ANGLO AMERICAN PLATINUM LIMITED

AUDITED ANNUAL FINANCIAL STATEMENTS 2018

UNLOCKING OUR FULL POTENTIAL

AngloAmerican

Real Mining. Real People. Real Difference.

CONTENTS

PURPOSE: RE-IMAGINING MINING TO IMPROVE PEOPLE'S LIVES

Unlocking our full potential

As unprecedented challenges in the global mining industry continue, Anglo American Platinum (Amplats) has proven its resilience and ability to manage change with a focused strategy that is unlocking our full potential and positioning our group for a sustainable future.

We are concentrating on elements within our control and building the foundations for continuous improvement. Our strategic focus is on value. We have therefore shaped our business to operate successfully in a fundamentally changed market – driving the transformation that will make us more robust, responsive and competitive. We have refined our portfolio by exiting certain assets and focused on continuous improvement as well as developing international markets for our products. Importantly, we are building strong relationships with all our stakeholders as our operations concentrate on optimising their potential.

Refers to other pages in this report.

SUPPORTING DOCUMENTATION ON THE WEBSITE

Integrated report
Full ore reserves and mineral resources report
Supplementary report
GRI Standards referenced index
UN Global Compact Assessment

www.angloamericanplatinum.com/investors/annual-reporting/2018

OUR APPROACH TO REPORTING

Amplats is a member of the Anglo American plc group, guided by the purpose and values of our parent while mindful of the complexities of our industry in developing our strategy. The synergies created by a common purpose, shared values and rigorous discipline underpin significant benefits for all stakeholders.

INTEGRATED REPORT

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

It includes information extracted from the annual financial statements and supplementary reports. 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 range of stakeholders, including employees, local communities, non-governmental organisations (NGOs), customers, investors and government.

SUPPLEMENTARY REPORT

Detailed information supporting disclosures in the integrated report, as well as the GRI Standards index, mining charter performance and glossary.

Given the scale of change in our group (workforce, metrics and reporting standards), we could not provide comprehensive targets for the review period but have done so for 2019 and beyond, where relevant.

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 (King IV)
- GRI (formerly Global Reporting Initiative) Standards 2016 guidelines
- Anglo American plc group safety and sustainable development (S&SD) indicators, definitions and guidance notes for non-financial indicators. These are available on request.

ASSURANCE

Financial and several non-financial aspects of this report and of our 2018 suite of reports are independently assured.

Available in print and online as a pdf

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 page 4

ORE RESERVES AND MINERAL RESOURCES REPORT

In accordance with the Listings Requirements of the JSE Limited, Amplats prepared its Mineral Resource and Ore Reserve statements for all its operations with reference to the SAMREC Code guidelines and definitions (2016 edition). 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 Code guidelines and definitions (2016 edition)

ASSURANCE

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

- Mineral Corporation conducted a detailed numerical audit of the data gathering, data transformation and reporting of Mineral Resources and Ore Reserves for Unki Mine.

DIRECTORS' RESPONSIBILITIES AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2018

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 cost effectively. 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 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 believe, based on information and explanations from 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 group assets against unauthorised use or disposition
- Economic, effective and efficient use of resources
- Achievement of established objectives and goals for operations or programmes.

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

15 February 2019

COMPANY SECRETARY'S CERTIFICATE

for the year ended 31 December 2018

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

15 February 2019

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Anglo American Platinum Limited

Report on the audit of the consolidated and separate financial statements

OPINION

We have audited the consolidated and separate financial statements of Anglo American Platinum Limited (the Group) set out on pages 15 to 86, which comprise the statements of financial position as at 31 December 2018, the statements of comprehensive income, the statements of changes in equity, the statement 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 2018, 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 (IFRS) and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated and separate 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 and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate 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 metal inventory	
Metal inventory as disclosed in note 20, 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 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. See the significant accounting principles. These risks and judgements are significant in determining the carrying value of inventory and were therefore considered a key audit matter.	**Physical quantities** Our audit procedures included the attendance of the annual metal inventory counts on site as well as a monthly in situ count at three of the processing operations to observe the appropriateness of controls implemented in applying sampling methodologies as well as adherence to appropriate inventory processes. We tested the operating effectiveness of controls over theoretical inventory quantities. We recalculated differences arising in both the annual stock count and the monthly comparisons of in situ to theoretical inventory and compared them to the required threshold levels set by the directors. This included enquiring of the directors' internal metal accounting experts to understand and consider the reasons for differences that exceeded thresholds. We assessed the explanations of the metal inventory estimate adjustments that have occurred in the current and recent prior periods to consider reasons for the adjustments. This included meeting with the directors' internal metal accounting experts to understand the nature and cause of the adjustments and an assessment of industry accounting practice. We concluded that it is appropriate for the adjustment to be classified as a change in estimate. We ensured that the theoretical quantities determined by metal accounting at year end agreed to the inventory valuation calculations prepared by the finance department. We confirmed that the finance department has no role in the determination of metal inventory quantities. We considered the appropriateness of the disclosure of inventory. We are satisfied that the directors' internal metal accounting experts are competent and that the theoretical physical quantities used in the measurement of metal inventories are appropriate. **Measurement** We performed an independent model-simulated calculation of the metal inventory valuation in support of the directors calculations based on audited underlying data. This included independent updates to the model by us for the changes in the treatment of Mototolo Mine concentrate from a proportionate share of purchased concentrate to own mine concentrate. Furthermore the model was updated to account for the appropriate treatment of Chrome as a by-product. We assessed the directors' application of the requirements of IAS 2 *Inventories* and the requirements of treatment of joint products and by-products as well as the disclosure requirements regarding inventories. Our procedures determined the measurement to be reasonable and disclosed appropriately.

Key audit matter	How the matter was addressed in the audit
Acquisition of Mototolo mine	
Effective 1 November 2018, the group acquired the remaining 50 percent interest in the Mototolo Mine and concentrator (see note 49). This resulted in the acquisition of control over Mototolo, requiring the consideration of: • A business combination achieved in stages • The exclusion of the chrome supply agreement from the business combination • Contingent purchase consideration in respect of platinum group metals • The valuation of identifiable assets and liabilities. As permitted by IFRS 3, the Group has accounted for the business combination on a provisional basis, with the measurement period ending on the earlier of finalisation of the accounting and 1 November 2019. The nature and timing of the transaction required consideration of complex accounting and valuation treatments and required significant auditor attention.	Our audit procedures included: • Reading and understanding the sale and purchase agreements • Assessment of the Group's proposed accounting treatment and consultation with IFRS experts on judgemental matters • Consideration of the evidence to support the IFRS judgements • Critical consideration of the bases on which the fair values of the Group's previously held interest in Mototolo and the underlying identifiable assets and liabilities of Mototolo were determined, including review of management's expert's report on the valuation of the Mototolo business and its identifiable assets and liabilities; • Comparison of operating cash flows included in the fair valuation of the previously held interest in Mototolo with historical cash flows • Independent recalculation by our valuation specialists of the discount rate applied to the cash flows in the fair valuation of the previously held interest in Mototolo • Consideration of the disclosures of the transaction in the financial statements. The fair value of the Group's previously held interest in Mototolo includes the directors' estimates of the cash flows for mine infrastructure terminal values and efficiencies not included in the historical cash flows. Although we have considered the bases for calculation of these impacts, these cash flows and the fair values of identifiable mining rights, property, plant and equipment are provisional and will be assessed in detail when the accounting for the business combination is finalised. Changes to the provisional accounting will primarily impact the allocation of purchase consideration among goodwill, mining rights and property, plant and equipment. Our procedures led us to conclude that the provisional accounting for the business combination is reasonable and disclosed appropriately.

OTHER INFORMATION

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

Our opinion on the consolidated and separate 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 and separate 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 and separate 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 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 AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS 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 and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company'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 and/or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 ISA 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 and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and Company'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 and Company'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 and separate 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 and/or the Company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate 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 21 years.

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per: G Berry
Partner

17 February 2019

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 2018. 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 American South Africa Investments Proprietary Limited (AASAI) which holds 77.56% of the Company's equity (based on total shares in issue less treasury shares held by the Group). AASAI are indirectly wholly owned by Anglo American plc, incorporated in the United Kingdom.

FINANCIAL RESULTS

The consolidated annual financial statements can be found on pages 15 to 82. The summary of the consolidated annual financial statements for the year ended 31 December 2018 appears on pages 49 to 52 of the Integrated Report.

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 R6.9 billion (2017: R6.1 billion). In the same period, the Group incurred R6.7 billion (2017: R4.7 billion) of capital expenditure excluding interest capitalised.

BORROWING POWERS AND FINANCIAL ASSISTANCE

At 31 December 2018, Amplats was operating within its debt covenants while maintaining adequate headroom within committed debt facilities with R14.4 billion of undrawn committed facilities. Net cash at 31 December 2018 was R2.9 billion.

In line with the authorisation granted at the annual general meeting on 12 April 2018, the Board of directors, at its meetings on 20 April 2018, 19 July 2018 and 19 October 2018 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 Unki Mines Private Limited.

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.

ACCOUNTING POLICIES

Refer to principal accounting policies on pages 66 to 72.

CHANGE IN ACCOUNTING ESTIMATES

Refer to note 43 of the consolidated annual financial statements.

SHARE CAPITAL

The authorised share capital of the Company as at 31 December 2018 is:

- 413,595,651 (2017: 413,595,651) ordinary shares of 10 cents each.

The issued share capital of the Company as at 31 December 2018 is:

- 269,681,886 (2017: 269,681,886) ordinary shares of 10 cents each.

Further details of the authorised and issued share capital appear in note 25 of the annual financial statements.

SHARES REPURCHASED

The Company purchased 386,086 shares in the market at an average price of R362.92 per share to satisfy requirements for the Bonus Share Plan, as well as the vesting of the Long-Term Incentive Plan. This constitutes 39.46% of total treasury shares held. Treasury shares comprise only those held for share incentive schemes.

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 Board has adopted a pay-out ratio driven dividend policy, which is in accordance with the Company's capital allocation framework and in line with our commitment to sustainably return cash to shareholders through the cycle, while retaining a high level of balance sheet strength. The Board approved an increase in the dividend pay-out ratio from 30% to 40% of headline earnings.

The directors approved an interim ordinary dividend of R3.74 per ordinary share from distributable reserves on 19 July 2018. The dividend was paid on 13 August 2018 to shareholders registered on 6 August 2018.

A final dividend of R2.0 billion (R7.51 per ordinary share) for the six-month period ended 31 December 2018 was approved by the Board and for payment on 11 March 2019 to shareholders recorded in the register at the close of business on 8 March 2019.

CORPORATE ACTIVITY DURING THE YEAR

Further significant progress was made during the year in upgrading the Company's portfolio.

Disposals

Completion of Union Mine and MASA Chrome

On 1 February 2018, the sale of our 85% interest in Union Mine to Siyanda Resources became effective. The Company realised an attributable, after-tax loss on disposal of R0.8 billion which, together with prior impairments recognised, brings the total attributable, after-tax loss on divesting from this operation to R1.8 billion. This is excluded from headline earnings. Amplats expects to extract value in future from the continuing purchase of concentrate/toll refining contracts with Siyanda, utilising capacity in the group's processing operations.

Accelerated Placing of Royal Bafokeng Platinum (RB Plat) ordinary shares

On 24 April 2018, the Company disposed of 17.3 million shares in Royal Bafokeng Platinum Limited (RB Plat) for R0.4 billion. The sale of the Company's residual shareholding in RB Plat was completed on 7 August 2018, realising net proceeds of R0.1 billion.

Bafokeng Rasimone Platinum Mine Joint Venture (BRPM JV)

The Company entered into a sale and purchase agreement with Royal Bafokeng Resources Proprietary Limited on 4 July 2018. Rustenburg Platinum Mines accepted an offer from Royal Bafokeng Platinum to purchase its 33% interest in BRPM JV. The sale was completed on 11 December 2018.

The total purchase consideration amounted to R1,863 billion, plus an additional R315 million for the repayment of capital contributions into BRPM from the date of the agreement. An upfront cash portion amounting to R568 million was received. The remaining purchase consideration will be deferred and left outstanding on loan account and escalated at a rate equivalent to RB Plats borrowing rate plus a premium of 2%, paid in three equal tranches after 1.5 years, 2.5 years and 3.5 years each December.

Acquisitions

Subscription of Venture Capital Funds

On 17 July 2018, the Company announced that its subsidiary, Anglo Platinum Marketing Limited had subscribed for interests in two UK-based venture capital funds, with an aggregate commitment of USD100 million. Our commitment to the funds is matched by a USD100 million commitment from South Africa's Public Investment Corporation (PIC). In December 2018, Mitsubishi Corporation became the third limited partner of AP Ventures, further endorsing the funds mandate. The investments in Altergy Systems, Hydrogenious Technologies, Food Freshness Technology, Greyrock Energy, United Hydrogen and HyET Holding were sold to AP Ventures on 20 September 2018 with a carrying amount of R0.44 billion. The total fair value of the investments at the date of sale was R0.66 billion. A profit of R0.2 billion was recognised on disposing of the equity-accounted investment in Hydrogenious Technologies, which is excluded from headline earnings.

Mototolo Joint Venture

On 1 November 2018, the Company acquired Glencore's 40.2% and Kagiso's 9.8% interests in the Mototolo Joint Venture. The consideration comprises an upfront payment of R1.3 billion and deferred consideration payments of R12.6 million per month from November 2018 for 72 months to Glencore. Top-up payments (depending on the PGM price) and additional tax gross-up payments will be paid to Glencore in January each year until 2024, with a final top-up payment in November 2024. The deferred consideration is carried at fair value.

Impairments

Basic earnings for the period include post-tax attributable net losses of R1.5 billion. Included in the net losses is a post-tax, attributable impairment loss in respect of Union Mine and Masa Chrome Proprietary Limited (R794 million) and the impairment of equity interests in Bafokeng Rasimone Platinum Mine (BRPM) (R879 million).

Headline earnings for the period include a post-tax attributable net gain of R0.5 billion, largely due to the remeasurement of deferred consideration relating to the Rustenburg disposal. In addition, the Company impaired term and care and maintenance loan facilities provided to Atlatsa Resources leading to an impairment of R110 million (post-tax) which has impacted both basic and headline earnings. Both basic and headline earnings were further impacted by the impairment of a loan to the Bakgatla-Ba-Kgafela traditional community (R149 million) related to their holding in Union Mine.

DIRECTORATE AND SECRETARY

As announced on 23 October, Andile Sangqu, executive head of Anglo American South Africa Limited stepped down as non-executive director and Mr Norman Mbazima was appointed as a non-executive director.

Ian Botha, the finance director (FD) has tended his resignation and will therefore step down from the Board on 28 February 2019. Mr Craig Miller, who is currently the Anglo American PLC financial controller, will assume the role of financial director on 1 April 2019.

DIRECTORS' REPORT CONTINUED

Mr Simon Kruger, the Company financial controller will serve as the acting FD for the period 1 March 2019 to 31 March 2019.

The Chairman, Mr Valli Moosa, who has served as a director for the past 10 years, will retire from the Board at the annual general meeting to be held on 17 April 2019. Mr Norman Mbazima will assume the role as chairman going forward.

Mr Peter Mageza, who has been a member of the Board for the past five years, has been appointed as the lead independent director.

At the date of this report, the Board comprises:
- Valli Moosa (chairman)
- Chris Griffith (chief executive)
- Ian Botha
- Mark Cutifani
- Stephen Pearce
- Anthony O'Neill
- Norman Mbazima
- Richard Dunne
- Nombulelo Moholi
- Peter Mageza
- Dhanasagree Naidoo
- John Vice

Elizna Viljoen is the Company secretary.

INTERESTS OF DIRECTORS

Directors' beneficial interest in the Company's issued ordinary shares at 31 December 2018 is shown below:

	Number of ordinary shares held	
Names	**2018**	2017
Chris Griffith	**20,706**	11,239
Valli Moosa	**2,500**	2,500
Total	**23,206**	13,739

In terms of the Long-Term Incentive Plan, executive directors held 170,915 awards to acquire shares in the Company and 89,203 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 during 2018.

At the forthcoming annual general meeting, shareholders will be requested to reappoint Deloitte & Touche as auditors of Amplats, and to confirm that Graeme Berry will be the designated audit partner for the 2019 financial year.

On 2 June 2017, the Independent Regulatory Board for Auditors (IRBA) of South Africa published the rule on mandatory audit firm rotation for auditors of all public interest entities. The provisions are effective for financial years commencing on or after 1 April 2023. Amplats' ultimate holding company Anglo American Plc's audit partner was due to rotate at the end of 2019 and therefore a decision was taken to coincide the audit firm rotation with its ultimate holding company. Deloitte & Touche will be rotated off as auditors at the end of 2019.

SPONSOR

Merrill Lynch South Africa Proprietary Limited acted as sponsor to the Company for the financial year ended 31 December 2018.

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 64 and 65.

EVENTS SUBSEQUENT TO 31 DECEMBER

Refer to note 47 on page 57.

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 reported 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

FINANCE AND RISK GOVERNANCE
SUPPORTING STRATEGIC PRIORITIES

We are pleased to present the audit and risk committee report for the year ended 31 December 2018. The committee continues to ensure the integrity and transparency of corporate reporting, that external audit remains independent and it evaluates the robustness of internal controls and risk management processes.

COMPOSITION AND GOVERNANCE

The committee is governed by terms of reference reviewed annually by the board. It executes its duties and responsibilities in line with these 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 (information and technology) governance.

This is a statutory committee, duly constituted under section 94 of the Companies Act 71 2008, as amended. Its members satisfy the requirements to serve and have the adequate knowledge and experience to carry out their duties. Membership and attendance is set out below:

Members

	Committee member since	Board status	Meeting attendance
RMW Dunne (chairman)	1 July 2006	Independent non-executive director	5/5
PN Mageza	1 July 2013	Independent non-executive director	5/5
D Naidoo	1 July 2013	Independent non-executive director	5/5
J Vice	30 November 2012	Independent non-executive director	5/5

AUDIT AND RISK COMMITTEE REPORT CONTINUED

There were no membership changes in the review period.

The chairman of the board, chief executive, finance director, company secretary, head: risk and assurance, finance controller and 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, and they meet with committee members without management being present.

The performance of the committee is reviewed annually as part of the board and committee evaluation process.

KEY AUDIT MATTERS

The committee notes key audit matters set out in the report of the independent auditors (pages 5 and 6 of the annual financial statements), namely:

- Physical quantities of inventory as related to sampling (excluding ore stockpiles) and measurement of inventory
- Mototolo Mine acquisition accounting.

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

	Adding value in 2018	2019 and beyond
Annual financial statements (AFS) and integrated reporting process	• Ensured appropriate financial reporting procedures are established and operating • Reviewed and discussed the AFS and related disclosures, considered the accounting treatment, significant or unusual transactions, and accounting estimates and judgements, confirmed AFS had been prepared on a going-concern basis and recommended AFS to the board for approval • Considered the impact of IFRS 16 – leases implementation • Considered the integrated report and assessed its consistency with operational, financial and other information known to committee members, and for consistency with the AFS. The committee is satisfied that the integrated report is materially accurate, complete and reliable and consistent with the AFS • At its meeting on 14 February 2019, recommended the integrated report for the year ended 31 December 2018 for approval by the board	• Ongoing focus on continuous improvement of group's financial systems, processes and controls • Monitoring regulatory reporting requirements and ensuring compliance therewith
External audit	• Nominated Deloitte & Touche and G Berry as the external auditor and designated auditor respectively to shareholders for appointment as auditor for the financial year ended 31 December 2018, and ensured the appointment complied with all applicable legal and regulatory requirements. Prior to making its nomination, the committee considered all information as terms of the JSE Listings Requirements in assessing the auditor and designated auditor's suitability for reappointment • Considered requirements arising from mandatory audit-firm rotation and initiated a process to rotate Deloitte & Touche off as external auditor in 2020 and appoint a new audit firm and designated auditor • Considered auditor's annual plan and scope of work, monitored the effectiveness of external auditor for audit quality, expertise and independence • Considered key audit matters noted in the integrated report • Determined the nature and extent of all non-audit services provided by the external auditor and pre-approved these • Received necessary representations from the auditor confirming its independence	• Finalise tender process initiated in 2018 to appoint a new audit firm for financial year 2020
Internal audit and control	• Ensured that internal audit performed an independent assurance function. Monitored the effectiveness of the internal audit function in terms of its assurance scope, plan execution, independence, and overall performance of the function and its head • Assessed the group's systems of internal control including financial controls, business risk management and maintaining effective internal control systems • Monitored audit findings, risk areas and, where appropriate, challenged management on actions taken • Based on the above, concluded there were no material breakdowns in internal control, including financial controls, business risk management and maintaining effective material control systems	• Embed the use and reporting of data analytic techniques • Standardise internal quality assurance processes over internal audit work • Finalise a technology review to ensure systems used are industry best practice

	Adding value in 2018	2019 and beyond
IT governance	• Reviewed IT risks and control environment • Received management reports on results of disaster-recovery tests and security management • Considered the impact of cyber-crime and reviewed information security capability in the organisation • Reviewed reports on the effectiveness of IT risk management as part of group risk management	• Review the internal control environment for information management
Risk management	• Reviewed group 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	• Enhance risk reporting to include links between strategy and risk management • Greater alignment of integrated risk management process across the group
Sustainability	• Considered PwC assurance scope and schedule of key material issues for the 2018 integrated report that was approved by the S&SD committee • Received necessary assurances through this process that material disclosures are reliable and do not conflict with financial information	• Review audit scope for material issues
Legal	• Reviewed, with management, legal matters that could have a material financial impact on the group • Assessed compliance with all other statutory duties under section 94(7) of the Companies Act, King IV and JSE Listings Requirements	• Monitor developments from changes in legislation
Combined assurance	• Reviewed the combined assurance framework that categorises each provider of assurance into different lines of defence in the organisation: management, internal and external assurance providers • Reviewed the level of assurance provided by combined assurance framework and concluded this was appropriate for identified business risks and exposures • Reviewed plans and work outputs of external and internal auditors and concluded these were adequate to address all significant financial risks facing the business	• Continued alignment of internal and external assurance providers to ensure the combined assurance framework is efficient and effective

FINANCE DIRECTOR AND FINANCE FUNCTION

The committee has reviewed an internal assessment of the skills, expertise and experience of Ian Botha, the finance director, and is satisfied he has the appropriate expertise and experience to meet his responsibilities. The evaluation also considered the appropriateness of the expertise, continuous improvement and adequacy of resources of the finance function. Ian Botha has tendered his resignation effective 28 February 2019. The nomination committee has commenced a process to identify a suitable successor in consultation with the chairman of the audit and risk committee .

Based on the processes and assurances obtained, we believe the company and group's accounting practices are effective.

AUDIT AND RISK COMMITTEE REPORT CONTINUED

GOVERNANCE IN ACTION

Mandatory firm rotation

In June 2017, the Independent Regulatory Board for Auditors (IRBA) of South Africa published the rule on mandatory audit-firm rotation for auditors of all public-interest entities. The provisions are effective for financial years from 1 April 2023. As Amplats' auditor since October 1997, Deloitte would therefore be due for rotation. As the current Anglo American plc audit partner is due for rotation at the end of 2019, we decided to coincide our audit-firm rotation with that of our holding company given the efficiencies to be gained from a single group audit firm. Deloitte & Touche will be rotated off as auditor at the end of 2019.

An extensive tender process is being conducted, with the following leading processes already under way with the prospective auditors:
- Site visits
- Submission of significant accounting judgements, policies and procedures, and team structure to auditors
- Presentations and engagement with prospective firms
- Request for proposal approved by audit and risk committee.

We plan to hold a special audit and risk committee meeting in mid-May to approve the appointment of an external auditor.

CONCLUSION

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

On behalf of the committee

Richard Dunne
Chairman

Johannesburg
14 February 2019

SIGNIFICANT ACCOUNTING PRINCIPLES

for the year ended 31 December 2018

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

BASIS OF PREPARATION

The consolidated and separate financial statements are in compliance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the 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 2018 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, liabilities and third-party metal inventory that are stated at fair value. Significant details of the Group's and Company'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 net of the related tax effects;
- Operating cash flows are presented on the direct method;
- Property, plant and equipment are measured on the historic cost model; and
- The Group has elected to continue applying the hedge accounting principles in IAS 39 *Financial Instruments: Recognition and Measurement*.

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 judgements 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:

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.

SIGNIFICANT ACCOUNTING PRINCIPLES CONTINUED

for the year ended 31 December 2018

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, the Group's equity-accounted investments in the Pandora joint venture and Bafokeng Rasimone Platinum Mine (BRPM), and acquisition of control in the Mototolo business.

The key assumptions used in arriving at the discounted cash flows of the deferred consideration include: estimated future cash flows 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 borrowings. 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, cost and escalation percentages, and discount rates. Life of mine is limited to 35 years due to the uncertainty associated with cash flows beyond that time.

Critical accounting judgements

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

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 their probability of being recovered through sale; and the value-in-use of the Group. In practice the market capitalisation significantly exceeds the carrying value, hence no value-in-use calculation is performed.

Ore stockpiles

Low grade ore stockpiles are only recognised to the extent that they arise during the period and there is a reasonable expectation of their utilisation, in line with available capacity over the five-year budget period. Where life of mine plan's change, or alternative capacity is identified, this may have an impact on the volume of ore stockpiles recognised.

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.

NEW AND AMENDED ACCOUNTING STANDARDS

Impact of standards and interpretations not yet adopted

At the reporting date, 31 December 2018*, the following relevant new accounting standards were in issue but not yet effective:

	Effective for annual periods commencing on or after
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 23 *Uncertainty over Income Tax Treatments* – addresses the determination of taxable profit (tax losses), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.	1 January 2019
Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* – deal with situations where there is a sale or contribution of assets between an investor and its associates or joint ventures.	To be determined
Annual improvements to IFRS 2015 – 2017 cycle – makes the following amendments: IFRS 3 – requiring the remeasurements of a previously held interest in a joint operation where control is obtained; IFRS 11 – clarifying that there is no remeasurement of previous interests upon obtaining joint control of a business that is a joint operation; IAS 12 – clarifying that all income tax consequences of dividends should be recognised in profit or loss regardless of how the tax arises; and IAS 23 – clarifying that a specific borrowing that remains outstanding after the related asset is ready for use, becomes part of general borrowings for purposes of interest capitalisation.	1 January 2019

The above standards and amendments, except for IFRS 16 (see below), are not expected to have a material effect for the Group.

Impact of standards issued, effective on 1 January 2018 and adopted by the Group

The Group adopted IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers* on 1 January 2018. As reported previously, the adoption of these standards had an immaterial impact for the Group. See Annexure D and note 43 for changes in accounting policies.

Impact of standards issued and neither effective nor adopted by the Group

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The standard will affect primarily the accounting for the Group's operating leases and embedded leases in service contracts. The Group has decided to adopt the modified retrospective transition approach such that the cumulative effect of transition to IFRS 16 will be recognised in retained earnings and the comparative period will not be restated.

As at the reporting date, 31 December 2018, the Group has non-cancellable operating leases with an estimated net present value of approximately R0.2 billion and embedded leases with an estimated net present value of approximately R0.2 billion, which will be capitalised together with any new leases entered into post the reporting period. Capitalisation will result in a reduction of net cash and an increase in property, plant and equipment on 1 January 2019.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

** The IASB has also issued IFRS 17* Insurance Contracts*, effective 1 January 2021, however, it is not applicable to Anglo American Platinum as the Group does not issue any insurance contracts.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2018

	Notes	2018 Rm	2017 Rm
Gross sales revenue	1	**74,582**	65,688
Commissions paid		**–**	(18)
Net sales revenue	2	**74,582**	65,670
Cost of sales	3	**(63,286)**	(56,578)
Gross profit on metal sales	3	**11,296**	9,092
Other net income/(expenditure)	7	**342**	(6)
Loss on impairment and scrapping of property, plant and equipment		**(21)**	(1,699)
Market development and promotional expenditure		**(796)**	(813)
Operating profit		**10,821**	6,574
Impairment of investment in associate Bokoni Holdco	45	**–**	(235)
Impairment of non-current financial assets		**(234)**	(777)
Impairment of investment in associate Bafokeng Rasimone Platinum Mine (BRPM)	44	**(1,133)**	(1 910)
Profit on disposal of long-dated resources		**–**	1,066
Loss on disposal of Union Mine and Masa Chrome	44	**(850)**	–
Profit on disposal of associates		**15**	135
Impairment of Richtrau 123 Proprietary Limited	16	**(5)**	–
Gain on step acquisition of Mototolo business	49	**336**	–
Profit on disposal of Platinum Group Metals Investment Programme(PGMIP)	19	**249**	–
Interest expensed	8	**(738)**	(1,219)
Interest received	8	**265**	222
Dividends received from Rand Mutual Assurance	8	**42**	–
Fair value measurements of other financial assets	8	**931**	46
Losses from associates (net of taxation)	16	**(15)**	(362)
Losses from joint ventures (net of taxation)	16	**(25)**	–
Profit before taxation	9	**9,659**	3,540
Taxation	10	**(2,666)**	(1,616)
Profit for the year		**6,993**	1,924
Total other comprehensive income/(loss), post-tax		**650**	(416)
Items that will be reclassified subsequently to profit or loss		**880**	(553)
Deferred foreign exchange translation gains/(losses)		**880**	(553)
Items that will not be reclassified subsequently to profit or loss		**(230)**	137
Net (losses)/gains on equity investments at fair value through other comprehensive income (FVTOCI) (note 43 and Annexure D for changes in accounting policies)		**(261)**	137
Tax effects		**31**	–
Total comprehensive income for the year		**7,643**	1,508
Profit attributed to:			
Owners of the Company		**6,817**	1,944
Non-controlling interests		**176**	(20)
		6,993	1,924
Total comprehensive income attributed to:			
Owners of the Company		**7,467**	1,528
Non-controlling interests		**176**	(20)
		7,643	1,508
EARNINGS PER SHARE			
Earnings per ordinary share (cents)	11		
– Basic		**2,599**	741
– Diluted		**2,589**	739
Headline earnings	12	**7,588**	3,886

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2018

	Notes	2018 Rm	2017 Rm
ASSETS			
Non-current assets		**54,150**	48,938
Property, plant and equipment	13	**40,003**	36,597
Capital work in progress	14	**7,780**	5,361
Investment in associates and joint ventures	16	**407**	2,464
Investments held by environmental trusts	18	**1,183**	970
Other financial assets	19	**4,109**	3,507
Inventories	20	**650**	–
Other non-current assets		**18**	39
Current assets		**35,138**	31,318
Inventories	20	**21,988**	18,489
Trade and other receivables	21	**1,607**	2,097
Other assets	22	**1,347**	1,075
Other financial assets	23	**276**	73
Taxation	36	**379**	469
Cash and cash equivalents	24	**9,541**	9,115
Non-current assets held for sale		**–**	558
Total assets		**89,288**	80,814
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	25	**27**	27
Share premium		**22,746**	22,673
Foreign currency translation reserve		**2,644**	1,764
Remeasurements of equity investments irrevocably designated at FVTOCI		**216**	429
Retained earnings		**21,478**	16,634
Non-controlling interests		**231**	(526)
Shareholders' equity		**47,342**	41,001
Non-current liabilities		**17,062**	18,864
Interest-bearing borrowings	26	**6,038**	9,362
Obligations due under finance leases	27	**100**	98
Environmental obligations	28	**1,925**	1,693
Employee benefits	29	**15**	17
Other financial liabilities	33	**762**	239
Deferred taxation	30	**8,222**	7,455
Current liabilities		**24,884**	20,374
Interest-bearing borrowings	26	**129**	1,713
Obligations due under finance leases within one year	27	**17**	17
Trade and other payables	31	**15,647**	11,316
Other liabilities	32	**8,423**	6,691
Other financial liabilities	33	**639**	616
Share-based payment provision	29	**29**	21
Liabilities associated with non-current assets held for sale		**–**	575
Total equity and liabilities		**89,288**	80,814

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2018

	Notes	2018 Rm	2017 Rm
Cash flows from operating activities			
Cash receipts from customers		**75,184**	65,993
Cash paid to suppliers and employees		**(57,224)**	(50,126)
Cash generated from operations	35	**17,960**	15,867
Interest paid (net of interest capitalised)		**(609)**	(1,004)
Taxation paid	36	**(1,771)**	(1,742)
Net cash from operating activities		**15,580**	13,121
Cash flows used in investing activities			
Purchase of property, plant and equipment (includes interest capitalised)	37	**(6,964)**	(4,969)
Proceeds from sale of plant and equipment		**24**	17
Purchases of financial assets investments		**(39)**	(68)
Net proceeds on disposal of Union Mine and Masa Chrome (note 44)		**414**	–
Purchase of concentrate pipeline		**(974)**	(1,529)
Receipt of deferred consideration		**101**	–
Proceeds on disposal of long-dated resources		**–**	1,066
Net proceeds on disposal of Royal Bafokeng Platinum shares (RB Plat)		**510**	–
Acquisition of Mototolo JV (note 49)		**(1,278)**	–
Proceeds on disposal of investment in BRPM		**555**	144
Shareholder funding capitalised to investment in associates		**(869)**	(1,156)
Acquisition of equity investment in Hydrogenious		**(48)**	(13)
Proceeds from disposal of Hydrogenious		**353**	–
Acquisition of convertible notes in United Hydrogen		**(15)**	(4)
Proceeds from disposal of PGMIP investments		**310**	–
Investment in joint ventures (AP Ventures)		**(382)**	–
Redemption of preference shares in Baphalane Siyanda Chrome Company		**–**	86
Advances made to Plateau Resources Proprietary Limited		**(133)**	(708)
Interest received		**260**	143
Growth in environmental trusts	18	**6**	8
Other advances		**(45)**	(135)
Net cash used in investing activities		**(8,214)**	(7,118)
Cash flows used in financing activities			
Purchase of treasury shares for the Bonus Share Plan (BSP)		**(141)**	(155)
Repayment of interest-bearing borrowings		**(4,889)**	(1,659)
Repayment of finance lease obligation		**(18)**	(17)
Cash distributions to non-controlling interests		**(198)**	(272)
Dividends paid		**(1,922)**	–
Net cash used in financing activities		**(7,168)**	(2,103)
Net increase in cash and cash equivalents		**198**	3,900
Cash and cash equivalents at beginning of year		**9,357**	5,457
Foreign exchange differences on Unki cash and cash equivalents		**(14)**	–
Cash and cash equivalents at end of year	24	**9,541**	9,357
Movement in net cash			
Net debt at beginning of year		**(1,833)**	(7,319)
Net cash from operating activities		**15,580**	13,121
Net cash used in investing activities		**(8,214)**	(7,118)
Net cash used in financing activities other than debt repayment		**(2,628)**	(517)
Foreign exchange differences on Unki cash and cash equivalents		**(14)**	–
Net cash/(debt) at end of year		**2,891**	(1,833)
Made up as follows:			
Cash and cash equivalents	24	**9,541**	9,115
Less: Restricted cash	24	**(366)**	–
Cash and cash equivalents classified as held for sale	24	**–**	242
Non-current interest-bearing borrowings	26	**(6,038)**	(9,362)
Obligations due under finance leases within one year	27	**(17)**	(17)
Current interest-bearing borrowings	26	**(129)**	(1,713)
Obligations due under finance leases	27	**(100)**	(98)
		2,891	(1,833)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2018

	Share capital Rm	Share premium Rm	Foreign currency translation reserve (FCTR) Rm	Re-measure-ments of equity investments irrevocably designated at FVTOCI Rm	Retained earnings Rm	Non-controlling interests Rm	Total Rm
Balance at 31 December 2016	27	22,498	2,317	334	14,840	(234)	39,782
Total comprehensive (loss)/income for the year			(553)	137	1,944	(20)	1,508
Deferred taxation charged directly to equity				(42)	2		(40)
Cash distributions to minorities						(272)	(272)
Shares acquired in terms of the BSP – treated as treasury shares	(–)*	(155)					(155)
Shares vested in terms of the BSP	– *	330			(330)		–
Equity-settled share-based compensation					189	–	189
Shares purchased for employees					(11)		(11)
Balance at 31 December 2017	27	22,673	1,764	429	16,634	(526)	41,001
Total comprehensive income/(loss) for the year			**880**	**(261)**	**6,817**	**176**	**7,612**
Deferred taxation charged directly to equity				**31**	**6**		**37**
Transfer of reserve upon disposal of investments				**17**	**(17)**		**–**
Dividends paid**					**(1,922)**		**(1,922)**
Disposal of business						**779**	**779**
Retirement benefit					**5**		**5**
Cash distributions to minorities						**(198)**	**(198)**
Shares acquired in terms of the BSP – treated as treasury shares	**(–)***	**(141)**					**(141)**
Shares vested in terms of the BSP	**– ***	**214**			**(214)**		**–**
Equity-settled share-based compensation					**180**		**180**
Shares forfeited to cover tax expense on vesting					**(11)**		**(11)**
Balance at 31 December 2018	**27**	**22,746**	**2 644**	**216**	**21,478**	**231**	**47,342**

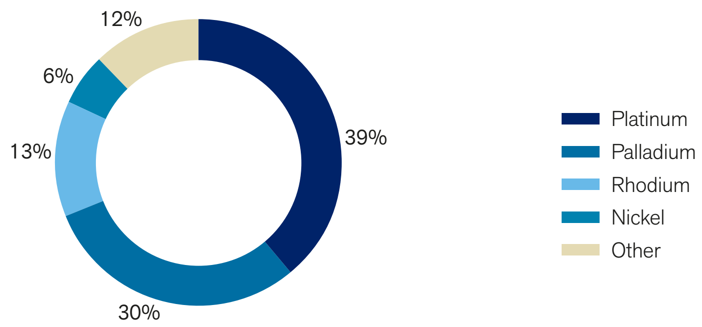
	Per share (R)	Rm
** Less than R500,000.*		
*** Dividends paid*		
Interim 2018	*3.74*	*1,000*
Final 2017	*3.49*	*922*
		1,922

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

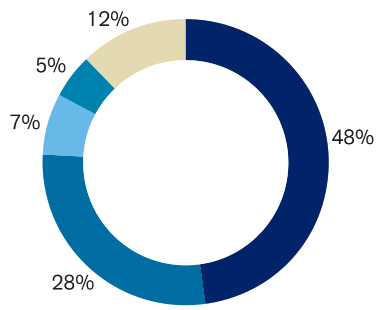
for the year ended 31 December 2018

	2018 Rm	2017 Rm
1. GROSS SALES REVENUE		
Sales revenue emanated from the following principal regions:		
Precious metals	**67,063**	58,400
Asia	**23,492**	20,950
Europe	**35,676**	27,494
South Africa	**5,594**	4,970
North America	**2,301**	4,986
Base metals	**5,546**	5,010
Asia	**1,974**	1,980
Europe	**2,371**	1,902
South Africa	**621**	784
Rest of the world	**580**	344
Other	**1,973**	2,278
Asia	**1,775**	1,714
Europe	**4**	443
South Africa	**164**	107
Rest of the world	**30**	14
	74,582	65,688
Gross sales revenue by metal:		
Platinum	**29,190**	31,590
Palladium	**22,571**	18,421
Rhodium	**9,401**	4,242
Nickel	**4,172**	3,566
Other	**9,248**	7,869
Gross sales revenue	**74,582**	65,688
Gross sales revenue by country*		
United Kingdom	**24,691**	19,933
Japan	**17,265**	15,099
Germany	**10,559**	8,022
	52,515	43,054

Gross sales revenue by metal – 2018



Gross sales revenue by metal – 2017



** These are countries that individually contributed at least 10% to the total Group revenue in the current and prior year.*

	Net sales revenue 2018 Rm	Net sales revenue 2017 Rm	EBITDA[4] 2018 Rm	EBITDA[4] 2017 Rm
2. SEGMENTAL INFORMATION				
2.1 Segment revenue and results				
Operations				
Mogalakwena Mine	**18,106**	16,118	**8,249**	7,700
Amandelbult Mine	**13,192**	11,423	**2,031**	1,173
Unki Platinum Mine	**2,884**	2,489	**835**	823
Mototolo Mine[1]	**687**	–	**212**	–
Twickenham Project	**–**	21	**(438)**	(449)
Modikwa Platinum Mine[2]	**2,138**	1,817	**566**	361
Mototolo Platinum Mine[2]	**1,343**	1,218	**379**	267
Kroondal Platinum Mine[2]	**3,833**	3,233	**1,052**	646
Union Mine[3]	**286**	4,280	**43**	612
Other	**–**	14	**(505)**	(633)
Total – mined	**42,469**	40,612	**12,424**	10,500
Inter-segmental transaction	**(48)**	(24)	**–**	–
Purchased metals	**29,368**	25,082	**2,884**	2,309
Trading	**2,793**	–	**7**	–
Market development and promotional expenditure	**–**	–	**(796)**	(813)
Restructuring	**–**	–	**(16)**	(11)
	74,582	65,670	**14,503**	11,985
Depreciation			**(4,168)**	(4,093)
Loss from associates and joint ventures			**40**	380
Other income and expenses			**109**	(4)
Marketing development and promotional expenditure			**796**	813
Restructuring			**16**	11
Gross profit on metal sales			**11,296**	9,092

[1] Amplats obtained control of Mototolo Mine on 1 November 2018, from which date it is consolidated.
[2] Amplats' share (excluding purchase of concentrate).
[3] Effective 1 February 2018, Union Mine was disposed of.
[4] During the year, the Group changed the way it reports measures of segment profit or loss from operating contribution to earnings before interest tax depreciation and amortisation (EBITDA). The current year segmental reporting measure of profit or loss was reported and disclosed in terms of EBITDA, with prior years 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.

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:

	2018 %	2017 %
Customer A	**7**	6
Customer B	**17**	17
Customer C	**11**	12
Customer D	**7**	9
Customer E	**7**	7

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.

	2018 Rm	2017 Rm
Non-current assets*		
United Kingdom	**362**	309
Zimbabwe	**6,048**	4,922
South Africa	**41,798**	39,230
	48,208	44,461

** Excludes financial assets.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2018

		2018 Rm	2017 Rm
3.	**GROSS PROFIT ON METAL SALES**		
	Net sales revenue	**74,582**	65,670
	Cost of sales	**(63,286)**	(56,578)
	Cash operating costs (note 4)	**(30,550)**	(30,642)
	On-mine	**(23,278)**	(24,109)
	Smelting	**(3,695)**	(3,363)
	Treatment and refining	**(3,577)**	(3,170)
	Purchase of metals and leasing activities*	**(29,212)**	(20,763)
	Depreciation (note 5)	**(4,140)**	(4,074)
	On-mine	**(2,871)**	(2 823)
	Smelting	**(566)**	(551)
	Treatment and refining	**(703)**	(700)
	Increase in metal inventories	**3,591**	515
	Increase in ore stockpiles	**466**	1,761
	Other costs (note 6)**	**(3,441)**	(3,375)
	Gross profit on metal sales	**11,296**	9,092

* *Consists of purchased metals in concentrate, secondary metals and other metals.*
** *Excluded from costs of inventories expensed during the period.*

		On-mine+ Rm	Smelting Rm	Treatment and refining Rm
4.	**CASH OPERATING COSTS**			
	Cash operating costs comprise the following principal categories:			
	2018			
	Labour	**8,726**	**661**	**1,035**
	Stores	**7,492**	**816**	**987**
	Utilities	**2,136**	**1,563**	**397**
	Contracting	**1,414**	**–**	**71**
	Toll refining	**–**	**–**	**283**
	Sundry	**3,510**	**655**	**804**
		23,278	**3,695**	**3,577**
	2017			
	Labour	9,233	607	956
	Stores	7,361	674	895
	Utilities	2,371	1,507	361
	Contracting	1,436	2	48
	Toll refining	–	–	412
	Sundry	3,708	573	498
		24,109	3,363	3,170

+ *On-mine costs comprise mining and concentrating costs.*

		2018 Rm	2017 Rm
5.	**DEPRECIATION OF PLANT AND EQUIPMENT**		
	Depreciation of plant and equipment comprises the following categories:		
	Operating assets	**4,140**	4,074
	Mining	**2,871**	2,823
	Smelting	**566**	551
	Treatment and refining	**703**	700
	Depreciation included in other costs	**28**	19
		4,168	4,093
6.	**OTHER COSTS**		
	Other costs comprise the following principal categories:		
	Corporate costs	**516**	487
	Corporate costs – Anglo American*	**110**	114
	Technical and sustainability – Anglo American*	**334**	318
	Contributions to education and community development	**271**	281
	Share-based payments – other share schemes (note 29)	**195**	205
	Research	**111**	149
	Research – Anglo American*	**90**	81
	Project studies	**79**	36
	Total studies	**169**	133
	Less: Capitalised to CWIP (note 14)	**(90)**	(97)
	Exploration	**81**	105
	Total exploration costs	**150**	157
	Less: Capitalised (note 15)	**(69)**	(52)
	Transport of metals	**911**	856
	Royalties	**685**	653
	Other	**58**	90
	Total other costs	**3,441**	3,375

** Services provided by Anglo American Plc and its subsidiaries.*

		2018 Rm	2017 Rm
7.	**OTHER NET INCOME/(EXPENDITURE)**		
	Other net income/(expenditure) comprises the following principal categories:		
	Realised and unrealised foreign exchange losses	**(68)**	(398)
	Fair value gain/(loss) on cash and cash equivalents designated as a hedging instrument	**528**	(383)
	Fair value (loss)/gain on contract liability	**(561)**	422
	Other foreign exchange losses	**(35)**	(437)
	Project maintenance costs*	**(109)**	(106)
	Restructuring and other related costs	**(16)**	(11)
	Profit/(loss) on disposal of plant, equipment and conversion rights	**18**	(16)
	Royalties received	**58**	27
	Insurance proceeds	**490**	197
	Proceeds realised on treasury bills	**218**	228
	Other – net	**(249)**	73
		342	(6)

** 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.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2018

		2018 Rm	2017 Rm
8.	**INTEREST EXPENSED AND RECEIVED**		
	Interest expensed		
	Interest paid on financial liabilities classified as liabilities held at amortised cost	**(615)**	(1,004)
	Interest paid on financial liabilities classified as liabilities at amortised cost#	**(922)**	(1,229)
	Less: Capitalised (note 37)	**307**	225
	Time value of money adjustment to environmental obligations	**(123)**	(215)
	Decommissioning costs (note 28)	**(29)**	(129)
	Restoration costs (note 28)	**(94)**	(86)
		(738)	(1,219)
	Interest received		
	Interest received on financial assets classified as loans and receivables		
	Interest received	**259**	214
	Growth in environmental trust investments (note 18)	**6**	8
		265	222
	Dividends received	**42**	–
	Remeasurements of loans and receivables		
	Gains on remeasurements of other financial assets	**931**	46

The rate used to capitalise borrowing costs was 8.69% (2017: 8.59%).

		2018 Rm	2017 Rm
9.	**PROFIT BEFORE TAXATION**		
	Profit before taxation is arrived at after taking account of:		
	Auditor's remuneration	**15**	14
	Audit fees – current year	**15**	14
	Other services	**–**	–
	Losses on financial instruments at fair value through profit or loss	**609**	563
	Fair value changes on hedging accounting	**(33)**	(39)
	Operating lease charges – buildings and equipment	**88**	40
	(Loss)/profit on disposal of property, plant and equipment	**(8)**	7
	Insurance proceeds realised on loss of assets	**(468)**	(48)
	Increase in provision for stores obsolescence	**72**	(64)
	Movement in inventory measured at net realisable value*	**(1,121)**	(198)
	Mined	**(977)**	(310)
	Purchased	**(144)**	112

* *This movement arises as a result of changes in prices of metal.*

		2018 Rm	2017 Rm
10.	**TAXATION**		
	Current (note 36)	**1,819**	1,744
	Deferred (note 30)	**847**	(128)
		2,666	1,616
	Comprising:		
	South African normal taxation	**2,681**	1,308
	Current year	**2,598**	1,354
	Prior year	**83**	(46)
	Foreign and withholding taxation	**(15)**	308
	Current year	**154**	322
	Prior year	**(169)**	(14)
		2,666	1,616

	%	%
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 that are individually immaterial	**1.1**	2.3
Disallowable provisions	**0.8**	–
Deferred consideration unwinding	**(1.2)**	–
Employee housing expenditure disallowed	**–**	1.1
Impairment of investments in associates	**0.1**	17.0
Impairment of non-current financial assets	**0.7**	6.1
Prior year (overprovision)/underprovision	**(0.9)**	(1.7)
Effect of after-tax share of losses from associates	**0.3**	2.9
Difference in tax rates of subsidiaries	**(1.9)**	(1.6)
Loss on disposals/impairment of Union Mine and Masa Chrome	**2.1**	–
Tax not raised on minority share of impairment of Union Mine	**–**	1.9
Impact of acquisition of Mototolo Mine	**(1.0)**	–
Profit on disposal of long-dated resources	**–**	(8.4)
Profit on disposal of associates	**–**	(1.1)
Other	**(0.5)**	(0.9)
Effective taxation rate	**27.6**	45.6

11. EARNINGS PER ORDINARY SHARE

The calculation of basic earnings and headline earnings per ordinary share is based on a basic earnings of R6,817 million and headline earnings of R7,588 million respectively (2017: earnings of R1,944 million and headline earnings of R3,886 million) and a weighted average of 262,322,693 (2017: 262,186,719) ordinary shares in issue during the year.

The calculation of diluted earning per ordinary share, basic and headline, is based on basic earnings of R6,817 million and headline earnings of R7,588 million respectively (2017: basic earnings of R1,944 million and headline earnings of R3,886 million). Refer below for weighted average number of potential diluted ordinary shares in issue during the year.

	2018	2017
Weighted average number of potential diluted ordinary shares in issue		
Weighted average number of ordinary shares in issue	**262,322,693**	262,186,719
Dilutive potential ordinary shares relating to share option schemes	**940,882**	976,787
Weighted average number of potential diluted ordinary shares in issue – basic	**263,263,575**	263,163,506

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 trust. Therefore, the shares issued as part of this transaction only impact diluted earnings per share. These shares 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 2018

		2018 Rm	2017 Rm
12.	**RECONCILIATION BETWEEN PROFIT AND HEADLINE EARNINGS**		
	Profit attributable to shareholders	**6,817**	1,944
	Adjustments		
	Net (profit)/loss on disposal of property, plant and equipment (note 9)	**(8)**	7
	Tax effect thereon	**2**	(2)
	Loss on impairment and scrapping of property, plant and equipment	**21**	44
	Tax effect thereon	**(6)**	(12)
	Non-controlling interest share	**(1)**	–
	Fair value gain on existing interest in Mototolo Mine	**(336)**	–
	Tax effect thereon	**–**	–
	Profit on disposal of PGMIP investments	**(249)**	
	Tax effect thereon	**–**	–
	Profit on disposal of long-dated resources	**–**	(1,066)
	Tax effect thereon	**–**	–
	Impairment of investments in associates	**1,138**	2,145
	Tax effect thereon	**(253)**	–
	Insurance proceeds on loss of assets	**(468)**	(48)
	Tax effect thereon	**131**	14
	Profit on disposal of associates	**(15)**	(135)
	Tax effect thereon	**–**	–
	Disposal of Union Mine and Masa Chrome	**850**	1,655
	Tax effect thereon	**(32)**	(397)
	Non-controlling interest's share	**(3)**	(263)
	Headline earnings	**7,588**	3,886
	Attributable headline earnings per ordinary share (cents)		
	Headline	**2,893**	1,482
	Diluted	**2,822**	1,476
13.	**PROPERTY, PLANT AND EQUIPMENT**		
	Cost		
	Opening balance	**74,982**	76,247
	Transfer from capital work in progress (note 14)	**4,924**	3,892
	Acquisition of Mototolo JV (note 49)*	**1,693**	–
	Additions at cost (note 37)	**274**	295
	Additions/(reductions) to decommissioning asset (notes 28)	**12**	(362)
	Disposals/scrapping of assets	**(4,385)**	(4,354)
	Foreign currency translation differences	**995**	(736)
	Closing balance	**78,495**	74,982
	Accumulated depreciation		
	Opening balance	**38,385**	37,673
	Charge for the year (note 5)	**4,168**	4,093
	Reduction in decommissioning asset	**–**	(210)
	Disposals/scrapping of assets	**(4,364)**	(2,917)
	Foreign currency translation differences	**303**	(254)
	Closing balance	**38,492**	38,385
	Carrying amount (Annexure A)	**40,003**	36,597

** Included in the R1,693 million is the intangible asset/goodwill of R353 million arising from the difference between the adjusted purchase consideration and the fair value of net asset acquired (see note 49).*

		2018 Rm	2017 Rm
14.	**CAPITAL WORK IN PROGRESS**		
	Opening balance	**5,361**	4,892
	Acquisition of Mototolo JV (note 37)	**436**	–
	Additions at cost (note 37)	**6,752**	4,674
	Transfer to property, plant and equipment (note 13)	**(4,924)**	(3,892)
	Scrapping of capital work in progress	**(21)**	(228)
	Foreign currency translation differences	**176**	(85)
	Closing balance	**7,780**	5,361
15.	**EXPLORATION AND EVALUATION**		
	The balances and movements for exploration and evaluation costs as included in Annexure A as part of mining development and infrastructure above are as follows:		
	Cost		
	Opening balance	**2,102**	2,050
	Additions (note 6)	**69**	52
	Closing balance	**2,171**	2,102
	Accumulated depreciation		
	Opening balance	**(1,171)**	(1,134)
	Charge and impairments for the year	**(37)**	(37)
	Closing balance	**(1,208)**	(1,171)
	Carrying amount	**963**	931
16.	**INVESTMENT IN ASSOCIATES AND JOINT VENTURES**		
A.	**ASSOCIATES**		
	Listed (market value: R131 million (2017: R75 million))		
	Investment in Atlatsa Resources Corporation*	**–**	–
	Unlisted	**64**	2,464
	Bokoni Platinum Holdings Proprietary Limited (Bokoni Holdco)*		
	Carrying value of investment	**–**	–
	Bafokeng Rasimone Platinum Mine (BRPM)**		
	Carrying value of investment (note 44)	**–**	2,333
	Richtrau No. 123 Proprietary Limited		
	Carrying value of investment	**–**	5
	Primus Power		
	Carrying value of investment	**5**	26
	Peglerae Hospital Proprietary Limited		
	Carrying value of investment	**59**	57
	Hydrogenious Technologies GmbH		
	Carrying value of investment (note 44)	**–**	43
		64	2,464

** Equity investments in Atlatsa and Bokoni Holdco and further advances during 2018 were impaired during the current and prior years.*
*** The investment in BRPM was disposed of during the current year (note 44).*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2018

	2018 Rm	2017 Rm
16. INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued		
A. ASSOCIATES continued		
The movement for the year in the Group's investment in associates was as follows:		
Opening balance	**2,464**	3,963
Loss after taxation	**(15)**	(362)
Loss from associates	**(15)**	(381)
Taxation – deferred	**–**	19
Additional funding provided to associates	**1,400**	1,156
Disposal of Pandora joint venture	**–**	(174)
Disposal of BRPM (note 44)	**(2,080)**	–
Additional investment in Hydrogenious Technologies GmbH	**48**	13
Disposal of investment in Hydrogenious Technologies GmbH (note 44)	**(95)**	–
Deferred foreign exchange translation losses	**11**	13
Impairment of investments in associates	**(1,138)**	(2,145)
Repayments of loans to associates	**(531)**	–
Closing balance	**64**	2,464

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

The Group's share of unrecognised equity-accounted losses from Atlatsa carried forward amounted to R572 million (2017: R318 million). See note 45.

Summarised financial information of associates as at 31 December 2018

	2018 Rm	2017 Rm
(Loss)/profit***	**(114)**	61

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).

**** The financial information used for Primus Power and Peglerae were for nine (9) months ended 30 September 2018. For Primus, the year end is 31 December and 30 September for Peglerae.*

B. JOINT VENTURES

Unlisted investment: AP Ventures (APV)

On 17 July 2018 AAP announced that its wholly owned subsidiary, Anglo Platinum Marketing Limited (APML), had subscribed for interests in two UK-based venture capital funds (the Funds), with a total aggregate commitment equivalent to USD100 million. AAP's commitment to the Funds is matched by a USD100 million commitment from South Africa's Public Investment Corporation SOC Limited (PIC). APML and the PIC comprise the Limited Partners (LPs).

APV comprises two funds, APV Fund I and APV Fund II. Fund I is closed to other investors with APML and PIC holding equal ownership interest of 49.5% each and 1% held by General Partners, who have power and authority over APV. APV is a legally separate entity from the Limited Partners. The two Limited Partners have invested R328 million each into Fund I on 21 September 2018.

APV is independently managed by the General Partners.

The General Partners (GPs) are responsible for the day-to-day investment, disinvestments, financing and distribution decisions.

The GPs are required to hold at all times the 1% of the capital contributed by the LPs. The removal of the GPs require 75% of committed capital by Limited Partners to approve the decision. This demonstrates that the Limited Partners require unanimous consent to remove the General Partners and therefore the investment in Fund I is that of a joint venture and is equity accounted by APML from 1 October 2018.

APV has a 31 March year end, measures its investments at fair value through profit or loss and therefore unaudited internal valuations as at 30 November 2018 were used for equity accounting purposes.

16. INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

B. JOINT VENTURES continued

Unlisted investment: AP Ventures (APV) continued

The movement for the year in the Group's investment in joint ventures was as follows:

	2018 Rm	2017 Rm
Opening balance	–	–
Loss after taxation	(25)	–
Loss from joint ventures	(25)	–
Taxation – deferred	–	–
Investment in AP Ventures	382	–
Foreign exchange translation losses in FCTR	(14)	–
Closing balance	343	–
Total balance for associates and joint ventures	407	2,464
Summarised financial information of AP Ventures as at 30 November 2018		
Capital drawn down in 2018	682	–
Net allocated loss attributable to LPs	(28)	–
Capital balance as at 30 November 2018	654	–

AP Ventures carries its investments as at fair value and therefore the summarised financial information is based on the reporting by AP Ventures.

17. JOINT ARRANGEMENTS

Joint operations

The Group has classified all the joint arrangements to which it is a party to as joint operations, except for AP Ventures (see note 16), as they are unincorporated 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.*

These joint operations have additional separate legal entities, as detailed in Annexure C. The Group is of the opinion that the substance of these joint operations 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 operation 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.

Kroondal Platinum Mine

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2018

	2018 Rm	2017 Rm
18. INVESTMENTS HELD BY ENVIRONMENTAL TRUSTS		
Investments held by the environmental trust comprise:		
Financial instruments designated as fair value through profit or loss	**1,183**	970
Movement in total investments held by environmental trusts		
Opening balance	**970**	1,015
Contributions	**–**	1
Growth in environmental trusts (note 8)	**6**	8
Disposal of Union Mine	**(1)**	–
Growth in/value attributable to Rustenburg Mine not yet transferred to Sibanye	**9**	26
Growth in/value attributable to Union Mine not yet transferred to Siyanda	**5**	–
Acquisition of Mototolo JV (note 49)	**36**	–
Remeasurements	**19**	59
Reclassified as held for sale	**139**	(139)
Closing balance	**1,183**	970
Disclosed as:		
Investments held by environmental trusts	**1,183**	970
	1,183	970

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).

		2018 Rm	2017 Rm
19.	**OTHER FINANCIAL ASSETS**		
	Loans carried at amortised cost		
	Loans to Plateau Resources Proprietary Limited (Plateau)[1]	**224**	201
	Loan to ARM Mining Consortium Limited[2]	**44**	52
	Advance to Bakgatla-Ba-Kgafela traditional community[9]	**–**	149
	Other	**100**	100
		368	502
	Equity investments irrevocably designated at FVTOCI[4]		
	Investment in Royal Bafokeng Platinum Limited (RB Plat)[8]	**–**	627
	Investment in Wesizwe Platinum Limited (Wesizwe)[5]	**89**	114
	Convertible notes in United Hydrogen Group Inc.[3,7]	**–**	30
	Investment in Primus Power	**22**	–
	Investment in Anglo Plc shares	**30**	–
	Investment in Altergy Systems[7]	**–**	31
	Investment in Ballard Power Systems Inc.	**175**	258
	Investment in Greyrock Energy Inc. (Greyrock)[7]	**–**	93
	Investment in Food Freshness Technology[7]	**–**	77
		316	1,230
	Other financial assets mandatorily measured at fair value through profit or loss		
	Deferred consideration on sale of BRPM (note 44)[6]	**1,546**	–
	Deferred consideration on sale of Pandora Joint Venture[6]	**149**	115
	Deferred consideration on sale of Rustenburg Mine[6]	**1,730**	1,660
		3,425	1,775
	Total other financial assets	**4,109**	3,507

[1] *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. 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. A further facility was put in place to fund Plateau's proportionate share of care and maintenance expenditure of Bokoni Mine. In the past, all but R201 million of the loans to Plateau were impaired. In the current year, a loan to the value of R133 million was made to Plateau with only R110 million impaired, resulting in the balance of R224 million.*

[2] *This advance is interest free and the repayment thereof is dependent on the free cash flows from Modikwa Platinum Mine. The 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).*

[3] *Changed classification from amortised cost to fair value through other comprehensive income (FVTOCI) on adoption of IFRS 9:* Financial Instruments *on 1 January 2018. This is an investment that is an equity instrument in its entirety. Prior years we also restated, however, not material.*

[4] *Change in category from available-for-sale financial assets to equity instruments at fair value through other comprehensive income (FVTOCI) on adoption of IFRS 9:* Financial Instruments *on 1 January 2018. These are irrevocably designated at fair value because they are equity instruments in their entirety and there is no recycling of the reserve to profit or loss but within equity on derecognition. No dividends were received. See note 43.*

[5] *The Group holds 13% in Wesizwe.*

[6] *The deferred considerations result from the discounted deferred purchase price of for the disposal of Rustenburg Mine, Pandora Joint Venture and BRPM.*

[7] *The investments in Greyrock, Food Freshness, Altergy Systems and United Hydrogen, were disposed on 20 September 2018 with a carrying amount of R312 million. The investments were disposed in order to invest through APV (see note 16B above). The fair value of the investments in total at the date of sale was R310 million, resulting in a loss of R2 million. The cumulative fair value gains of R57 million were transferred to retained earnings.*

[8] *Amplats disposed of its investment in RB Plat during the year. The difference between the proceeds of R 510 million and previous fair value of R563 resulted in a loss of R53 million recognised in OCI with a cumulative loss of R62 million transferred to retained earnings.*

[9] *The loan arose in respect of financing AAP provided to Bakgatla-Ba-Kgafela to acquire an equity interest in Rooderand. AAP was undertaking discussions to affect the disposal of Rooderand which would equally have benefited the Bakgatla such that the loan would be repaid. Due to uncertainty on funding the loan recoverability is questionable, and the balance has accordingly been impaired.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2018

		2018 Rm	2017 Rm
20.	**INVENTORIES**		
	Refined metals	**3,972**	3,906
	At cost	**2,990**	2,548
	At net realisable values	**982**	1,358
	Work in process	**13,893**	10,354
	At cost	**9,851**	5,547
	At net realisable values	**4,042**	4,807
	Ore stockpiles	**2,256**	1,761
	Total metal inventories	**20,121**	16,021
	Stores and materials at cost less obsolescence provision	**2,517**	2,468
		22,638	18,489
	Less: non-current inventories	**650**	–
		21,988	18,489

There are no inventories pledged as security to secure any borrowings of the Group.

		2018 Rm	2017 Rm
21.	**TRADE AND OTHER RECEIVABLES**		
	Trade accounts receivable	**554**	1,188
	Other receivables	**1,053**	988
	Reclassified as held for sale	**–**	(79)
		1,607	2,097

There were no trade debtors past due but not impaired as the average credit period on the sale of precious metals is seven days and base metals is 30 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 been received after year end. 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 (refer to note 40). There are no trade receivables pledged as security to secure any borrowings of the Group.

		2018 Rm	2017 Rm
22.	**OTHER ASSETS**		
	Prepayments	**280**	468
	VAT receivable	**1,067**	593
	Other	**–**	14
		1,347	1,075
23.	**OTHER FINANCIAL ASSETS**		
	Fair value of derivatives	**11**	7
	Deferred consideration on sale of Rustenburg Mine – short-term portion	**265**	66
		276	73

	2018 Rm	2017 Rm
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*	**9,175**	9,357
Reclassified as held for sale	**–**	(242)
Restricted cash#	**366**	–
	9,541	9,115

Cash held in trust comprises funds which may only be utilised for purposes of community development activities and villages resettlements. All income earned on these funds is reinvested or spent to meet these obligations.

* *Includes cash on deposit of R6,340 million held as a foreign currency exchange hedge on the prepayment transaction (note 32).*

25. SHARE CAPITAL

2017 Number of shares	2018 Number of shares		2018 Rm	2017 Rm
		Authorised		
413,595,651	**413,595,651**	Ordinary shares of 10 cents each	**41**	41
		Issued – ordinary shares		
269,681,886	**269,681,886**	Ordinary shares of 10 cents	**27**	27
		Treasury shares held within the Group		
1,162,483	**978,316**	Ordinary shares held by the Group in terms of certain share schemes. See reconciliation below	**–***	–*
		Alchemy shares		
6,290,365	**6,290,365**	Ordinary shares issued to Lefa La Rona Trust at 10 cents each for the purposes of community development initiatives. The trust is consolidated	**–***	–*

* *Less than R500,000.*

Ordinary shares

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

Reconciliation of treasury shares

	Number of shares
Balance on 1 January	**1,162,483**
Acquisition of shares for employee share schemes	**386,086**
Shares vested in terms of employee share schemes	**(570,253)**
Balance at 31 December	**978,136**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2018

	2018 Facility amount Rm	2018 Utilised amount Rm	2017 Facility amount Rm	2017 Utilised amount Rm
26. INTEREST-BEARING BORROWINGS				
Unsecured financial liabilities measured at amortised cost				
The Group has the following borrowing facilities:				
Committed facilities	**20,499**	**6,078**	22,254	9,397
Absa Bank Limited	**1,600**	**–**	2,000	–
Anglo American SA Finance Limited	**9,100**	**5,536**	9,100	9,100
BNP Paribas	**1,000**	**–**	1,000	–
FirstRand Bank Limited	**2,657**	**–**	2,857	–
Nedbank Limited	**3,662**	**262**	4,297	297
Rand Merchant Bank	**280**	**280**	–	–
Standard Bank of South Africa Limited	**2,200**	**–**	3,000	–
Uncommitted facilities	**6,438**	**89**	6,230	1,678
Anglo American SA Finance Limited	**5,000**	**89**	5,000	1,678
Bank of Nova Scotia	**575**	**–**	492	–
Nedbank London#	**863**	**–**	738	–
Total interest-bearing borrowings	**26,937**	**6,167**	28,484	11,075
Current interest-bearing borrowings		**129**		1,713
Non-current interest-bearing borrowings		**6,038**		9,362
		6,167		11,075
Weighted average borrowing rate (%)		**8.69**		8,59

 # USD60 million uncommitted facility.

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 R16,937 million (2017: R18,657 million) of the facilities is committed for one to five years; R1,000 million (2017: R1,000 million) is committed for a rolling period of 364 days; R2,300 million (2017: R2,300 million) is committed for a rolling period of 18 months. The Company has adequate committed facilities to meet its future funding requirements.

Uncommitted facilities are callable on demand.

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 R99 million (2017: R100 million) and is included in property, plant and equipment (note 13).

The lease term is for a period of 15 years, ending on 30 June 2030, whereafter the Group has the option to purchase the plant at fair value. The interest rate implicit in the lease amounts to 17.74%.

	2018 Rm	2017 Rm
Finance lease obligations	**117**	115
Less: Short-term portion included in current liabilities	**(17)**	(17)
	100	98

27. OBLIGATIONS DUE UNDER FINANCE LEASES continued

Reconciliation of future minimum lease payments under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2018 Rm	2017 Rm	**2018 Rm**	2017 Rm
Due within one year	**19**	18	**17**	17
Due within two to five years	**89**	84	**52**	49
More than five years	**202**	227	**48**	49
	310	329	**117**	115
Less: Future finance charges	**(193)**	(214)	**–**	–
Present value of minimum lease payments	**117**	115	**117**	115

	2018 Rm	2017 Rm
28. ENVIRONMENTAL OBLIGATIONS		
Provision for decommissioning cost	**795**	910
Opening balance	**910**	1,287
Reduction in discounted amount for decommissioning of expansion projects	**(60)**	(345)
Acquisition of Mototolo JV (note 49)	**27**	–
Charged to interest expensed (note 8)	**29**	129
Increase/(reduction) in decommissioning asset (note 13)	**12**	(152)
Disposal of Union Mine	**(134)**	–
Foreign currency translation differences	**11**	(9)
Provision for restoration cost	**1,130**	984
Opening balance	**984**	651
Discounted amount for increase in restoration obligation charged to comprehensive income	**69**	254
Mototolo acquisition	**41**	–
Charged to interest expensed (note 8)	**94**	86
Disposal of Union Mine	**(67)**	–
Foreign currency translation differences	**9**	(7)
	1,925	1,894
Reclassified as held for sale	**–**	(201)
Environmental obligations before funding	**1,925**	1,693
Less: Environmental trusts (note 18)	**(1,183)**	(970)
Unfunded environmental obligations	**742**	723
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	**5,324**	4,969

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2018

28. ENVIRONMENTAL OBLIGATIONS continued

Sensitivity analysis on environmental obligations

Assumed expected cash flows, discount rates and life of mine have a significant impact on the amounts recognised in the statement of financial position and statement of comprehensive income. A 10% change in expected cash flows, five-year change in the expected life of mine and a 0.5% change in the discount rates would have the following impact:

	Profit or loss		Decommissioning asset		Environmental obligations	
	2018 Rm	2017 Rm	**2018 Rm**	2017 Rm	**2018 Rm**	2017 Rm
10% change in expected cash flows						
Reduction	**163**	153	**35**	28	**198**	181
Increase	**170**	155	**18**	26	**188**	181
0.5% change in discount rates						
Reduction	**250**	213	**10**	3	**260**	216
Increase	**213**	186	**8**	3	**221**	189
Five-year change in life of mine						
Reduction	**228**	213	**21**	44	**249**	257
Increase	**180**	184	**15**	29	**195**	213

	2018 Rm	2017 Rm
29. EMPLOYEE BENEFITS		
Employees' service benefit obligations (non-current)		
Provision for post-retirement medical aid benefits	**15**	17
Share-based payments provision	**–**	–
Total	**29**	21
Less: Transferred to current liabilities	**(29)**	(21)
	15	17
Aggregate earnings		
The aggregate earnings of employees including directors were:		
Salaries and wages and other benefits	**10,481**	10,527
Retirement benefit costs	**790**	849
Medical aid contributions	**458**	487
Share-based compensation (note 6)	**195**	205
Equity settled	**175**	189
Cash settled	**9**	6
Cash payments	**11**	10
	11,924	12,068
Termination benefits		
Voluntary separation costs (included in restructuring and other related costs)	**42**	–
Directors' emoluments		
Remuneration for executives		
Salaries, benefits, performance-related bonuses and other emoluments	**31**	29
Remuneration for non-executives		
Fees	**9**	7
Paid by holding company and subsidiaries	**40**	36
Paid by subsidiaries	**(31)**	(29)
Paid by holding company	**9**	7

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 Annexure E.

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
2018			
Old Mutual SuperFund	**15,783**	**486**	**8,462**
Amplats Group Provident Fund	**13,215**	**239**	**2,847**
	28,998	**725**	**11,309**
2017			
Old Mutual SuperFund	15,652	536	8,158
Amplats Group Provident Fund	27,065	783	7,009
	42,717	1,319	15,167

30. DEFERRED TAXATION

	2018 Rm	2017 Rm
Opening balance	**7,455**	7,519
Released to the statement of comprehensive income (note 10)	**847**	(128)
Charged directly to equity	**(37)**	40
Other	**(1)**	(58)
Acquisition of Mototolo JV (note 49)	**(42)**	–
Reclassified as held for sale	**–**	82
Closing balance	**8,222**	7,455
Comprising:		
Deferred taxation liabilities	**9,684**	8,480
Mining property, plant and equipment	**9,026**	7,968
Other	**658**	512
Deferred taxation assets	**(1,462)**	(1,107)
Accrual for leave pay	**(249)**	(257)
Net deferred considerations on acquisition/disposal of businesses	**(424)**	(289)
Share-based payment provision	**(26)**	(25)
Post-retirement medical aid benefits	**(6)**	(6)
Bonus provision	**(139)**	(136)
Environmental liabilities	**(227)**	(195)
Unrealised loss on metal inventory	**(290)**	(72)
Other	**(101)**	(127)
Reclassified as held for sale	**–**	82
Net position as at 31 December	**8,222**	7,455

Unrecognised tax losses, capital in nature, at 31 December 2018 amounted to R4,834 million (2017: R693 million).

Unki has retained earnings of R1.8 billion that would attract withholding tax of 14.5% if it were to be distributed as at 31 December 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2018

		2018 Rm	2017 Rm
31.	**TRADE AND OTHER PAYABLES**		
	Trade accounts	**12,108**	8,649
	Related parties (note 34)	**23**	1,434
	Reclassified as held for sale	**–**	(188)
	Purchase of concentrate liability	**9,703**	6,753
	Other	**2,382**	650
	Other accounts payable	**3,539**	2,667
		15,647	11,316
	The fair value of accounts payable are not materially different to the carrying values presented due to the short term to maturity.		
32.	**OTHER LIABILITIES**		
	Accrual for leave pay	**921**	965
	Liabilities for the return of metal[1]	**211**	134
	Contract liability[2]	**6,127**	4,623
	Other accruals[3]	**1,164**	1,155
	Reclassified as held for sale	**–**	(186)
		8,423	6,691

[1] *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.*

[2] *The contract liability represents a payment in advance for metal to be delivered in six months' time. An amount is received monthly on a rolling six-month basis over five years of the contract ending in March 2022. Cash and cash equivalents are held as a hedging instrument in respect of the foreign exchange risk of this liability. This was previously a deferred income liability and has now been reclassified as a contract liability on adoption of IFRS 15 on 1 January 2018. See note 43.*

[3] *Includes a provision of R470 million in respect of disputes with counterparties in sale and purchase agreements. Further disclosure is not provided because it would be seriously commercially prejudicial.*

		2018 Rm	2017 Rm
	Reconciliation of contract liabilities		
	Carrying amount at beginning of period	**4,623**	2,015
	Prepayment received	**13,515**	10,447
	Top up reclassification	**(13)**	36
	Foreign exchange differences	**561**	(422)
	Delivery of metal	**(12,559)**	(7,453)
	Carrying amount at end of period	**6,127**	4,623
33.	**OTHER FINANCIAL LIABILITIES**		
	Financial liabilities carried at fair value		
	Deferred consideration payable on sale of Rustenburg Mine	**–**	239
	Deferred consideration payable on sale of Mototolo JV (note 49)	**762**	–
	Non-current	**762**	239
	Financial liabilities carried at amortised cost		
	Platinum Producers' Environmental Trust (PPET) payable to Siyanda and Sibanye*	**461**	308
	Financial liabilities carried at fair value		
	Fair value of derivatives	**2**	4
	Deferred consideration payable on sale of Rustenburg Mine	**–**	304
	Deferred consideration payable on acquisition of Mototolo JV (note 49)	**176**	–
	Current	**639**	616
	Total other financial liabilities	**1,401**	855

* *Comprises PPET investment balances attributable to Rustenburg Mine and Union Mine.*

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.

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 Anglo American South Africa Investments Proprietary Limited (parent company) and the ultimate holding company (Anglo American plc), their 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 (as set out in note 16) and not disclosed elsewhere in the notes to the financial statements are as follows:

	2018 Rm	2017 Rm
Compensation paid to key management personnel	**79**	77
Interest paid for the year*	**757**	1,068
Interest received for the year*	**158**	58
Insurance paid for the year*	**449**	447
Insurance received for the year*	**490**	197
Purchase of goods and services for the year from associates	**4,660**	5,310
Purchase of goods and services from Anglo American Plc*	**899**	897
Corporate costs	**110**	114
Technical and sustainability	**334**	318
Research	**90**	81
Information management	**138**	163
Shared services	**91**	83
Supply chain	**60**	43
Office costs	**35**	49
Routine analysis (sample testing)	**41**	45
Deposits*	**7,969**	7,246
Interest-bearing borrowings (including interest accrued)*	**5,587**	10,777
Amounts owed to related parties (note 31)	**23**	1,434
Associates	**–**	1,423
Anglo American plc and its subsidiaries	**23**	11

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 Annexure E.

Key management personnel
Refer Annexure E.

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

* *Anglo American plc and its subsidiaries.*

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		Notes	2018 Rm	2017 Rm
35.	**RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**			
	Profit before taxation		**9,659**	3,540
	Adjustments for:			
	Interest received	8	**(259)**	(214)
	Growth in environmental trusts	8	**(6)**	(8)
	Interest expensed	8	**617**	1,004
	Time value of money adjustment to environmental obligations	8	**123**	215
	Gains on remeasurement of other financial assets	8	**(931)**	(46)
	Depreciation of property, plant and equipment	5	**4,168**	4,093
	Loss on impairment, disposal and scrapping of property, plant and equipment		**863**	1,658
	Losses from associates	16	**15**	362
	Losses from joint venture	16	**25**	–
	Impairment of investments in associates	16	**1,138**	2,145
	Gain on step acquisition		**(336)**	–
	Profit on disposal of associates		**(239)**	(135)
	Impairment of non-current financial assets		**276**	777
	Net equity-settled share-based payments charged to reserves	6	**195**	205
	Profit of disposal of long-dated resources		**–**	(1,066)
	Cash payment on vesting of cash-settled share-based payments		**(12)**	(18)
	Foreign translation (gains)/losses		**(10)**	52
	Unki foreign exchange losses on cash and cash equivalents		**14**	–
			15,300	12,564
	Movement in non-cash items		**67**	254
	Increase in employees' service benefit obligations		**(2)**	–
	Increase in provision for environmental obligations		**69**	254
	Working capital changes		**2,593**	3,049
	Increase in metal inventories		**(3,541)**	(515)
	Increase in ore stockpiles		**(495)**	(1,761)
	(Increase)/decrease in stores and materials		**(47)**	116
	Decrease in trade and other receivables		**634**	321
	(Increase)/decrease in other assets		**(184)**	79
	Increase in trade and other payables		**3,941**	2,913
	Increase in other liabilities		**2,277**	1,890
	Increase in share-based payment provision		**8**	6
	Cash generated from operations		**17,960**	15,867
36.	**TAXATION PAID**			
	Amount receivable at beginning of year		**(469)**	(470)
	Current taxation provided (note 10)		**1,819**	1,744
	Foreign exchange differences		**42**	(17)
	Amount receivable at end of year		**379**	469
	Amount receivable classified as held for sale		**–**	16
	Payments made		**1,771**	1,742

		2018 Rm	2017 Rm
37.	**PURCHASE OF PROPERTY, PLANT AND EQUIPMENT**		
	Additions to capital work in progress (note 14)	**6,752**	4,674
	Acquisition of Mototolo JV (note 14)	**436**	–
	Additions to plant and equipment (note 13)	**274**	295
	Total additions	**7,462**	4,969
	Cash purchases are made up as follows:		
	Stay-in-business	**4,189**	3,336
	Projects	**982**	624
	Waste stripping	**1,548**	784
	Interest capitalised (note 8)	**307**	225
	Less: Credit purchases	**(62)**	–
		6 964	4,969
	Total additions are made up as follows:		
	Stay-in-business	**4,189**	3,336
	Projects	**982**	624
	Waste stripping	**1,548**	784
	Interest capitalised (note 8)	**307**	225
	Acquisition of Mototolo JV (note 14)	**436**	–
		7,462	4,969
38.	**COMMITMENTS**		
	Property, plant and equipment		
	Contracted for	**1,580**	1,919
	Not yet contracted for	**3,123**	4,302
	Authorised by the directors	**4,703**	6,221
	Project capital	**1,324**	2,040
	– Within one year	**875**	799
	– Thereafter	**449**	1,241
	Stay-in-business capital	**3,378**	4,180
	– Within one year	**3,138**	2,997
	– Thereafter	**240**	1,183
	Capital commitments relating to the Group's share in associates		
	Contracted for	**–**	337
	Not yet contracted for	**–**	1,569
		–	1,906
	Other		
	Operating lease rentals – property, plant and equipment	**1,658**	1,461
	Due within one year	**67**	77
	Due within two to five years	**331**	123
	Due after five years	**1,260**	1,261

Most of the Group's leasing arrangements have renewal options. These commitments will be funded from existing cash resources, future operating cash flows, borrowings and any other funding strategies embarked on by the Group.

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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 2018 these guarantees amounted to R1,816 million (2017: R1,108 million).

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 2018, these guarantees amounted to R2,598 million (2017: R2,398 million) (refer to note 28).

The Group has a contingent liability to fund the care and maintenance costs of its associate, Bokoni Mine, in 2019 for an amount of R159 million. This funding is contingent on the Group's financial director reviewing the costs to ensure they are for approved care and maintenance costs before they are paid over to Bokoni. 51% of the committed funding is accounted for as a loan to Plateau when the funds are paid to Bokoni.

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
- Maximum tangible net worth values
- 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 2017.

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

	Amortised costs Rm	FVTPL Rm	FVTOCI Rm	Total Rm	Fair value Rm
2018					
Financial assets					
Investments held by environmental trusts	**–**	**1,183**	**–**	**1,183**	**1,183**
Other financial assets	**368**	**3,701**	**316**	**4,385**	**4,385**
Trade and other receivables	**1,607**	**–**	**–**	**1,607**	**1,607**
Cash and cash equivalents	**9,541**	**–**	**–**	**9,541**	**9,541**
	11,516	**4,884**	**316**	**16,716**	**16,716**
2017					
Financial assets					
Investments held by environmental trusts	–	1,109	–	1,109	1,109
Other financial assets	502	1,848	1,230	3,580	3,580
Trade and other receivables	2,176	–	–	2,176	2,176
Cash and cash equivalents	9,357	–	–	9,357	9,357
	12,035	2,957	1,230	16,222	16,222

	FVTPL Rm	Amortised cost (AC) Rm	Total Rm	Fair value Rm
2018				
Financial liabilities				
Non-current interest-bearing borrowings	**–**	**(6,038)**	**(6,038)**	**(6,038)**
Obligations due under finance leases	**–**	**(100)**	**(100)**	**(100)**
Current interest-bearing borrowings	**–**	**(129)**	**(129)**	**(129)**
Obligations due under finance leases within one year		**(17)**	**(17)**	**(17)**
Trade and other payables	**(9,703)**	**(5,944)**	**(15,647)**	**(15,647)**
Other financial liabilities	**(940)**	**(461)**	**(1,401)**	**(1,401)**
	(10,643)	**(12,689)**	**(23,332)**	**(23,332)**
2017				
Financial liabilities				
Non-current interest-bearing borrowings	–	(9,362)	(9,362)	(9,362)
Obligations due under finance leases	–	(98)	(98)	(98)
Current interest-bearing borrowings	–	(1,713)	(1,713)	(1,713)
Obligations due under finance leases within one year		(17)	(17)	(17)
Trade and other payables	(6,753)	(4,751)	(11,504)	(11,504)
Other financial liabilities	(547)	(308)	(855)	(855)
	(7,300)	(16,249)	(23,549)	(23,549)

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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

Description	31 December 2018 Rm	Fair value measurement at 31 December 2018 Level 1 Rm	Level 2 Rm	Level 3 Rm
Financial assets through profit or loss				
Investments held by environmental trusts	**1,183**	**1,183**	**–**	**–**
Other financial assets	**3,701**	**–**	**11**	**3,690**
Equity investments irrevocably designated at FVTOCI				
Other financial assets	**316**	**119**	**–**	**197**
Total	**5,200**	**1,302**	**11**	**3,887**
Financial liabilities through profit and loss				
Trade and other payables*	**(9,703)**	**–**	**(9,703)**	**–**
Other financial liabilities	**(940)**	**–**	**(2)**	**(938)**
Non-financial liabilities at fair value through profit or loss				
Liabilities for return of metal	**(211)**	**–**	**(211)**	**–**
Total	**(10,854)**	**–**	**(9,916)**	**(938)**

Description	31 December 2017 Rm	Fair value measurement at 31 December 2017 Level 1 Rm	Level 2 Rm	Level 3 Rm
Financial assets through profit or loss				
Investments held by environmental trusts	1,109	1,109	–	–
Other financial assets	1,848	–	7	1,841
Other financial assets	1,230	741	–	489
Total	4,187	1,850	7	2,330
Financial liabilities through profit or loss				
Trade and other payables*	(6,753)	–	(6,753)	–
Other current financial liabilities	(547)	–	(4)	(543)
Non-financial liabilities at fair value through profit or loss				
Liabilities for return of metal	(134)	–	(134)	–
Total	(7,434)	–	(6,891)	(543)

* *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 financial liabilities relate specifically to forward foreign exchange contracts and fixed price commodity 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. Fixed price commodity contracts are valued with reference to relevant quoted commodity prices at period end.

Level 2 fair values for trade and other payables relate specifically to purchase of concentrate trade creditors which are priced in US dollar. 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. The Level 2 fair value of liabilities for the return of metal is determined by multiplying the quantities of metal under open leases by the relevant commodity prices and ZAR:USD exchange rates.

Level 3 fair value measurement of financial assets and financial liabilities at fair value

The Level 3 fair value of other financial assets comprises investment in unlisted companies Ballard Power Systems and Primus Power. These investments are irrevocably designated as at fair value through other comprehensive income per IFRS 9 *Financial Instruments* and, the deferred consideration on the disposal of the Rustenburg Mine, Pandora Joint Venture and BRPM which are classified as financial assets at fair value through profit or 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 acquisition of control in Mototolo business, which is classified as financial liabilities at fair value through profit or loss. The fair value is based on the underlying discounted cash flows expected.

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

	2018 Other financial assets Rm	2017 Other financial assets Rm	**2018 Other financial liabilities Rm**	2017 Other financial liabilities Rm
Opening balance	**2,330**	1,725	**(543)**	(501)
BRPM disposed consideration	**1,529**	–	**–**	–
Disposal of Pandora and acquisition of investment		115	**–**	–
Acquisition of control in Mototolo Joint Operations	**–**	–	**(925)**	–
Investment in Primus Power convertible notes	**6**	–	**–**	–
Reclassification of United Hydrogen Group Inc.	**–**	30	**–**	–
Acquisition of investment in United Hydrogen Group Inc.	**15**	–	**–**	–
Investment in Hyet Holding B.V.	**33**	–	**–**	–
Remeasurements of deferred considerations through profit or loss*	**421**	115	**474**	(42)
Payment (received)/made	**(101)**	(31)	**56**	–
Total (losses)/gains included in other comprehensive income	**(150)**	393	**–**	–
Disposal of PGMIP investments	**(338)**	–	**–**	–
Transfer to retained earning on disposal of investments at FVTOCI	**57**	–	**–**	–
Foreign exchange translation	**85**	(17)	**–**	–
Closing balance	**3,887**	2,330	**(938)**	(543)

** These are included in fair value remeasurements of other financial assets in the statement of comprehensive income.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2018

40. FINANCIAL INSTRUMENTS continued

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 and a 0.5% change in the discount rates would have the following impact:

	Financial asset		Financial liability	
	2018 Rm	2017 Rm	**2018 Rm**	2017 Rm
10% change in expected cash flows				
Reduction to profit or loss	**39**	23	**8**	54
Increase to profit or loss	**39**	23	**8**	54
0.5% change in discount rates				
Reduction to profit or loss	**40**	54	**12**	2
Increase to profit or loss	**41**	56	**12**	2
10% change in market price of peer groups				
Reduction to OCI	**23**	46	**–**	–
Increase to OCI	**23**	46	**–**	–

Financial risk management

The Group trades in PGM financial instruments and 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**
2018				
Financial assets				
Investments held by environmental trusts	**1,183**	**–**	**–**	**1,183**
Other financial assets	**4,177**	**208**	**–**	**4,385**
Trade and other receivables	**546**	**902**	**159**	**1,607**
Cash and cash equivalents	**1,136**	**8,121**	**284**	**9,541**
	7,042	**9,231**	**443**	**16,716**
Financial liabilities				
Non-current interest-bearing borrowings	**(6,038)**	**–**	**–**	**(6,038)**
Obligations due under finance leases	**(100)**	**–**	**–**	**(100)**
Current interest-bearing borrowings	**(129)**	**–**	**–**	**(129)**
Obligations due under finance leases within one year	**(17)**	**–**	**–**	**(17)**
Trade and other payables	**(6,407)**	**(9,065)**	**(175)**	**(15,647)**
Other financial liabilities	**(1,399)**	**(2)**	**–**	**(1,401)**
	(14,090)	**(9,067)**	**(175)**	**(23,332)**

40. FINANCIAL INSTRUMENTS continued

Currency risk continued

	South African rand Rm	US dollar Rm	Other Rm	Total Rm
2017				
Financial assets				
Investments held by environmental trusts	1,109	–	–	1,109
Other financial assets	3,084	496	–	3,580
Trade and other receivables	752	1,219	205	2,176
Cash and cash equivalents	1,154	8,058	145	9,357
	6,099	9,773	350	16,222
Financial liabilities				
Non-current interest-bearing borrowings	(9,362)	–	–	(9,362)
Obligations due under finance leases	(98)	–	–	(98)
Current interest-bearing borrowings	(1,713)	–	–	(1,713)
Obligations due under finance leases within one year	(17)	–	–	(17)
Trade and other payables	(4,821)	(6,591)	(92)	(11,504)
Other financial liabilities	(851)	(4)	–	(855)
	(16,862)	(6,595)	(92)	(23,549)

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
2018		
Profit/(loss)	**31**	**(31)**
Financial assets	**956**	**(956)**
Financial liabilities	**(925)**	**925**
2017		
Profit/(loss)	317	(317)
Financial assets	977	(977)
Financial liabilities	(660)	660

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's 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2018

40. FINANCIAL INSTRUMENTS continued

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
2018			
Financial liabilities			
Trade and other payables	**(9,703)**	**(5,944)**	**(15,647)**
2017			
Financial liabilities			
Trade and other payables	(6,753)	(4,751)	(11,504)

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:

	2018		2017	
	Rm 10% increase	**Rm 10% decrease**	Rm 10% increase	Rm 10% decrease
Platinum				
(Loss)/profit	**(277)**	**277**	(238)	238
(Increase)/decrease in financial liabilities	**(277)**	**277**	(238)	238
Palladium				
(Loss)/profit	**(218)**	**218**	(138)	138
(Increase)/decrease in financial liabilities	**(218)**	**218**	(138)	138
Rhodium				
(Loss)/profit	**(127)**	**127**	(57)	57
(Increase)/decrease in financial liabilities	**(127)**	**127**	(57)	57
Nickel				
(Loss)/profit	**(20)**	**20**	(18)	18
(Increase)/decrease in financial liabilities	**(20)**	**20**	(18)	18

40. FINANCIAL INSTRUMENTS continued

Interest rate risk

During the year, the Group was in a net cash 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
2018				
Financial assets				
Investment held by environmental trusts	**–**	**–**	**1,183**	**1,183**
Other financial assets	**–**	**–**	**4,385**	**4,385**
Trade and other receivables	**–**	**–**	**1,607**	**1,607**
Cash and cash equivalents	**–**	**9,541**	**–**	**9,541**
	–	**9,541**	**7,175**	**16,716**
Financial liabilities				
Non-current interest-bearing borrowings	**–**	**(6,038)**	**–**	**(6,038)**
Obligations due under finance leases	**(100)**	**–**	**–**	**(100)**
Current interest-bearing borrowings	**–**	**(129)**	**–**	**(129)**
Obligations due under finance leases within one year	**(17)**	**–**	**–**	**(17)**
Trade and other payables	**–**	**–**	**(15,647)**	**(15,647)**
Other current financial liabilities	**–**	**–**	**(1,401)**	**(1,401)**
	(117)	**(6,167)**	**(17,048)**	**(23,332)**
2017				
Financial assets				
Investments held by environmental trusts	–	–	1,109	1,109
Other financial assets	30	149	3,401	3,580
Trade and other receivables	–	–	2,176	2,176
Cash and cash equivalents	–	9,357	–	9,357
	30	9,506	6,686	16,222
Financial liabilities				
Non-current interest-bearing borrowings	–	(9,362)	–	(9,362)
Obligations due under finance leases	(98)	–	–	(98)
Current interest-bearing borrowings	–	(1,713)	–	(1,713)
Obligations due under finance leases within one year	(17)	–	–	(17)
Trade and other payables	–	–	(11,504)	(11,504)
Other current financial liabilities	–	–	(855)	(855)
	(115)	(11,075)	(12,359)	(23,549)

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40. FINANCIAL INSTRUMENTS continued

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 (2017: 50 basis points) and the US dollar interest rate decreased by 50 basis points (2017: 50 basis points) at year end, then income for the year would have increased by R26 million (2017 increase: R48 million) and decreased by R43 million (2017 decrease: R40 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 (refer to 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.

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 instrument 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	Unearned finance charges Rm	Total Rm
Non-derivative financial instruments							
2018							
Non-current interest-bearing borrowings	**8.69**	**–**	**(6,217)**	**(649)**	**(30)**	**858**	**(6,038)**
Obligations due under finance leases	**17.74**	**–**	**(20)**	**(69)**	**(202)**	**191**	**(100)**
Current interest-bearing borrowings	**8.69**	**(680)**	**–**	**–**	**–**	**551**	**(129)**
Obligations due under finance leases within one year	**17.74**	**(19)**	**–**	**–**	**–**	**2**	**(17)**
Trade and other payables	**n/a**	**(15,647)**	**–**	**–**	**–**	**–**	**(15,647)**
		(16,346)	**(6,237)**	**(718)**	**(232)**	**1,602**	**(21,931)**
2017							
Non-current interest-bearing borrowings	8.59	–	(9,656)	(181)	(91)	566	(9,362)
Obligations due under finance leases	17.74	–	(19)	(65)	(227)	213	(98)
Current interest-bearing borrowings	8.59	(2,592)	–	–	–	879	(1,713)
Obligations due under finance leases within one year	17.74	(18)	–	–	–	1	(17)
Trade and other payables	n/a	(11,504)	–	–	–		(11,504)
		(14,114)	(9,675)	(246)	(318)	1,659	(22,694)
Derivative financial instruments							
2018							
Other current financial assets		**11**	**–**	**–**	**–**	**–**	**11**
Other current financial liabilities	**n/a**	**(2)**	**–**	**–**	**–**	**–**	**(2)**
2017							
Other current financial assets	n/a	7	–	–	–	–	7
Other current financial liabilities		(4)	–	–	–	–	(4)

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. At 31 December 2018, no trade receivables were past due and not impaired.

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	
	2018 Rm	2017 Rm
Financial assets and other credit exposures		
Investments held by environmental trusts	**1,183**	1,109
Other financial assets	**4,385**	3,580
Trade and other receivables	**1,607**	2,176
Cash and cash equivalents	**9,541**	9,357
	16,716	16,222

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:

	2018			2017		
	Number of customers	**Value Rm**	**%**	Number of customers	Value Rm	%
Greater than R200 million	**–**	**–**	**–**	1	345	29
Greater than R100 million but less than R200 million	**–**	**–**	**–**	3	451	38
Less than R100 million	**70**	**554**	**100**	62	392	33
	70	**554**	**100**	66	1,188	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.

	2018 Rm	2017 Rm
Financial assets		
Investment held by environmental trusts	**1,183**	1,109
Other financial assets	**316**	1,200
	1,499	2,309

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 R49 million (2017: R41 million) and other comprehensive income would have increased by R30 million (2017: R120 million). If the equity prices had been 10% lower at year end, then income for the year would have decreased by R14 million (2017: Rnil) and other comprehensive income would have decreased by R30 million (2017: R120 million).

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41. ANALYSIS OF SHAREHOLDERS

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

Ordinary shares

	2018		2017	
	Number of shareholders	**% of issued capital**	Number of shareholders	% of issued capital
Size of shareholding				
1 – 1,000	**10,026**	**0.48**	10,708	0.55
1,001 – 10,000	**1,014**	**1.26**	1,039	1.20
10,001 – 100,000	**303**	**3.67**	297	3.58
100,001 – 1,000,000	**85**	**7.27**	75	8.08
1,000,001 and over	**11**	**87.32**	10	86.59
	11,439	**100.00**	12,129	100.00
Category of shareholder				
Companies	**256**	**77.73**	259	77.75
Individuals	**9,009**	**0.74**	9,600	0.83
Pension and provident funds	**282**	**4.62**	357	5.50
Insurance companies	**59**	**0.71**	76	0.60
Bank, nominee and finance companies	**399**	**10.24**	358	8.85
Trust funds and investment companies	**1,320**	**5.82**	1,340	6.37
Other corporate bodies	**114**	**0.14**	139	0.10
	11,439	**100.00**	12,129	100.00
Shareholder spread				
Public shareholders	**11,436**	**22.42**	12,126	22.38
Non-public shareholders				
Directors and associates	**2**	**0.01**	2	–*
Persons interested, directly or indirectly, in 10% or more	**1**	**77.57**	1	77.62
	11,439	**100.00**	12,129	100.00

* *Less than 0.01%.*

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	**%**	Number of shares	%
Anglo American South Africa Investments Proprietary Limited	**208,417,151**	**77.56**	208,417,151	77.62

Geographical analysis of shareholders

Resident shareholders held 240,491,873 shares (89.5%) (2017: 244,492,531; 91.05%) and non-resident shareholders held 28,211,697 shares (10.5%) (2017: 24,026,872; 8.95%) of the Company's issued ordinary share capital of 268,703,570 shares at 31 December 2018 (2017: 268,519,403).

The treasury shares of 978,316 (2017: 1,162,483) 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.

42. CHANGES IN ACCOUNTING ESTIMATES

Change in estimate of quantities of inventory

Inventory

During the current period, the Group changed its estimate of the quantities of inventory based on the outcome of a physical count of in-process metals. The Group runs a theoretical metal inventory system based on inputs, the results of previous counts and outputs. Due to the nature of in-process inventories being contained in weirs, pipes and other vessels, physical counts only take place once per annum, except in the Precious Metal Refinery, where the physical count is usually conducted every three years. The Precious Metals Refinery physical count was conducted by exception again in 2016 and is due to be performed again in 2019.

This change in estimate had the effect of decreasing the value of inventory disclosed in the financial statements by R485 million (31 December 2017: increase of R942 million). This results in the recognition of an after tax loss of R349 million (31 December 2017: after-tax gain of R678 million).

Rustenburg deferred consideration

The Group's sale of the Rustenburg Mine was completed on 1 November 2016. The present value of the deferred consideration was recognised as a Level 3 financial asset at fair value through profit or loss. Remeasurements arising from changes in estimates of cash flows as well as the unwinding of the discount are included in interest income and expense. The estimated cash flows were revised in December 2018 after the finalisation of relevant financial information by the purchaser, Sibanye-Stillwater. This has given rise to a post-tax increase of R729 million (31 December 2017: nil) in the present value of the deferred consideration, and the recognition of a gain in profit or loss which is included in headline earnings.

43. CHANGES IN ACCOUNTING POLICIES

The Group adopted IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers* on 1 January 2018.

IFRS 9

The new classification and measurement, and impairment principles in IFRS 9 were adopted with no material impact. See changed accounting policies in Annexure D note 15. The Group continues to apply the hedge accounting principles in IAS 39 *Financial Instruments* per paragraph 7.2.21 of IFRS 9. The impact was on classification of investments that were reclassified from amortised cost with a value of R30 million on 1 January 2018, which was disposed of during the year, and from available-for-sale assets to fair value through other comprehensive income (FVTOCI) irrevocably designated. Fair value changes on the investments previously classified as available for sale were not reclassified as they are already in equity, and will never be reclassified to profit or loss but retained earnings. Prior years were reclassified with no material impact. See note 19.

IFRS 15

The only impact on adoption of this standard was on classification of prepayment from customers from deferred income liabilities to contract liabilities. Prior years were reclassified with no material impact. See note 32.

44. DISPOSAL TRANSACTIONS

Union Mine and Masa Chrome

The Group concluded a binding sale agreement for its 85% ownership interest in Union Mine and its 50.1% ownership interest in Masa Chrome Proprietary Limited to Siyanda Resources. The agreement was signed on 14 February 2017 and most of the critical conditions precedent were met on 1 December 2017. As of this date it was highly probable that the sale would be concluded within 12 months, such that the criteria for reclassification as held for sale, in terms of IFRS 5 *Non-Current Assets Held for Sale*, were met. An attributable, post-tax impairment loss of R996 million was recognised for the year ended 31 December 2017. A further attributable post-tax impairment loss of R12 million was recognised in January 2018, presented in scrapping of assets and partly in the loss on disposal in the statement of comprehensive income.

The sale was effective as of 1 February 2018 at which date R414 million (R573 million proceeds less R159 million cash and cash equivalents disposed) consideration was received. A post-tax loss on disposal of R0.8 billion was recognised, and is excluded from headline earnings. This brought the total loss, including previously recognised impairments to R1.8 billion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2018

		Rm
44.	**DISPOSAL TRANSACTIONS** continued	
	Union Mine and Masa Chrome continued	
	Assets over which control is lost on 1 February 2018	
	Non-current assets	**216**
	Environmental assets	**140**
	Deferred taxation	**76**
	Current assets	**175**
	Trade and other receivables	**9**
	Taxation	**7**
	Cash and cash equivalents	**159**
	Total assets	**391**
	Liabilities over which control is lost on 1 February 2018	
	Non-current liabilities	**201**
	Environmental obligations	**201**
	Current liabilities	**366**
	Trade and other payables	**203**
	Other liabilities	**163**
	Total liabilities	**567**

Bafokeng Rasimone Platinum Mine (BRPM)

Background

On 4 July 2018 AAP signed a binding agreement to dispose of its 33% interest in the unincorporated Bafokeng Rasimone Platinum Mine (BRPM) joint venture to Royal Bafokeng Platinum (RB Plat) structured in two phases, which will be completed independently.

Phase 1 is for the sale of AAP's 33% interest in BRPM. Shareholder and lender approvals were obtained and the capital raise by RB Plat was completed on 26 September 2018. Phase 2 is for the transfer of AAP's 33% interest in the mining rights, and requires section 11 DMR approval.

Salient features

The purchase consideration totals R1.86 billion (excluding cash calls) plus the amount of funding provided by AAP to BRPM from signature to effective date. An upfront payment of R568 million (including, proceeds from the capital raise of R253 million to settle part of purchase consideration and repayment of cash calls made by BRPM on AAP to 11 December 2018 of R315 million) was received by AAP on 11 December 2018, being the effective date for the transaction.

The balance of the R1.86 billion, less the capital raise will be settled on a deferred basis. One-third will be settled after each of 1.5 years, 2.5 years and 3.5 years. The deferred consideration escalates at RB Plat's borrowing rate plus a premium of 2% (c.12.36%) and will be subordinated in favour of RB Plat's third-party debt.

Each deferred consideration tranche may be settled in cash or RB Plat shares, at the option of RB Plat. If settled in shares, RB Plat will first offer the shares to the RB Plat shareholders at the 30-day VWAP, then determined, discounted by no more than 5%.

Accounting impact

A post-tax impairment loss of R879 million was recognised based on the transaction price, excluded from headline earnings.

Classification as held-for-sale for BRPM commenced on 1 October 2018 as all conditions precedent were met on 26 September 2018. Thereafter, the investment was recognised at fair value less costs to sell, which was lower than the equity-accounted value.

The deferred consideration was measured at fair value upfront and takes into account the possibility of a lower receipt in the event RB Plat issues shares, which are taken up by the RB Plat shareholders at a discount. Remeasurements of the deferred consideration, including the unwind of discount, are subsequently recognised in profit/loss and included headline earnings.

Hydrogenious Technologies GmbH

On 20 September 2018, AAP sold its equity-accounted investment in Hydrogenious to AP Ventures. The difference between the proceeds of R353 million and the equity-accounted carrying amount of R129 million resulted in a profit on disposal of R224 million which was recognised in profit or loss and excluded from headline earnings.

45. IMPAIRMENT OF ASSETS AND INVESTMENTS

Equity investments in Atlatsa and Bokoni Holdco and associated loans

AAP has a 22.76% shareholding in Atlatsa as well as a 49% shareholding in Bokoni Holdco, which is equity accounted as an associate.

On 21 July 2017 Atlatsa Resources announced the placement of Bokoni Platinum Mine on care and maintenance, which was effected on 1 October 2017. AAP committed to support Bokoni while on care and maintenance until the end of December 2019. A total of R211 million was advanced during the year ended 31 December 2018, with a further R159 million expected to be advanced for care and maintenance costs in 2019.

All funding advanced has been impaired to the extent that it comprises a loan to Plateau for its 51% share of the funding requirements. The 49% effective shareholder contribution to Bokoni was capitalised to the investment. Equity-accounted losses were applied thereto.

Bokoni

R101 million (49%) of the care and maintenance funding was capitalised to the investment in Bokoni and equity-accounted losses to the same value were applied against this amount. The equity-accounted losses impact headline earnings

Atlatsa

R110 million (51%) of the care and maintenance funding for 2018 was capitalised as a loan to Atlatsa. The full value hereof was impaired leaving a carrying value of R224 million which is expected to be recovered through the acquisition of the Kwanda North and Central Block prospecting rights for R350 million.

46. UNKI PLATINUM MINE INDIGENISATION PLAN

The Zimbabwean Indigenisation and Economic Empowerment Act was promulgated in March 2008 and seeks to ensure that at least 51% of the shares of every company is owned by indigenous Zimbabweans. The Company has sought to secure compliance with this legislation through the implementation of two previous transactions. Both these transactions were not executed to finality as the government of Zimbabwe has been refining its position on indigenisation.

In his budget speech in December 2017, the Zimbabwean minister of finance, honourable PA Chinamasa, proposed further changes to the Indigenisation and Economic Empowerment Act. The proposed changes will result in the 51/49 indigenisation requirement being only applicable to diamond and platinum miners, with all other sectors free from the indigenisation requirements.

While generally a positive development for most foreign investors in Zimbabwe, we will continue to engage the Zimbabwean government regarding Unki's indigenisation.

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

47. POST-BALANCE SHEET EVENTS

A final dividend of R2,0 billion (R7.51 per share) for the year ended 31 December 2018 was declared after year end, payable on Monday, 11 March 2019 to shareholders recorded in the register at the close of business on Friday, 8 March 2019.

48. EXCHANGE RATES TO THE SOUTH AFRICAN RAND

	2018	2017
Year-end rates		
US dollar	**14,3786**	12,3060
British pound	**18,3804**	16,6147
Average rates for the year		
US dollar	**13,2464**	13,3094
British pound	**17,6851**	17,1509

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2018

49. BUSINESS COMBINATION

AAP has signed a binding SPA to acquire Glencore's 40% in the unincorporated Mototolo Mine joint venture (JV) which will increase its interest to 90%, structured in two phases, which can be completed independently of one another. AAP held an existing interest of 50% in the JV.

Phase 1 for the acquisition of 40% of the business was subject to Competition Commission approval, which was granted and therefore, became unconditional on 1 November 2018. Phase 2 for the transfer of Glencore's Thorncliff mining right requires DMR section 102 approval.

Phase 1 of the transaction was completed on 1 November 2018, acquisition date, from which date AAP obtained control of the Mototolo Mine and was therefore consolidated for two months ended 31 December 2018. On the acquisition date Kagiso, Glencore's BEE partner in Mototolo Mine, sold its 10% interest in Mototolo Mine to AAP thereby granting AAP 100% ownership of the Mototolo Mine.

Mototolo Mine is engaged in mining operations and was acquired to continue the expansion of the Group's operations in mining.

	Rm
Consideration transferred	
Upfront cash payment	**1,278**
Glencore's 40% interest	**1,011**
Kagiso's 10% interest	**267**
Existing purchase of concentrate (POC) liability derecognised	**(486)**
Contingent deferred consideration	**925**
	1,717

The consideration is made up of upfront payment of R1,278 million (R267 million for Kagiso and R1,011 million for Glencore's interest) which was paid on 1 November 2018 and the remaining balance would be paid monthly on a deferred basis over a period of 72 months at equal instalments of R12.6 million. The contingent deferred consideration is remeasured based on the actual PGM 4E prices realised from the effective date of the transaction to 31 December 2024, with resulting changes recognised in profit/loss and included in headline earnings. The maximum amount payable is limited to R22 billion, however, this is unlikely to be reached as the PGM 4E prices will have to increase significantly. See note 40 for sensitivity analysis of financial liabilities.

Acquisition-related costs to the value of R13 million were incurred, excluded from consideration transferred and recognised as an expense in profit or loss.

The purchase of concentrate liability, that was payable to Glencore for concentrate delivered to AAP, will not be required to be made and therefore comprise a purchase price adjustment.

Assets acquired and liabilities assumed on 1 November 2018.

Non-current assets	**2,889**
Property, plant and equipment[1]	**1,803**
Mining right	**122**
Environmental trust assets	**72**
Capital work in progress	**893**
Current assets	**130**
Trade and other receivables[2]	**7**
Inventory	**123**
Cash and cash equivalents	**–**
Total assets	**3,019**
Non-current liabilities	**136**
Environmental obligations	**136**
Current liabilities	**301**
Trade and other payables	**239**
Other liabilities	**62**
Total liabilities	**437**
Net asset	**2,582**

[1] *Property, plant and equipment acquired includes the chrome plant with a fair value of R61 million purchased from Glencore. This is included in the business combination accounting because it was negotiated as part of the acquisition of the acquiree's business. The chrome plant will continue to be operated by Glencore at its own costs to obtain the chrome concentrate that was part of an existing chrome supply contract. A new chrome supply agreement was entered into on the same commercial terms until 31 December 2024, at the end of the life of the mining right related to the chrome business. The fair value of the mining right related to the chrome business has therefore taken into account the fact that the chrome business is not transferred to AAP.*

[2] *The receivables acquired (which primarily comprised trade receivables) in this transaction with a fair value of R7 million had a gross contractual amounts of R7 million. The best estimate at acquisition date of the contractual cash flows not expected to be collected are Rnil.*

		Rm
49.	**BUSINESS COMBINATION** continued	
	Property, plant and equipment included in Annexure A is made up as follows:	
	Mining infrastructure and development (including intangible asset/goodwill)	**1,192**
	Plant and equipment (including chrome plant)	**484**
	Land and buildings	**12**
	Decommissioning asset	**5**
		1,693
	Fair value of the existing 50% interest in the JV	
	Carrying value (50% of the net asset value before acquisition)	**924**
	Fair value	**1,260**
	Gain on existing shareholding recognised in profit or loss	**336**
	Excess of consideration transferred over net asset acquired	
	Consideration transferred	**1,717**
	Plus: Fair value of the existing shareholding	**1,260**
		2,977
	Less: Fair value of identifiable assets and liabilities	**(2,624)**
	Intangible asset/goodwill[3]	**353**
	Net cash flows on acquisition of Mototolo Mine	
	Consideration paid in cash	**1,717**
	Less: Cash and cash equivalents acquired	**–**
		1,717
	Impact of acquisition on the results of the Group post-acquisition[4]	
	Profit	**128**
	Impact of acquisition on results of Group as if acquired at 1 January 2018[4]	
	Profit	**632**

The following transaction is recognised separately from the business combination accounting:

AAP and Glencore had an existing chrome supply agreement that continues post the business combination on the same commercial terms to the end of December 2024. This is treated separately from the business combination accounting because it is not settled as part of the business combination. This transaction is accounted for in terms of IFRS 15 *Revenue* from *Contracts with Customers* with revenue recognised and presented in the statement of comprehensive income.

[3] *The fair value of the existing 50% shareholding in Mototolo JV was based on the existing footprint. This business combination accounting is provisional and may be restated in 2019 when it is finalised as AAP finalises the valuation of its existing shareholding and the fair value of property, plant and equipment, with any adjustments recognised against the intangible asset. Goodwill, if any, represents synergies/improvements arising from the utilisation of the acquired Mototolo infrastructure to mine and process Der Brochen and other adjacent projects.*

[4] *AAP was already selling all of the PGM output of Mototolo JV under a POC agreement with Glencore/Kagiso partnership. The business combination therefore has no impact on the Group's revenue.*

ANNEXURES

for the year ended 31 December 2018

ANNEXURE A
Property, plant and equipment

	31 December 2018 Cost Rm	31 December 2018 Accumulated depreciation Rm	31 December 2018 Carrying amount Rm	31 December 2017 Cost Rm	31 December 2017 Accumulated depreciation Rm	31 December 2017 Carrying amount Rm
Owned and leased assets						
Mining development and infrastructure	**31,645**	**9,559**	**22,086**	30,125	10,410	19,715
Plant and equipment*	**38,949**	**25,204**	**13,745**	37,642	24,695	12,947
Land and buildings	**5,865**	**2,287**	**3,578**	5,906	2,355	3,551
Motor vehicles	**1,452**	**1,149**	**303**	1,042	818	224
Furniture, fittings and equipment	**379**	**244**	**135**	83	67	16
	78,290	**38,443**	**39,847**	74,798	38,345	36,453
Decommissioning asset	**214**	**58**	**156**	185	41	144
Note 13	**78,504**	**38,501**	**40,003**	74,983	38,386	36,597

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
2018							
Owned and leased assets							
Mining development and infrastructure	**19,715**	**3,650**	**(719)**	**(1)**	**(865)**	**306**	**22,086**
Plant and equipment*	**12,947**	**3,057**	**330**	**6**	**(2,842)**	**247**	**13,745**
Land and buildings	**3,551**	**48**	**15**	**(9)**	**(154)**	**127**	**3,578**
Motor vehicles	**224**	**116**	**78**	**–**	**(117)**	**2**	**303**
Furniture, fittings and equipment	**16**	**15**	**296**	**–**	**(194)**	**2**	**135**
	36,453	**6,886**	**–**	**(4)**	**(4,172)**	**684**	**39,847**
Decommissioning asset	**144**	**12**	**–**	**(11)**	**4**	**7**	**156**
Note 13	**36,597**	**6,898**	**–**	**(15)**	**(4,168)**	**691**	**40,003**
2017							
Owned and leased assets							
Mining development and infrastructure	19,975	2,022	222	(925)	(1,362)	(217)	19,715
Plant and equipment	14,143	2,009	(220)	(365)	(2,462)	(158)	12,947
Land and buildings	3,925	27	(2)	(137)	(163)	(99)	3,551
Motor vehicles	181	128	–	(5)	(78)	(2)	224
Furniture, fittings and equipment	22	1	–	–	(6)	(1)	16
	38,246	4,187	–	(1,432)	(4,071)	(477)	36,453
Decommissioning asset	324	(152)	–	(5)	(22)	(5)	144
Note 13	38,574	4,035	–	(1,437)	(4 093)	(482)	36,597

* *Included in plant and equipment is an energy recovery plant held by the Group under finance lease (refer to note 27). The carrying amount of the plant at 31,December 2018 was R99 million (2017: R108 million).*

Useful lives of assets

	Units of production 2018	Units of production 2017
Mining development and infrastructure		
Plant and equipment	**2 to 20 years**	2 to 20 years
Buildings	**10 to 50 years**	10 to 50 years
Motor vehicles	**4 to 5 years**	4 to 5 years
Furniture, fittings and equipment	**2 to 10 years**	2 to 10 years
Decommissioning asset	**35 years**	35 years

ANNEXURE B
Equity compensation benefits

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

	2018 Directors	2018 Employees and others	2018 Total	2017 Directors	2017 Employees and others	2017 Total
Outstanding at 1 January	**145,936**	**262,648**	**408,584**	112,981	251,650	364,631
Granted during the year	**65,508**	**95,272**	**160,780**	55,555	80,356	135,911
Exercised during the year	**(14,113)**	**(45,660)**	**(59,773)**	(7,510)	(21,814)	(29,324)
Conditional forfeiture during the year[1]	**(26,416)**	**(63,260)**	**(89,676)**	(15,090)	(43,830)	(58,920)
Lapsed	**–**	**(36,056)**	**(36,056)**	–	(3,714)	(3,714)
Outstanding at 31 December	**170,915**	**212,944**	**383,859**	145,936	262,648	408,584
Number of awards allocated during the year:	**65,508**	**95,272**	**160,780**	55,555	80,356	135,911
Expiry date	**2021**	**2021**	**2021**	2020	2020	2020

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

Terms of the awards outstanding at 31 December

Vesting date		2018 Number	2017 Number
	Vesting after three years dependent on actual performance against indicated weighted targets		
16 April 2017	50% total shareholder return, 50% return on capital employed	**–**	–
16 April 2018	50% total shareholder return, 50% return on capital employed	**–**	152,929
13 April 2019	50% total shareholder return, 50% return on capital employed	**110,630**	119,744
13 April 2020	70% total shareholder return, 10% return on capital employed, 10% attributable free,cash flow, 10% safety and sustainable development	**125,176**	135,911
20 April 2021	70% total shareholder return, 10% return on capital employed, 10% attributable free cash flow, 10% safety and sustainable development	**148,053**	
		383,859	408,584

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 indicated targets. 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 29.5% on average for 2018 (2017: 48.18%). The weighted average fair value of long-term incentive plan rights granted during the year is R164.54 (2017: R185.54). A risk-free rate of 7.5% (2017: 7.7%) and a dividend yield of 1.1% (2017: 0%) was applied.

ANNEXURES CONTINUED

for the year ended 31 December 2018

ANNEXURE B continued

Equity compensation benefits continued

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

	2018 Directors	2018 Employees and others	2018 Total	2017 Directors	2017 Employees and others	2017 Total
Outstanding at 1 January	**–**	**119,317**	**119,317**	–	165,888	165,888
Granted during the year	**–**	**28,844**	**28,844**	–	24,856	24,856
Exercised during the year	**–**	**(70,410)**	**(70,410)**	–	(64,404)	(64,404)
Lapsed	**–**	**(10,121)**	**(10,121)**	–	(7,023)	(7,023)
Outstanding at 31 December	**–**	**67,630**	**67,630**	–	119,317	119,317
Number of awards allocated during the year	**–**	**28,844**	**28,844**	–	24,856	24,856
Expiry date	**–**	**2021**	**2021**	–	2020	2020
Fair value per share at grant date (R)	**–**	**317.10**	**317.10**	–	367.15	367.15

Terms of the awards outstanding at 31 December

Expiry date	2018 Number	2017 Number
16 April 2017		
16 April 2018	**–**	71,099
13 April 2019	**21,577**	25,403
13 April 2020	**19,398**	22,815
13 April 2021	**26,655**	–
	67,630	119,317

For purposes of IFRS 2, the grant price is discounted with the dividend yield. These grants have no performance or market conditions.

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

	2018 Directors	2018 Employees and others	2018 Total	2017 Directors	2017 Employees and others	2017 Total
Outstanding at 1 January	**66,342**	**1,004,441**	**1,070,783**	44,601	1,327,736	1,372,337
Granted during the year	**40,392**	**315,382**	**355,774**	29,767	325,625	355,392
Released during the year	**(17,531)**	**(435,725)**	**(453,256)**	(8,026)	(600,701)	(608,727)
Lapsed	**–**	**(62,136)**	**(62,136)**	–	(48,219)	(48,219)
Outstanding at 31 December	**89,203**	**821,962**	**911,165**	66,342	1,004,441	1,070,783
Number of awards allocated during the year	**40,392**	**315,382**	**355,774**	29,767	325,625	355,392
Expiry date	**2021**	**2021**	**2021**	2020	2020	2020
Fair value per share at grant date (R)	**338.24**	**338.24**	**338.24**	367.15	367.15	367.15

Terms of the awards outstanding at 31 December

Vesting date	2018 Number	2017 Number
16 April 2017	**405**	686
16 April 2018	**–**	425,397
13 April 2019	**275,137**	306,613
13 April 2020	**298,381**	338,087
15 February 2021	**337,242**	–
	911,165	1,070,783

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 of the instruments granted.

ANNEXURE B continued

Equity compensation benefits continued

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

	2018 Directors	2018 Employees and others	2018 Total	2017 Directors	2017 Employees and others	2017 Total
Outstanding at 1 January	**–**	**99,414**	**99,414**	–	100,694	100,694
Granted during the year	**–**	**36,247**	**36,247**	–	30,827	30,827
Exercised during the year	**–**	**(37,235)**	**(37,235)**	–	(31,381)	(31,381)
Lapsed	**–**	**–**	**–**	–	(726)	(726)
Outstanding at 31 December	**–**	**98,426**	**98,426**	–	99,414	99,414
Number of awards allocated during the year	**–**	**36,247**	**36,247**	–	30,827	30,827
Expiry date	**–**	**2021**	**2021**	–	2020	2020
Fair value per share at grant date (R)	**–**	**338.24**	**338.24**	–	367.15	367.15

Terms of the awards outstanding at 31 December

Vesting date	2018 Number	2017 Number
16 April 2018	**–**	37,235
13 April 2019	**31,352**	31,352
13 April 2020	**30,827**	30,827
20 April 2021	**36,247**	–
	98,426	99,414

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 of the instruments granted and subsequently revalued to its latest fair value.

ANNEXURES CONTINUED

for the year ended 31 December 2018

ANNEXURE C

Investments in subsidiaries, joint arrangements and associates

	Nature of business	Number of shares held 2018	2017
Direct investments			
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[9]	F	**1,000**	1,000
Indirect investments			
Africa Pipe Industries North Proprietary Limited*	B, K	**510**	510
Anglo Platinum Marketing Limited[4]	I	**4,000,350**	4,000,350
Atomatic Trading Proprietary Limited*	B, K	**74**	74
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
Masa Chrome Company Proprietary Limited*	D	**–**	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[8]	I	**100**	100
PGI (United Kingdom) Limited[4]	L	**–**	2
PGI (United States of America) Jewelry Inc.[7]	I	**100**	100
PGI (Hong Kong)[6]	I	**100**	100
PGM Investment Company Proprietary Limited	L	**–**	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
Modikwa Mining Personnel Services Proprietary Limited#	G
Modikwa Platinum Mine Proprietary Limited#	C

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

Carrying amount 2018 Rm	Carrying amount 2017 Rm	Holding company current account 2018 Rm	Holding company current account 2017 Rm
1,214	1,214	**(1,255)**	(1,255)
598	598	**(598)**	(598)
14,635	14,473	**61,931**	63,949
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**5**	4
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
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–	–	**–**	–
–	–	**–**	–
–	–	**–**	–
16,447	16,285	**60,083**	62,100

	Nature of business
Associates	
Atlatsa Resources Corporation (note 16)[9]	A, C
Bokoni Platinum Holdings Proprietary Limited (note 16)	E
Lexshell 49 General Trading Proprietary Limited	A, C
Sheba's Ridge Proprietary Limited	A, C
Primus Power (note 16)[7]	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 China.*
9 *Incorporated in Canada.*

ANNEXURES CONTINUED

for the year ended 31 December 2018

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 obtained 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 intra-group 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 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.

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. The Group is assumed to have significant influence over an investee if it holds, directly or indirectly, at least 20% of the voting power over it.

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.

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 below.

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.

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

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

Property, plant and equipment is measured at historical cost less accumulated depreciation and any accumulated impairment losses.

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 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 property, plant and equipment 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 earned 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.

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. 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 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. 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.

6. Investments in subsidiaries

Investments in subsidiaries are measured at cost.

7. 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

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. 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.

ANNEXURES CONTINUED

for the year ended 31 December 2018

Ore stockpiles

Ore stockpiles are measured at the lower of cost and net realisable value on a weighted average basis. Volumes are expressed in tonnes. Production costs are allocated to ore stockpiles to the extent that there is a reasonable expectation of their utilisation, in line with available capacity over the five-year budget period. Low-grade ore stockpiles expected to be used over a period exceeding 12 months are presented as non-current in the statement of financial position.

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.

8. Revenue recognition

- Revenue from contracts with customers is recognised when the performance obligation is satisfied at the amount of the transaction price that is allocated to the transaction price. The Group's revenue arising from the sale of metals and intermediary products to customers is recognised when the goods are delivered to the agreed point of delivery. The point of delivery is the agreed destination where control over the goods is transferred to the customer. 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.

9. Dividends declared

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

10. 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.

11. 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.

12. 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.

13. 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 attributed to cost of sales in order to normalise the margin on the sale of that borrowed metal.

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.

14. 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:

- Fair value through profit or loss (FVTPL);
- Amortised costs (AC); and
- Fair value through other comprehensive income (FVTOCI).

Financial assets are classified based on how their performance is managed, evaluated and their contractual cash flow characteristics (the business model).

Financial assets are presented as current if their maturity is within 12 months, otherwise they are presented as non-current.

Amortised cost

Financial assets are classified and measured as at amortised costs when the Group holds them to collect contractual cash flows that have characteristics of principal amount and interest on the principal amount outstanding. Amortised cost is determined using the effective interest method.

Any subsequent impairment is included in the determination of other net income/expenditure.

Fair value through other comprehensive income

Financial assets that are equity instruments in their entirety are irrevocably designated, classified and measured as at FVTOCI by the Group.

Fair value through profit or loss

The Group classifies and measures at fair value through profit or loss financial assets that are not measured at amortised cost or fair value through other comprehensive income.

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

- it eliminates or significantly reduces a measurement or recognition inconsistency (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.

The Group has designated at FVTPL deferred consideration receivable from the disposals of Rustenburg Mine and its equity-accounted investment in BRPM.

ANNEXURES CONTINUED

for the year ended 31 December 2018

Impairments

The Group recognises a loss allowance for expected credit losses on a financial asset measured at amortised cost. The recoverability of a financial asset is determined from the date it is recognised with a loss allowance recognised for expected losses determined at the initial recognition. The Group measures the loss allowance at an amount equal to the life time expected losses if credit risk on the financial asset has increased significantly since initial recognition. Credit risk is considered to have significantly increased when supportable information available to the Group indicate that the financial asset would not be recoverable as agreed.

For financial assets that the Group determines the recoverability is unlikely, such that the credit quality has significantly deteriorated and are credit impaired, a life time expected credit loss is recognised and interest only accrues on the net amount.

For trade and other receivables, the Group recognises a loss allowance as a life time expected credit loss due to their short-term nature. The Group reassesses the life time expected credit losses at each reporting period and recognises any changes as an impairment gain or loss.

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

The Group classifies financial liabilities between amortised costs and fair value through profit or loss. Financial liabilities are not reclassified.

Financial liabilities are classified as at amortised cost, using the effective interest method, by default except for derivative liabilities which are classified and measured as at fair value through profit or loss.

In addition, 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 (i.e. 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.

If a contract contains one or more embedded derivatives, the entire contract is designated at FVTPL.

Financial liabilities which have been designated at FVTPL consist of trade creditors due in respect of purchase of concentrate (POC) agreements and deferred consideration payable to Glencore on acquisition of Mototolo business. The reason for the designation of the POC is that these liabilities due to the third parties are based on concentrate purchased from them which is mostly priced and quantities confirmed 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 monthly based on the movement in the forward curves of commodity prices, quantities and exchange rates. Any gains/losses on the remeasurements are reflected in cost of sales.

Payables arising from lending metal in the course of trading activities have also been classified as at FVTPL.

Other financial liabilities

These include borrowings, obligations under finance leases, and trade and other payables They 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.

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 fair value.

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 included in the Group's trading activities fall within the scope of IFRS 9 are recognised and measured at fair value.

Gains or 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.

Hedge accounting

The Group designates certain hedging instruments, which include derivatives and non-derivatives, in respect of foreign currency risk as fair value hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Fair value hedges

Changes in the fair value of derivative and non-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. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item "other net expenditure".

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.

15. 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.

16. 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.

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 the actual life of mine (LoM) 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.

17. 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.

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for the year ended 31 December 2018

18. 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.

19. Share-based payments

The Group issues equity-settled and cash-settled share-based instruments to certain employees. They are measured at the fair value of the equity instruments at the date of grant. Fair value is measured using the binomial option-pricing model. The fair values used in the model have been adjusted for those with performance and/or market conditions, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. 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 fair value of the equity instruments at the date of grant is recognised.

20. Treasury shares

The carrying value of the Company's shares held by the Company's subsidiaries in respect of the Group's employee share schemes are reflected as treasury shares and shown as a reduction in shareholders' equity. The carrying value comprises the cost of purchasing these shares. When the shares vest, shareholders' equity increases by a commensurate amount.

21. Guarantees

A financial guarantee contract requires the issuer to reimburse 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 the Group 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.

22. 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 re-adjusted 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.

ANNEXURE E

REMUNERATION OF KEY MANAGEMENT

Service contracts of executive directors and prescribed officers

All executive directors and prescribed officers have permanent employment contracts with Amplats or its subsidiaries. The contracts prescribe notice periods of 12 months for the CEO 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 date of termination. Senior management's notice period was increased to three months as a retention mechanism. These contracts are regularly reviewed to ensure they remain aligned with governance and legislative requirements.

External appointments

Executive directors are not permitted to hold external directorships or offices without the approval of the committee. If approval is granted, directors may retain fees payable from one such appointment. The company policy on internal and external directorships stipulates that:

- The executive director may, as part of the non-executive directorship position, participate in one committee of that board
- Fees not retained by the executive director from both external and internal sources must be ceded to the Company before accruing to the director.

Executive director total remuneration

The annual cash incentive and BSP award for the CEO, finance director and other prescribed officers are set out below.

2018 annual cash incentive payments and BSPs to be awarded in 2019 relating to performance in 2018

Name	Annual cash incentive R	Percentage of base salary %	BSP's awarded R	Percentage of base salary %
Executive directors				
CI Griffith	**7,156,435**	**84.00**	**10,734,652**	**126.00**
I Botha	**4,692,039**	**69.60**	**4,692,039**	**69.60**
Prescribed officers				
DW Pelser	**2,200,878**	**46.62**	**3,081,229**	**65.27**
GA Humphries	**2,024,333**	**46.62**	**2,834,066**	**65.27**
GL Smith[1]	**2,183,408**	**49.95**	**3,056,770**	**69.93**
VP Pillay[1]	**2,067,583**	**43.29**	**4,197,294**	**87.88**
I Pillay[2]	**–**	**0.00**	**–**	**0.00**
LN Mogaki	**2,021,005**	**46.62**	**2,829,407**	**65.27**
S Macheli-Mkhabela	**1,770,424**	**43.29**	**2,478,594**	**60.61**
Grand total	**24,116,105**		**33,904,051**	

[1] *VP Pillay and GL Smith are both within one year of retirement and will receive the cash value equivalent in line with policy.*

[2] *I Pillay resigned effective 31 August 2018.*

ANNEXURES CONTINUED

for the year ended 31 December 2018

ANNEXURE E continued

REMUNERATION OF KEY MANAGEMENT continued

2018 LTIP outcomes and awards

The annual share awards for 2018 and performance outcomes for the 2016 share awards (which performance period ended on 31 December 2018) for the CEO, finance director and other prescribed officers are set out below.

LTIP awards made in 2018

Name	Number of LTIP awards	Market face value[1] R	% of Base Salary
Executive directors			
CI Griffith	**39,283**	**12,622,806**	**150.00**
I Botha	**26,225**	**8,426,879**	**125.00**
Prescribed officers			
DW Pelser	**14,570**	**4,681,778**	**100.00**
VP Pillay	**14,864**	**4,776,249**	**100.00**
GL Smith	**13,491**	**4,335,063**	**100.00**
LN Mogaki	**13,491**	**4,335,063**	**100.00**
S Macheli-Mkhabela	**12,727**	**4,089,567**	**100.00**
I Pillay[2]	**12,727**	**4,089,567**	**100.00**
GA Humphries	**13,402**	**4,306,465**	**100.00**
Total	**160,780**	**51,663,437**	

[1] *Market face value is based on the price at grant of R321.33.*
[2] *I Pillay resigned effective 31 August 2018.*

LTIP grant date was 20 April 2018.

Vesting of LTIP awards (2016 – performance period ended 31 December 2018)

The extent to which performance measures for the 2016 award were met is detailed below. These awards will vest on 26 April 2019 after a three-year vesting period has lapsed.

LTIP measures	Below	Threshold	Target	Above	Weighting	Achieved
Total shareholder return (50%)				•	50%	100.00%
Return on capital employed (50%)			•		50%	88.90%
Resulting vesting LTIP award			94.45%			

Total remuneration outcomes

Total remuneration outcomes and mix between fixed and variable pay in 2018 for the CEO, finance director and prescribed officers are shown in the table on page 73.

Executive directors and prescribed officers

Total remuneration and detail on outstanding and settled long-term incentives of executive directors and prescribed officers for 2017 and 2018 is reflected in the table on page 73. The format is aligned to the King IV recommended single total figure disclosure of remuneration.

Total single figure of remuneration (income statement)

Executive directors and prescribed officers	Financial year	Base salary[1] R	Retirement and medical aid[2] R	Cash incentive R	BSP share award[3,4] R	LTIP reflected[5,6] R	Other[7] R	Total single figure of remuneration R
Executive directors								
CI Griffith[8]	2018	8,519,565	1,495,610	7,156,435	10,734,652	15,832,366	1,076,719	**44,815,347**
	2017	8,094,849	1,420,502	6,840,147	10,260,221	5,195,474	1,076,719	**32,887,912**
I Botha	2018	6,741,436	1,006,819	4,692,039	4,692,039	9,569,119	165,112	**26,866,564**
	2017	6,390,000	951,735	4,447,440	4,447,440	–	–	**16,236,615**
Prescribed officers								
DW Pelser	2018	4,720,887	770,096	2,200,878	3,081,229	5,316,477	–	**16,089,567**
	2017	4,437,792	721,250	2,143,454	3,000,835	1,727,039	–	**12,030,369**
GA Humphries	2018	4,342,198	697,159	2,024,333	2,834,066	–	–	**9,897,756**
	2017	4,081,776	653,430	1,971,498	2,760,097	–	–	**9,466,800**
GL Smith[9]	2018	4,371,187	684,511	2,183,408	3,056,770	4,922,664	–	**15,218,540**
	2017	4,109,064	642,029	2,126,441	2,977,017	1,727,039	–	**11,581,589**
VP Pillay[10,11]	2018	4,776,120	767,681	2,067,583	4,197,294	5,423,292	–	**17,231,970**
	2017	4,527,132	724,667	2,030,419	4,071,529	1,902,651	–	**13,256,398**
I Pillay[12]	2018	2,726,456	464,975	–	–	–	1,222,815	**4,414,246**
	2017	3,876,480	652,200	2,006,078	2,808,510	1,629,108	–	**10,972,376**
LN Mogaki	2018	4,335,060	696,127	2,021,005	2,829,407	4,922,664	–	**14,804,263**
	2017	4,109,064	657,159	2,126,441	2,977,017	1,727,039	–	**11,596,719**
S Macheli-Mkhabela	2018	4,089,684	660,425	1,770,424	2,478,594	4,643,758	–	**13,642,885**
	2017	3,876,480	623,317	1,738,601	2,434,042	1,629,108	–	**10,301,549**
Former employees								
J Ndlovu[13]	2018	–	–	–	–	5,739,421	–	**5,739,421**
	2017	–	–	–	–	2,013,462	–	**2,013,462**

Notes

1. *Base Salary is the aggregate of Basic Salary plus an optional Car Allowance and provision towards a 13th Cheque.*
2. *Benefits are reported as the sum of Retirement and Medical Aid contributions.*
3. *The value of the 2017 BSP shares awarded on the basis of performance for the 2017 financial year is reflected in the 2017 single figure of remuneration.*
4. *The value of the 2018 BSP shares to be awarded on the basis of performance for the 2018 financial year is reflected in the 2018 single figure of remuneration.*
5. *The value of the 2015 LTIP with a performance period ending on 31 December 2017 is reflected in the 2017 single figure of remuneration at a 90 day VWAP of R368.16 per share.*
6. *The value of the 2016 LTIP with a performance period ending on 31 December 2018 is reflected in the 2018 single figure of remuneration at a 90 day VWAP of R539.47 per share.*
7. *Refers to the value of the use of a company vehicle for CI Griffith.*
8. *CI Griffith has an offshore GBP component to their remuneration which has been converted at monthly exchange rates and reported in ZAR.*
9. *Includes replacement awards for benefits lost on resignation from previous employer.*
10. *VP Pillay falls within the two year cut-off threshold as per the share award policy. LTIP and BSP are awarded as cash payments, conditional on remaining in service until the effective retirement date.*
11. *GL Smith falls within the two year cut-off threshold as per the share award policy. LTIP and BSP are awarded as cash payments, conditional on remaining in service until the effective retirement date.*
12. *I Pillay resigned effective 31 August 2018.*
13. *J Ndlovu was transferred to Anglo American Thermal Coal on 1 September 2016.*

ANNEXURES CONTINUED

for the year ended 31 December 2018

ANNEXURE E continued

REMUNERATION OF KEY MANAGEMENT continued

Unvested long-term incentive awards and cash value of settled awards

Incentive scheme	Award year	Opening number on 1 Jan 2017	Granted during 2017	Forfeited in respect of 2017 vesting	Settled in respect of 2017 vesting
CI Griffith					
LTIP	2014	22,600	–	15,090	7,510
LTIP	2015	40,529	–	–	–
LTIP	2016	31,072	–	–	–
LTIP	2017	–	33,436	–	–
LTIP	2018	–	–	–	–
BSP	2014	8,026	–	–	8,026
BSP	2015	17,531	–	–	–
BSP	2016	12,533	–	–	–
BSP	2017	–	18,732	–	–
BSP	2018	–	–	–	–
Total		132,291	52,168	15,090	15,536
I Botha					
LTIP	2014	–	–	–	–
LTIP	2015	–	–	–	–
LTIP	2016	18,780	–	–	–
LTIP	2017	22,119	–	–	–
LTIP	2018	–	–	–	–
BSP	2014	–	–	–	–
BSP	2015	–	–	–	–
BSP	2016	6,511	–	–	–
BSP	2017	–	11,035	–	–
BSP	2018	–	–	–	–
Total		47,410	11,035	–	–
DW Pelser					
LTIP	2014	9,373	–	6,258	3,115
LTIP	2015	13,472	–	–	–
LTIP	2016	10,434	–	–	–
LTIP	2017	–	12,289	–	–
LTIP	2018	–	–	–	–
BSP	2014	3,599	–	–	3,599
BSP	2015	8,891	–	–	–
BSP	2016	5,450	–	–	–
BSP	2017	–	8,176	–	–
BSP	2018	–	–	–	–
Total		51,219	20,465	6,258	6,714

Closing number on 31 Dec 2017	Cash value on settlement during 2017 R	Closing fair value at 31 Dec 2017 R	Granted during 2018	Forfeited in respect of 2018 vesting	Settled in respect of 2018 vesting	Closing number on 31 Dec 2018	Cash value on settlement during 2018 R	Closing fair value at 31 Dec 2018 R
–	2,733,633	–	–	–	–	–	–	–
40,529	–	14,921,117	–	26,417	14,112	–	4,304,220	–
31,072	–	11,439,437	–	–	–	31,072	–	10,057,447
33,436	–	12,309,765	–	–	–	33,436	–	10,822,631
–	–	–	39,283	–	–	39,283	–	12,715,200
–	2,927,243	–	–	–	–	–	–	–
17,531	–	6,454,196	–	–	17,531	–	5,359,051	–
12,533	–	4,614,137	–	–	–	12,533	–	6,761,178
18,732	–	6,896,355	–	–	–	18,732	–	10,105,352
–	–	–	28,178	–	–	28,178	–	15,201,186
153,833	5,660,875	56,635,005	67,461	26,417	31,643	163,234	9,663,272	65,662,994
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
18,780	–	2,407,464	–	–	–	18,780	–	6,078,748
22,119	–	2,835,500	–	–	–	22,119	–	7,159,522
–	–	–	26,225	–	–	26,225	–	8,488,560
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
6,511	–	834,664	–	–	–	6,511	–	3,512,489
11,035	–	1,414,609	–	–	–	11,035	–	5,953,051
–	–	–	12,214	–	–	12,214	–	6,589,087
58,445	–	7,492,238	38,439	–	–	96,884	–	37,781,458
–	1,133,732	–	–	–	–	–	–	–
13,472	–	4,959,838	–	8,781	4,691	–	1,430,740	–
10,434	–	3,841,371	–	–	–	10,434	–	3,377,298
12,289	–	4,524,306	–	–	–	12,289	–	3,977,728
–	–	–	8,241	–	–	8,241	–	2,667,463
–	1,312,627	–	–	–	–	–	–	–
8,891	–	3,273,302	–	–	8,891	–	2,717,890	–
5,450	–	2,006,467	–	–	–	5,450	–	2,940,112
8,176	–	3,010,068	–	–	–	8,176	–	4,410,707
–	–	–	14,570	–	–	14,570	–	7,860,078
58,712	2,446,359	21,615,352	22,811	8,781	13,582	59,160	4,148,630	25,233,386

ANNEXURES CONTINUED

for the year ended 31 December 2018

ANNEXURE E continued

REMUNERATION OF KEY MANAGEMENT continued

Unvested long-term incentive awards and cash value of settled awards

Incentive scheme	Award year	Opening number on 1 Jan 2017	Granted during 2017	Forfeited in respect of 2017 vesting	Settled in respect of 2017 vesting
VP Pillay					
LTIP	2014	10,326	–	6,895	3,431
LTIP	2015	14,842	–	–	–
LTIP	2016	10,644	–	–	–
LTIP	2017	–	12,536	–	–
LTIP	2018	–	–	–	–
BSP	2014	6,129	–	–	6,129
BSP	2015	13,221	–	–	–
BSP	2016	–	–	–	–
BSP	2017	–	–	–	–
BSP	2018	–	–	–	–
Total		55,162	12,536	6,895	9,560
GL Smith					
LTIP	2014	9,373	–	6,258	3,115
LTIP	2015	13,472	–	–	–
LTIP	2016	9,661	–	–	–
LTIP	2017	–	11,379	–	–
LTIP	2018	–	–	–	–
BSP	2014	2,661	–	–	2,661
BSP	2015	7,224	–	–	–
BSP	2016	5,801	–	–	–
BSP	2017	–	–	–	–
BSP	2018	–	–	–	–
Total		48,192	11,379	6,258	5,776
I Pillay					
LTIP	2014	8,842	–	5,904	2,938
LTIP	2015	12,709	–	–	–
LTIP	2016	9,114	–	–	–
LTIP	2017	–	10,735	–	–
LTIP	2018	–	–	–	–
BSP	2014	3,171	–	–	3,171
BSP	2015	5,679	–	–	–
BSP	2016	4,743	–	–	–
BSP	2017	–	7,618	–	–
BSP	2018	–	–	–	–
Total		44,258	18,353	5,904	6,109

Closing number on 31 Dec 2017	Cash value on settlement during 2017 R	Closing fair value at 31 Dec 2017 R	Granted during 2018	Forfeited in respect of 2018 vesting	Settled in respect of 2018 vesting	Closing number on 31 Dec 2018	Cash value on settlement during 2018 R	Closing fair value at 31 Dec 2018 R
–	1,249,004	–	–	–	–	–	–	–
14,842	–	5,464,216	–	9,674	5,168	–	1,576,235	–
10,644	–	3,918,685	–	–	–	10,644	–	3,445,271
12,536	–	4,615,241	–	–	–	12,536	–	4,057,678
–	–	–	14,864	–	–	14,864	–	4,811,209
–	2,235,369	–	–	–	–	–	–	–
13,221	–	4,867,430	–	–	13,221	–	4,041,527	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
51,243	3,484,373	18,865,572	14,864	9,674	18,389	38,044	5,617,763	12,314,158
–	1,133,732	–	–	–	–	–	–	–
13,472	–	4,959,838	–	8,781	4,691	–	1,430,740	–
9,661	–	3,556,784	–	–	–	9,661	–	3,127,092
11,379	–	4,189,281	–	–	–	11,379	–	3,683,177
–	–	–	13,491	–	–	13,491	–	4,366,794
–	970,520	–	–	–	–	–	–	–
7,224	–	2,659,581	–	–	7,224	–	2,208,305	–
5,801	–	2,135,690	–	–	–	5,801	–	3,129,465
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
47,537	2,104,252	17,501,175	13,491	8,781	11,915	40,332	3,639,044	14,306,529
–	1,069,504	–	–	–	–	–	–	–
12,709	–	4,678,933	–	8,284	4,425	–	1,349,709	–
9,114	–	3,355,401	–	–	–	9,114	–	2,950,038
10,735	–	3,952,187	–	–	–	10,735	–	3,474,726
–	–	–	12,727	–	–	12,727	–	4,119,501
–	1,156,527	–	–	–	–	–	–	–
5,679	–	2,090,775	–	–	5,679	–	1,736,014	–
4,743	–	1,746,178	–	–	–	4,743	–	2,558,706
7,618	–	2,804,635	–	–	–	7,618	–	4,109,682
–	–	–	7,713	–	–	7,713	–	4,160,932
50,598	2,226,031	18,628,110	20,440	8,284	10,104	52,650	3,085,722	21,373,586

ANNEXURES CONTINUED

for the year ended 31 December 2018

ANNEXURE E continued

REMUNERATION OF KEY MANAGEMENT continued

Unvested long-term incentive awards and cash value of settled awards

Incentive scheme	Award year	Opening number on 1 Jan 2017	Granted during 2017	Forfeited in respect of 2017 vesting	Settled in respect of 2017 vesting
LN Mogaki					
LTIP	2014	9,373	–	6,258	3,115
LTIP	2015	13,472	–	–	–
LTIP	2016	9,661	–	–	–
LTIP	2017	–	11,379	–	–
LTIP	2018	–	–	–	–
BSP	2014	2,811	–	–	2,811
BSP	2015	6,669	–	–	–
BSP	2016	5,414	–	–	–
BSP	2017	–	6,561	–	–
BSP	2018	–	–	–	–
Total		47,400	17,940	6,258	5,926
S Macheli-Mhkabela					
LTIP	2014	–	–	–	–
LTIP	2015	12,709	–	–	–
LTIP	2016	9,114	–	–	–
LTIP	2017	–	10,735	–	–
LTIP	2018	–	–	–	–
BSP	2014	–	–	–	–
BSP	2015	3,146	–	–	–
BSP	2016	4,743	–	–	–
BSP	2017	–	5,237	–	–
BSP	2018	–	–	–	–
Total		29,712	15,972	–	–
GA Humphries					
LTIP	2014	–	–	–	–
LTIP	2015	–	–	–	–
LTIP	2016	–	–	–	–
LTIP	2017	–	11,303	–	–
LTIP	2018	–	–	–	–
BSP	2014	–	–	–	–
BSP	2015	3,436	–	–	–
BSP	2016	2,466	–	–	–
BSP	2017	–	3,415	–	–
BSP	2018	–	–	–	–
Total		5,902	14,718	–	–

[1] *The 2014 LTIP and BSP awarded on: 2014/04/16 at R491.35 per share , which vests on 2017/04/16 with LTIP vesting of 33.23% at R364.00 and BSP at R364.72 per share.*

[2] *The 2015 LTIP and BSP awarded on: 2015/04/16 at R296.00 per share , which vests on 2018/04/16. The estimated vesting for LTIP in 2017 was 60% and in 2018 the LTIP will vest at 34.82%.*

[3] *The 2016 LTIP and BSP awarded on: 2015/04/16 at R399.00 per share , which vests on 2018/04/16. The estimated vesting for LTIP in 2017 was 60% and in 2018 LTIP vesting was estimated at 60%.*

[4] *The 2017 LTIP and BSP awarded on: 2017/04/13 at R367.15 per share , which vests on 2020/04/13. The estimated vesting for LTIP in 2017 was 60% and in 2018 LTIP vesting was estimated at 60%.*

Closing number on 31 Dec 2017	Cash value on settlement during 2017 R	Closing fair value at 31 Dec 2017 R	Granted during 2018	Forfeited in respect of 2018 vesting	Settled in respect of 2018 vesting	Closing number on 31 Dec 2018	Cash value on settlement during 2018 R	Closing fair value at 31 Dec 2018 R
–	1,133,732	–	–	–	–	–	–	–
13,472	–	4,959,838	–	8,781	4,691	–	1,430,740	–
9,661	–	3,556,784	–	–	–	9,661	–	3,127,092
11,379	–	4,189,281	–	–	–	11,379	–	3,683,177
–	–	–	13,491	–	–	13,491	–	4,366,794
–	1,025,228	–	–	–	–	–	–	–
6,669	–	2,455,252	–	–	6,669	–	2,038,647	–
5,414	–	1,993,213	–	–	–	5,414	–	2,920,691
6,561	–	2,415,491	–	–	–	6,561	–	3,539,463
–	–	–	8,176	–	–	8,176	–	4,410,707
53,156	2,158,960	19,569,860	21,667	8,781	11,360	54,682	3,469,386	22,047,923
–	–	–	–	–	–	–	–	–
12,709	–	4,678,933	–	8,284	4,425	–	1,349,709	–
9,114	–	3,355,401	–	–	–	9,114	–	2,950,038
10,735	–	3,952,187	–	–	–	10,735	–	3,474,726
–	–	–	12,727	–	–	12,727	–	4,119,501
–	–	–	–	–	–	–	–	–
3,146	–	1,158,228	–	–	3,146	–	961,701	–
4,743	–	1,746,178	–	–	–	4,743	–	2,558,706
5,237	–	1,928,049	–	–	–	5,237	–	2,825,204
–	–	–	6,685	–	–	6,685	–	3,606,357
45,684	–	16,818,976	19,412	8,284	7,571	49,241	2,311,409	19,534,532
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
11,303	–	1,448,965	–	–	–	11,303	–	3,658,578
–	–	–	13,402	–	–	13,402	–	4,337,986
–	–	–	–	–	–	–	–	–
3,436	–	1,264,994	–	–	3,436	–	1,050,351	–
2,466	–	907,880	–	–	–	2,466	–	1,330,333
3,415	–	1,257,263	–	–	–	3,415	–	1,842,290
–	–	–	7,580	–	–	7,580	–	4,089,183
20,620	–	4,879,103	20,982	–	3,436	38,166	1,050,351	15,258,369

[5] *The 2018 LTIP and BSP awarded on: 2014/04/20 at R321.33 per share , which vests on 2021/04/20. The estimated vesting for LTIP in 2017 was 60% and in 2018 LTIP vesting was estimated at 60%.*

[6] *The 90-day volume-weighted average price (VWAP), for determining the fair value of unvested awards at 31 December 2017 is R368.16 per share.*

[7] *The 90-day volume-weighted average price (VWAP), for determining the fair value of unvested awards at 31 December 2018 is R539.47 per share.*

[8] *The 2015 LTIP and BSP were settled at R305.00 and R305.69 per share, respectively.*

[9] *The value of the 2016 LTIP and BSP is estimated at a 90-day VWAP price of R539.47 per share, as date of transaction only occurs in April 2019.*

ANNEXURES CONTINUED

for the year ended 31 December 2018

NON-EXECUTIVE DIRECTORS' FEES

Increase in non-executive director fees

Fees payable to non-executive directors are annually benchmarked to industry and size-based comparators. There is a significant disparity between non-executive director fees and competing industry rates, resulting in non-executive director fees significantly lagging the market median for each committee of the board. As communicated to shareholders at the 2016 AGM, the committee has incorporated a three-year catch-up strategy to align current fees to market levels. For 2018, non-executive director fees will be adjusted in line with inflation, with an additional adjustment capped at 20% to move closer to the market median.

The tables below reflect non-executive fees for 2017 and 2018.

Non-executive directors' fees

Current	Financial year R	Directors' fees R	Ad hoc committee meeting R	Committee fees R	Total remuneration R
M Cutifani[3,8]	**2018**	**353,859**	**23,000**	**110,404**	**487,263**
	2017	292,635	–	100,449	393,084
RMW Dunne[1,2,3,4,5,6]	**2018**	**353,859**	**69,000**	**805,462**	**1,228,321**
	2017	292,635	18,880	718,064	1,029,579
V Moosa[2,3,4,5,6]	**2018**	**1,591,244**	**46,000**	**704,213**	**2,341,457**
	2017	1,444,944	18,880	641,943	2,105,767
NP Mageza[1,4]	**2018**	**353,859**	**69,000**	**257,517**	**680,376**
	2017	292,635	–	231,574	524,209
NT Moholi[2,4,5,6]	**2018**	**353,859**	**46,000**	**612,674**	**1,012,533**
	2017	292,635	18,880	551,074	862,589
D Naidoo[1,2,4]	**2018**	**353,859**	**69,000**	**368,396**	**791,255**
	2017	292,635	18,880	336,238	647,753
A O'Neill[8]	**2018**	**353,859**	**–**	**–**	**353,859**
	2017	292,635	18,880	–	311,515
AH Sangqu[5,7]	**2018**	**353,859**	**23,000**	**107,483**	**484,342**
	2017	292,635	18,880	98,376	409,891
JM Vice[1,4,6]	**2018**	**353,859**	**69,000**	**369,614**	**792,473**
	2017	292,635	18,880	331,331	642,846
S Pearce[8]	**2018**	**353,859**	**23,000**	**–**	**376,859**
R Medori[8,10]	2017	292,635	–	–	292,635
Dorian Emmett[5,6]	**2018**	**–**	**–**	**298,693**	**298,693**
	2017	–	–	267,948	267,948
Total	**2018**	**4,775,975**	**437,000**	**3,634,456**	**8,847,431**

1 *Audit committee.*
2 *Remuneration committee.*
3 *Nomination committee.*
4 *Corporate governance committee.*
5 *Social, ethics and transformation committee.*
6 *Safety and sustainable development 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.*
10 *R Medori resigned effective 31 December 2017.*

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December

	Notes	2018 Rm	2017 Rm
Operating (loss)/profit		**(12)**	(10)
Net investment income	1	**14**	7
Reversal of impairment of loan to Rustenburg Platinum Mines (RPM)	2	**86**	13,416
Dividends received	2	**42**	–
Profit before taxation	2	**130**	13,413
Taxation (expense)/credit*	3	**–**	1
Profit for the year		**130**	13,414
Total comprehensive profit		**130**	13,414

SEPARATE STATEMENT OF FINANCIAL POSITION

as at 31 December

	Notes	2018 Rm	2017 Rm
ASSETS			
Non-current assets		**78,391**	80,247
Investments	4	**16,446**	16,285
Loans to subsidiaries (Annexure C)	5	**61,936**	63,953
Deferred taxation		**9**	9
CURRENT ASSETS		**6**	–
Trade and other receivables		**1**	–
Cash and cash equivalents		**5**	–
Total assets		**78,397**	80,247
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	6	**27**	27
Share premium		**23,112**	23,112
Retained earnings		**53,399**	55,250
SHAREHOLDERS' EQUITY		**76,538**	78,389
Non-current liabilities			
Loans from subsidiaries (Annexure C)		**1,853**	1,853
Current liabilities			
Trade and other payables	7	**6**	5
Other liabilities – value added taxation*		**–**	–
Total equity and liabilities		**78,397**	80,247

** Less than R500,000.*

ANGLO AMERICAN PLATINUM LIMITED

for the year ended 31 December 2018

SEPARATE STATEMENT OF CASH FLOWS

for the year ended 31 December

	Notes	2018 Rm	2017 Rm
Cash flows used in operating activities			
Cash used in operations	8	**(231)**	(352)
Net cash used in operating activities		**(231)**	(352)
Cash flows from investing activities			
Decrease in loans to subsidiaries		**2,103**	345
Guarantee fees received		**14**	7
Dividends received		**42**	–
Net cash from investing activities		**2,159**	352
Cash flows used in financing activities			
Dividends paid		**(1,923)**	–
Net cash used in financing activities		**(1,923)**	–
Net decrease in cash and cash equivalents		**5**	–
Cash and cash equivalents at end of year		**5**	–

SEPARATE 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 2016	27	23,112	42,006	65,145
Total comprehensive profit for the year			13,414	13,414
Share-based payments			171	171
Shares issued to employees			(341)	(341)
Balance as at 31 December 2017	27	23,112	55,250	78,389
Total comprehensive profit for the year			**130**	**130**
Share-based payments			**161**	**161**
Shares issued to employees			**(219)**	**(219)**
Dividends paid			**(1,923)**	**(1,923)**
Balance as at 31 December 2018	**27**	**23,112**	**53,399**	**76,538**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

for the year ended 31 December

		2018 Rm	2017 Rm
1.	**NET INVESTMENT INCOME**		
	Guarantee fee income	**14**	7
2.	**PROFIT BEFORE TAXATION**		
	Profit before taxation is arrived at after taking account of:		
	Reversal of impairment of loan to RPM (note 5)	**(86)**	(13,416)
	Directors' emoluments – remuneration as non-executives	**10**	8
	Dividends received	**(42)**	–
3.	**TAXATION**		
	Deferred taxation – current year	**–***	1
		–	1
4.	**INVESTMENTS**		
	Investment in wholly owned subsidiaries at cost (Annexure C)	**16,446**	16,285
5.	**LOANS TO SUBSIDIARIES**		
	Opening balance as at 1 January	**63,953**	50,284
	Repayments	**(2,103)**	(345)
	Reclassification	**–**	598
	Reversal of impairment losses	**86**	13,416
	Closing balance as at 31 December (Annexure C)	**61,936**	63,953

During the prior years 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 its repayment at the earlier of a change in control or the Company providing RPM with a 12-month written notice to repay the loan.

6. SHARE CAPITAL

2017 Number of shares	2018 Number of shares		2018 Rm	2017 Rm
		Authorised		
413,595,651	**413,595,651**	Ordinary shares of 10 cents each	**41**	41
		Issued ordinary shares		
269,681,886	**269,681,886**	Ordinary shares of 10 cents each	**27**	27

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

* *Less than R500,000.*

ANGLO AMERICAN PLATINUM LIMITED CONTINUED

for the year ended 31 December 2018

		2018 Rm	2017 Rm
7.	**TRADE AND OTHER PAYABLES**		
	Other payables and accrued expenses	**6**	5
		6	5
8.	**RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH USED IN OPERATIONS**		
	Profit before taxation	**130**	13,413
	Adjustments for:		
	Guarantee fee income (note 1)	**(14)**	(7)
	Reversal of impairment of loan to RPM (note 5)	**(86)**	(13,416)
	Dividends received	**(42)**	–
	Shares issued to employees	**(219)**	(341)
		(231)	(351)
	Working capital changes	**–**	(1)
	Increase in trade and other receivables	**(1)**	–
	Increase/(decrease) in trade and other payables	**1**	(1)
	Cash used in operations	**(231)**	(352)
9.	**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:		
	Guarantee fee received during the year	**(11)**	7
	Reversal of impairment/(impairment) of loan to RPM	**–**	13,416
	Directors' emoluments are disclosed in Annexure E.		
	Key management personnel disclosure is in Annexure E.		

10. POST-BALANCE SHEET EVENTS

A final dividend of R2,0 billion (R7.51 per share) for the year ended 31 December 2018 was declared after year end, payable on Monday, 11 March 2019 to shareholders recorded in the register at the close of business on Friday, 8 March 2019.

ADMINISTRATION

DIRECTORS

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

Independent non-executive directors
RMW Dunne (British)
NP Mageza
NT Moholi
D Naidoo
JM Vice

Non-executive directors
M Cutifani (Australian)
S Pearce (Australian)
AM O'Neill (British)
N Mbazima

Alternate directors
PG Whitcutt (alternate director to S Pearce)

COMPANY SECRETARY
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angloplat@anglospeakup.com

HUMAN RESOURCES-RELATED QUERIES

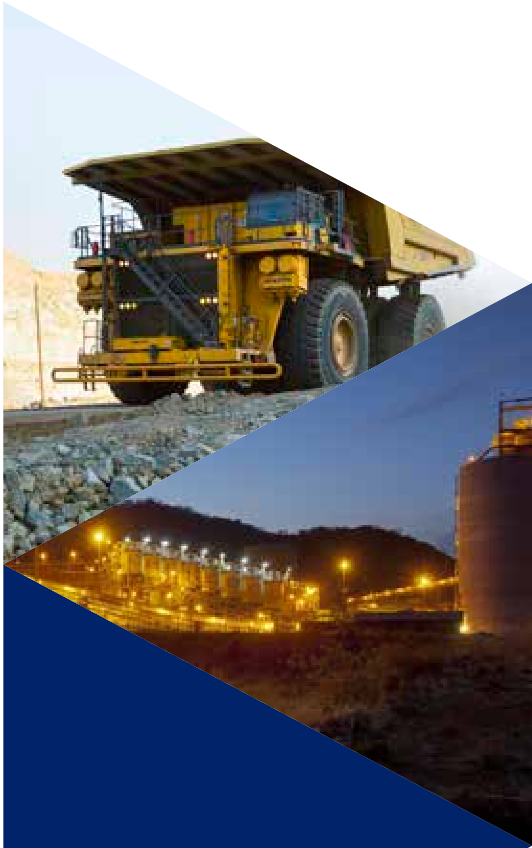
Job opportunities: www.angloamericanplatinum.com/careers/job-opportunities

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, eg 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.



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

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