

13 December 2012

Dear Company Secretary, Sponsor and Designated Adviser

FINANCIAL REPORTING: AC 500 STANDARDS NOW ISSUED BY SAICA

The JSE Listings Requirements (the “**Requirements**”) state that the financial statements of listed companies must be prepared in terms of International Financial Reporting Standards (“**IFRS**”) and the AC 500 Standards as issued by the Accounting Practices Board (“**APB**”) and/or its successor.

In March 2012 a joint announcement was communicated to the market by the APB and the Financial Reporting Standards Council (“**FRSC**”) regarding the future of Statements of Generally Accepted Accounting Practice (“**SA GAAP**”).

The announcement indicated that SA GAAP will be withdrawn and will cease to apply in respect of financial years commencing on or after 1 December 2012. SA GAAP includes the AC 500 standards, which are interpretations of the AC 100 series (equivalent to IFRS). The AC 500 standards of SA GAAP are interpretations of IFRS to address specific aspects, transactions or other issues that only occur in the South African context.

The FRSC has proposed changes to the Companies Act Regulations (“**Regulations**”) to make provision for the withdrawal date of SA GAAP and to create Financial Reporting Pronouncements (“**FRPs**”) which can be issued by the FRSC. It was envisaged that the AC 500 standards of SA GAAP would be issued as FRPs by the FRSC to ensure consistency and continuity of financial reporting, especially but not limited to listed companies. As the Regulations have not been amended, SAICA’s Accounting Practices Committee (“**APC**”) has reissued those AC 500 standards that remain relevant as SAICA Financial Reporting Guides, the only amendments being to delete references to SA GAAP and deleting the effective date and transition sections.

All references in the Requirements to “the AC 500 Standards as issued by the Accounting Practices Board and its successor “ will be replaced with “the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council”.

The wording changes recognizes that:

- the AC 500 series continue to exist and form an important part of financial reporting in South Africa; and
- the APC will issue local interpretations on IFRS until such time as the Regulations have been amended.



Yours faithfully

A handwritten signature in black ink, appearing to be 'A.F. Visser', enclosed within a light yellow rectangular box.

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

Cc Accredited auditors