

4 June 2013

Dear Accredited Auditors

REPORTING OF RESTATEMENTS OF FINANCIAL RESULTS

In terms of paragraph 22.5(f)(iii) of the JSE Listings Requirements (the “**Requirements**”), auditors are obliged to notify the JSE of an instances where :

“it, or the previous auditor, in an instances where there was a change in auditor, issued an audit or review opinion on information that was subsequently amended “.

Amendments to previous reported financial information (the “**prior period financials**”) can occur in the following instances:

- (i) a new accounting standard or interpretation is issued by the IASB, which requires retrospective application;
- (ii) a voluntary change of accounting policy or change in the application of IFRS;
- (iii) the application of a specific accounting standard that requires restatements (for example when applying IFRS 5);
- (iv) a reclassification of amounts disclosed in the prior period financials; and/or
- (v) the correction of a material prior period error.

IFRS sets out the detailed disclosure required for these changes to prior period financials. Furthermore, the auditors in their notification to the JSE, highlight the nature of the restatement, which is useful to the JSE in considering the matter further.

There are several new accounting standards that are due to be applied in 2013. In this regard the JSE is concerned that:

- it will receive several notifications from the auditors on the same issue (this will occur particularly where the auditors review the interims); and
- resources will be spent on these notifications, where the changes to the results are mandatory and not as a result of the prior period financials being incorrect.

The JSE therefore wishes to advise that in future the notification of changes resulting from categories (i) and (ii) above need only occur once for each new/change in standard/ interpretation/change in accounting policy.



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Member of the World Federation of Exchanges

Executive Director: NF Newton-King (CEO),
A Takoordeen (CFO)

Non-Executive Directors: HJ Borkum (Chairman), AD Botha,
MR Johnston, DM Lawrence, A Mazwai, Dr. MA Matoane , NP
Mnxasana, NS Nematwerani, N Nyembezi-Heita, N Payne

Alternate Directors: JH Burke, LV Parsons

Company Secretary: GC Clarke

Should you have any queries regarding the content of this letter please contact Tania Wimberley.

Yours faithfully

A handwritten signature in black ink, appearing to be 'A F Visser', written on a light yellow background.

**A F VISSER: GENERAL MANAGER
ISSUER REGULATION**

Cc Sponsors and Designated Advisors
Company Secretaries