

ANGLO AMERICAN PLATINUM LIMITED

AUDITED ANNUAL FINANCIAL STATEMENTS 2017

BUILDING ON OUR FOUNDATIONS

POSITIONED FOR A SUSTAINABLE FUTURE



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BUILDING ON OUR FOUNDATIONS POSITIONED FOR A SUSTAINABLE FUTURE

Amid unprecedented challenges facing the global mining sector, Anglo American Platinum (Amplats) is proving its resilience and ability to manage change through a focused strategy that has positioned our group for a different future.

By concentrating on elements we can control, building the foundations for continuous improvement and developing international markets for our products, we are delivering on our strategy. After several years of intense work, we have shaped our business for a sustainable future – a business that is more robust, responsive and competitive.

By focusing strategically on value and not volume, we have repositioned our portfolio by exiting certain assets and capitalised on market-development opportunities.

Our progress is detailed in the integrated report.

 **Refers to other pages in this report.**

 **Supporting documentation on the website**

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



 www.angloamericanplatinum.com/investors/annual-reporting/2017

OUR REPORTING SUITE

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

INTEGRATED REPORT

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

This report includes information extracted from the 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 wide 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 have not provided comprehensive targets for 2018. We will do so in the next report.



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)
- 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 in this report and in our 2017 suite of reports are independently assured. The report of the external auditor on our financial statements is on page 127, while the report of the external assurer on specific non-financial indicators appear on pages 143 and 144 in the annual financial statements.



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.



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

- 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.



Available online as a pdf

Reporting framework

- JSE Listings Requirements
- SAMREC Code guidelines and definitions (2016 edition).

Assurance

- In compliance with the three-year external review and audit schedule:
- Optiro Mining Consultants conducted a detailed numerical audit of the data gathering data, transformation and reporting of mineral resources and ore reserves for Tumela and Dishaba mines.

Available online as a pdf

DIRECTORS' RESPONSIBILITIES AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2017

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 Moosa
Chairman

Johannesburg
15 February 2018



Chris Griffith
Chief executive officer

COMPANY SECRETARY'S CERTIFICATE

for the year ended 31 December 2017

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 2018



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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 and its subsidiaries (the Group) set out on pages 13 to 83, which comprise the statements of financial position as at 31 December 2017, and the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group as at 31 December 2017, 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.

National Executive: *LL Bam Chief Executive Officer * TMM Jordan Deputy Chief Executive Officer; Clients & Industries *MJ Jarvis Chief Operating Officer
*AF Mackie Audit & Insurance *N Sing Risk Advisory *NB Kader Africa Tax & Legal TP Pillay Consulting S Gwala BPS *JK Mazzocco Talent & Transformation
MG Dicks Risk Independence & Legal *TJ Brown Chairman of the Board

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 1 contributor in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Key audit matter	How the matter was addressed in the audit
Physical quantities and measurement of inventory (excluding consumables)	
<p>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 as such the quantum of metal inventory requires a significant amount of estimation and the directors' judgement in its determination.</p> <p>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.</p> <p>These risks are significant to the carrying value of inventory and was therefore considered a key audit matter.</p>	<p>Physical quantities</p> <p>Our audit procedures included the attendance of the annual metal inventory counts on-site to observe the appropriateness of controls implemented in applying sampling methodologies as well as adherence to appropriate inventory processes.</p> <p>We met with the directors' experts to understand and challenge the results from the on-site counts undertaken during the year and at year end and considered the design and implementation of this control over theoretical inventory quantities.</p> <p>We met regularly during the year with the head of metal accounting. At these meetings we challenged the results from the theoretical inventory counts to understand the differences from on-site levels at each processing location. During these meetings we understood whether any differences identified are within the required threshold levels set by the directors. We performed analytical review calculations on the results of the physical inventory as a percentage of throughput to verify the reasonability of the estimates.</p> <p>We ensured that the theoretical quantities determined by metal accounting at year end agreed to the inventory valuation calculations. We confirmed that the metal accounting department is independent from the mines, the processing functions and the finance team who calculates the attributable cost of production. We considered the thresholds (set by directors) applicable to total production throughput for reasonability considering individual mine performance as well as past history.</p> <p>We considered the appropriateness of the disclosure of inventory.</p> <p>We are satisfied that the directors' metal accounting experts are competent and that the physical quantities were in line with the metal accounting on-site and theoretical inventory counts.</p> <p>Measurement</p> <p>We performed an independent model simulated calculation of the metal inventory valuation in support of the directors' calculations based on audited underlying data.</p> <p>We assessed the disclosure in accordance with the requirements of IAS 2 <i>Inventories</i>.</p> <p>Our procedures determined the valuation to be reasonable and disclosed appropriately.</p>

Key audit matter	How the matter was addressed in the audit
<p>Measurement of ore stockpiles</p> <p>During the second half of 2017, the directors allocated mining costs to ore stockpiles for the first time as disclosed in notes 20 and 43. Historically, due to limited concentrator capacity, these stockpiles had not been expected to be processed within the period considered by management for the determination of normal production capacity in terms of IAS 2 <i>Inventories</i>. Hence, all on-mine costs were allocated to inventory based on concentrator capacity. Primarily as a result of a different mining profile that was fully implemented in the current year, a drawdown of stockpiles is anticipated within the five-year period considered by the directors. Hence it was appropriate to allocate costs to a portion of stockpiles to reflect this impact. There were significant judgements that were made in determining the quantity of the ore stockpiles to be recognised as well as the initial recognition thereof in 2017. The conclusion was to treat the change, as a change in estimate in terms of IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>.</p>	<p>Our audit procedures included a historical review of the mining profile of the Mogalakwena Mine where most of the ore stockpiling occurs to understand the impact of concentrator capacity.</p> <p>We met with executive management to understand and challenge the five-year forecast and planned mining schedules used to determine the portion of stockpiles to which production costs were allocated.</p> <p>We met regularly during the second half of the year with the directors' technical experts to understand the change in estimate of the stockpiles treatment. During these meetings we understood whether stockpiles were considered over normal production capacity to verify the reasonability of the estimates.</p> <p>We ensured that the stockpile quantities determined by quantity surveyors at year end agreed to the stockpile valuation calculations. We confirmed that the quantity survey department is independent from the finance team who calculates the attributable cost of production.</p> <p>We consulted with our technical accounting experts to assess the treatment of the allocation of mining costs as a change in estimate.</p> <p>We reperformed the allocation of mining costs to the ore stockpiles and recalculated the impact thereof on inventories.</p> <p>We assessed the disclosure in accordance with the requirements of IAS 2 <i>Inventories</i> and IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>.</p> <p>Our procedures concluded that the principles used to determine the carrying value of the ore stockpiles were appropriate. Our procedures assessed that the treatment and disclosure of the change as a change in estimate was appropriate.</p>

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit and Risk Committee's Report, the Company Secretary's Certificate, as required by the Companies Act of South Africa, and the Integrated Report, which we obtained prior to the date of this report. 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 that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED 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.

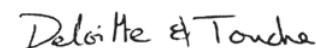
We communicate with the Audit and Risk Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Risk 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 and Risk 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 20 years.



Deloitte & Touche

Registered Auditor

Per: G Berry

Partner

16 February 2018

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 2017. In the context of the financial statements, the term 'Group' refers to the Company, its subsidiaries, associates, joint ventures and joint operations.

NATURE OF BUSINESS

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

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

HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

Amplats' holding company is Anglo South Africa Capital Proprietary Limited (ASAC) which holds 77.62% of its equity (based on total shares in issue less treasury shares held by the Group). ASAC is indirectly wholly owned by Anglo American plc, incorporated in the United Kingdom.

FINANCIAL RESULTS

The consolidated annual financial statements for the year ended 31 December 2017 appear on pages 13 to 83.

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 R6.1 billion (2016: R5.2 billion). In the same period, the Group incurred R4.7 billion (2016: R4.7 billion) of capital expenditure excluding interest capitalised.

BORROWING POWERS AND FINANCIAL ASSISTANCE

At 31 December 2017, Amplats was operating within its debt covenants while maintaining adequate headroom against committed debt facilities, with R12.9 billion of undrawn committed facilities. Net debt at 31 December 2017 was R1.8 billion.

In line with the authorisation granted at the annual general meeting on 7 April 2017, the Board of directors (at its meetings on 13 April 2017, 20 July 2017 and 19 October 2017 and in accordance with section 45 of the Companies Act and the JSE Listings Requirements) approved 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 post such assistance, as contemplated in section 45 of the Companies Act and detailed in section 4 of that Act, and the Board determined that the

terms under which this assistance was provided were fair and reasonable to the Company.

COMPLIANCE WITH ACCOUNTING STANDARDS

The consolidated and separate annual financial statements comply with International Financial Reporting Standards and the requirements of the South African Companies Act 2008 and JSE Listings Requirements.

ACCOUNTING POLICIES

Refer to principal accounting policies in Annexure D.

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 2017 is:

- 413,595,651 (2016: 413,595,651) ordinary shares of 10 cents each
- Nil (2016: 504,260) 'A' ordinary shares of 10 cents each.

The issued share capital of the Company as at 31 December 2017 is:

- 269,681,886 (2016: 269,681,886) ordinary shares of 10 cents each.

Further details of the authorised and issued share capital appear in note 26 of the annual financial statements.

SHARES REPURCHASED

The Company purchased 435,478 shares in the market at an average price of R354.07 per share to satisfy requirements for the Bonus Share Plan, as well as vesting of the Long-term Incentive Plan. This constitutes 37.46% 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.

A final dividend of R0.9 billion (R3.49 cents per ordinary share) for the year ended 31 December 2017, was declared on Thursday, 15 February 2018, payable on Monday, 12 March 2018 to shareholders recorded in the register at the close of business on Friday, 9 March 2018. The net dividend after taking into account dividend withholding tax for those shareholders not exempt from dividend withholding tax is R2.79 cents per share.

CORPORATE ACTIVITY DURING THE YEAR

Disposals

Pandora

The Company entered into a conditional sale-and-purchase agreement on 10 November 2017 with Eastern Platinum Limited, a wholly owned subsidiary of Lonmin plc, to dispose of its 42.5% interest in the Pandora joint venture for a deferred cash payment of a minimum of R400 million and a maximum of R1.0 billion over six years, and a rental agreement for the use and full operational control of Lonmin's Baobab concentrator for a period of three years. The Company announced completion of this transaction on 1 December 2017.

Mineral resources

On 6 December 2017, the Company completed the sale of certain mineral resources in the Amandelbult Mining Right to Northam Platinum Limited for R1.1 billion cash, including interest. The disposed resource was long-dated and outside of the Company's long-term life of mine plans and therefore did not impact any current or future mining plans. Proceeds were used to reduce net debt.

Union Mine and Masa Chrome

On 15 February 2017, the Company announced a sale-and-purchase agreement to sell its 85% interest in Union Mine and 50.1% interest in Masa Chrome Company Proprietary Limited to a subsidiary of Siyanda Resources Proprietary Limited. The total consideration comprises an initial R400 million, payable in cash, and a deferred consideration based on 35% cumulative positive distributable free cash flow paid annually as an earn-out, for a period of 10 years from the effective date of the transaction. Significant progress towards completing the transaction had been made by 31 December 2017, including approval from the South African competition authorities on 13 September 2017 in line with the Competition Act and consent under section 11 of the Mineral and Petroleum Resources Development Act on 7 November 2017. The sale was completed on 1 February 2018 when all conditions precedent were met.

Impairments

The Company impaired assets totalling R3.9 billion (attributable, post-tax), with R777 million impacting headline earnings.

This includes a post-tax, attributable impairment loss for Union Mine and Masa Chrome (R996 million), along with the impairment of equity interests in Bokoni (R235 million) and Bafokeng Rasimone Platinum Mine (BRPM) (R1.9 billion). These affected basic earnings.

In addition, the Company impaired term and care-and-maintenance loan facilities provided to Plateau Resources, a subsidiary of Atlatsa Resources, leading to an impairment of R708 million (post-tax) which has impacted basic and headline earnings. Both basic and headline earnings were further affected by the impairment of a loan to the Bakgatla-Ba-Kgafela traditional community (R69 million) for its holding in Union Mine.

DIRECTORATE AND SECRETARY

No changes to the Board took place during the year. At the date of this report, the Board comprises:

- Valli Moosa (chairman)
- Chris Griffith (chief executive)
- Ian Botha
- Mark Cutifani
- Richard Dunne
- Peter Mageza
- Nombulelo Moholi
- Anthony O'Neill
- Dhanasagree Naidoo
- Andile Sangqu
- Stephen Pearce
- John Vice.

René Médori retired from the Board from 31 December 2017 and Stephen Pearce was appointed in his stead from 1 January 2018. Elizna Viljoen is the Company secretary.

INTERESTS OF DIRECTORS

Directors' beneficial interest in the Company's issued ordinary shares at 31 December 2017 is shown below:

Names	Number of ordinary shares held	
	2017	2016
Richard Dunne	–	2,104
Chris Griffith	11,239	6,969
Valli Moosa	2,500	2,500
Total	13,739	11,573

Under the Long-term Incentive Plan, executive directors held 145,936 awards to acquire shares in the Company and 66,342 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 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.

DIRECTORS' REPORT continued

AUDITORS

Deloitte & Touche continued in office as auditors of the Company and its subsidiaries in 2017.

At the upcoming annual general meeting, shareholders will be requested to reappoint Deloitte & Touche as auditors of Anglo American Platinum Limited, and to confirm that Graeme Berry will be the designated audit partner for the 2018 financial year.

SPONSOR

Rand Merchant Bank (RMB), a division of FirstRand Bank Limited, acted as sponsor to the Company for the financial year ended 31 December 2017. Merrill Lynch South Africa Proprietary Limited was appointed on 1 January 2018 to act as sponsor to the Company in terms of the requirement of the JSE Limited.

TRANSFER SECRETARIES

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

ADMINISTRATION AND SERVICES

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

SUBSIDIARY COMPANIES

Details of major subsidiary companies in which the Company has a direct or indirect interest appear on pages 60 and 61.

EVENTS SUBSEQUENT TO 31 DECEMBER

Refer to note 48 on page 55.

GOING CONCERN

The Board believes the Group and Company have 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 and Company or any material non-compliance with statutory or regulatory requirements.

AUDIT AND RISK COMMITTEE REPORT



Richard Dunne
Chairman

This is a statutory committee, duly constituted in accordance with section 94 of the Companies Act 71 2008, as amended. The committee has an independent role, with accountability to both the shareholders and the board. It assists the board in fulfilling its responsibilities on all matters related to external and internal financial reporting (including maintaining an appropriate relationship with the company's auditors), risk management, and operational and compliance control principles.

We are pleased to present the audit and risk committee report for the year ended 31 December 2017. The committee continues to ensure that financial reporting, external audit, internal controls and risk management processes are robust, safeguarding the integrity and transparency of the integrated report.

Members	Committee member since	Board status	Meeting attendance
RMW Dunne (chairman)	1 July 2006	Independent non-executive director	4/4
NP Mageza	1 July 2013	Independent non-executive director	4/4
D Naidoo	1 July 2013	Independent non-executive director	4/4
JM Vice	30 November 2012	Independent non-executive director	4/4

OUR PURPOSE

The committee assists the board in discharging its duties and makes recommendations to the board on:

- safeguarding assets
- operating adequate systems, control and reporting processes
- preparing accurate reporting and financial statements in compliance with all applicable legal and regulatory requirements, accounting standards and disclosure requirements
- the effectiveness of the company's procedures for risk assessment and management of financial reporting risks, internal financial controls, fraud risk, information technology risk.

ADDING VALUE IN 2017

The committee has executed its duties and responsibilities during the year in line with its terms of reference and section 3.84(g) of the JSE Listings Requirements for the Group's accounting, financial reporting practices and finance function, external audit, internal audit and internal control, integrated reporting, risk management and IT governance.

For the external audit, in the review period, the committee:

- nominated Deloitte & Touche and G Berry as the external auditor and designated auditor respectively to shareholders for appointment for the financial year ended 31 December 2017, and ensured the appointment complied with all applicable legal and regulatory requirements for appointing an auditor

- considered all information as required by the JSE Listings Requirements in assessing the auditor's and designated auditor's suitability for reappointment
- approved the auditor's annual plan and scope of work, monitored the effectiveness of the external auditors in terms of audit quality, expertise and independence
- considered key audit matters noted in the annual financial statements. Key audit matters are set out in the report of the independent auditors (page 5 of the annual financial statements)
- determined the nature and extent and pre-approved all non-audit services provided by the external auditor
- received the necessary representations from the auditors confirming that:
 - the auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefit from the company or group
 - the auditor's independence was not impaired by any consultancy, advisory or other work undertaken
 - the auditor's independence was not prejudiced by any previous appointment as auditor
 - the criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies have been met
- after considering these factors and the auditor's tenure, the committee is satisfied that Deloitte & Touche is independent of the group and has recommended to the board that this firm should be reappointed for the 2018 financial year.

AUDIT AND RISK COMMITTEE REPORT

continued

For the financial statements, the committee:

- ensured that the appropriate financial reporting procedures are established and are operating
- reviewed and discussed the annual financial statements (AFS) and related disclosures, considered the accounting treatment, significant or unusual transactions; and accounting estimates and judgements, confirmed that the AFS had been prepared on a going concern basis and recommended these to the board for approval.

For internal control and internal audit, the committee:

- ensured that internal audit performed an independent assurance function and monitored the effectiveness of the internal audit function in terms of its assurance scope, executing its plan, independence, and overall performance of the function and the head of this function
- 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.

In respect of IT, the committee has:

- reviewed IT risks and governance
- reviewed the IT service level agreement between the Company and Anglo American plc
- considered the impact of cyber crime on the organisation and reviewed the internal information security capability
- reviewed reports on the effectiveness of IT risk management as part of the group risk management.

For risk management, the committee:

- reviewed the Group's policies on risk assessment and management for financial reporting and the going concern assessment, and found them appropriate
- held a Board workshop to review and consider significant risks facing the company
- received a written assessment of the effectiveness of the Company's system of internal controls and risk management from the business assurance services department of Anglo Operations Proprietary Limited.

For sustainability issues in the integrated and supplementary reports, the committee has:

- considered the PwC assurance scope and schedule of key material issues for the 2017 integrated report
- received the necessary assurances through this process that material disclosures are reliable and do not conflict with financial information.

For legal and regulatory requirements that may affect the financial statements, the committee:

- reviewed, with management, legal matters that could have a material financial impact on the group
- assessed compliance with all other statutory duties under section 94(7) of the Companies Act, King IV and JSE Listings Requirements

- received and considered the report of the JSE Limited on proactive monitoring of the financial statements
- dealt with any concerns or complaints relating to accounting practices, internal control systems, contents or auditing of the company's financial statements, or any other related matter.

On coordinating assurance activities, the committee:

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

On integrated reporting, the committee has:

- considered the integrated report and assessed its consistency with operational, financial and other information known to committee members, and for consistency with the 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 2018, recommended the integrated report for the year ended 31 December 2017 for approval by the Board.

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.

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

CONCLUSION

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

On behalf of the committee



Richard Dunne
Chairman

Johannesburg
15 February 2018

SIGNIFICANT ACCOUNTING PRINCIPLES

for the year ended 31 December 2017

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 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 2017 are prepared under the supervision of the finance director, Mr Ian Botha (CA)SA.

The financial statements are prepared on the historical cost basis except for certain financial instruments and liabilities that are stated at fair value. Significant details of the 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 before the related tax effects with the tax effects disclosed separately for each item;
- Operating cash flows are presented on the indirect method;
- Property, plant and equipment are measured on the historic cost model.

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.

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 and are based on the results of surveys performed using drone technology and laser scanning, adjusted for relevant density and moisture estimates. Ore stockpiles are only measured to the extent that there is a reasonable expectation of their utilisation, in line with available capacity over the five-year budget period.

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 and the Group's equity-accounted investment in the Pandora joint venture.

SIGNIFICANT ACCOUNTING PRINCIPLES

continued

for the year ended 31 December 2017

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.

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 them being subject to a binding sale agreement; and the value in use of the Group. The cash flow projections used in the determination of value in use are based on financial budgets and life of mine plans, which incorporate judgement with respect to the following key assumptions: reserves and resources; commodity prices; foreign exchange rates; discount rates; operating costs; capital expenditure and other operating factors.

Assets' useful lives

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

Ore stockpiles

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. Where life-of-mine plans change, or alternative capacity is identified, this will have an impact on the volume of ore stockpiles measured.

Classification of commodity contracts

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

Trading book contracts are distinguished from their equity book counterparts, by the presence of net settlement clauses and/or the intention to enact effective net settlement.

The contracts included in the equity book will remain economically unhedged, thus avoiding the risk of effective net settlement.

Fair valuation of trading metal inventory

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

Consolidation of special purpose entities

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

NEW AND AMENDED ACCOUNTING STANDARDS**Impact of standards and interpretations not yet adopted**

At the reporting date, 31 December 2017*, the following relevant new accounting standards were in issue but not yet effective:

	Effective for annual periods commencing on or after
IFRS 9 <i>Financial Instruments</i> – the complete finalised version IFRS 9 replaces IAS 39 <i>Financial Instruments: Recognition and Measurement</i> .	1 January 2018
IFRS 15 <i>Revenue from Contracts with Customers</i> – provides a single, principle-based five-step approach to the recognition of revenue from all contracts with customers.	1 January 2018
IFRS 16 <i>Leases</i> – removes the classification of leases as operating or finance leases; and requires all leases to be brought onto companies' statement of financial position.	1 January 2019 (with earlier application permitted if IFRS 15 is also applied)
IFRIC 22 <i>Foreign Currency Transactions and Advance Consideration</i> – provides guidance for determining the date of transaction in a foreign currency transaction that includes consideration denominated in a foreign currency and for which a non-monetary prepayment asset or deferred income liability is recognised.	1 January 2018
IFRIC 23 <i>Uncertainty over Income Tax Treatments</i> – 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 2 <i>Share-based Payment – Classification and Measurement of Share-based Payment Transactions</i> – amends IFRS 2 to clarify accounting for cash-settled share-based payments that include a performance condition; classification of share-based payments with net settlement features and accounting for modifications.	1 January 2018
Amendments to IFRS 10 and IAS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> – deal with situations where there is a sale or contribution of assets between an investor and its associates or joint ventures.	To be determined
Clarifications to IFRS 15 <i>Revenue from Contracts with Customers</i> – amends IFRS 15 to clarify the principles regarding identifying performance obligations, principal versus agent considerations and licensing as well as providing some transitional relief.	1 January 2018
<i>Annual improvements to IFRS 2014 to 2016 cycle</i> – makes the following amendments: IFRS 1 – removing short-term exemptions; and IAS 28 – clarifying that the exemption from equity accounting can be applied on an investment-by-investment basis.	1 January 2018
<i>Annual improvements to IFRS 2015 – 2017 cycle</i> – 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 amendments are not expected to have a material effect for the Group. The Group is in the process of assessing the impact of IFRS 16.

* The IASB has also issued IFRS 17 *Insurance Contracts*, effective 1 January 2021 and amendments to IFRS 4 *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*, which is effective for annual periods beginning on or after 1 January 2018; however, they are 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 2017

	Notes	2017 Rm	2016 Rm
Gross sales revenue	1	65,688	61,976
Commissions paid		(18)	(16)
Net sales revenue	2	65,670	61,960
Cost of sales	3	(56,578)	(56,096)
Gross profit on metal sales	3	9,092	5,864
Other net expenditure	7	(6)	(600)
Loss on impairment and scrapping of property, plant and equipment	9	(1,699)	(22)
Market development and promotional expenditure		(813)	(683)
Operating profit		6,574	4,559
Impairment of investment in associate Bokoni Holdco	45	(235)	(130)
Impairment of investment in associate Pandora Joint Venture		–	(153)
Impairment of investment in associate Bafokeng Rasimone Platinum Mine (BRPM)	45	(1,910)	–
Impairment of non-current financial assets	9	(777)	(111)
Profit on disposal of long-dated resources	44	1,066	–
Profit on disposal of associates	44	135	–
Share-based payment expense for facilitation of BEE investment in Atomic		–	(156)
Loss on disposal of Rustenburg Mine		–	(1,681)
Interest expensed	8	(1,219)	(1,329)
Interest received	8	222	149
Remeasurements of loans and receivables	8	46	27
Losses from associates (net of taxation)	16	(362)	(115)
Profit before taxation	9	3,540	1,060
Taxation	10	(1,616)	(364)
Profit for the year		1,924	696
Other comprehensive income, net of income tax			
Items that will be reclassified subsequently to profit or loss		(416)	(465)
Deferred foreign exchange translation losses		(553)	(769)
Actuarial loss on employees' service benefit obligation		–	(6)
Net gains on available-for-sale investments		137	310
Total comprehensive income for the year		1,508	231
Profit/(loss) attributed to:			
Owners of the Company		1,944	632
Non-controlling interests		(20)	64
		1,924	696
Total comprehensive income/(loss) attributed to:			
Owners of the Company		1,528	167
Non-controlling interests		(20)	64
		1,508	231
EARNINGS PER SHARE			
Earnings per ordinary share (cents)	11		
– Basic		741	241
– Diluted		739	240
Headline earnings	12	3,886	1,867

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

	Notes	2017 Rm	2016 Rm
ASSETS			
Non-current assets			
		48,938	51,662
Property, plant and equipment	13	36,597	38,574
Capital work in progress	14	5,361	4,892
Investment in associates	16	2,464	3,963
Investments held by environmental trusts	18	970	907
Other financial assets	19	3,507	3,326
Other non-current assets		39	-
Current assets			
		31,318	26,035
Inventories	20	18,489	16,369
Trade and other receivables	21	2,097	2,140
Other assets	22	1,075	1,554
Other financial assets	23	73	45
Taxation	37	469	470
Cash and cash equivalents	24	9,115	5,457
Non-current assets held for sale	25	558	-
Total assets		80,814	77,697
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	26	27	27
Share premium		22,673	22,498
Foreign currency translation reserve		1,764	2,317
Available-for-sale reserve		429	334
Retained earnings		16,634	14,840
Non-controlling interests		(526)	(234)
Shareholders' equity		41,001	39,782
Non-current liabilities			
		18,864	19,187
Interest-bearing borrowings	27	9,362	9,398
Obligations due under finance leases	28	98	96
Environmental obligations	29	1,693	1,938
Employee benefits	30	17	17
Other financial liabilities	34	239	219
Deferred taxation	31	7,455	7,519
Current liabilities			
		20,374	18,728
Interest-bearing borrowings	27	1,713	3,267
Obligations due under finance leases within one year	28	17	15
Trade and other payables	32	11,316	10,241
Other liabilities	33	6,691	4,623
Other financial liabilities	34	616	567
Share-based payment provision	30	21	15
Liabilities associated with non-current assets held for sale	25	575	-
Total equity and liabilities		80,814	77,697

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2017

	Notes	2017 Rm	2016 Rm
Cash flows from operating activities			
Cash receipts from customers		65,993	61,783
Cash paid to suppliers and employees		(50,126)	(48,187)
Cash generated from operations	36	15,867	13,596
Interest paid (net of interest capitalised)		(1,004)	(1,071)
Taxation paid	37	(1,742)	(1,125)
Net cash from operating activities		13,121	11,400
Cash flows used in investing activities			
Purchase of property, plant and equipment (includes interest capitalised)	38	(4,969)	(5,018)
Proceeds from sale of plant and equipment		17	140
Purchases of financial asset investments		(68)	–
Proceeds on sale of Rustenburg Mine (net of cash disposed of)		–	1,356
Working capital support in respect of Rustenburg Mine		(1,529)	(1,418)
Proceeds on disposal of long-dated resources		1,066	–
Proceeds on disposal of associates		144	–
Shareholder funding capitalised to investment in associates		(1,156)	(448)
Acquisition of equity investment in Hydrogenious		(13)	(34)
Acquisition of available-for-sale investment in Greyrock		–	(36)
Acquisition of convertible notes in United Hydrogen		(4)	(39)
Redemption/(acquisition) of preference shares in Baphalane Siyanda Chrome Company		86	(84)
Advances made to Plateau Resources Proprietary Limited		(708)	(312)
Net increase in investments held by environmental trusts		–	2
Interest received		143	95
Growth in environmental trusts	18	8	7
Other advances		(135)	(40)
Net cash used in investing activities		(7,118)	(5,829)
Cash flows used in financing activities			
Purchase of treasury shares for the Bonus Share Plan (BSP)		(155)	(163)
Purchase of Anglo American plc shares for the Amplats share schemes		–	(7)
Repayment of interest-bearing borrowings		(1,659)	(1,668)
Repayment of finance lease obligation		(17)	(16)
Funding for non-controlling interest's 26% in subsidiary		–	112
Cash distributions to non-controlling interests		(272)	(44)
Net cash used in financing activities		(2,103)	(1,786)
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year		5,457	1,672
Cash and cash equivalents at end of year	24	9,357	5,457
Movement in net debt			
Net debt at beginning of year		(7,319)	(12,769)
Net cash from operating activities		13,121	11,400
Net cash used in investing activities		(7,118)	(5,829)
Other		(517)	(121)
Net debt at end of year		(1,833)	(7,319)
Made up as follows:			
Cash and cash equivalents	24	9,115	5,457
Cash and cash equivalents classified as held for sale	25	242	–
Non-current interest-bearing borrowings	27	(9,362)	(9,398)
Obligations due under finance leases within one year	28	(17)	(15)
Current interest-bearing borrowings	27	(1,713)	(3,267)
Obligations due under finance leases	28	(98)	(96)
		(1,833)	(7,319)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2017

	Share capital Rm	Share premium Rm	Foreign currency translation reserve Rm	Available-for-sale reserve Rm	Retained earnings Rm	Non-controlling interests Rm	Total Rm
Balance at 31 December 2015	27	22,395	3,086	24	14,120	(408)	39,244
Total comprehensive (loss)/income for the year			(769)	310	626	64	231
Non-controlling interest's 26% share in subsidiary						112	112
Cash distributions to minorities						(44)	(44)
Shares acquired in terms of the BSP – treated as treasury shares	(-)*	(163)					(163)
Shares vested in terms of the BSP	-*	266			(266)		-
Equity-settled share-based compensation					389	42	431
Shares purchased for employees					(29)		(29)
Balance at 31 December 2016	27	22,498	2,317	334	14,840	(234)	39,782
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

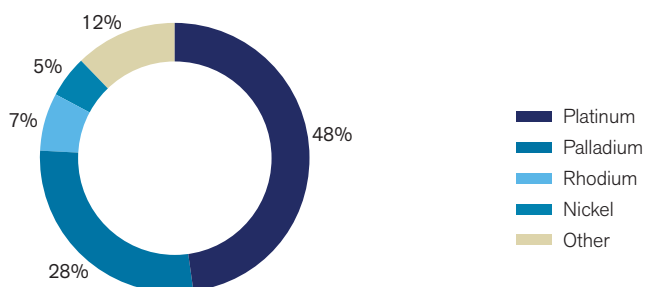
* Less than R500,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

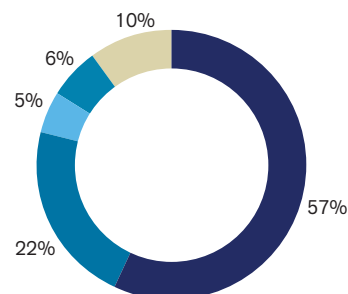
for the year ended 31 December 2017

	2017 Rm	2016 Rm
1. GROSS SALES REVENUE		
Sales revenue emanated from the following principal regions:		
Precious metals	58,400	55,674
Asia	20,950	23,960
Europe	27,494	25,186
South Africa	4,970	3,759
North America	4,986	2,769
Base metals	5,010	4,829
Asia	1,980	1,887
Europe	1,902	2,020
South Africa	784	635
Rest of the world	344	287
Other	2,278	1,473
Asia	1,714	1,053
Europe	443	300
South Africa	107	118
Rest of the world	14	2
	65,688	61,976
Gross sales revenue by metal:		
Platinum	31,590	35,156
Palladium	18,421	13,644
Rhodium	4,242	3,062
Nickel	3,566	3,787
Other	7,869	6,327
Gross sales revenue	65,688	61,976

Gross sales revenue by metal – 2017



Gross sales revenue by metal – 2016



	Net sales revenue		Operating contribution		Depreciation	
	2017 Rm	2016 Rm	2017 Rm	2016 Rm	2017 Rm	2016 Rm
2. SEGMENTAL INFORMATION						
2.1 Segment revenue and results						
Operations						
Mogalakwena Mine	16,118	14,227	7,029	4,785	1,726	1,813
Amandelbult Mine	11,423	10,692	1,699	1,293	719	820
Unki Platinum Mine	2,489	2,227	369	22	356	424
Twickenham Platinum Mine	21	215	(376)	(448)	42	48
Modikwa Platinum Mine ¹	1,817	1,608	246	18	157	175
Mototolo Platinum Mine ¹	1,218	1,418	200	290	99	120
Kroondal Platinum Mine ¹	3,233	3,101	213	318	517	406
Rustenburg Mine ²	–	9,307	–	410	–	299
Union Mine ³	4,280	3,958	974	596	80	253
Other	14	16	10	80	2	3
Total – mined	40,612	46,769	10,363	7,364	3,699	4,361
Inter-segmental transaction	(24)	–	–	–	–	–
Purchased metals	25,082	15,191	2,104	1,319	375	268
	65,670	61,960	12,467	8,683	4,074	4,629
Other costs (note 6)			(3,375)	(2,819)		
Gross profit on metal sales			9,092	5,864		

¹ Amplats' share (excluding purchase of concentrate).

² Effective 1 November 2016, Rustenburg Mine was disposed of.

³ Held for sale – refer to note 25.

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

Changes to segmental information

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

Following the move to more detailed reporting on purchase of concentrate activities, Amandelbult has been changed to exclude metal purchased from third parties. Also the results for toll refining activity have been moved from purchased metal to other. These changes led to a corresponding change in the results for purchased metal.

This resulted in the following changes to the comparative figures:

	Net sales revenue		Operating contribution		Depreciation	
	As reported Rm	Reclassified Rm	As reported Rm	Reclassified Rm	As reported Rm	Reclassified Rm
Amandelbult Mine	10,870	10,692	1,367	1,293	822	820
Other	–	16	–	80	–	3
Purchased metal	15,029	15,191	1,325	1,319	269	268
	25,899	25,899	2,692	2,692	1,091	1,091

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:

	2017 %	2016 %
Customer A	6	9
Customer B	17	17
Customer C	12	11
Customer D	9	13
Customer E	7	7

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2. SEGMENTAL INFORMATION continued**2.3 Other geographical information**

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

	2017 Rm	2016 Rm
Non-current assets*		
United Kingdom	309	63
Zimbabwe	4,922	5,331
South Africa	39,230	42,035
	44,461	47,429

* Excludes financial assets.

	2017 Rm	2016 Rm
3. GROSS PROFIT ON METAL SALES		
Net sales revenue	65,670	61,960
Cost of sales	(56,578)	(56,096)
Cash operating costs (note 4)	(30,642)	(35,317)
On-mine	(24,109)	(29,615)
Smelting	(3,363)	(2,834)
Treatment and refining	(3,170)	(2,868)
Purchase of metals and leasing activities*	(20,763)	(13,518)
Depreciation (note 5)	(4,074)	(4,629)
On-mine	(2,823)	(3,197)
Smelting	(551)	(681)
Treatment and refining	(700)	(751)
Increase in metal inventories	515	187
Increase in ore stockpiles (note 43)	1,761	-
Other costs (note 6)	(3,375)	(2,819)
Gross profit on metal sales	9,092	5,864

* Consists of purchased metals in concentrate, secondary metals and other metals.

	On-mine ⁺ Rm	Smelting Rm	Treatment and refining Rm
4. CASH OPERATING COSTS			
Cash operating costs comprise the following principal categories:			
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
2016			
Labour	12,576	546	819
Stores	8,249	544	868
Utilities	3,138	1,374	343
Contracting	2,081	9	70
Toll refining	-	-	147
Sundry	3,571	361	621
	29,615	2,834	2,868

+ On-mine costs comprise mining and concentrating costs.

	2017 Rm	2016 Rm
5. DEPRECIATION OF PLANT AND EQUIPMENT		
Depreciation of plant and equipment comprises the following categories:		
Operating assets	4,074	4,629
Mining	2,823	3,197
Smelting	551	681
Treatment and refining	700	751
Depreciation included in other costs	19	38
	4,093	4,667
6. OTHER COSTS		
Other costs comprise the following principal categories:		
Overheads		
Corporate costs	531	364
Royalties	653	493
Contributions to education and community development	372	419
Research	230	251
Exploration	105	95
Total exploration costs	157	162
Less: Capitalised (note 15)	(52)	(67)
Other	423	367
	2,314	1,989
Direct operating overheads		
Transport of metals	856	565
Share-based payments (note 30)	205	265
	1,061	830
Total other costs	3,375	2,819
7. OTHER NET EXPENDITURE		
Other net expenditure comprises the following principal categories:		
Realised and unrealised foreign exchange loss	(398)	(150)
Fair value losses on cash and cash equivalents designated as a hedging instrument	(383)	(5)
Fair value gains on deferred income liability	422	63
Other foreign exchange losses	(437)	(208)
Project maintenance costs*	(106)	(233)
Restructuring and other related costs	(11)	(342)
Loss on disposal of plant, equipment, and conversion rights	(16)	(23)
Royalties received	27	16
Insurance proceeds	197	13
Proceeds realised on treasury bills	228	-
Other – net	73	119
	(6)	(600)

* 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.

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	2017 Rm	2016 Rm
8. INTEREST EXPENSED AND RECEIVED		
Interest expensed		
Interest paid on financial liabilities classified as liabilities held at amortised cost	(1,004)	(1,098)
Interest paid on financial liabilities classified as liabilities at amortised cost*	(1,229)	(1,421)
Less: Capitalised (note 38)	225	323
Time value of money adjustment to environmental obligations	(215)	(231)
Decommissioning costs (note 29)	(129)	(154)
Restoration costs (note 29)	(86)	(77)
	(1,219)	(1,329)
Interest received		
Interest received on financial assets classified as loans and receivables		
Interest received	214	142
Growth in environmental trust investments (note 18)	8	7
	222	149
Remeasurements of loans and receivables		
Gains on remeasurements on other financial assets	46	27
<i># The rate used to capitalise borrowing costs was 8.59% (2016: 8.8%).</i>		
9. PROFIT BEFORE TAXATION		
Profit before taxation is arrived at after taking account of:		
Auditors' remuneration	14	15
Audit fees – current year	14	12
Other services	–	3
Losses on financial instruments at fair value through profit or loss	709	21
Fair value changes on hedging accounting	(39)	–
Operating lease charges – buildings and equipment	40	11
Impairment of investments in associates (note 16)	2,145	283
Impairment of non-current financial assets (note 19)	777	111
Share-based payment expense for facilitation of BEE investment in Atomatic	–	156
Loss on disposal of Rustenburg Mine	–	1,681
Profit on disposal of associates	135	–
Loss on impairment, disposal and scrapping of property, plant and equipment	1,658	45
Loss on disposal of property, plant and equipment	7	23
Insurance proceeds realised on loss of assets	(48)	–
Loss on impairment and scrapping of property, plant and equipment	1,699	22
Union Mine and Masa Chrome (note 25)	1,655	–
Various smaller assets scrapped	44	22
(Reversal of)/increase in provision for stores obsolescence	(64)*	41
(Reversal)/write-down of inventories to net realisable value	(198)	511
Mined#	(310)	325
Purchased	112	186

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

* Reversal due to the general improvement in the ageing of stores and materials.

	2017 Rm	2016 Rm
10. TAXATION		
Current (note 37)	1,744	708
Deferred (note 31)	(128)	(344)
	1,616	364
Comprising:		
South African normal taxation	1,308	209
Current year	1,354	297
Prior year	(46)	(88)
Foreign and withholding taxation	308	155
Current year	322	52
Prior year	(14)	103
	1,616	364
	%	%
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	2.3	9.7
Share-based payment expense for facilitation of BEE investment in Atomic	–	4.1
Employee housing expenditure disallowed	1.1	4.3
Impairment of investments in associates	17.0	10.4
Impairment of non-current financial assets	6.1	–
Prior year (overprovision)/underprovision	(1.7)	2.3
Effect of after-tax share of losses from associates	2.9	3.0
Difference in tax rates of subsidiaries	(1.6)	(3.1)
Impact of disposal of Rustenburg Mine	–	(27.5)
Zimbabwean Aids levy	–	1.3
Profit on disposal of long-dated resources	(8.4)	–
Profit on disposal of associates	(1.1)	–
Taxation not raised on minority share of impairment of Union Mine	1.9	–
Other	(0.9)	1.8
Effective taxation rate	45.6	34.3

11. EARNINGS PER ORDINARY SHARE

The calculation of basic earnings and headline earnings per ordinary share is based on a basic earnings of R1,944 million and headline earnings of R3,886 million respectively (2016: basic earnings of R632 million and headline earnings of R1,867 million) and a weighted average of 262,186,719 (2016: 261,905,134) ordinary shares in issue during the year.

The calculation of diluted earning per ordinary share, basic and headline, is based on basic earnings of R1,944 million and headline earnings of R3,886 million respectively (2016: basic earnings of R632 million and headline earnings of R1,867 million).

	2017	2016
Weighted average number of potential diluted ordinary shares in issue		
Number of ordinary shares in issue (excluding treasury shares)	268,519,403	268,273,000
Weighted average number of ordinary shares in issue	262,186,719	261,905,134
Dilutive potential ordinary shares relating to share option schemes	976,787	1,095,807
Weighted average number of potential diluted ordinary shares in issue – basic	263,163,506	263,000,941

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 have had no impact on the number of potential diluted ordinary shares in issue.

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	2017 Rm	2016 Rm
12. RECONCILIATION BETWEEN PROFIT AND HEADLINE EARNINGS		
Profit attributable to shareholders	1,944	632
Adjustments		
Net loss on disposal of property, plant and equipment	7	23
Tax effect thereon	(2)	(6)
Loss on scrapping of property, plant and equipment	44	22
Tax effect thereon	(12)	(6)
Profit on disposal of long-dated resources	(1,066)	-
Tax effect thereon	-	-
Impairment of investments in associates	2,145	283
Tax effect thereon	-	-
Insurance proceeds on loss of assets	(48)	-
Tax effect thereon	14	-
Profit on disposal of associates	(135)	-
Tax effect thereon	-	-
Impairment of Union Mine and Masa Chrome (note 25)	1,655	-
Tax effect thereon	(397)	-
Non-controlling interest's share	(263)	-
Loss on disposal of Rustenburg Mine	-	1,681
Tax effect thereon	-	(762)
Headline earnings	3,886	1,867
Attributable headline earnings per ordinary share (cents)		
Headline	1,482	713
Diluted	1,476	710
13. PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment are made up of two main categories, namely:		
<ul style="list-style-type: none"> ▪ Mining and process property, plant and equipment which comprise expenditure on mining rights, qualifying exploration costs, properties, shaft sinking, development, equipment, plant, buildings, decommissioning and mining projects. ▪ Non-mining property, plant and equipment which comprise freehold land, equipment, motor vehicles and office equipment. 		
Cost		
Opening balance	76,247	88,968
Transfer from capital work in progress (note 14)	3,892	5,038
Additions at cost (note 38)	295	313
(Reduction in)/additions to decommissioning asset (notes 29 and 43)	(362)	27
Disposal of Rustenburg Mine	-	(16,374)
Disposals/scrapping of assets	(4,354)	(996)
Foreign currency translation differences	(736)	(729)
Closing balance	74,982	76,247
Accumulated depreciation		
Opening balance	37,673	49,099
Charge for the year (note 5)	4,093	4,667
Disposal of Rustenburg Mine	-	(14,977)
Reduction in decommissioning asset (note 43)	(210)	-
Disposals/scrapping of assets	(2,917)	(874)
Foreign currency translation differences	(254)	(242)
Closing balance	38,385	37,673
Carrying amount (Annexure A)	36,597	38,574

	2017 Rm	2016 Rm
14. CAPITAL WORK IN PROGRESS		
Opening balance	4,892	6,548
Additions at cost (note 38)	4,674	4,705
Transfer to property, plant and equipment (note 13)	(3,892)	(5,038)
Scrapping of capital work in progress	(228)	(61)
Disposal of Rustenburg Mine	–	(1,011)
Foreign currency translation differences	(85)	(251)
Closing balance	5,361	4,892
15. EXPLORATION AND EVALUATION		
The balances and movements for exploration and evaluation costs as included in notes 13 and 14 above are as follows:		
Cost		
Opening balance	2,050	1,983
Additions (note 6)	52	67
Closing balance	2,102	2,050
Accumulated depreciation		
Opening balance	(1,134)	(678)
Disposal of Rustenburg Mine	–	(419)
Charge and impairments for the year	(37)	(37)
Closing balance	(1,171)	(1,134)
Carrying amount	931	916

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	2017 Rm	2016 Rm
16. INVESTMENT IN ASSOCIATES		
Listed (market value: R75 million (2016: R113 million))		
Investment in Atlatsa Resources Corporation*	–	–
Unlisted	2,464	3,963
Bokoni Platinum Holdings Proprietary Limited (Bokoni Holdco)*		
Carrying value of investment	–	–
Bafokeng Rasimone Platinum Mine (BRPM)+		
Carrying value of investment	2,333	3,665
Richtrau No. 123 Proprietary Limited		
Carrying value of investment	5	5
Primus Power		
Carrying value of investment	26	–
Peglerae Hospital Proprietary Limited		
Carrying value of investment	57	56
Unincorporated associate – Pandora		
Carrying value of investment (note 44)	–	192
Hydrogenious Technologies GmbH		
Carrying value of investment	43	45
	2,464	3,963
The movement for the year in the Group's investment in associates was as follows:		
Opening balance	3,963	3,883
Loss after taxation	(362)	(115)
Loss from associates	(381)	(130)
Taxation – deferred	19	15
Additional funding provided to associates	1,156	448
Disposal of Pandora joint venture (note 44)	(174)	–
Deferred foreign exchange translation losses	13	(4)
Impairment of investments in associates (note 45)	(2,145)	(283)
Additional investment in associate – Hydrogenious Technologies GmbH	13	34
Closing balance	2,464	3,963

* Equity investments in Atlatsa and Bokoni Holdco and further advances during 2017 were impaired during the current and prior years.

+ The investment in BRPM was partially impaired during the current year (note 45).

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

The Group's cumulative share of unrecognised equity-accounted losses from associates carried forward amounted to R1.7 billion (2016: R926 million) and its cumulative share of movements in other comprehensive losses amounted to R7 million (2016: R33 million).

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 41).

Unlisted investment: Bafokeng Rasimone Platinum Mine (BRPM)

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

BRPM has a December year end. The equity accounting is done using its management accounts for the year ended 31 December 2017 and is adjusted for certain consolidation entries. During the current year, the equity-accounted investment was partially impaired.

As BRPM is consolidated by Royal Bafokeng Platinum Limited (RB Plat), and RB Plat is a listed entity, the financial information of BRPM is price-sensitive. Therefore, the Group has not disclosed the financial information of BRPM. However, the financial information of BRPM will be available on or about 6 March 2018, when RB Plat releases its annual results.

17. JOINT ARRANGEMENTS**Joint operations**

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

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

Modikwa Platinum Mine

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

Mototolo Platinum Mine

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

Kroondal Platinum Mine

The Group and 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 and losses from the jointly operated mine and processing plant located on the Western Limb of the Bushveld Complex, which is managed by Kroondal.

	2017 Rm	2016 Rm
18. INVESTMENTS HELD BY ENVIRONMENTAL TRUSTS		
Investments held by the environmental trust comprise:		
Financial instruments designated as fair value through profit or loss	970	907
Movement in total investments held by environmental trusts		
Opening balance	1,015	979
Contributions	1	2
Growth in environmental trusts (note 8)	8	7
Disposal of Rustenburg Mine	–	(281)
Growth in/value attributable to Rustenburg Mine not yet transferred to Sibanye	26	281
Remeasurements	59	27
Reclassified as held for sale (note 25)	(139)	–
Closing balance	970	1,015
Disclosed as:		
Investments held by environmental trusts	970	907
Cash and cash equivalents (note 24)	–	108
	970	1,015

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 29).

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	2017 Rm	2016 Rm
19. OTHER FINANCIAL ASSETS		
Loans carried at amortised cost		
Loans to Plateau Resources Proprietary Limited (Plateau) ¹	201	201
Loan to ARM Mining Consortium Limited ²	52	65
Advance to Bakgatla-Ba-Kgafela traditional community ³	149	200
Convertible notes in United Hydrogen Group Inc. ⁴	30	33
Preference share investment in Baphalane Siyanda Chrome Company	–	84
Other	100	103
	532	686
Available-for-sale investments carried at fair value		
Investment in Royal Bafokeng Platinum Limited (RBPlat) ⁵	627	798
Investment in Wesizwe Platinum Limited (Wesizwe) ⁶	114	161
Investment in Altery Systems ⁷	31	–
Investment in Ballard Power Systems Inc. ⁸	258	–
Investment in Greyrock Energy Inc. (Greyrock) ⁹	93	34
Investment in Food Freshness Technology Holdings ¹⁰	77	49
	1,200	1,042
Other financial assets at fair value through profit or loss		
Deferred consideration on sale of Pandora Joint Venture (note 44) ¹¹	115	–
Deferred consideration on sale of Rustenburg Mine ¹¹	1,660	1,598
Total other financial assets	3,507	3,326

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 facilities were impaired. In total, R708 million was impaired in 2017 (note 45).

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

In addition, the Group provided Bakgatla with a loan of R47 million to service its debt under a hedge facility with an external bank. The loan is unsecured and bears interest at JIBAR plus 2%. This loan was fully impaired upon signature of the Union sale and purchase agreement.

⁴ The Group made an investment in United Hydrogen Group Inc. by way of a convertible note purchase for USD2 million which carries interest at 7%. A further tranche of USD1.8 million was acquired in the current year as the first terms and conditions were met, with further acquisitions envisaged based on the terms of the agreement. The decision to convert would be made in January 2019. Should the terms for the agreement not be met by January 2019, United Hydrogen will be obliged to settle the balance, including interest, in cash.

⁵ The Group holds 11.68% in RB Plat.

⁶ The Group holds 13% in Wesizwe.

⁷ The Group holds 4.8% in Altery Systems.

⁸ The Group holds 2.7% in Ballard Power Systems Inc.

⁹ The Group has acquired a convertible note for USD2.5 million in Greyrock Energy Inc. The notes bear interest at 0.67%, are cumulative, non-redeemable and are convertible into C-preferred share equity at USD6.52. The C-preferred share equity mimics ordinary shareholder rights. The interest will not be paid in cash and is also mandatorily convertible into C-preferred share equity. Further tranches up to USD5 million will be acquired in future. This indicates both interest and capital only give a right to C-preferred share equity. As a result only the right to equity exists and the investment in convertible notes will be designated as an available-for-sale asset.

¹⁰ The Group holds 8.24% in Food Freshness Technology Holdings.

¹¹ The deferred consideration asset result from the discounted deferred purchase price for the disposal of Rustenburg Mine and Pandora Joint Venture.

	2017 Rm	2016 Rm
20. INVENTORIES		
Refined metals	3,906	3,165
At cost	2,548	1,665
At net realisable values	1,358	1,500
Work in process	10,354	10,593
At cost	5,547	5,396
At net realisable values	4,807	5,197
Ore stockpiles (note 43)	1,761	–
Trading metal originating from third parties at fair value less costs of disposal*	–	3
Total metal inventories	16,021	13,761
Stores and materials at cost less obsolescence provision	2,468	2,608
	18,489	16,369
<i>* Trading metal comprises metal acquired from third parties in a refined state, and which is valued at spot prices at the end of the reporting period.</i>		
21. TRADE AND OTHER RECEIVABLES		
Trade accounts receivable	1,188	1,509
Other receivables	988	631
Reclassified as held for sale (note 25)	(79)	–
	2,097	2,140

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 41). There are no trade receivables pledged as security to secure any borrowings of the Group.

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	2017 Rm	2016 Rm
22. OTHER ASSETS		
Prepayments	468	385
VAT receivable	593	1,158
Other	14	11
	1,075	1,554
23. OTHER FINANCIAL ASSETS		
Fair value of derivatives	7	1
Deferred consideration on sale of Rustenburg Mine – short-term portion	66	44
	73	45
24. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents comprise cash on hand, balances with banks and money market instruments.		
Cash on deposit and on hand*	9,357	5,349
Cash investment held by environmental trusts (note 18)	–	108
Reclassified as held for sale (note 25)	(242)	–
	9,115	5,457

* Includes cash on deposit of R4,674 million held as a foreign currency exchange hedge on the deferred income transaction (note 33).

Cash held in trust comprises funds which may only be utilised for purposes of settling decommissioning and environmental liabilities relating to existing mining operations. All income earned on these funds is reinvested or spent to meet these obligations. These obligations are included in environmental obligations (note 29).

25. NON-CURRENT ASSETS HELD FOR SALE

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 (Masa) to a subsidiary of Siyanda Resources Proprietary Limited (Siyanda). The agreement was signed on 14 February 2017 and most of the critical conditions precedent were met on 1 December 2017 such that the sale was highly probable of being concluded within 12 months. Accordingly, the criteria for reclassification as held for sale in terms of IFRS 5 *Non-current Asset Held for Sale and Discontinued Operations* were met as of 1 December 2017.

The disposal was in accordance with the Group's portfolio repositioning strategy. The two ownership interests are classified as a single disposal group in accordance with IFRS 5.

The fair value less cost to sell on reclassification was negative R259 million, and was determined using the upfront consideration of R400 million receivable in cash, a deferred consideration based on 35% of cumulative positive distributable free cash flows paid annually discounted using a rate of 10% over a period of 10 years, and a purchase of concentrate (POC) liability of R931 million which comprises a purchase price adjustment. The deferred consideration receivable is a Level 3 fair value of nil. This resulted in an attributable, post-tax impairment loss of R996 million.

	2017 Rm	2016 Rm
Assets held for sale are made up of:		
Non-current assets	221	–
Environmental assets	139	–
Deferred taxation	82	–
Current assets	337	–
Trade and other receivables	79	–
Taxation	16	–
Cash and cash equivalents	242	–
Total assets	558	–
Liabilities associated with assets held for sale are made up of:		
Non-current liabilities	201	–
Environmental obligations	201	–
Current liabilities	374	–
Trade and other payables	188	–
Other liabilities	186	–
Total liabilities	575	–
Net liabilities held for sale	17	–

26. SHARE CAPITAL

2016 Number of shares	2017 Number of shares		2017 Rm	2016 Rm
413,595,651	413,595,651	Authorised Ordinary shares of 10 cents each	41	41
269,681,886	269,681,886	Issued – ordinary shares Ordinary shares of 10 cents	27	27
1,408,887	1,162,483	Treasury shares held within the Group Ordinary shares held by the Group in terms of the BSP and other share schemes	–*	–*

* Less than R500,000.

Ordinary shares

Issued ordinary shares include treasury shares held for share schemes as well as shares held by the Lefa La Rona Trust (refer to note 47).

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

Treasury shares

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

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	2017 Facility amount Rm	2017 Utilised amount Rm	2016 Facility amount Rm	2016 Utilised amount Rm
27. INTEREST-BEARING BORROWINGS				
Unsecured financial liabilities measured at amortised cost				
The Group has the following borrowing facilities:				
Committed facilities	22,254	9,397	22,286	9,430
ABSA Bank Limited	2,000	–	2,000	–
Anglo American SA Finance Limited	9,100	9,100	9,100	9,100
BNP Paribas	1,000	–	–	–
FirstRand Bank Limited	2,857	–	2,857	–
Nedbank Limited	4,297	297	4,329	330
Standard Bank of South Africa Limited	3,000	–	4,000	–
Uncommitted facilities	6,230	1,678	5,824	3,199
Anglo American SA Finance Limited	5,000	1,678	5,000	3,199
Nedbank London*	738	–	824	–
Standard Bank of South Africa Limited	492	–	–	–
Total facilities	28,484	11,075	28,110	12,629
Deferred income – top up (note 33)	–	–	–	36
Total interest-bearing borrowings	28,484	11,075	28,110	12,665
Current interest-bearing borrowings		1,713		3,267
Non-current interest-bearing borrowings		9,362		9,398
		11,075		12,665
Weighted average borrowing rate (%)		8,59		8,80

* 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 R18,657 million (2016: R19,657 million) of the facilities is committed for one to five years; R1,000 million (2016: R1,300 million) is committed for a rolling period of 364 days; R2,300 million (2016: R1,000 million) is committed for a rolling period of 18 months; while the rest is committed for less than 364 days. The Company has adequate committed facilities to meet its future funding requirements.

Uncommitted facilities are callable on demand.

28. 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 R100 million (2016: R108 million) and is included in property, plant and equipment (note 13).

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

	2017 Rm	2016 Rm
Finance lease obligations	115	111
Less: Short-term portion included in current liabilities	(17)	(15)
	98	96

28. OBLIGATIONS DUE UNDER FINANCE LEASES continued**Reconciliation of future minimum lease payments under finance leases**

	Minimum lease payments		Present value of minimum lease payments	
	2017 Rm	2016 Rm	2017 Rm	2016 Rm
Due within one year	18	17	17	15
Due within two to five years	84	78	49	46
More than five years	227	249	49	50
	329	344	115	111
Less: Future finance charges	(214)	(233)	–	–
Present value of minimum lease payments	115	111	115	111

29. ENVIRONMENTAL OBLIGATIONS**Provision for decommissioning cost**

	2017 Rm	2016 Rm
Opening balance	910	1,287
Increase in discounted amount for decommissioning of expansion projects resulting in decommissioning asset	1,287	1,614
Reduction in discounted amount for decommissioning of expansion projects changed to comprehensive income	–	27
Charged to interest expensed (note 8)	(345)	–
Reduction in decommissioning asset (note 13)	129	154
Disposal of Rustenburg Mine	(152)	–
Foreign currency translation differences	–	(497)
	(9)	(11)
Provision for restoration cost	984	651
Opening balance	651	790
Discounted amount for increase in restoration obligation charged to comprehensive income	254	34
Charged to interest expensed (note 8)	86	77
Disposal of Rustenburg Mine	–	(239)
Foreign currency translation differences	(7)	(11)
	1,894	1,938
Reclassified as held for sale (note 25)	(201)	–
Environmental obligations before funding	1,693	1,938
Less: Environmental trusts (note 18)	(970)	(1,015)
Unfunded environmental obligations	723	923
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	4,969	3,178

Refer to note 40 with respect to details on guarantees provided to the Department of Mineral Resources in this regard.

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	2017 Rm	2016 Rm
30. EMPLOYEE BENEFITS		
Employees' service benefit obligations (non-current)		
Provision for post-retirement medical aid benefits	17	17
Share-based payments provision	-	-
Total	21	15
Less: Transferred to current liabilities	(21)	(15)
	17	17
Aggregate earnings		
The aggregate earnings of employees including directors were:		
Salaries and wages and other benefits	10,527	13,537
Retirement benefit costs	849	1,122
Medical aid contributions	487	619
Share-based compensation (note 6)	205	265
Equity-settled	189	245
Cash-settled	6	4
Cash payments	10	16
	12,068	15,543
Termination benefits		
Voluntary separation costs (included in restructuring and other related costs)	-	311
Directors' emoluments		
Remuneration for executives		
Salaries, benefits, performance-related bonuses and other emoluments	29	26
Remuneration for non-executives		
Fees	7	6
Paid by holding company and subsidiaries	36	32
Paid by subsidiaries	(29)	(26)
Paid by holding company	7	6

Directors' remuneration is disclosed in Annexure E.

Equity compensation benefits

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

30. 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
2017			
Old Mutual SuperFund	15,652	536	8,158
Amplats Group Provident Fund	27,065	783	7,009
	42,717	1,319	15,167
2016			
Old Mutual SuperFund	16,762	691	9,844
Amplats Group Provident Fund	30,300	518	6,329
	47,062	1,209	16,173

	2017 Rm	2016 Rm
31. DEFERRED TAXATION		
Opening balance	7,519	7,928
Released to the statement of comprehensive income (note 10)	(128)	(344)
Charged directly to equity	(40)	-
Other	22	(65)
Reclassified as held for sale	82	-
Closing balance	7,455	7,519
Comprising:		
Deferred taxation liabilities	8,480	8,798
Mining property, plant and equipment	7,968	8,244
Other	512	554
Deferred taxation assets	(1,107)	(1,279)
Accrual for leave pay	(257)	(250)
Bonus provision	(136)	(160)
Environmental liabilities	(195)	(309)
Disposal of Rustenburg Mine	(289)	(254)
Share-based payment provision	(25)	(12)
Post-retirement medical aid benefits	(6)	(5)
Other	(199)	(289)
Reclassified as held for sale (note 25)	82	-
Net position as at 31 December	7,455	7,519
Unrecognised tax losses, capital in nature, at 31 December 2017 amounted to R693 million (2016: R530 million).		

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	2017 Rm	2016 Rm
32. TRADE AND OTHER PAYABLES		
Trade accounts	8,649	7,818
Related parties (note 35)	1,434	1,427
Reclassified as held for sale (note 25)	(188)	–
Purchase of concentrate liability	6,753	6,266
Other	650	125
Other accounts payable	2,667	2,423
	11,316	10,241

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

	2017 Rm	2016 Rm
33. OTHER LIABILITIES		
Accrual for leave pay	965	914
Liabilities for the return of metal*	134	535
Deferred income ⁺	4,623	2,015
Other accruals	1,155	1,159
Reclassified as held for sale (note 25)	(186)	–
	6,691	4,623
<p>* 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.</p> <p>+ The deferred income represents a payment in advance for metal to be delivered in six months time. The deferred income is received monthly on a rolling six-month basis over five years of the contract and it is USD denominated. This exposes the Group to foreign currency risk. The Group manages its foreign currency risk on the sales commitment transaction by designating the foreign currency denominated cash and cash equivalents (see note 24) as a hedging instrument and the deferred income liability as a hedged item.</p>		
Reconciliation of deferred income balance		
Carrying amount at beginning of period	2,015	–
Prepayment received	10,447	2,078
Top up reclassification	36	(36)
Foreign exchange differences	(422)	(27)
Delivery of metal	(7,453)	–
Carrying amount at end of period	4,623	2,015
34. OTHER FINANCIAL LIABILITIES		
Financial liabilities carried at fair value		
Deferred consideration payable on sale of Rustenburg Mine	239	219
Non-current	239	219
Financial liabilities carried at amortised cost		
Platinum Producers' Environmental Trust (PPET) payable to Sibanye*	308	282
Financial liabilities carried at fair value		
Fair value of derivatives	4	3
Deferred consideration payable on sale of Rustenburg Mine	304	282
Current	616	567
Total other financial liabilities	855	786

* Comprises PPET investment balances attributable to Rustenburg Mine and owed to Sibanye.

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.

35. RELATED PARTY TRANSACTIONS

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

	2017 Rm	2016 Rm
Compensation paid to key management personnel	74	81
Interest paid for the year**	1,068	1,111
Interest received for the year**	58	9
Insurance paid for the year**	447	347
Purchase of goods and services for the year*	5,936	6,209
Associates	5,310	5,566
Anglo American plc and other subsidiaries	626	643
Deposits**	7,246	1,684
Interest-bearing borrowings (including interest accrued)**	10,777	12,390
Amounts owed to related parties (note 32)	1,434	1,427
Associates	1,423	1,388
Anglo American plc and other subsidiaries	11	39

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 42 'Analysis of shareholders'.

* This includes purchase of concentrate from the Group's associates.

** Anglo American plc and its subsidiaries.

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	Notes	2017 Rm	2016 Rm
36. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS			
Profit before taxation		3,540	1,060
Adjustments for:			
Interest received	8	(214)	(142)
Growth in environmental trusts	8	(8)	(7)
Interest expensed	8	1,004	1,098
Time value of money adjustment to environmental obligations	8	215	231
Gains on remeasurement of loans and receivables	8	(46)	(27)
Depreciation of property, plant and equipment	5	4,093	4,667
Loss on impairment, disposal and scrapping of property, plant and equipment	9	1,658	45
Loss on disposal of Rustenburg Mine		–	1,681
Losses from associates	16	362	115
Impairment of investments in associates	16	2,145	283
Profit on disposal of associates		(135)	–
Impairment of non-current financial assets		777	111
Net equity-settled share-based payments charged to reserves	6	205	294
Profit of disposal of long-dated resources	12	(1,066)	–
Share-based payment expense for facilitation of BEE investment in Atomatic		–	156
Cash payment on vesting of cash-settled share-based payments		(18)	(28)
Foreign translation losses/(gains)		52	(103)
		12,564	9,434
Movement in non-cash items		254	37
Increase in employees' service benefit obligations		–	3
Increase in provision for environmental obligations		254	34
		3,049	4,125
Working capital changes		(515)	(187)
Increase in metal inventories		(1,761)	–
Increase in ore stockpiles		116	43
Decrease in stores and materials		321	(503)
Decrease/(increase) in trade and other receivables		79	(627)
Decrease/(increase) in other assets		2,913	2,829
Increase in trade and other payables		1,890	2,566
Increase in other liabilities		6	4
Increase in share-based payment provision		6	4
Cash generated from operations		15,867	13,596
37. TAXATION PAID			
Amount receivable at beginning of year		(470)	(50)
Current taxation provided (note 10)		1,744	708
Foreign exchange differences		(17)	(3)
Amount receivable at end of year		469	470
Amount receivable classified as held for sale		16	–
Payments made		1,742	1,125

	2017 Rm	2016 Rm
38. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT		
Additions to capital work in progress (note 14)	4,674	4,705
Additions to plant and equipment (note 13)	295	313
Total additions	4,969	5,018
Cash purchases are made up as follows:		
Stay-in-business	3,336	2,750
Projects	624	648
Waste stripping	784	1,297
Interest capitalised (note 8)	225	323
	4,969	5,018
Total additions are made up as follows:		
Stay-in-business	3,336	2,750
Projects	624	648
Waste stripping	784	1,297
Interest capitalised (note 8)	225	323
	4,969	5,018
39. COMMITMENTS		
Mining and process property, plant and equipment		
Contracted for	1,919	1,106
Not yet contracted for	4,302	5,649
Authorised by the directors	6,221	6,755
Project capital	2,040	3,114
– Within one year	799	408
– Thereafter	1,241	2,706
Stay-in-business capital	4,180	3,641
– Within one year	2,997	2,312
– Thereafter	1,183	1,329
Capital commitments relating to the Group's share in associates		
Contracted for	337	167
Not yet contracted for	1,569	2,305
	1,906	2,472
Other		
Operating lease rentals – buildings and equipment	200	116
Due within one year	77	37
Due within two to five years	123	79

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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40. 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 2017 these guarantees amounted to R1,108 million (2016: R1,236 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 2017, these guarantees amounted to R2,398 million (2016: R2,654 million) (refer to note 29).

41. FINANCIAL INSTRUMENTS

Capital risk management

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

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

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

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

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

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

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

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

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

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

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

The Group has complied with these requirements. The Group's overall strategy remains unchanged from 2016.

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).

41. FINANCIAL INSTRUMENTS continued**Categories of financial instruments**

	Loans and receivables Rm	FVTPL/ held for trading Rm	Available- for-sale Rm	Total Rm	Fair value Rm
2017					
Financial assets					
Investments held by environmental trusts	–	1,109	–	1,109	1,109
Other financial assets	532	1,848	1,200	3,580	3,580
Trade and other receivables	2,176	–	–	2,176	2,176
Cash and cash equivalents	9,357	–	–	9,357	9,357
	12,065	2,957	1,200	16,222	16,222
2016					
Financial assets					
Investments held by environmental trusts	–	907	–	907	907
Other financial assets	686	1,643	1,042	3,371	3,371
Trade and other receivables	2,140	–	–	2,140	2,140
Cash and cash equivalents	5,457	–	–	5,457	5,457
	8,283	2,550	1,042	11,875	11,875
	FVTPL Rm	Other financial liabilities Rm	Total Rm	Fair value Rm	
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)	
2016					
Financial liabilities					
Non-current interest-bearing borrowings	–	(9,398)	(9,398)	(9,398)	
Obligations due under finance leases	–	(96)	(96)	(96)	
Current interest-bearing borrowings	–	(3,267)	(3,267)	(3,267)	
Obligations due under finance leases within one year	–	(15)	(15)	(15)	
Trade and other payables	(6,266)	(3,975)	(10,241)	(10,241)	
Other financial liabilities	(504)	(282)	(786)	(786)	
	(6,770)	(17,033)	(23,803)	(23,803)	

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41. 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 2017	Fair value measurement at 31 December 2017		
	Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
Financial assets through profit and loss				
Investments held by environmental trusts	1,109	1,109	–	–
Other financial assets	1,848	–	7	1,841
Available-for-sale assets at fair value through other comprehensive income				
Other financial assets	1,200	741	–	459
Total	4,157	1,850	7	2,300
Financial liabilities through profit and loss				
Trade and other payables*	(6,753)	–	(6,753)	–
Other financial liabilities	(547)	–	(4)	(543)
Non-financial liabilities at fair value through profit and loss				
Liabilities for return of metal	(134)	–	(134)	–
Total	(7,434)	–	(6,891)	(543)

Description	31 December 2016	Fair value measurement at 31 December 2016		
	Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
Financial assets through profit and loss				
Investments held by environmental trusts	907	907	–	–
Other financial assets	1,643	–	1	1,642
Available-for-sale assets at fair value through other comprehensive income				
Other financial assets	1,042	959	–	83
Non-financial assets at fair value through profit and loss				
Trading metal inventories originating from third parties	3	3	–	–
Total	3,592	1,869	1	1,725
Financial liabilities through profit and loss				
Trade and other payables*	(6,266)	–	(6,266)	–
Other current financial liabilities	(504)	–	(3)	(501)
Non-financial liabilities at fair value through profit and loss				
Liabilities for return of metal	(535)	–	(535)	–
Total	(7,305)	–	(6,804)	(501)

* Represents payables under purchase of concentrate agreements.

41. 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 investments in unlisted companies Food Freshness Technology Holdings, Ballard Power Systems Inc., Altery Systems and Greyrock Energy Inc. All these investments are classified as available-for-sale in terms of IAS 39 *Financial Instruments: Recognition and Measurement*. The deferred consideration on the disposals of Rustenburg Mine and Pandora Joint Venture are classified as financial assets at fair value through profit and loss. The fair values are based on unobservable market data, and estimated with reference to recent third-party transactions in the instruments of the Company, or based on the underlying discounted cash flows expected.

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

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

	2017 Other financial assets Rm	2016 Other financial assets Rm	2017 Other financial liabilities Rm	2016 Other financial liabilities Rm
Opening balance	1,725	19	(501)	-
Disposal of Pandora and acquisition of investment	115	35	-	-
Disposal of Rustenburg Mine	-	1,615	-	(494)
Interest included in profit or loss	115	27	(42)	(7)
Payment received	(31)	-	-	-
Total gains included in other comprehensive income	393	35	-	-
Foreign exchange translation	(17)	(6)	-	-
Closing balance	2,300	1,725	(543)	(501)

Level 3 fair value sensitivities

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

	Financial asset		Financial liability	
	2017 Rm	2016 Rm	2017 Rm	2016 Rm
10% change in expected cash flows				
Reduction to profit or loss	23	28	54	-
Increase to profit or loss	23	28	54	-
0.5% change in discount rates				
Reduction to profit or loss	54	51	2	4
Increase to profit or loss	56	53	2	4
10% change in market price of peer groups				
Reduction to profit or loss	46	5	-	-
Increase to profit or loss	46	5	-	-

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41. FINANCIAL INSTRUMENTS continued**Financial risk management**

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

Managing risk in the Group

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

Currency risk

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

	South African rand Rm	US dollar Rm	Other Rm	Total Rm
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)
2016				
Financial assets				
Investments held by environmental trusts	907	–	–	907
Other financial assets	3,251	120	–	3,371
Trade and other receivables	513	1,557	70	2,140
Cash and cash equivalents	740	4,626	91	5,457
	5,411	6,303	161	11,875
Financial liabilities				
Non-current interest-bearing borrowings	(9,398)	–	–	(9,398)
Obligations due under finance leases	(96)	–	–	(96)
Current interest-bearing borrowings	(3,231)	(36)	–	(3,267)
Obligations due under finance leases within one year	(15)	–	–	(15)
Trade and other payables	(4,114)	(6,074)	(53)	(10,241)
Other financial liabilities	(783)	(3)	–	(786)
	(17,637)	(6,113)	(53)	(23,803)

41. FINANCIAL INSTRUMENTS continued**Foreign currency sensitivity**

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

	US dollar	
	Rm 10% increase	Rm 10% decrease
2017		
Profit/(loss)	317	(317)
Financial assets	977	(977)
Financial liabilities	(660)	660
2016		
(Loss)/profit	(58)	58
Financial assets	630	(630)
Financial liabilities	(688)	688

Forward foreign exchange contracts

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

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

Metal price risk

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

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

	Subject to metal price movements Rm	Not impacted by metal price movements Rm	Total Rm
2017			
Financial liabilities			
Trade and other payables	(6,753)	(4,751)	(11,504)
2016			
Financial liabilities			
Trade and other payables	(6,266)	(3,975)	(10,241)

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41. FINANCIAL INSTRUMENTS continued**Metal price sensitivity**

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

	2017		2016	
	Rm 10% increase	Rm 10% decrease	Rm 10% increase	Rm 10% decrease
Platinum				
(Loss)/profit	(238)	238	(271)	271
(Increase)/decrease in financial liabilities	(238)	238	(271)	271
Palladium				
(Loss)/profit	(138)	138	(108)	108
(Increase)/decrease in financial liabilities	(138)	138	(108)	108
Rhodium				
(Loss)/profit	(57)	57	(31)	31
(Increase)/decrease in financial liabilities	(57)	57	(31)	31
Nickel				
(Loss)/profit	(18)	18	(19)	19
(Increase)/decrease in financial liabilities	(18)	18	(19)	19

Interest rate risk

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

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

	Subject to interest rate movements		Non-interest-bearing	Total
	Fixed Rm	Floating Rm	Rm	Rm
2017				
Financial assets				
Investment 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)

41. FINANCIAL INSTRUMENTS continued**Interest rate risk** continued

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

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

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 (2016: 50 basis points) and the USD interest rate decreased by 50 basis points (2016: 50 basis points) at year end, then income for the year would have increased by R48 million (2016 increase: R49 million) and decreased by R40 million (2016 decrease: R23 million) respectively.

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41. FINANCIAL INSTRUMENTS continued**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 27). 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	Adjustment* Rm	Total Rm
Non-derivative financial instruments							
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)
2016							
Non-current interest-bearing borrowings	8,80	–	(859)	(9,740)	(153)	1,354	(9,398)
Obligations due under finance leases	17,74	–	(18)	(60)	(249)	231	(96)
Current interest-bearing borrowings	8,80	(4,116)	–	–	–	849	(3,267)
Obligations due under finance leases within one year	17,74	(17)	–	–	–	2	(15)
Trade and other payables	n/a	(10,241)	–	–	–	–	(10,241)
		(14,374)	(877)	(9,800)	(402)	2,436	(23,017)
Derivative financial instruments							
2017							
Other current financial assets	n/a	7	–	–	–	–	7
Other current financial liabilities	n/a	(4)	–	–	–	–	(4)
2016							
Other current financial assets	n/a	1	–	–	–	–	1
Other current financial liabilities	n/a	(3)	–	–	–	–	(3)

* Represents unearned finance charges.

41. 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 2017, 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	
	2017 Rm	2016 Rm
Financial assets and other credit exposures		
Investments held by environmental trusts	1,109	907
Other financial assets	3,580	3,371
Trade and other receivables	2,176	2,140
Cash and cash equivalents	9,357	5,457
	16,222	11,875

In addition, the Group has provided facilities/guarantees to certain third parties. Refer to note 40 for details.

The Group has the following amounts due from major customers:

	2017			2016		
	Number of customers	Value Rm	Percentage	Number of customers	Value Rm	Percentage
Greater than R200 million	1	345	29	2	726	48
Greater than R100 million but less than R200 million	3	451	38	3	370	25
Less than R100 million	62	392	33	55	413	27
	66	1,188	100	60	1,509	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.

	2017 Rm	2016 Rm
Financial assets		
Investment held by environmental trusts	1,109	907
Other financial assets	1,200	1,042
	2,309	1,949

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 R41 million (2016: R32 million) and other comprehensive income would have increased by R120 million (2016: R96 million). If the equity prices had been 10% lower at year end, then income for the year would have decreased by Rnil (2016: R2 million) and other comprehensive income would have decreased by R120 million (2016: R96 million).

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42. ANALYSIS OF SHAREHOLDERS

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

Ordinary shares

	2017		2016	
	Number of shareholders	Percentage of issued capital	Number of shareholders	Percentage of issued capital
Size of shareholding				
1 – 1,000	10,708	0.55	11,280	0.59
1,001 – 10,000	1,039	1.20	1,096	1.31
10,001 – 100,000	297	3.58	322	3.84
100,001 – 1,000,000	75	8.08	86	9.00
1,000,001 – and over	10	86.59	7	85.25
	12,129	100.00	12,791	100.00
Category of shareholder				
Companies	259	77.75	195	77.79
Individuals	9,600	0.83	10,176	1.01
Pension and provident funds	357	5.50	316	5.42
Insurance companies	76	0.60	65	0.63
Bank, nominee and finance companies	358	8.85	348	8.75
Trust funds and investment companies	1,340	6.37	1,449	6.18
Other corporate bodies	139	0.10	242	0.21
	12,129	100.00	12,791	100.00
Shareholder spread				
Public shareholders	12,126	22.38	12,786	22.31
Non-public shareholders				
Directors and associates	2	–*	4	–*
Persons interested, directly or indirectly, in 10% or more	1	77.62	1	77.69
	12,129	100.00	12,791	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:

	2017		2016	
	Number of shares	Percentage	Number of shares	Percentage
Anglo South Africa Capital Proprietary Limited	208,417,151	77.62	208,417,151	77.69

Geographical analysis of shareholders

Resident shareholders held 244,492,531 shares (91.05%) (2016: 243,350,601; 90.71%) and non-resident shareholders held 24,026,872 shares (8.95%) (2016: 24,922,398; 9.29%) of the Company's issued ordinary share capital of 268,519,403 shares at 31 December 2017 (2016: 268,272,999).

The treasury shares of 1,162,483 (2016: 1,408,887) 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.

43. CHANGES IN ACCOUNTING ESTIMATES**Change in estimate of quantities of inventory**

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

This change in estimate had the effect of increasing the value of inventory disclosed in the financial statements by R942 million (2016: increase of R618 million). This resulted in the recognition of an after-tax gain of R678 million (2016: after-tax gain of R445 million).

Change in estimate of useful lives

The Group performed its annual comprehensive reassessment of useful lives of all assets. This process resulted in the useful life of buildings increasing from a maximum of 20 years to a maximum of 50 years. The useful life in respect of plant and equipment has not changed but the useful lives of individual assets within the category moved from the lower to the higher bracket. Changes were accounted for prospectively. These changes have an effect on current and future periods. The current year effect is a decrease in depreciation of R323 million and it is expected that the effect on future periods will be similar to the current year.

Change in estimate of the discounting period for environmental liabilities

During the annual review of environmental liabilities, the discount periods were revised to more closely align to the actual life of mine, limited to a period of 35 years to accommodate for estimation uncertainty beyond that point. This resulted in an overall increase in discounting period for the purposes of determining the Group's environmental obligations.

The decrease in the liability consequent on the overall extension of discount period was partly offset by increased assumption of cost pertaining to ground water rehabilitation. This was accounted for as a change in accounting estimate and therefore adjusted prospectively.

As this partly comprised a change in the timing of the rehabilitation of related assets, the decrease was first recognised as a reduction in the related decommissioning asset in terms of IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*.

This resulted in a decrease in the decommissioning asset by R152 million to reduce it to a nil balance. The remainder of the reduction was recognised in profit or loss.

This is a once-off adjustment and it does not impact future periods, except for the future depreciation on relevant decommissioning assets being nil, giving rise to an increased future gross profit on metal sales and operating profit.

Change in estimate of the run-of-mine stockpile

During the second half of 2017, management allocated mining costs to ore stockpiles for the first time. Historically these stockpiles had not been expected to be processed, due to limited concentrator capacity, within the period considered by management for the determination of normal production capacity in terms of IAS 2 *Inventories*. Hence, all on-mine costs were allocated to work in progress and refined metal inventory based on concentrator capacity. Primarily as a result of a different mining profile that was fully implemented in the current year, a drawdown of stockpiles is anticipated within the five-year period considered by management, hence it was appropriate to allocate production costs to run-of-mine ore stockpiles to the value of R1.8 billion. Low grade ore was measured to the extent it was expected to be processed within the next five years, this comprised 14% of total low grade ore. Very low grade ore is below the cut-off grade for economic viability and was accordingly not measured. Owing to a consequential impact on the value of work in progress and refined metal inventory, inventory as a whole increased by R1.3 billion, similarly gross profit on metal sales increased by R1.3 billion, and profit after tax by R905 million, in the current year.

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44. DISPOSAL TRANSACTIONS

Equity investments in Pandora

The Group entered into a conditional sale and purchase agreement on 10 November 2016 with Eastern Platinum Limited, a wholly owned subsidiary of Lonmin plc to sell its 42.5% interest in the Pandora Joint Venture. The sale was completed on 1 December 2017, when all the conditions precedent were met, for a deferred cash consideration of a minimum of R400 million and maximum of R1.0 billion over six years. The deferred consideration receivable per note 19 is a Level 3 fair value as presented and disclosed in note 41.

Long-dated resources

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

The resource is long-dated and outside of Amplats' long-term life of mine plans and therefore does not impact any current or future mining plans. The transaction was completed on 6 December 2014 for a cash consideration of R1.066 million including interest. The full proceeds was recognised as a profit on disposal, which was excluded from headline earnings.

45. IMPAIRMENT OF ASSETS AND INVESTMENTS

Equity investments in Atlatsa Resources and Bokoni Holdco and associated loans

The Group has a 22.76% shareholding in Atlatsa Resource Corporation (Atlatsa Resources) as well as a 49% shareholding in Bokoni Holdco, which are equity accounted as associates.

On 21 July 2017 Atlatsa Resources announced the placement of Bokoni Platinum Mine on care and maintenance, which was effected on 1 October 2017. The Group committed to support Bokoni Platinum Mine while on care and maintenance until the end of December 2019. A total of R1.4 billion was advanced during the year ended 31 December 2017.

All funding advanced has been impaired to the extent that it comprises a loan to Plateau (a wholly owned subsidiary of Atlatsa Resources) for its 51% share of the funding requirements. The 49% effective shareholder contribution to Bokoni Holdco was capitalised to the investment. Equity-accounted losses were applied thereto and the balance recognised as an impairment.

In addition, a letter agreement was signed with Atlatsa Resources for the Group to acquire the Kwanda North and Central Block Prospecting Rights for a consideration of R350 million. The transaction is still subject to DMR approval to include the specified rights in the Group's adjacent mining rights. Should the acquisition be implemented the Group has undertaken to waive the Atlatsa Holdings and Plateau indebtedness to Amplats of c.R3.7 billion.

Equity investments in Bafokeng Rasimone Platinum Mine

The share price of Royal Bafokeng Platinum (RB Plat), which holds as its primary mining asset a 67% share in BRPM, indicated that the Group's investment in BRPM was impaired. An impairment test was performed as at 31 December 2017 resulting in an impairment loss of R1.91 billion for the year, using the implied value derived from RB Plat share price of R28.00 at 31 December 2017. This is considered to be a level 2 fair value as defined in note 41. The impairment loss is excluded from headline earnings.

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. INTEREST IN AN UNCONSOLIDATED STRUCTURED ENTITY

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

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

48. POST-BALANCE SHEET EVENTS

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

Sale of Union Mine

The sale of the Group's interests in Union Mine and Masa Chrome became effective on 1 February 2018, when all significant conditions precedent were met. The key commercial terms include:

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

Including the already recognised impairment loss, the Group expects to realise an attributable, post-tax loss on disposal of between R1.8 billion and R2.0 billion.

Dividends declared

A final dividend of R0.9 billion for the year ended 31 December 2017 was declared on Thursday, 15 February 2018, payable on Monday, 12 March 2018 to shareholders recorded in the register at the close of business on Friday, 9 March 2018.

49. EXCHANGE RATES TO THE SOUTH AFRICAN RAND

	2017	2016
Year-end rates		
US dollar	12.3060	13.7289
British pound	16.6147	16.8931
Average rates for the year		
US dollar	13.3094	14.6989
British pound	17.1509	19.9215

ANNEXURES

for the year ended 31 December 2017

ANNEXURE A

Property, plant and equipment

	31 December 2017			31 December 2016		
	Cost Rm	Accumulated depreciation Rm	Carrying amount Rm	Cost Rm	Accumulated depreciation Rm	Carrying amount Rm
Owned and leased assets						
Mining development and infrastructure	30,125	10,410	19,715	28,803	8,828	19,975
Plant and equipment*	37,642	24,695	12,947	39,601	25,458	14,143
Land and buildings	5,906	2,355	3,551	6,045	2,120	3,925
Motor vehicles	1,042	818	224	1,101	920	181
Furniture, fittings and equipment	83	67	16	156	134	22
	74,798	38,345	36,453	75,705	37,460	38,246
Decommissioning asset	185	41	144	542	214	328
Note 13	74,983	38,386	36,597	76,247	37,674	38,574

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
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	328	(152)	-	(5)	(22)	(5)	144
Note 13	38,574	4,035	-	(1,437)	(4,093)	(482)	36,597
2016							
Owned and leased assets							
Mining development and infrastructure	18,757	2,479	865	(315)	(1,459)	(352)	19,975
Plant and equipment	15,911	2,277	(7)	(1,052)	(2,811)	(175)	14,143
Land and buildings	4,560	514	(857)	(105)	(236)	49	3,925
Motor vehicles	256	76	-	(37)	(111)	(3)	181
Furniture, fittings and equipment	23	5	(1)	-	(7)	2	22
	39,507	5,351	-	(1,509)	(4,624)	(479)	38,246
Decommissioning asset	362	27	-	(10)	(43)	(8)	328
Note 13	39,869	5,378	-	(1,519)	(4,667)	(487)	38,574

* Included in plant and equipment is an energy recovery plant held by the Group under finance lease (refer to note 28). The carrying amount of the plant at 31 December 2017 was R100 million (2016: R108 million).

Useful lives of assets

	2017	2016
Mining development and infrastructure	Units of production	Units of production
Plant and equipment	2 to 20 years	2 to 20 years
Buildings*	10 to 50 years	10 to 20 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	30 years

* See note 43 for changes in estimates.

ANNEXURE B**Equity compensation benefits****1. Anglo American Platinum Long-term Incentive Plan (equity-settled)**

	2017			2016		
	Directors	Employees and others	Total	Directors	Employees and others	Total
Outstanding at 1 January	112,981	251,650	364,631	92,290	268,848	361,138
Granted during the year	55,555	80,356	135,911	49,852	69,892	119,744
Exercised during the year	(7,510)	(21,814)	(29,324)	(15,423)	(39,119)	(54,542)
Conditional forfeiture during the year ¹	(15,090)	(43,830)	(58,920)	(13,738)	(36,470)	(50,208)
Lapsed	–	(3,714)	(3,714)	–	(11,501)	(11,501)
Outstanding at 31 December	145,936	262,648	408,584	112,981	251,650	364,631
Number of awards allocated during the year	55,555	80,356	135,911	49,852	69,892	119,744
Expiry date	2020	2020	2020	2019	2019	2019
Allocation price per share (R)	n/a	n/a	n/a	n/a	n/a	n/a

¹ The performance criteria were partially met.

Terms of the awards outstanding at 31 December

		2017 Number	2016 Number
Vesting date	Vesting after three years dependent on actual performance against indicated weighted targets		
16 April 2017	50% total shareholder return, 50% return on capital employed	–	91,958
16 April 2018	50% total shareholder return, 50% return on capital employed	152,929	152,929
13 April 2019	50% total shareholder return, 50% return on capital employed	119,744	119,744
13 April 2020	70% total shareholder return, 10% return on capital employed, 10% attributable free cash flow, 10% safety and sustainable development	135,911	
		408,584	364,631

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 48.18% on average for 2017 (2016: 71.86%). The weighted average fair value of long-term incentive plan rights granted during the year is R185.54 (2016: R161.27). A risk-free rate of 7.7% (2016: 8.4%) and a dividend yield of 0% (2016: 0%) was applied.

ANNEXURES continued

for the year ended 31 December 2017

ANNEXURE B continued**Equity compensation benefits** continued**2. Anglo American Platinum Long-term Incentive Plan – Non-conditional (equity-settled)**

	2017			2016		
	Directors	Employees and others	Total	Directors	Employees and others	Total
Outstanding at 1 January	–	165,888	165,888	–	219,948	219,948
Granted during the year	–	24,856	24,856	–	31,981	31,981
Exercised during the year	–	(64,404)	(64,404)	–	(80,864)	(80,864)
Lapsed	–	(7,023)	(7,023)	–	(5,177)	(5,177)
Outstanding at 31 December	–	119,317	119,317	–	165,888	165,888
Exercisable at end of year	–	–	–	–	–	–
Number of awards allocated during the year	–	24,856	24,856	–	31,981	31,981
Expiry date	–	2020	2020	–	2019	2019
Allocation price per share (R)	–	n/a	n/a	–	n/a	n/a

Terms of the awards outstanding at 31 December

	2017 Number	2016 Number
Expiry date		
16 April 2017	–	46,453
16 April 2018	71,099	88,068
13 April 2019	25,403	31,367
13 April 2020	22,815	–
	119,317	165,888

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)

	2017			2016		
	Directors	Employees and others	Total	Directors	Employees and others	Total
Outstanding at 1 January	44,601	1,327,736	1,372,337	36,956	1,575,741	1,612,697
Granted during the year	29,767	325,625	355,392	19,044	373,925	392,969
Released during the year	(8,026)	(600,701)	(608,727)	(11,399)	(581,194)	(592,593)
Lapsed	–	(48,219)	(48,219)	–	(40,736)	(40,736)
Outstanding at 31 December	66,342	1,004,441	1,070,783	44,601	1,327,736	1,372,337
Exercisable at end of year	–	–	–	–	–	–
Number of awards allocated during the year	29,767	325,625	355,392	19,044	373,925	392,969
Expiry date	2020	2020	2020	2019	2019	2019
Allocation price per share (R)	n/a	n/a	n/a	n/a	n/a	n/a

Terms of the awards outstanding at 31 December

	2017 Number	2016 Number
Vesting date		
16 April 2017	686	465,848
16 April 2018	425,397	529,528
13 April 2019	306,613	376,961
13 April 2020	338,087	–
	1,070,783	1,372,337

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)**

	2017			2016		
	Directors	Employees and others	Total	Directors	Employees and others	Total
Outstanding at 1 January	–	100,694	100,694	–	106,010	106,010
Granted during the year	–	30,827	30,827	–	31,352	31,352
Exercised during the year	–	(31,381)	(31,381)	–	(36,668)	(36,668)
Lapsed	–	(726)	(726)	–	–	–
Outstanding at 31 December	–	99,414	99,414	–	100,694	100,694
Exercisable at end of year	–	–	–	–	–	–
Number of awards allocated during the year	–	30,827	30,827	–	31,352	31,352
Expiry date	–	2020	2020	–	2019	2019
Allocation price per share (R)	–	n/a	n/a	–	n/a	n/a

Terms of the awards outstanding at 31 December

	2017 Number	2016 Number
Expiry date		
16 April 2017	–	32,107
16 April 2018	37,235	37,235
13 April 2019	31,352	31,352
13 April 2020	30,827	–
	99,414	100,694

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

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

ANNEXURES continued

for the year ended 31 December 2017

ANNEXURE C

Investments in subsidiaries, joint arrangements and associates

	Nature of business	Number of shares held	
		2017	2016
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 ¹⁰	F	1,000	1,000
Indirect investments			
Africa Pipe Industries North Proprietary Limited*	B, K	510	510
Anglo Platinum Marketing Limited ⁴	D, I	4,000,350	4,000,350
Automatic Trading Proprietary Limited*	B, D, 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	578
Masa Chrome Company Proprietary Limited*	D	501	501
Matthey Rustenburg Refiners Proprietary Limited	J	1,360,000	1,360,000
Micawber 146 Proprietary Limited	J	1	1
Norsand Holdings Proprietary Limited	C	9	9
PGI SA ¹	I	100	100
PGI KK ³	I	40,000	40,000
PGI (Shanghai) Co. Limited ⁹	I	100	100
PGI (United Kingdom) Limited ⁴	I	2	2
PGI (United States of America) Jewellery Inc. ⁷	I	100	100
PGI (Hong Kong) ⁶	I	100	100
PGM Investment Company Proprietary Limited	F	100	100
Platinum Guild India PVT Limited ⁵	I	10,005	10,005
Platmed Properties Proprietary Limited	C	100	100
Platmed Proprietary Limited	H	100	100
Precious Metal Refiners Proprietary Limited	J	1,000	1,000
RA Gilbert Proprietary Limited	H	100	100
Rustenburg Base Metal Refiners Proprietary Limited	J	1,000	1,000
Whiskey Creek Management Services Proprietary Limited	G	1,000	1,000

* Indicates a shareholding of less than 100%.

Joint operations

Kroondal Platinum Mine (note 17)	A
Modikwa Platinum Mine (note 17)	A
Mototolo Platinum Mine (note 17)	A
Micawber 469 Proprietary Limited [#]	J
Modikwa Mining Personnel Services Proprietary Limited [#]	G
Modikwa Platinum Mine Proprietary Limited [#]	C
Mototolo Holdings Proprietary Limited [#]	C

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

ANNEXURES continued

for the year ended 31 December 2017

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.

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

2. Investment in associates and joint ventures

An associate is an entity over which the Group exercises significant influence, but which it does not control, through participation in the financial and operating policy decisions of the investee. 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, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

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

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

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

3. Investments in joint operations

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

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

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

4. Property, plant and equipment

Mining

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

Mining assets are 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 mine property, plant and equipment, excluding capitalised mine development and infrastructure costs, are depreciated on a straight-line basis over their expected useful lives. Capitalised mine development and infrastructure costs are depreciated on a unit-of-production basis. Depreciation is first charged on mining assets from the date on which they are available for use.

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

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

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

Non-mining

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

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

Impairment

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

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

5. Non-current assets held for sale

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

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

6. Leases

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.

ANNEXURES continued

for the year ended 31 December 2017

ANNEXURE D continued

PRINCIPAL ACCOUNTING POLICIES continued

7. Investments

Investments in subsidiaries are measured at cost.

8. Inventories

Own refined metals

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

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

Third-party refined metals

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

Work in progress

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

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.

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 on a weighted average basis.

9. Revenue recognition

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

10. Dividends declared

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

11. Provisions

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

12. Taxation

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

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

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

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

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

13. Research and exploration cost

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

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

14. Metal trading activities

Leasing

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

Borrowing

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

Lending

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

Other

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

15. Financial instruments

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

Fair value

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

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

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

Effective interest method

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

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

Financial assets

The Group classifies financial assets into the following categories:

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

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

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

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

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

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

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

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

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

Loans and receivables

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

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

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

ANNEXURES continued

for the year ended 31 December 2017

ANNEXURE D continued

PRINCIPAL ACCOUNTING POLICIES continued

15. Financial instruments continued

Available-for-sale (AFS)

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

Impairments

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

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

Classification between debt and equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at FVTPL

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

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

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

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

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

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

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

Other financial liabilities

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

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

Loan commitments

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

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

Derivative instruments

In the ordinary course of its operations, the Group is exposed to fluctuations in metal prices, volatility of exchange rates and changes in interest rates. From time to time portions of these exposures are managed through the use of derivative financial instruments. Derivatives are initially measured at 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 entered into and continue to meet the Group's expected purchase, sale or usage requirements, which were designated for that purpose at their inception and are expected to be settled by delivery, are recognised in the financial statements when they are delivered into, and are not marked to market.

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

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

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.

16. Foreign currencies

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

Foreign currency transactions are recorded at the spot rate of exchange on the transaction date. At the end of the period, monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange ruling at the reporting date. Non-monetary assets and liabilities carried at fair value are translated at the rate of exchange ruling at the date of determining the fair value. Non-

monetary items that are denominated in foreign currencies and measured at historical cost are not retranslated. Foreign exchange differences arising on monetary items are reflected in profit or loss except in limited circumstances.

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

17. Environmental rehabilitation provisions

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

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 liabilities are discounted over the lesser of the actual life of mine (LoM) or 35 years.

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. Restoration liabilities are discounted over the lesser of the actual life of mine or 35 years.

Ongoing rehabilitation costs

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

ANNEXURES continued

for the year ended 31 December 2017

ANNEXURE D continued

PRINCIPAL ACCOUNTING POLICIES continued

18. Borrowing costs

Borrowing costs are charged to interest paid.

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

19. Employee benefits

Short-term employee benefits

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

Termination benefits

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

Post-employment benefits

Defined contribution plans

Retirement, provident and pension funds

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

20. 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. This is then remeasured at each reporting period until the liability is settled, with the resulting gain or loss in fair value being recognised in profit or loss for the period.

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

21. Black economic empowerment (BEE) transactions

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

22. Treasury shares

The carrying value of the Company's shares held by the 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.

23. 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.

24. Comparative figures

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

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.

2017 annual cash incentive payments and deferred bonus shares to be awarded in 2018

Name	Annual cash incentive R	Percentage of basic salary %	Bonus shares awarded R	Percentage of basic salary %
Executive directors				
Cl Griffith	6,840,145	84.50	10,260,218	126.75
I Botha	4,447,440	69.60	4,447,440	69.60
Prescribed officers				
DW Pelser	2,143,453	48.30	3,000,834	67.62
VP Pillay ³	2,030,417	44.85	2,842,584	62.79
GL Smith ³	2,126,441	51.75	2,977,018	72.45
LN Mogaki	2,126,441	51.75	2,977,018	72.45
S Macheli-Mkhabela	1,738,599	44.85	2,434,039	62.79
I Pillay	2,006,076	51.75	2,808,507	72.45
GA Humphries ¹	1,971,497	48.30	2,760,096	67.62
Former				
AR Hinkly ²	2,110,947	57.60	2,955,326	80.64
Grand total	27,541,456	58.39	37,463,080	79.43

¹ Appointed on 1 January 2017 as executive head: process.

² Left the Executive Committee on 7 August 2017.

³ VP Pillay and GL Smith are both within two years of retirement and will receive the cash equivalent in line with policy.

ANNEXURES continued

for the year ended 31 December 2017

ANNEXURE E continued

REMUNERATION OF KEY MANAGEMENT continued

2017 LTIP outcomes and awards

The annual share awards for 2017 and performance outcomes for the 2015 share awards (which performance period ended on 31 December 2017) for the CEO, finance director and other prescribed officers are set out below.

LTIP awards made in 2017

Name	Number of LTIP awards	Market face value ¹ R
Executive directors		
Cl Griffith	33,436	12,074,408
I Botha	22,119	7,987,613
Prescribed officers		
DW Pelser	12,289	4,437,804
VP Pillay	12,536	4,527,000
GL Smith	11,379	4,109,184
LN Mogaki	11,379	4,109,184
S Macheli-Mkhabela	10,735	3,876,623
I Pillay	10,735	3,876,623
GA Humphries	11,303	4,081,139
Total	135,911	49,080,178

¹ Market face value is based on the price of grant of R361.12.

Vesting of LTIP awards (2015 – performance period ended 31 December 2017)

The extent to which performance measures for the 2015 award were met is detailed below. These awards will vest on 16 April 2018 after a three-year vesting period has lapsed.

LTIP measures	Below	Threshold	Target	Above
Total shareholder return (50%)			●	
Return on capital employed (50%)	●			
Resulting vesting LTIP award			34.82%	

Total remuneration outcomes

Total remuneration outcomes and mix between fixed and variable pay in 2017 for the CEO, finance director and prescribed officers are shown in the table on page 71.

Executive directors and prescribed officers

Total remuneration and detail on outstanding and settled long-term incentives of executive directors and prescribed officers for 2016 and 2017 is reflected in the table on page 71. 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 salary¹	Retirement and medical aid²	Cash incentive	BSP share award^{3,4}	LTIP reflected^{5,6}	Other⁷	Total single figure of remuneration
	R	R	R	R	R	R	R	R
Executive directors								
CI Griffith ⁸	2017	8,094,849	1,420,503	6,840,145	10,260,218	5,195,092	1,076,719	32,887,526
	2016	7,937,263	1,415,986	4,450,720	6,676,080	2,372,287	1,003,068	23,855,404
I Botha	2017	6,390,000	951,735	4,447,440	4,447,440	–	–	16,236,615
	2016	6,000,000	892,680	3,932,973	3,932,973	–	–	14,758,626
Prescribed officers								
DW Pelsler	2017	4,437,792	721,250	2,143,453	3,000,834	1,726,666	–	12,029,995
	2016	4,189,511	673,922	2,081,386	2,913,940	983,978	–	10,842,737
VP Pillay ^{9,10}	2017	4,527,132	724,668	2,030,417	4,071,527	1,902,278	–	13,256,022
	2016	4,250,820	677,532	1,840,182	3,735,635	1,083,797	–	11,587,966
GL Smith ¹¹	2017	4,109,065	642,029	2,126,441	2,977,018	1,726,666	–	11,581,219
	2016	3,858,276	600,744	1,927,209	2,698,093	983,978	–	10,068,300
I Pillay	2017	3,876,480	652,200	2,006,076	2,808,507	1,629,104	–	10,972,367
	2016	3,639,888	602,328	1,939,330	2,715,062	928,067	–	9,824,675
LN Mogaki	2017	4,109,065	657,159	2,126,441	2,977,018	1,726,666	–	11,596,349
	2016	3,858,276	614,424	1,670,248	2,338,347	983,978	–	9,465,273
S Macheli-Mkhabela	2017	3,876,480	623,318	1,738,599	2,434,039	1,629,104	–	10,301,540
	2016	3,639,888	582,648	1,333,290	1,866,606	–	–	7,422,432
GA Humphries ¹²	2017	4,081,776	653,430	1,971,497	2,760,096	–	–	9,466,799
Former								
AR Hinkly ¹³	2017	3,664,839	534,984	2,110,947	2,955,326	–	–	9,266,096
	2016	6,935,330	995,606	4,094,315	5,732,041	–	–	17,757,292
J Ndlovu ¹⁴	2017	–	–	–	–	2,013,462	–	2,013,462
	2016	2,999,096	484,848	1,298,309	1,817,633	1,146,974	–	7,746,860

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 2016 BSP shares awarded on the basis of performance for the 2016 financial year is reflected in the 2016 single figure of remuneration.

⁴ The value of the 2017 BSP shares to be awarded on the basis of performance for the 2017 financial year is reflected in the 2017 single figure of remuneration.

⁵ The value of the 2014 LTIP with a performance period ending on 31 December 2016, and vesting at R364.00 per share, is reflected in the 2016 single figure of remuneration.

⁶ 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.

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 GA Humphries was promoted to executive head; process on 1 January 2017.

¹³ AR Hinkly has left Anglo American Platinum on 7 August 2017 and no longer serves on the Executive Committee. His remuneration has been pro rated accordingly.

¹⁴ J Ndlovu was transferred to Anglo American Thermal Coal on 1 September 2016.

ANNEXURES continued

for the year ended 31 December 2017

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 2016	Granted during 2016	Forfeited in respect of 2016 vesting	Settled in respect of 2016 vesting	Closing number on 31 Dec 2016	Cash value on settlement during 2016 R
Current							
Cl Griffith							
LTIP	2013	29,161	–	3,018	26,143	–	10,172,241
LTIP	2014	22,600	–	15,090	–	7,510	–
LTIP	2015	40,529	–	–	–	40,529	–
LTIP	2016	–	31,072	–	–	31,072	–
LTIP	2017	–	–	–	–	–	–
BSP	2013	9,519	–	–	9,519	–	3,703,272
BSP	2013S	1,880	–	–	1,880	–	731,395
BSP	2014	8,026	–	–	–	8,026	–
BSP	2015	17,531	–	–	–	17,531	–
BSP	2016	–	12,533	–	–	12,533	–
BSP	2017	–	–	–	–	–	–
Total		129,246	43,605	18,108	37,542	117,201	14,606,907
I Botha							
LTIP	2013	–	–	–	–	–	–
LTIP	2014	–	–	–	–	–	–
LTIP	2015	–	–	–	–	–	–
LTIP	2016	–	18,780	–	–	18,780	–
LTIP	2017	–	–	–	–	–	–
BSP	2013	–	–	–	–	–	–
BSP	2013S	–	–	–	–	–	–
BSP	2014	–	–	–	–	–	–
BSP	2015	–	–	–	–	–	–
BSP	2016	–	6,511	–	–	6,511	–
BSP	2017	–	–	–	–	–	–
Total		–	25,291	–	–	25,291	–
DW Pelsler							
LTIP	2013	12,612	–	1,305	11,307	–	4,399,554
LTIP	2014	9,373	–	6,258	–	3,115	–
LTIP	2015	13,472	–	–	–	13,472	–
LTIP	2016	–	10,434	–	–	10,434	–
LTIP	2017	–	–	–	–	–	–
BSP	2013	1,938	–	–	1,938	–	753,960
BSP	2013S	–	–	–	–	–	–
BSP	2014	3,595	–	–	–	3,595	–
BSP	2015	8,891	–	–	–	8,891	–
BSP	2016	–	5,450	–	–	5,450	–
BSP	2017	–	–	–	–	–	–
Total		49,881	15,884	7,563	13,245	44,957	5,153,514

Closing fair value at 31 Dec 2016 R	Granted during 2017	Forfeited in respect of 2017 vesting	Settled in respect of 2017 vesting	Closing number on 31 Dec 2017	Cash value on settlement during 2017 R	Closing fair value at 31 Dec 2017 R
-	-	-	-	-	-	-
2,372,259	-	-	7,510	-	2,733,640	-
7,681,380	-	26,417	-	14,112	-	5,195,092
5,889,014	-	-	-	31,072	-	6,863,662
-	33,436	-	-	33,436	-	7,385,859
2,535,253	-	-	8,026	-	2,927,243	-
5,537,692	-	-	-	17,531	-	6,454,196
3,958,924	-	-	-	12,533	-	4,614,137
-	18,732	-	-	18,732	-	6,896,355
27,974,522	52,168	26,417	15,536	127,416	5,660,883	37,409,300
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,559,336	-	-	-	18,780	-	4,148,416
-	22,119	-	-	22,119	-	4,885,986
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,056,695	-	-	-	6,511	-	2,397,083
-	11,035	-	-	11,035	-	4,062,635
5,616,031	33,154	-	-	58,445	-	15,494,119
-	-	-	-	-	-	-
983,966	-	-	3,115	-	1,133,860	-
2,553,321	-	8,781	-	4,690	-	1,726,666
1,977,535	-	-	-	10,434	-	2,304,823
-	12,289	-	-	12,289	-	2,714,584
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,135,589	-	-	3,595	-	1,311,168	-
2,808,489	-	-	-	8,891	-	3,273,302
1,721,546	-	-	-	5,450	-	2,006,467
-	8,176	-	-	8,176	-	3,010,068
11,180,446	20,465	8,781	6,710	49,930	2,445,028	15,035,909

ANNEXURES continued

for the year ended 31 December 2017

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 2016	Granted during 2016	Forfeited in respect of 2016 vesting	Settled in respect of 2016 vesting	Closing number on 31 Dec 2016	Cash value on settlement during 2016 R
Current							
VP Pillay							
LTIP	2013	13,896	–	1,438	12,458	–	4,847,316
LTIP	2014	10,326	–	6,895	–	3,431	–
LTIP	2015	14,842	–	–	–	14,842	–
LTIP	2016	–	10,644	–	–	10,644	–
LTIP	2017	–	–	–	–	–	–
BSP	2013	6,799	–	–	6,799	–	2,645,083
BSP	2013S	2,054	–	–	2,054	–	799,088
BSP	2014	6,129	–	–	–	6,129	–
BSP	2015	13,221	–	–	–	13,221	–
BSP	2016	–	–	–	–	–	–
BSP	2017	–	–	–	–	–	–
Total		67,267	10,644	8,333	21,311	48,267	8,291,487
GL Smith							
LTIP	2013	–	–	–	–	–	–
LTIP	2014	9,373	–	6,258	–	3,115	–
LTIP	2015	13,472	–	–	–	13,472	–
LTIP	2016	–	9,661	–	–	9,661	–
LTIP	2017	–	–	–	–	–	–
BSP	2013	1,951	–	–	1,951	–	759,017
BSP	2013S	–	–	–	–	–	–
BSP	2014	2,661	–	–	–	2,661	–
BSP	2015	7,224	–	–	–	7,224	–
BSP	2016	–	5,801	–	–	5,801	–
BSP	2017	–	–	–	–	–	–
Total		34,681	15,462	6,258	1,951	41,934	759,017
I Pillay							
LTIP	2013	–	–	–	–	–	–
LTIP	2014	8,842	–	5,904	–	2,938	–
LTIP	2015	12,709	–	–	–	12,709	–
LTIP	2016	–	9,114	–	–	9,114	–
LTIP	2017	–	–	–	–	–	–
BSP	2013	–	–	–	–	–	–
BSP	2013S	–	–	–	–	–	–
BSP	2014	3,171	–	–	–	3,171	–
BSP	2015	5,679	–	–	–	5,679	–
BSP	2016	–	4,743	–	–	4,743	–
BSP	2017	–	–	–	–	–	–
Total		30,401	13,857	5,904	–	38,354	–

Closing fair value at 31 Dec 2016 R	Granted during 2017	Forfeited in respect of 2017 vesting	Settled in respect of 2017 vesting	Closing number on 31 Dec 2017	Cash value on settlement during 2017 R	Closing fair value at 31 Dec 2017 R
-	-	-	-	-	-	-
1,083,784	-	-	3,431	-	1,248,884	-
2,812,975	-	9,674	-	5,167	-	1,902,278
2,017,336	-	-	-	10,644	-	2,351,211
-	12,536	-	-	12,536	-	2,769,145
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,936,029	-	-	6,129	-	2,235,369	-
4,176,249	-	-	-	13,221	-	4,867,430
-	-	-	-	-	-	-
-	-	-	-	-	-	-
12,026,373	12,536	9,674	9,560	41,568	3,484,253	11,890,063
-	-	-	-	-	-	-
983,966	-	-	3,115	-	1,133,860	-
2,553,321	-	8,781	-	4,691	-	1,726,666
1,831,030	-	-	-	9,661	-	2,134,071
-	11,379	-	-	11,379	-	2,513,569
-	-	-	-	-	-	-
-	-	-	-	-	-	-
840,557	-	-	2,661	-	970,520	-
2,281,917	-	-	-	7,224	-	2,659,581
1,832,420	-	-	-	5,801	-	2,135,690
-	-	-	-	-	-	-
10,323,211	11,379	8,781	5,776	38,755	2,104,380	11,169,576
-	-	-	-	-	-	-
928,055	-	-	2,938	-	1,069,432	-
2,408,711	-	8,284	-	4,425	-	1,629,104
1,727,358	-	-	-	9,114	-	2,013,241
-	10,735	-	-	10,735	-	2,371,312
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,001,655	-	-	3,171	-	1,156,527	-
1,793,883	-	-	-	5,679	-	2,090,775
1,498,219	-	-	-	4,743	-	1,746,178
-	7,618	-	-	7,618	-	2,804,635
9,357,882	18,353	8,284	6,109	42,314	2,225,959	12,655,245

ANNEXURES continued

for the year ended 31 December 2017

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 2016	Granted during 2016	Forfeited in respect of 2016 vesting	Settled in respect of 2016 vesting	Closing number on 31 Dec 2016	Cash value on settlement during 2016 R
Current							
LN Mogaki							
LTIP	2013	-	-	-	-	-	-
LTIP	2014	9,373	-	6,258	-	3,115	-
LTIP	2015	13,472	-	-	-	13,472	-
LTIP	2016	-	9,661	-	-	9,661	-
LTIP	2017	-	-	-	-	-	-
BSP	2013	1,937	-	-	1,937	-	753,570
BSP	2013S	-	-	-	-	-	-
BSP	2014	2,811	-	-	-	2,811	-
BSP	2015	6,669	-	-	-	6,669	-
BSP	2016	-	5,414	-	-	5,414	-
BSP	2017	-	-	-	-	-	-
Total		34,262	15,075	6,258	1,937	41,142	753,570
S Macheli-Mhkabela							
LTIP	2013	-	-	-	-	-	-
LTIP	2014	-	-	-	-	-	-
LTIP	2015	12,709	-	-	-	12,709	-
LTIP	2016	-	9,114	-	-	9,114	-
LTIP	2017	-	-	-	-	-	-
BSP	2013	-	-	-	-	-	-
BSP	2013S	-	-	-	-	-	-
BSP	2014	-	-	-	-	-	-
BSP	2015	3,146	-	-	-	3,146	-
BSP	2016	-	4,743	-	-	4,743	-
BSP	2017	-	-	-	-	-	-
Total		15,855	13,857	-	-	29,712	-
GA Humphries							
LTIP	2013	-	-	-	-	-	-
LTIP	2014	-	-	-	-	-	-
LTIP	2015	-	-	-	-	-	-
LTIP	2016	-	-	-	-	-	-
LTIP	2017	-	-	-	-	-	-
BSP	2013	-	-	-	-	-	-
BSP	2013S	-	-	-	-	-	-
BSP	2014	1,791	-	-	-	1,791	-
BSP	2015	3,436	-	-	-	3,436	-
BSP	2016	-	2,466	-	-	2,466	-
BSP	2017	-	-	-	-	-	-
Total		5,227	2,466	-	-	7,693	-

Closing fair value at 31 Dec 2016 R	Granted during 2017	Forfeited in respect of 2017 vesting	Settled in respect of 2017 vesting	Closing number on 31 Dec 2017	Cash value on settlement during 2017 R	Closing fair value at 31 Dec 2017 R
-	-	-	-	-	-	-
983,966	-	-	3,115	-	1,133,860	-
2,553,321	-	8,781	-	4,690	-	1,726,666
1,831,030	-	-	-	9,661	-	2,134,071
-	11,379	-	-	11,379	-	2,513,569
-	-	-	-	-	-	-
-	-	-	-	-	-	-
887,939	-	-	2,811	-	1,025,228	-
2,106,604	-	-	-	6,669	-	2,455,252
1,710,174	-	-	-	5,414	-	1,993,213
-	6,561	-	-	6,561	-	2,415,491
10,073,034	17,940	8,781	5,926	44,374	2,159,088	13,238,262
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,408,711	-	8,284	-	4,425	-	1,629,104
1,727,358	-	-	-	9,114	-	2,013,241
-	10,735	-	-	10,735	-	2,371,312
-	-	-	-	-	-	-
-	-	-	-	-	-	-
993,758	-	-	-	3,146	-	1,158,228
1,498,219	-	-	-	4,743	-	1,746,178
-	5,237	-	-	5,237	-	1,928,049
6,628,047	15,972	8,284	-	37,400	-	10,846,112
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	11,303	-	-	11,303	-	2,496,781
565,741	-	-	1,791	-	653,214	-
1,085,364	-	-	-	3,436	-	1,264,994
778,960	-	-	-	2,466	-	907,880
-	3,415	-	-	3,415	-	1,257,263
2,430,065	14,718	-	1,791	20,620	653,214	5,926,918

ANNEXURES continued

for the year ended 31 December 2017

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 2016	Granted during 2016	Forfeited in respect of 2016 vesting	Settled in respect of 2016 vesting	Closing number on 31 Dec 2016	Cash value on settlement during 2016 R
Former							
J Ndlovu							
LTIP	2013	14,706	–	1,522	13,184	–	5,129,867
LTIP	2014	10,928	–	7,297	–	3,631	–
LTIP	2015	15,708	–	–	–	15,708	–
LTIP	2016	–	11,264	–	–	11,264	–
LTIP	2017	–	–	–	–	–	–
BSP	2013	4,271	–	–	4,271	–	1,661,590
BSP	2013S	2,135	–	–	2,135	–	830,600
BSP	2014	4,354	–	–	–	4,354	–
BSP	2015	10,367	–	–	–	10,367	–
BSP	2016	–	7,215	–	–	7,215	–
BSP	2017	–	–	–	–	–	–
Total		62,469	18,479	8,819	19,590	52,539	7,622,057

Notes

¹ The 2013 LTIP and BSP awarded on: 2013/04/26 at R339.57 per share, which vested on 2016/04/26 with LTIP vesting of 89.65% at R389.10 and BSP at R389.04 per share

² The 2014 LTIP and BSP awarded on: 2014/04/16 at R491.35 per share, which vested on 2017/04/16 with LTIP vesting of 33.23% at R364.00 and BSP at R364.72 per share.

³ 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 2016 was 60% and in 2017 the LTIP vested at 34.82%.

⁴ The 2016 LTIP and BSP awarded on: 2016/04/13 at R399.00 per share, which vests on 2019/04/14. The estimated vesting for LTIP in 2016 was 60% and in 2017 LTIP vesting estimated at 60%.

⁵ The 2017 LTIP and BSP awarded on: 2017/04/13 at R361.12 per share, which vests on 2020/04/13. The estimated vesting for LTIP in 2016 was 60% and in 2017 LTIP vesting estimated at 60%.

⁶ The 90-day volume weighted average price, for determining the fair value of unvested award at 31 December 2016 is R315.88 per share.

⁷ The 90-day volume weighted average price, for determining the fair value of unvested award at 31 December 2017 is R368.16 per share.

⁸ The value of the 2015 LTIP and BSP is estimated at a 90-day VWAP price of R368.16 per share, as date of transaction only occurs in April 2018.

NON-EXECUTIVE DIRECTORS' FEES

Non-executive director appointments are made in terms of the Company's memorandum of incorporation and confirmed at the first annual general meeting of shareholders after their appointment and then at three-year intervals. Fees reflect the directors' role and membership of committees. A fee applies for any additional special meetings over and above Board and committee meetings. Fees are reviewed by the committee annually and require approval from shareholders at the annual general meeting. Non-executive directors do not participate in any of the Company's short or long-term incentive plans, and they are not employees of the Company.

Increase in non-executive director fees

Fees payable to non-executive directors are benchmarked annually 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 annual general meeting, the committee has incorporated a three-year catch-up strategy to align current fees to market levels. For 2017, 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 alongside reflect non-executive fees for 2016 and 2017.

Closing fair value at 31 Dec 2016 R	Granted during 2017	Forfeited in respect of 2017 vesting	Settled in respect of 2017 vesting	Closing number on 31 Dec 2017	Cash value on settlement during 2017 R	Closing fair value at 31 Dec 2017 R
-	-	-	-	-	-	-
1,146,960	-	-	3,631	-	1,321,684	-
2,977,106	-	10,238	-	5,469	-	2,013,462
2,134,843	-	-	-	11,264	-	2,488,166
-	-	-	-	-	-	-
1,375,342	-	-	4,354	-	1,587,991	-
3,274,728	-	-	-	10,367	-	3,816,704
2,279,074	-	-	-	7,215	-	2,656,267
-	-	-	-	-	-	-
13,188,053	-	10,238	7,985	34,315	2,909,675	10,974,599

Non-executive directors' fees

Current	Year	Directors' fees R	Ad hoc committee meeting R	Committee fees R	Total remuneration R
M Cutifani ^{3,8}	2017	292,635	-	100,449	393,084
	2016	223,813	-	92,155	315,968
RMW Dunne ^{1,2,3,4,5,6}	2017	292,635	18,880	718,064	1,029,579
	2016	223,813	15,000	645,095	883,908
R Médori ⁸	2017	292,635	-	-	292,635
	2016	223,813	-	-	223,813
V Moosa ^{2,3,4,5,6}	2017	1,444,944	18,880	641,943	2,105,767
	2016	1,316,578	15,000	585,858	1,917,436
NP Mageza ^{1,4}	2017	292,635	-	231,574	524,209
	2016	223,813	15,000	210,641	449,454
NT Moholji ^{2,4,5,6}	2017	292,635	18,880	551,074	862,589
	2016	223,813	15,000	500,229	739,042
D Naidoo ^{1,2,4}	2017	292,635	18,880	336,238	647,753
	2016	223,813	15,000	309,381	548,194
A O'Neill ⁸	2017	292,635	18,880	-	311,515
	2016	223,813	-	-	223,813
AH Sangqu ^{5,7}	2017	292,635	18,880	98,376	409,891
	2016	223,813	-	88,399	312,212
JM Vice ^{1,4,6}	2017	292,635	18,880	331,331	642,846
	2016	223,813	-	210,641	434,454
Dorian Emmett ^{5,6,9}	2017	-	-	267,948	267,948
	2016	-	-	202,966	202,966
Total	2017	4,078,659	132,160	3,276,997	7,487,816

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.

ANGLO AMERICAN PLATINUM LIMITED

for the year ended 31 December 2017

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December

	Notes	2017 Rm	2016 Rm
Operating (loss)/profit		(10)	25
Net investment income	1	7	1
Loss on deregistration of Anglo Platinum Development Limited	2	-	(1,277)
Reversal of impairment of loan to Rustenburg Platinum Mines (RPM)	2	13,416	7,526
Profit before taxation	2	13,413	6,275
Tax credit/(expense)	3	1	(1)
Profit for the year		13,414	6,274
Total comprehensive profit		13,414	6,274

STATEMENT OF FINANCIAL POSITION

as at 31 December

	Notes	2017 Rm	2016 Rm
ASSETS			
Non-current assets			
Investments	4	16,285	16,114
Loans to subsidiaries (Annexure C)		63,953	50,284
Deferred taxation		9	8
Total assets		80,247	66,406
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	6	27	27
Share premium		23,112	23,112
Retained earnings		55,250	42,006
Shareholders' equity		78,389	65,145
Non-current liabilities			
Loans from subsidiaries (Annexure C)		1,853	1,255
Current liabilities			
Trade and other payables	7	5	6
Total equity and liabilities		80,247	66,406

STATEMENT OF CASH FLOWS

for the year ended 31 December

	Notes	2017 Rm	2016 Rm
Cash flows used in operating activities			
Cash used in operations	8	(352)	(267)
Net cash used in operating activities		(352)	(267)
Cash flows from investing activities			
Increase in loans from subsidiaries		345	266
Interest received		7	1
Net cash from investing activities		352	267
Cash and cash equivalents at end of year		-	-

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December

	Share capital Rm	Share premium Rm	Retained earnings Rm	Total Rm
Balance as at 31 December 2015	27	23,112	35,761	58,900
Total comprehensive profit for the year	-	-	6,274	6,274
Share-based payments	-	-	264	264
Shares issued to employees	-	-	(293)	(293)
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

ANGLO AMERICAN PLATINUM LIMITED

continued

for the year ended 31 December 2017

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December

	2017 Rm	2016 Rm
1. NET INVESTMENT INCOME		
Guarantee fee income	7	1
2. PROFIT BEFORE TAXATION		
Profit before taxation is arrived at after taking account of:		
Loss on deregistration of Anglo Platinum Development Limited	–	(1,277)
Reversal of impairment of loan to RPM (note 5)	13,416	7,526
Directors' emoluments – remuneration as non-executives	(8)	(6)
3. TAXATION		
Deferred taxation – current year	1	2
Deferred taxation – prior year	–*	(3)
	1	(1)
4. INVESTMENTS		
Investment in wholly owned subsidiaries at cost (Annexure C)	16,285	16,114
5. LOANS TO SUBSIDIARIES		
Opening balance as at 1 January	50,284	43,025
Repayments	(345)	(267)
Reclassification	598	–
Reversal of impairment losses	13,416	7,526
Closing balance as at 31 December (Annexure C)	63,953	50,284

* Less than R500,000.

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

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

6. SHARE CAPITAL

2016 Number of shares	2017 Number of shares		2017 Rm	2016 Rm
413,595,651	413,595,651	Authorised Ordinary shares of 10 cents each	41	41
269,681,886	269,681,886	Issued ordinary shares Ordinary shares of 10 cents each at 1 January	27	27*

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

	2017 Rm	2016 Rm
7. TRADE AND OTHER PAYABLES		
Other payables and accrued expenses	5	6
8. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH USED IN OPERATIONS		
Profit before taxation	13,413	6,275
Adjustments for:		
Guarantee fee income (note 1)	(7)	(1)
Loss on deregistration of Anglo Platinum Development Limited	-	1,277
Reversal of impairment of loan to RPM (note 5)	(13,416)	(7,526)
Shares issued to employees	(341)	(293)
	(351)	(268)
Working capital changes	(1)	1
(Increase)/decrease in trade and other payables	(1)	1
Cash used in operations	(352)	(267)
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	7	1
Reversal of impairment of loan to RPM	13,416	7,526
Directors' emoluments are disclosed in Annexure E.		
Key management personnel disclosure is in Annexure E.		
10. POST-BALANCE SHEET EVENTS		
A final dividend of R0.9 billion for the year ended 31 December 2017 was declared on Thursday, 15 February 2018, payable on Monday, 12 March 2018 to shareholders recorded in the register at the close of business on Friday, 9 March 2018.		

ADMINISTRATION

DIRECTORS

Executive directors

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

Independent non-executive directors

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

Non-executive directors

M Cutifani (Australian)
S Pearce (Australian)
AM O'Neill (British)
AH Sangqu

Alternate director

PG Whitcutt (alternate director to S Pearce)

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FRAUD LINE – SPEAKUP

Anonymous whistleblower facility
0800 230 570 (South Africa)
angloplat@anglospeakup.com

HR-RELATED QUERIES

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

Bursaries: 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

www.angloamericanplatinum.com

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