**–**	–
Cash and cash equivalents at end of year		**–**	–

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December

	Share capital Rm	Share premium Rm	Retained earnings Rm	Total Rm
Balance as at 31 December 2014	27	23,318	62,108	85,453
Total comprehensive loss for the year			(26,637)	(26,637)
Shares vested in terms of the Group Employee Share Option Scheme (Kotula)	(–)*	(206)	206	–
Share-based payments			302	302
Shares issued to employees			(237)	(237)
Unpaid dividends written back			19	19
Balance as at 31 December 2015	27	23,112	35,761	58,900
Total comprehensive profit for the year			**6,274**	**6,274**
Shares vested in terms of the Group Employee Share Option Scheme (Kotula)	**(–)***			**–**
Share-based payments			**264**	**264**
Shares issued to employees			**(293)**	**(293)**
Balance as at 31 December 2016	**27**	**23,112**	**42,006**	**65,145**

** Less than R500,000.*

ANGLO AMERICAN PLATINUM LIMITED
continued

for the year ended 31 December 2016

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December

		2016 Rm	2015 Rm
1.	**NET INVESTMENT INCOME**		
	Interest received	**1**	2
		1	2
2.	**PROFIT/(LOSS) BEFORE TAXATION**		
	Profit/(loss) before taxation is arrived at after taking account of:		
	Loss on deregistration of Anglo Platinum Development Limited	**1,277**	–
	(Reversal of impairment)/impairment of loan to RPM (note 5)	**(7,526)**	26,629
	Directors' emoluments – remuneration as non-executives	**6**	6
3.	**TAXATION**		
	Deferred taxation		
	– current year	**2**	2
	– prior year	**(3)***	(–)*
		(1)	2
4.	**INVESTMENTS**		
	Investment in wholly owned subsidiaries at cost (Annexure C)	**16,114**	17,128
5.	**LOANS TO SUBSIDIARIES**		
	Loans to subsidiaries at amortised cost prior to impairment	**69,387**	69,654
	Impairment of loan to RPM	**(19,103)**	(26,629)
	Loan to subsidiaries (Annexure C)	**50,284**	43,025

During the prior year the amortised cost carrying value of the loan to RPM was partially impaired. The impairment was measured by comparing the carrying amount of the loan to the higher of the Company's market capitalisation and the value in use of RPM determined on a discounted cash flow basis. Due to a significant improvement in the market capitalisation of the Company, the previous impairment was partially reversed during the current year.

The loan is interest free and is repayable at the earlier of a change of control or the Company providing RPM with a 12-month written notice to repay the loan.

6. SHARE CAPITAL

2015 Number of shares	2016 Number of shares		2016 Rm	2015 Rm
		Authorised		
413,595,651	**413,595,651**	Ordinary shares of 10 cents each	**41**	41
504,260	**504,260**	'A' ordinary shares of 10 cents each convertible	**–***	–*
		Issued – ordinary shares		
269,681,886	**269,681,886**	Ordinary shares of 10 cents	**27**	27
		Issued – 'A' ordinary shares		
–	**–**	Ordinary shares of 10 cents each convertible	**–***	–*

The unissued ordinary shares are under the control of the directors until the forthcoming annual general meeting.

** Less than R500,000.*

		2016 Rm	2015 Rm
7.	**TRADE AND OTHER PAYABLES**		
	Other payables and accrued expenses	**6**	7
8.	**RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH USED IN OPERATIONS**		
	Profit/(loss) before taxation	**6,275**	(26,639)
	Adjustments for:		
	Interest received (note 1)	**(1)**	(2)
	Loss on deregistration of Anglo Platinum Development Limited	**1,277**	–
	(Reversal of impairment)/impairment of loan to RPM (note 5)	**(7,526)**	26,629
	Shares issued to employees	**(293)**	(237)
		(268)	(249)
	Working capital changes	**1**	1
	Decrease in trade and other receivables	**–**	20
	Increase/(decrease) in trade and other payables	**1**	(19)
	Cash used in operations	**(267)**	(248)
9.	**TAXATION**		
	Amount overpaid at beginning of year	**–**	(3)
	Current taxation provided	**–**	–
	Amount overpaid at end of year	**–**	–
	Taxation refunded	**–**	(3)
10.	**RELATED PARTY TRANSACTIONS**		
	During the year the Company, in the ordinary course of business, entered into various transactions with its direct subsidiaries. The effect of these transactions is included in the financial performance and results of the Company.		
	Material related party transactions were as follows:		
	Dividends from subsidiaries		
	Anglo Platinum Development Limited	**–**	–
	Reversal of impairment/(impairment) of loan to RPM	**7 526**	(26,629)

Directors

Refer to Annexure E.

Key management personnel

Key management personnel comprise executive directors and prescribed officers. Details relating to key management personnel emoluments are disclosed in Annexure E.

Investments in and loans to and from subsidiaries

For details of investments in subsidiaries, as well as loans to and from subsidiaries, refer to Annexure C of the Consolidated Annual Financial Statements.

11. POST BALANCES SHEET EVENTS

There have been no events subsequent to year end.

ADMINISTRATION

DIRECTORS

Executive directors

C Griffith (chief executive officer)
I Botha (finance director)

Independent non-executive directors

MV Moosa (independent non-executive chairman)
RMW Dunne (British)
NP Mageza
NT Moholi
D Naidoo
JM Vice

Non-executive directors

M Cutifani (Australian)
R Médori (French)
AM O'Neill (British)
AH Sangqu

Alternate directors

PG Whitcutt (alternate director to R Médori)

COMPANY SECRETARY

Elizna Viljoen
elizna.viljoen@angloamerican.com

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a division of FirstRand Bank Limited

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HR-RELATED QUERIES

Job opportunities: www.angloamericanplatinum.com/careers/job-opportunities

Bursaries, email: bursaries@angloplat.com

Career information: www.angloamericanplatinum.com/careers/working-at-anglo-american-platinum

DISCLAIMER

Certain elements made in this annual report constitute forward looking statements. Forward looking statements are typically identified by the use of forward looking terminology such as 'believes', 'expects', 'may', 'will', 'could', 'should', 'intends', 'estimates', 'plans', 'assumes', or 'anticipates' or the negative thereof or other variations thereon or comparable terminology, or by discussions of, e.g. future plans, present or future events, or strategy that involve risks and uncertainties. Such forward looking statements are subject to a number of risks and uncertainties, many of which are beyond the company's control and all of which are based on the Company's current beliefs and expectations about future events. Such statements are based on current expectations and, by their current nature, are subject to a number of risks and uncertainties that could cause actual results and performance to differ materially from any expected future results or performance, expressed or implied, by the forward looking statement. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Company and its subsidiaries.

BASTION GRAPHICS

Anglo American Platinum Limited
Incorporated in the Republic of South Africa
Date of incorporation: 13 July 1946
Registration number: 1946/022452/06
JSE code: AMS – ISIN: ZAE000013181

www.angloamericanplatinum.com

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