

15 February 2012

The Company Secretary

Dear Sir/Madam

PRO ACTIVE MONITORING OF FINANCIAL STATEMENTS

In February 2011 the Johannesburg Stock Exchange ("JSE") announced that it would commence a process of reviewing Annual Financial Statements for compliance with International Financial Reporting Standards ("IFRS"). The integrity of financial information is a critical element of a well functioning market and the objective of the review process is therefore to contribute towards the production of quality financial reporting of entities listed on the JSE.

The JSE is pleased to publish its report-back on the 2011 Proactive Monitoring Process. This report, which is available on the JSE website, provides an overview of the proactive monitoring activities in 2011.

This report is intended to be of interest to all market participants, including Issuers, investors, auditors, other regulators and the general public. It sets out the important points which came to our attention during the year with a view to assisting Issuers when they prepare their next set of accounts. By presenting the points in an uncomplicated manner we also hope that this will help demystify IFRS for the public.

From the onset we have sought to take a pragmatic approach to our review process. This requires a fine balance between not getting bogged down in trivial matters but also not overlooking something that, once unraveled, could materially alter the users understanding of the financial position of the listed entity.

A well regulated securities market is fundamental for listed companies to be able enjoy the benefits of being listed. We have been pleased with the positive approach adopted by the majority of the Issuers who have been subject to our review process. On the whole we have been provided with detailed, considered, IFRS arguments. Such an approach aids with the speedy resolution of matters. We hope that you will continue to



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F Evans (CFO) Non-Executive Directors: HJ Borkum
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A Mazwai, NS Nematswerani, N Nyembezi-Heita, N Payne
Alternate Directors: JH Burke, LV Parsons

embrace this process and trust that together we will further enhance South Africa's standing in the international market.

Yours faithfully

A handwritten signature in black ink, consisting of a large, sweeping loop at the top, followed by several vertical strokes and a final downward stroke.

**A. F. VISSER: GENERAL MANAGER
ISSUER SERVICES**

Cc sponsors, accredited auditors