GEN – General - Johannesburg Stock Exchange –Circular 2/2013 –*Headline Earnings*

**Circular 2/2013 – *Headline Earnings***

The Headline Earnings Circular is issued by the South African Institute of Chartered Accountants (“**SAICA**”) at the request of the JSE.  The JSE Listings Requirements (the “**Requirements**”) require the calculation of headline earnings and disclosure of a detailed reconciliation of headline earnings to the earnings numbers used in the calculation of basic earnings per share in accordance with the requirements of IAS 33 – *Earnings per Share*.

The incorporation of Circular 2/2013 – *Headline Earnings* into the Requirements will constitute an amendment to the Requirements and therefore must comply with the amendment process pursuant to the provisions of the Financial Markets Act No 19 of 2012.

Until such time that the Circular 2/ 2013 – *Headline Earnings* is formally incorporated in the Requirements, the Circular is released for voluntary early adoption and is effective for financial periods ending on or after 31 July 2013.

 The revisions contained in Circular 2/2013 reflect new IFRSs/amendments to IFRSs/Interpretations issued from 30 April 2009 to 30 April 2013. Furthermore changes were introduced to clarify certain aspects specifically:

1. IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations,* where there is a change in a plan with regard to an asset or group of assets held for sale.
2. IAS 16 – *Property, Plant and Equipment*/IAS 38 – *Intangible Assets* for the subsequent measurement of the compensation receivable.
3. IAS 17 – *Leases* has been added for completeness.
4. IFRIC 1 – *Changes in Existing Decommissioning, Restoration and Similar Liabilities*, IFRIC 18 – *Transfers of Assets from Customers* and SIC 25 – *Income Taxes – Changes in the Tax Status of an Entity or its Shareholders,* have been added for completeness because these interpretations deal with re-measurements not already included in the underlying standard (Interpretations dealing with disclosure issues alone have not been added to the rule table).

SAICA has issued Circular 2/2013 which can be viewed at [www.saica.co.za/Technical/Financial](http://www.saica.co.za/Technical/Financial) Reporting/Circulars.

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