

The Board of Clover Industries Limited recognises that good corporate governance is essential to protect the interests of all its stakeholders. The Group is committed to the principles of transparency, fairness, integrity and accountability in its dealings with all its stakeholders, and supports the code of corporate practices and conduct as recommended by the King III Report on Corporate Governance for South Africa (2009) ("King III").

In addition to King III, the Group is committed to complying with all legislation, regulations and best practices relevant to our business, in every country and jurisdiction where we conduct business.

### Statement of compliance

The JSE listings requirements require all JSE listed companies to report on the extent to which they comply with the principles set out in King III. During the year under review, the Group has applied the recommendations of the King III report, except for the following instances:

#### King III principle: Gap identified Our response

|                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2.16</b> The Board should elect a chairman of the Board who is an independent non-executive Director. The CE of the Company should also not fulfil the role of chairman of the Board | The Chairman of the Board, Mr JAH Bredin, is a Non-executive Director who is not independent insofar as he is a milk producer and supplier of raw milk to the Group. In the opinion of the Board, it is in the interests of the Group to maintain a close relationship with its raw milk suppliers and his appointment serves the long-term interests of the Group. As recommended by King III, TA Wixley has been appointed as Lead Independent Director to fulfill the functions of the Chairman whenever a conflict arises and in the other circumstances envisaged in King III. |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

#### King III principle: Gap identified Our response

|                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2.18</b> The Board should comprise a balance of power, with a majority of non-executive Directors. The majority of non-executive Directors should be independent. | Although the majority of Directors are Non-executives, the Independent Directors do not comprise a majority of the Non-executive Directors. The Non-executive Directors who are not independent are milk producers who supply raw milk to the Group. In the opinion of the Board, the present composition of the Board is in the interests of the Group for reasons of continuity, maintaining a close relationship and an effective channel of communication with its raw milk suppliers. With effect from the next Annual General Meeting the Board proposes that the number of producer Directors should reduce to four. |
| <b>2.21</b> The Board should be assisted by a competent, suitably qualified and experienced Company Secretary.                                                       | The Company Secretary is an Executive Director and the Deputy Chief Executive. To comply with King III and the amendments to the JSE Listing Requirements that provide that a Director of the Company may not also be appointed as the Company Secretary, the Company Secretary will be replaced before 1 October 2012 (not 31 December 2012 as previously advised) by a person who is not a Director.                                                                                                                                                                                                                      |
| <b>9.3</b> Sustainability reporting and disclosure should be independently assured.                                                                                  | Until the Group's sustainability reporting systems have matured sufficiently, it is the opinion of the Board that no purpose will be served by having its Social and Ethics report (which includes the sustainability review) independently assured.                                                                                                                                                                                                                                                                                                                                                                        |

### Ethics

The Group is committed to achieving its goals with integrity, high ethical standards and in compliance with all applicable laws. The Board has adopted a Code of Ethics which has been recently revised. The Directors are fully committed to these principles, which ensure that the business is managed according to the highest standards within the branded consumer goods industry in South Africa, as well as the social, political and physical environment within which the Group operates.

## Directorate

The Board of Directors ("Board") currently consists of four Executive Directors and ten Non-executive Directors, four of whom are independent. Details of the Directors appear on pages 13 to 15.

Members of the Board are appointed by the Group's shareholders, provided that the Board also has the authority to appoint Directors to fill any vacancy which may arise from time to time. Directors are appointed on the basis of skill, experience and their level of contribution to, and impact on, the activities of the Group following recommendations received from the Nomination Committee. Therefore, the process relating to the appointment of Directors is formal and transparent, and a matter for the Board as a whole. New appointees to the Board are appropriately familiarised with the Group's business through an induction programme. It should be noted that there have been no changes to the Board during year under review.

The Board is governed by a charter that sets out the responsibilities of the Board and is reviewed annually.

The Board is ultimately responsible for the management of the Group's business and determining the Group's strategy and policies. In addition, the Board is responsible for approving the Group's financial objectives and targets. The Group's Executive Directors, who are members of the Executive Committee, are involved in the day-to-day business activities of the Group and are responsible for ensuring that the decisions of the Board are implemented in accordance with the mandates given to it by the Board. There exists a balance of power and authority at Board level, such that no individual Director has unfettered powers of decision making.

The authority to indemnify Directors is provided for in the Articles of Association (also known as the Memorandum of Incorporation) of the Group and deeds of indemnification have been issued to all Directors and prescribed officers of the Group, to the extent permitted by the Companies Act. Appropriate Directors and officers liability insurance was in place the Group's Directors and officers throughout the 2012 financial year.

The Directors of the Group have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that procedures and regulations are complied with, and that the Directors are conversant with their duties and responsibilities. The certificate of the Company Secretary appears on page 92. Directors may seek independent professional advice on the affairs of the Group in appropriate circumstances if they believe that such action would be in the best interests of the Group.

The Board meets four times per financial year, excluding any ad hoc meetings held to consider special business.

## Board committees



A number of committees have been established to assist the Board in fulfilling its responsibilities. The nature and scope of authority of each committee is detailed in its terms of reference which is approved by the Board. Copies of the respective terms of reference may be obtained from the Company Secretary. The Board monitors these responsibilities to ensure effective coverage of, and control over, the operations of the Group.

**For further information:**  
Please visit our website  
[www.clover.co.za/content/3175/board-charter/](http://www.clover.co.za/content/3175/board-charter/)



to view the Board Charter,  
the Code of Ethics and committee  
terms of references

## Board and committee attendance

| Director         | Board |   | Audit and Risk Committee |   | Remuneration Committee |   | Nomination Committee |   | Social and Ethics Committee |   | Investment Committee |   |
|------------------|-------|---|--------------------------|---|------------------------|---|----------------------|---|-----------------------------|---|----------------------|---|
|                  | A     | B | A                        | B | A                      | B | A                    | B | A                           | B | A                    | B |
| JAH Bredin*      | 4     | 4 |                          |   | 3                      | 3 | 2                    | 2 |                             |   | 4                    | 4 |
| HPF du Preez     | 4     | 4 |                          |   |                        |   |                      |   |                             |   |                      |   |
| SF Booysen       | 4     | 4 | 4                        | 4 | 3                      | 3 |                      |   |                             |   | 4                    | 4 |
| LJ Botha         | 4     | 4 |                          |   |                        |   |                      |   |                             |   | 4                    | 4 |
| WI Büchner       | 4     | 4 |                          |   |                        |   | 2                    | 2 | 4                           | 4 | 4                    | 4 |
| JNS Du Plessis   | 4     | 4 | 4                        | 4 | 3                      | 3 |                      |   | 2                           | 1 | 4                    | 2 |
| MG Elliott       | 4     | 4 |                          |   |                        |   |                      |   |                             |   |                      |   |
| JC Hendriks (Dr) | 4     | 4 |                          |   |                        |   | 2                    | 2 | 4                           | 4 |                      |   |
| CP Lerm (Dr)     | 4     | 4 |                          |   |                        |   |                      |   |                             |   |                      |   |
| NP Mageza        | 4     | 4 | 4                        | 3 |                        |   |                      |   |                             |   | 4                    | 4 |
| NA Smith         | 4     | 4 |                          |   |                        |   |                      |   |                             |   |                      |   |
| HB Roode         | 4     | 4 |                          |   |                        |   |                      |   | 4                           | 4 | 4                    | 4 |
| JH Vorster       | 4     | 4 |                          |   |                        |   |                      |   |                             |   | 4                    | 3 |
| TA Wixley        | 4     | 4 | 4                        | 4 | 3                      | 3 | 2                    | 2 | 4                           | 4 | 4                    | 4 |

A = Number of meetings held during the period the Directors was a member of the Board/Committee.

B = Number of meetings attended during the period the Directors was a member of the Board/Committee.

\* The Chairman attends all sub-committee meetings by invitation.

### 1. Executive Committee

Mr JH Vorster – Chairman

Mr HB Roode

Mr LJ Botha

Dr CP Lerm

Dr JHF Botes

Mr H Lubbe

Mr ER Bosch (appointed with effect from 1 June 2012)

The Executive Committee meets regularly to review current operations, identify risks and the management thereof, develop strategies and policies for consideration by the Board and to implement the directives and decisions of the Board.

### 2. Audit and Risk Committee

Mr TA Wixley (Independent Non-executive Director and Lead Independent Director) – Chairman

Dr SF Booysen

Mr NP Mageza

Adv JNS du Plessis

The Audit and Risk Committee is comprised of only Independent Non-executive Directors. The Chief Financial Officer and other Executives attend meetings of the Audit and Risk Committee by invitation and actively engage in these meetings.

The report of the Audit and Risk Committee sets out its responsibilities and describes how they have been fulfilled. A full report appears on pages 86 to 91.

### 3. Remuneration Committee

Dr SF Booysen (Independent Non-executive Director) – Chairman

Mr JAH Bredin

Mr TA Wixley

Adv JNS du Plessis

The Chief Executive and other Executives attend meetings of the Committee by invitation but do not participate in discussions regarding their own remuneration and benefits.

The report of the Remuneration Committee set out its responsibilities and describes how they have been fulfilled. A full report appears on pages 73 to 83.

### 4. Social and Ethics Committee (previously the Sustainability Committee)

The Sustainability Committee has been renamed and now includes in its terms of reference the requirements of regulation 43 of the Companies Act, 2008.

Mr TA Wixley (Independent Non-executive Director and also Lead Independent Director) – Chairman

Mr WI Büchner

Dr JC Hendriks

Mr HB Roode

Other management members attend the meetings of this Committee by invitation.

The report of the Social and Ethics Committee set out its responsibilities and describes how they have been fulfilled. A full report appears on pages 43 to 63.

## 5. Nomination Committee

Mr JAH Bredin – Chairman

Mr TW Wixley

Mr JC Hendriks

Mr WI Büchner

The Nomination Committee is responsible for regularly reviewing the Group's board structure and the size and composition of the various boards within the Group and making recommendations in respect of these matters, as well as an appropriate split between Executive, Non-executive Directors and Independent Directors. The Nomination Committee assists in the identification and nomination of new Directors for appointment by the Board and/or shareholders. It considers and approves the classification of Directors as independent, oversees induction and training of Directors.

In respect of the annual performance reviews of the Board and its committees, the Nomination Committee assists the Chairman of the Board. It also assists the Chairman in ensuring the proper and effective functioning of the Board, and ensures that succession plans are established and maintained throughout the Group.

The Nomination Committee composition was not in compliance with Listings Requirements 3.84(a) during the year under review, as the majority of the Non-executive Directors appointed were not independent. However, subsequent to the year-end, the Board approved a revised composition of the Nomination Committee which complies in full with King III and the JSE Listings Requirements.

The Nomination Committee meets as and when required during every financial year.

## 6. Investment Committee

Mr TA Wixley (Lead Independent Director) – Chairman

Mr JAH Bredin

Mr WI Büchner

Dr SF Booysen

Mr JNS Du Plessis

Mr NP Mageza

Mr JH Vorster

Mr H B Roode

Mr LJ Botha

The Group established the Investment Committee during the 2012 financial year. The purpose of the Investment Committee is to provide guidance and to act as a strategic sounding board for Management when considering growth plans with particular focus on merger/s and/or acquisitions. The Investment Committee has the delegated authority to approve transactions between the value of R50 million and R350 million. The Investment Committee meets as and when required during every financial year.

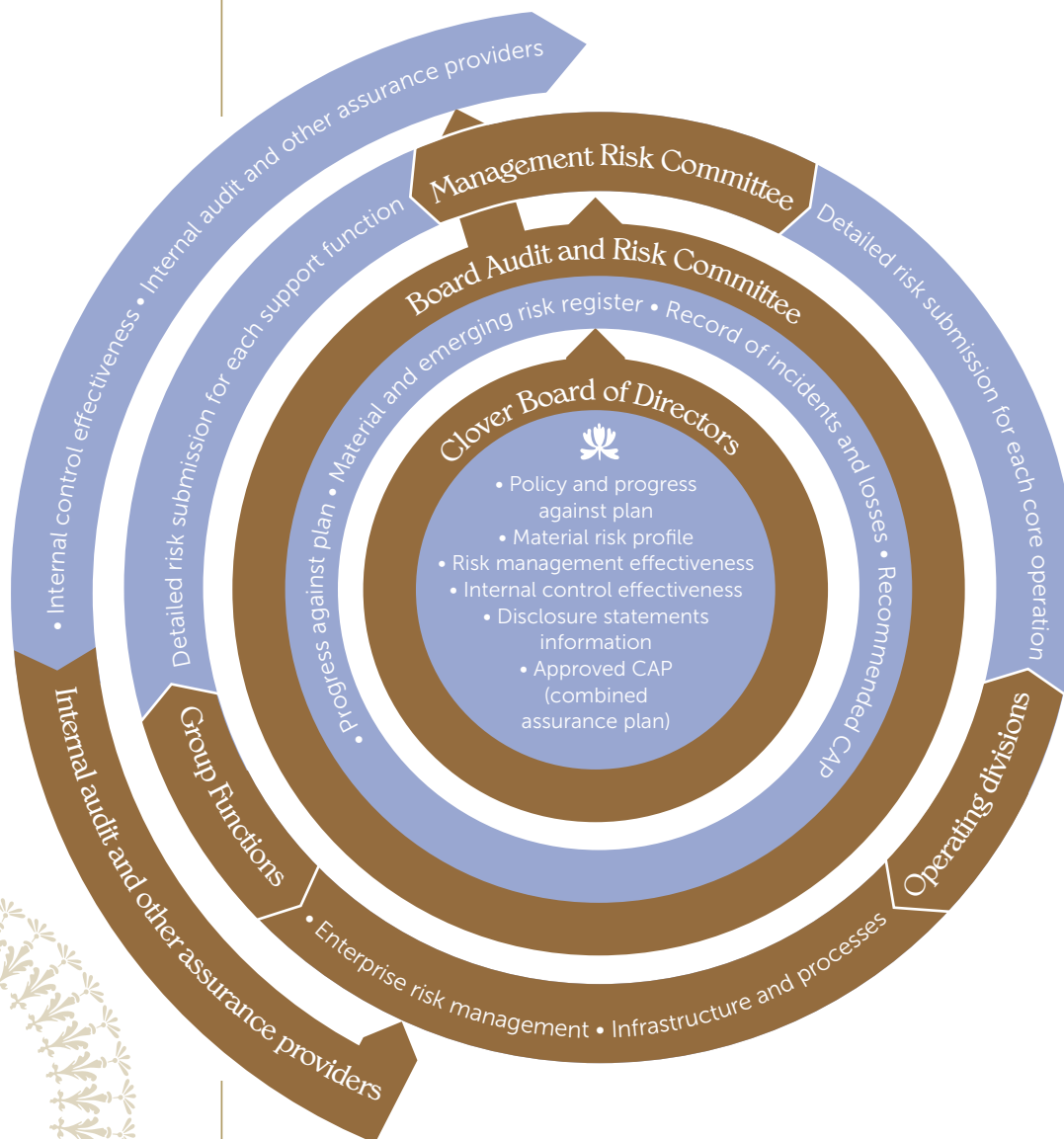
## Internal control

The Group maintains internal controls and systems designed to provide reasonable assurance regarding the reliability of the financial statements and to adequately protect, verify and maintain accountability for its assets. Such controls are based on established policies and procedures and are implemented by trained personnel with segregated duties and responsibilities.

The Group has outsourced its internal audit function to KPMG Services Proprietary Limited ("KPMG Services"), a professional service provider, which is responsible for implementing the annual internal audit plan approved by the Audit and Risk Committee. This internal audit function operates under the direction of the Audit and Risk Committee, which approves the scope of the work to be performed.

The internal control systems include a documented organisational structure and division of responsibility, established policies and procedures which are communicated throughout the Group, and the careful selection, training and development of people. Significant findings are reported to both the Executive Committee and the Audit and Risk Committee. Corrective action is taken to address internal control deficiencies identified in the execution of work.





A risk-based internal audit plan was developed during the 2011 financial year, which has been expanded to provide assurance over non-financial matters. The results of the risk-based audits were reported to the Audit and Risk Committee. No material breakdowns in internal controls were noted within the key areas reviewed. Follow-up audits were also conducted to ensure that corrective actions were implemented and the results were reported to the Audit and Risk Committee.

In addition to the internal audit conducted by KPMG Services, Ernst & Young performed a limited assurance review of management's assessment with respect to internal controls over financial reporting. No material findings were reported to the Audit and Risk Committee.

There are inherent limitations on the effectiveness of any system of internal control including the possibility of human error and the circumvention or overriding of controls. Accordingly, an effective internal control system can provide only reasonable assurance with respect to financial statement preparation and the safeguarding of assets.

Nothing has come to the attention of the Directors or the auditors that indicates any material breakdown in the effectiveness of the internal controls and systems during the year under review.

### Risk control

Effective risk management is imperative to Clover. The realisation of our strategy depends on us being able to take calculated risks in a manner that does not jeopardise the direct interests of stakeholders. The nature of our risk profile demands that we adopt a prudent approach to corporate risk and our decisions regarding risk tolerance, as well as risk mitigation, will reflect this.

Consequently the Board assumes full responsibility for governance of risk through formal risk management processes. The Board is assisted in the execution of this duty by the Audit and Risk Committee, which is a subcommittee of the Board, and appropriately constituted.

In order to ensure a consistent approach to the management of risk within the Group, management has implemented a risk management policy and framework, which is reviewed annually and approved by the Audit and Risk Committee. This policy and framework incorporates the COSO Enterprise Risk Management – Integrated Framework, generally accepted risk management practices as well as King III. All service organisations, supporting functions, processes, projects and Clover-controlled entities will be subject to this policy and framework.

During the year under review, the Board defined Clover's risk appetite, being the amount of risk that an organisation is willing to accept in pursuit of its objectives. The defined risk appetite is used in setting impact value categories required in rating material risks, which are included in the current year's risk management policy and framework.

Management has further developed a risk management plan that takes cognisance of the current level of risk management maturity and is aimed at maturing both the risk management process as well as the quality of the output thereof. The plan is approved annually by the Audit and Risk Committee, which regularly reviews the progress against the risk management plan.

Management has been charged with the design, implementation and monitoring of the risk management arrangements within the Group. Consequently a methodology was developed and implemented across the Group to ensure that risk assessments are conducted on a quarterly basis within each business unit. A formal Management Risk Committee has been established and meets on a quarterly basis to discuss key risks facing the Group as well as the status of mitigating action plans. Key risks facing the Group and mitigating actions taken are reported to the Audit and Risk Committee on a quarterly basis.

Key risks currently facing the Group are industry related and are set out below:

| Risk                                                                                                               | Risk mitigation                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Non-compliance to Competition legislation                                                                          | Continuous monitoring for the Group was formalised by establishing a Competition Law Centre of Excellence.                                                                                                  |
| Non-compliance to Consumer Protection legislation                                                                  | Post-implementation audit was performed by independent auditors. Ongoing training programs to ensure future compliance. A Centre of Excellence on the Consumer Protection legislation is being established. |
| ERP upgrade project-inherent risk that data is lost or corrupt with implementation                                 | Full time dedicated project team. Ernst & Young Information Technology division monitors implementation process.                                                                                            |
| Uncompetitive cost structure due to inappropriate location of production facilities in relation to the milk source | Project Cielo Blu is in progress moving facilities to appropriate locations, which would render significant cost savings to the Group.                                                                      |

The Board assisted by the Audit and Risk Committee in evaluating the performance of the Group in relation to risk management and concluded that it was performing effectively.

The Management Risk Committee has not reported any material losses related to the period under review. Furthermore, no losses have been incurred with respect to unpredictable events occurring during the period under review.

As recommended by King III, management has conducted a self-assessment over the maturity level of the risk management function, to highlight the areas where the focus should be to develop a mature risk management function. Based on the current risk maturity profile, management will engage in a formal independent review for the forthcoming financial year. The services of professional services advisors are being used to assist in developing the risk management function.

The Board, assisted by the Audit and Risk Committee, is satisfied with the effectiveness of the risk management process.

## IT governance

During the financial year KPMG conducted an IT governance review with the intention of providing input to the development of an IT governance framework for Clover. KPMG assessed the control environment and Clover's general IT risk with a view of understanding the risks facing the organisation and the current controls in place to mitigate these risks. This report highlighted areas where risk management practices and the controls over IT could be improved, and the results were incorporated into the IT governance roadmap for the Group.

A formal IT strategy was aligned with the approved business strategy in order to enhance the control environment. KPIs to monitor the IT strategy have been implemented and are currently being reported on.

Management implemented a number of the recommendations from the IT governance roadmap in the current financial year, with the remainder to be implemented by the second quarter of the 2012/13 financial year. The implementation will result in an improved IT governance maturity profile. Clover's compliance to the IT governance framework will be assured independently from time to time.

A formal project process and/or change control policy and disaster recovery plan is currently in place, which is guided by the IT and business systems strategy. The IT infrastructure and applications which provide support for the financial system, is audited on an annual basis by the external auditors. An IT internal control framework forms part of the general internal control framework. The Audit and Risk Committee are supported by business systems managers, while

the IT management team are responsible for evaluating the security of computer systems and applications, and for devising the contingency plans for processing financial information in the event of a systems breakdown.

### Litigation and Legal

The Group established a Competition Law Centre of Excellence ("CLCE") in conjunction with the KPMG Competition Law Advisory Practice early in 2012. In general, the CLCE is a critical management tool developed by the Group to ensure a high standard of ongoing competition law compliance within the Group. The CLCE allows for a seamless interaction between the members of the Group's legal department the members of the KPMG Competition Law Advisory Practice which offer both competition law and competition economics support and advice.

### Success factors

- The foundation for competition law compliance within the Group was established early on by way of the adoption by the Group of a progressive and customised Competition Law Compliance Policy. This policy was made available to staff and management of the Group and customised electronic competition law training was rolled out. These measures paved the way for the successful establishment of the CLCE.
- The seamless interaction between the Group's legal department and the KPMG Competition Law Advisory Practice (within the CLCE) meant that queries channelled through the CLCE were addressed on an urgent basis and appropriate steps were taken timeously.
- KPMG Competition Law Advisory Practice established protocols for the prioritisation of queries and instructions received through the CLCE, which contributed to the quick response time of the CLCE.
- KPMG Competition Law Advisory Practice indicated that competition law compliance input generated by the CLCE was taken seriously by the Group and was often followed by the adoption of appropriate measures by the Group.

The Group is in the process of extending the CLCE to also include the Consumer Protection Act, 68 of 2008.

The Group is subjected to various legal proceedings, actions and claims from time to time, however the Board does not believe that there are any material pending or threatened legal actions.

### Insider trading

No employee of the Group may deal directly or indirectly in ordinary shares or preference shares of the Group on the basis of unpublished price-sensitive information regarding its business. No Director or officer of the Group may trade in the ordinary shares or preference shares of the Group during a closed period or prohibited period determined by the Board. In terms of the interim and year-end financial results a closed period will be imposed from:

- The date of expiration of the first six-month period, to the date that the interim financial results are published on Securities Exchange News Service ("SENS").
- The date of expiration of the year-end to the date that the final financial results are published on SENS.

In the event that a Director wants to trade in ordinary shares or preference shares of the Group, such Director should obtain clearance from the Chairman of the Board or the Company Secretary prior to trading in any ordinary shares or preference shares of the Group. The Board has also adopted the Clover Group Price-Sensitive Information Policy and the Clover Group Insider Trading Policy. Compliance with the aforementioned policies, provides reasonable assurance that Directors, officers and relevant employees of the Group and its subsidiaries comply with insider trading and price-sensitive information requirements.



**Hermanus Roode**  
Secretary



Clover has a dedicated Board committee that determines the governance of remuneration matters, Group remuneration philosophy, remuneration of Executive Directors and other Executives, as well as the compensation of Non-executive Directors, which is ultimately approved by the shareholders. This remuneration report primarily covers the remuneration of the Executive Directors, Non-executive Directors, and other Executives.

Details on the attendance of meetings held by the Remuneration Committee are set out in the Corporate Governance report on page 68. The complete Group Remuneration Policy is set out on pages 80 to 83.

### Remuneration approach for executives

The Group acknowledges that it has to offer nationally and internationally competitive remuneration packages in order to attract, retain, motivate and incentivise high-calibre staff.

The Remuneration Committee uses external market surveys and benchmarks to determine Executive remuneration and benefits, as well as Non-executive Directors' base fees and attendance fees. The Group's remuneration philosophy is to structure remuneration packages in such a way that short- and long-term incentives are linked to the achievement of business objectives and the delivery of an acceptable return on shareholders' funds, while at the same time ensuring the sustainability of the Group.

The remuneration structures for the Executives of the Group comprise both guaranteed and variable components:

|                          |                                                                                                                                        |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Total guaranteed package | Monthly base salary and benefits such as motor vehicle allowance, retirement funding and medical aid assistance                        |
| Short-term incentives    | All cash-based payments that are paid to an individual based on the Group and individual performance over the preceding financial year |
| Long-term incentives     | All cash- and equity-based awards that accrue to an individual based on the Group performance over a financial period                  |



### Total Guaranteed Package ("TGP")

The TGP of Executives (includes Executive Directors) is benchmarked by using market data of individual salary levels for similar positions on an annual basis. This information, combined with the individual's performance assessment, is the key consideration for the annual salary reviews. Although the Group endeavour to pay its total staff complement at a level between the median and upper quartile compared to other peers in the industry, it has no restrictions on Executives' TGP. The Remuneration Committee has requisite discretion to determine the TGP for Executives. Factors such as retention, contribution and level of skills are all considered in the determination of TGP.

The Group offers Executives membership of a defined contribution retirement fund. Other benefits such as a motor vehicle allowance, medical insurance, death and disability insurance, leave and recognition for service are also applicable to Executives.

### Short-term incentives ("STIs")

Executives participate in the "Short-term Incentive Scheme", which is represented as multiples of the monthly base salary (being the monthly basis salary plus motor vehicle allowance (which is 22% of basic remuneration) and the Company's contribution to the pension fund (which is 10%) and is linked to the achievement of profit growth and personal performance. The STI for Executives was based 50% on individual performance and 50% on Group profit during the 2012 financial year.

Following the benchmarking exercise conducted by PricewaterhouseCoopers ("PwC") the Remuneration Committee resolved that with effect from 1 July 2012:

- For the Chief Executive and the Chief Financial Officer 30% of the STI will be determined by individual performance and 70% by the extent to which the Group's profit target has been achieved.
- For other Executives, 40% of the STI is determined by individual performance and 60% by the extent to which the Group's profit target has been reached.

A maximum of 100% can be earned on the individual performance bonus. The calculation of the Group profit is based on the achievement of attributable profit. The Remuneration Committee annually approves the target and confirms the profit figure on which bonuses are calculated. The Group profit bonus portion was capped during the 2012 financial year at 200%. In addition to the capping of the profit target, if the profit target is exceeded, a 2% additional bonus is paid for every 1% above the target. Please see page 81 for the workings of the STIs.



Current bonus levels are:

| Member                  | Multiples of monthly base salary |
|-------------------------|----------------------------------|
| Chief Executive         | 12                               |
| Chief Financial Officer | 10                               |
| Other Executives        | 10                               |

The Remuneration Committee further resolved that with effect from 1 July 2012 the following capping will apply with regard to the STI:

| Member                  | Individual performance | Group profit cap |
|-------------------------|------------------------|------------------|
| Chief Executive         | 100%                   | 171%             |
| Chief Financial Officer | 100%                   | 171%             |
| Other Executives        | 100%                   | 183%             |

## Long-term incentives ("LTIs")

The Management Participated Capital Restructuring Exercise ("MPCRE") of the Group, which was approved by shareholders on 31 May 2010, changed the nature of the preference shares from profit-sharing instruments to pure debt instruments carrying a right to guaranteed dividends only. This affected the value of the preference shares by eliminating any value upside. Accordingly, an award of preference shares to employees of the Group in terms of Clover's preference share incentive scheme no longer incentivised employees or aligns their interests with the interests of ordinary shareholders. As a result, on 31 May 2010 (subsequently amended on 4 November 2010 and 10 November 2011) the shareholders of the Company approved the adoption of the Clover Share Appreciation Rights Plan (2010) ("SAR Scheme"). The initial allocation referred to on the opposite side of this page formed part of the MPCRE.

The aggregate number of ordinary shares which may be acquired by the Executives under the SAR Scheme may not exceed 16 million ordinary shares. At balance sheet date no ordinary shares have been issued to Executives and therefore the full aggregate of 16 million ordinary shares is still available for issue.

The salient features of the SAR Scheme, which complies with the JSE Listings Requirements, are set out in the Remuneration report, which can be found on pages 75 to 77 of this Integrated Annual Report.

## Allocations made in terms of the SAR Scheme

### 1. Initial allocation

#### a. Total number of SARs allocated, allocation date and allocation price

|                                  | Number of SARs allocated | Allocation date | Allocation price |
|----------------------------------|--------------------------|-----------------|------------------|
| <b>Executive Directors</b>       |                          |                 |                  |
| Johann Hendrik Vorster           | 4 587 200                | 31 May 2010     | R4,67            |
| Hermanus Bernardus Roode         | 2 616 762                | 31 May 2010     | R4,67            |
| Louis Jacques Botha              | 2 443 140                | 31 May 2010     | R4,67            |
| Christiaan Philippus Lerm (Dr)   | 2 454 758                | 31 May 2010     | R4,67            |
| <b>Other Executives</b>          |                          |                 |                  |
| Hendrikus Lubbe                  | 2 027 236                | 31 May 2010     | R4,67            |
| James Henry Ferreira Botes (Dr)* | 1 370 904                | 31 May 2010     | R4,67            |

\* The Board recommended to the shareholders to issue 500 000 ordinary shares at a subscription price of R4,67 to Dr JHF Botes in exchange for which 500 000 SARs will be cancelled. The shareholders approved the aforementioned issue of ordinary shares to Dr JHF Botes on 4 November 2010 and the 500 000 SARs were cancelled accordingly.

As a result of the subdivision of the ordinary shares on a two-for-one basis during the listing process, the number of SARs allocated was doubled accordingly.

#### b. Vesting

The SARs allocated as part of the initial allocation will vest in three equal tranches on the expiry of three, four and five years from 31 May 2010.

#### c. Performance criteria

No performance criteria have to be met prior to the vesting of the SARs relating to the initial allocation.

#### d. General

The SARs relating to the initial allocation was allocated to Executives as part of the MPCRE of the Group and should not be taken into consideration in determining future allocations of SARs to such Executive in accordance with the SAR Scheme.

## 2. Second allocation

Further, in lieu of bonus payments during the 2010 financial year, a second allocation of SARs under the SAR Scheme took place.

### a. Total number of SARs allocated, allocation date, allocation price and exercise of SARs

|  | Number of SARs allocated | Allocation date | Allocation price | Total number of SARs exercised as at 30 June 2012 |
|--|--------------------------|-----------------|------------------|---------------------------------------------------|
|--|--------------------------|-----------------|------------------|---------------------------------------------------|

#### Executive Directors

|                                |         |                |       |         |
|--------------------------------|---------|----------------|-------|---------|
| Johann Hendrik Vorster         | 800 000 | 18 August 2010 | R0,00 | –       |
| Hermanus Bernardus Roode       | 400 000 | 18 August 2010 | R0,00 | 133 333 |
| Louis Jacques Botha            | 400 000 | 18 August 2010 | R0,00 | 133 333 |
| Christiaan Philippus Lerm (Dr) | 133 336 | 18 August 2010 | R0,00 | 44 446  |

#### Other Executives

|                                 |         |                |       |        |
|---------------------------------|---------|----------------|-------|--------|
| Hendrikus Lubbe                 | 133 332 | 18 August 2010 | R0,00 | 44 444 |
| James Henry Ferreira Botes (Dr) | 133 332 | 18 August 2010 | R0,00 | 44 444 |

### b. Vesting

The SARs allocated as part of the second allocation will vest in three equal tranches on the expiry of one, two and three years from 18 August 2010.

### c. Performance criteria

No performance criteria have to be met prior to the vesting of the SARs relating to the second allocation.

### d. General

Certain of the Executives exercised the SARs that vested on 18 August 2011 in relation to the second allocation.

## 3. Third allocation

### a. Total number of SARs allocated, allocation date and allocation price

|  | Number of SARs allocated | Allocation date | Allocation price |
|--|--------------------------|-----------------|------------------|
|--|--------------------------|-----------------|------------------|

#### Executive Directors

|                                |         |             |        |
|--------------------------------|---------|-------------|--------|
| Johann Hendrik Vorster         | 821 256 | 1 July 2011 | R11,00 |
| Hermanus Bernardus Roode       | 478 979 | 1 July 2011 | R11,00 |
| Louis Jacques Botha            | 404 063 | 1 July 2011 | R11,00 |
| Christiaan Philippus Lerm (Dr) | 1 119   | 1 July 2011 | R11,00 |

#### Other Executives

|                                 |         |             |        |
|---------------------------------|---------|-------------|--------|
| Hendrikus Lubbe                 | 57 778  | 1 July 2011 | R11,00 |
| James Henry Ferreira Botes (Dr) | 330 723 | 1 July 2011 | R11,00 |

### b. Vesting

The SARs allocated as part of the third allocation will vest in full after the expiry of three years from 1 July 2011.

### c. Performance criteria

The following performance criteria will have to be met prior to the vesting of the SARs relating to the third allocation and all subsequent allocations:

- over a four-year cycle, the total 'normalised' attributable profit must exceed the total of the previous four year cycle.

### d. General

In the event that the aforementioned performance criteria are not met prior to the vesting of the SARs, such portion of the allocated SARs eligible for vesting will be forfeited. Also, all SARs allocated relating to the third allocation and all subsequent allocations, which have vested must be exercised by the Executive on or before the seventh anniversary of the relevant allocation date relating to such allocation of SARs.

#### 4. Allocation to newly appointed Executive

An allocation was also made to Mr ER Bosch, who was appointed by the Group as an Executive during the financial year under review.

##### a. Total number of SARs allocated, allocation date and allocation price

| Executives         | Number of SARs allocated | Allocation date | Allocation price |
|--------------------|--------------------------|-----------------|------------------|
| Elton Ronald Bosch | 953 620                  | 1 June 2012     | R13,50           |

##### b. Vesting

The SARs allocated as part of this allocation will vest in three equal tranches on the expiry of three, four and five years from 1 June 2012.

##### c. Performance criteria

No performance criteria have to be met prior to the vesting of the SARs relating to this allocation.

##### d. General

The primary purpose of the allocation to Mr ER Bosch is to serve as a retention mechanism therefore no performance criteria have to be met prior to the vesting date.

#### Early vesting of initial SARs allocation

The Remuneration Committee resolved during the financial year under review (in accordance with paragraph 6.1.1.5 of the rules governing the SARs Scheme) that all SARs allocated to Mr HB Roode during the MPCRE of the Group (known as the initial allocation) will vest on 30 June 2013 (irrespective of whether the vesting dates thereof have been reached).

It should be noted that Mr HB Roode will be retiring due to medical reasons on 30 June 2013.

#### Hedging of SARs

The third allocation of SARs has been hedged. Refer to note 14.2 to the annual financial statements on page 156 for further details.

#### Employment contracts for Executives

During the financial year under review all Executives entered into new employment contracts whereby the notice period for termination of the contract was amended from one month to six months.

#### Loans to Executives

As part of the MPCRE on 31 May 2010 (and 4 November 2010 with regard to Dr JHF Botes) respectively, the Executives subscribed and shareholders of the Company approved the allotment and issue to them of 9 350 000 (on 31 May 2010) and 250 000 (on 4 November 2010 with regard to Dr JHF Botes) ordinary shares at a subscription price of R9,34 per share, with a portion of the subscription price being lent to the Executives. However, the aforementioned allotment and issue sets out the position prior to the subdivision of shares approved on 4 November 2010.

For full details of the MPCRE please visit our website on [www.clover.co.za](http://www.clover.co.za).

The salient features of the loan and cession agreements entered into between the executives and the Company are set out below:

- As security for the indebtedness, the Executives have ceded to the Company the ceded rights (defined as being all rights, title and interest in and to the proceeds in respect of the ordinary shares (issued to them as referred to above) and from the preference shares acquired through the Clover preference shares scheme in respect of the proceeds (defined as being dividends, special distributions, redemption proceeds and any proceeds as a result of a disposal or sale of either the ordinary and/or preference shares referred to above, or any part thereof).
- Interest shall accrue on the outstanding balance of the loan amount at an interest rate equal to 90% of the prime interest rate charged from time to time by Absa Bank Limited.
- If an Executive leaves the employ of the Company for any reason whatsoever, he shall be obliged to repay the loan amount and interest or the balance thereof, within two months after termination of his employment.
- If an Executive dies, the loan amount and interest or the balance thereof, shall be repaid to the Company within six months after his death.

It should be noted that the aforementioned loan agreements have been amended to make provision for a final repayment date of the respective loans linked to the normal retirement date for each of the Executives.

## Remuneration report

The table below reflects the outstanding balances of the loans on 30 June 2011 and 30 June 2012 respectively.

| Executive Director/<br>Other Executives | Loan               |              |
|-----------------------------------------|--------------------|--------------|
|                                         | 30 June 2012       | 30 June 2011 |
| <b>Executive Director</b>               |                    |              |
| JH Vorster                              | <b>R25 822 256</b> | R26 509 496  |
| HB Roode                                | <b>R11 620 942</b> | R19 176 720  |
| CP Lerm (Dr)                            | <b>R11 717 994</b> | R12 037 292  |
| LJ Botha                                | <b>R5 330 249</b>  | R5 635 941   |
| <b>Other Executives</b>                 |                    |              |
| H Lubbe                                 | <b>R929 989</b>    | R1 000 606   |
| JHF Botes (Dr)                          | <b>R2 452 661</b>  | R2 411 574   |
| <b>Total</b>                            | <b>R57 874 091</b> | R66 771 629  |

*The value of the ordinary and preferences shares forming the basis of the loan and cession agreements referred to previously is well in excess of R250 million. Calculated on an ordinary share price of R13,50 and a preference share price of R2,90.*

## Remuneration approach for Non-executive Directors

It is the Group's policy to attract Non-executive Directors who can add significant value to Clover. For this reason, non-executive fees are competitive and at the upper quartile. Attendance fees are only paid for actual committee meetings attended. Further the Chairman of the Board, Mr JAH Bredin, and the Lead Independent Director, Mr TA Wixley will not receive additional remuneration should they serve on any subcommittee as they receive a fixed annual fee.

The fees payable to Non-executive Directors for the 2013 financial year will be proposed for consideration and approval at the 2012 annual general meeting.

## Total remuneration and benefits payable to Directors and prescribed officers

The Board considered the requirements of the Companies Act with regard to the disclosure of the remuneration of Directors and prescribed officers. After careful consideration it was concluded that all members of the Executive Committee will be deemed to be prescribed officers.

A complete table setting out the total remuneration of Directors and prescribed officers can be found in note 33 to the annual financial statements, on pages 190 and 191 of this Integrated Annual Report.



**Dr Steve Booysen**

Independent Non-executive Director



### Objective

The Clover Group Remuneration Policy ("policy") aims, by means of fair, reasonable and market related remuneration practices, to ensure that the Clover Group ("Group") attracts and retains key people (specifically Executive and senior management members of the quality required by the Board) in order to continue delivering shareholder return on investment and fulfilling its role as corporate citizen sustainably.

The policy follows the internationally recognised practice of combining short-term remuneration with long-term incentives in order to compete for skilled resources in the short-term and to align the interest of Executive and senior management with long-term value creation for shareholders.

The policy is based on the following key principles:

- Remuneration should support the Group's strategies, and be consistent with the organisation's culture of fairness and equity.
- Remuneration should support the Group's vision to be the most admired branded consumer goods company in emerging markets by attracting and retaining the right talent.
- Remuneration should have a direct correlation with the growth objectives and financial performance targets and actual achievements of the businesses of the Group.
- Remuneration should be reviewed and benchmarked annually through independent external professional service providers to ensure that the Group remains competitive in the diverse markets in which it operates, not applying percentiles rigidly but taking into account industry type, skills scarcity, performance and legislative structures and requirements.
- Remuneration should motivate and allow for differentiation (i.e. reward high performers).
- Individual contribution based on the role and responsibilities should have a direct bearing on the levels of remuneration.

### 2. Governance

The Remuneration Committee takes an active role in reviewing the remuneration philosophy, policy, strategy and practices for alignment to best practice and the strategic imperatives of the Group.

The remuneration structure for all employees who are not executives is determined and approved by the Executive Committee.

### 3. Remuneration mix

#### 3.1 General

Clover's remuneration structure comprises the following:

- Total guaranteed package (TGP").
- Short-term incentives ("STIs").
- Long-term incentives ("LTIs").

#### 3.2 Differentiation between Paterson Grades

| Paterson Grade | Total guaranteed package           | Short-term incentive                                                                  | Long-term incentive              |
|----------------|------------------------------------|---------------------------------------------------------------------------------------|----------------------------------|
| C5 and below   | Base pay and benefits; 13th cheque | Performance bonus based on formal performance management                              | N/a                              |
| D1 to D5       | Base pay and benefits              | Short-term incentive scheme; Performance bonus based on formal performance management | N/a                              |
| E              | Base pay and benefits              | Short-term incentive scheme; Performance bonus based on formal performance management | Long-term incentive scheme       |
| F              | Base pay and benefits              | Short-term incentive scheme                                                           | Share appreciation rights scheme |

#### 4. Total guaranteed package

| TGP Considerations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Composition of TGP                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Employment profile based on competencies, outputs and behaviour required for the position.</li> <li>• The employment profile must fit within the organisational structure and an appropriate employment grade should be assigned.</li> <li>• Regular benchmarking exercises are performed internally and externally to ensure equity, fairness and market relatedness.</li> <li>• Appropriate market percentiles are applied based on skills, experience and market competitiveness and cognisance paid to performance ratings, time in position, personal development and overall value-added scarce skills.</li> </ul> | <ul style="list-style-type: none"> <li>• Guaranteed monthly salary.</li> <li>• Compulsory benefits (e.g. retirement).</li> <li>• Discretionary benefits (e.g. medical aid).</li> </ul>                                                                                   |
| Medical aid considerations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                          |
| <ul style="list-style-type: none"> <li>• Guaranteed packages are reviewed annually in May and are revised on 1 July of each year.</li> <li>• Interim reviews of the guaranteed packages are undertaken to retain talent, to take into account market adjustments or upon promotion of employees.</li> </ul>                                                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>• Employees on Paterson Grade C3 and lower can choose to join Discovery Health Medical Scheme or Umvuzo Medical Scheme.</li> <li>• For Paterson Grade C4 and higher the Discovery Health Medical Scheme is compulsory.</li> </ul> |

Scarce skills are identified annually and where scarcity is due to demand outstripping supply, a plan is put in place to reduce the risk of the business or organisation. Where scarcity is due to a unique combination of skills and experience required, deliberate efforts are made to build a talent pool around the scarce individual to reduce the risk to the business or organisation.

Management has introduced an "S" category of employee to reduce the risk of losing employees with specialised skills. The total remuneration package applied to this category of people is targeted at the top end of the market (90th percentile) range and includes a specialised discretionary retention bonus (8% of annual base pay) which is payable at the end of every financial year provided the necessary performance criteria are met by the individual.

#### 5. Short-term incentive

##### 5.1 The Group's Short-Term incentive Scheme ("STI")

- The STI is designed to drive improvement of the Group's results on an annual basis.
- Previously, 50% of the STI is determined by individual performance (which is capped at 100%) and 50% by the extent to which the Group's profit target has been reached. Following the benchmarking exercise conducted by PricewaterhouseCoopers ("PwC") the Remuneration Committee resolved that with effect from 1 July 2012:
  - ◇ For the Chief Executive and the Chief Financial Officer, 30% of the STI is determined by individual performance and 70% by the extent to which the Group's profit target has been achieved.
  - ◇ For other Executives, 40% of the STI is determined by individual performance and 60% by the extent to which the Group's profit target has been achieved.
  - ◇ For all other employees participating in the STI, 50% of the STI is determined by individual performance and 50% by the extent to which the Group's profit target has been achieved.
- The portion relating to the individual performance and Group's profit target is capped as set out in the table on page 75.
- When applying the STI the following differentiation between Paterson Grades F, E and D exist with effect from 1 July 2012:

## Remuneration policy

| Paterson Band           | Individual performance % | Group profit % | Individual performance Cap | Group profit Cap | Entitlement (months) | Maximum entitlement (months)* |
|-------------------------|--------------------------|----------------|----------------------------|------------------|----------------------|-------------------------------|
| D1 – D2                 | 50%                      | 50%            | 100%                       | 200%             | 2                    | 3                             |
| D3 – D5                 | 50%                      | 50%            | 100%                       | 200%             | 3                    | 4.5                           |
| E                       | 50%                      | 50%            | 100%                       | 200%             | 5                    | 7.5                           |
| Other Executives        | 40%                      | 60%            | 100%                       | 183%             | 10                   | 15                            |
| Chief Financial Officer | 30%                      | 70%            | 100%                       | 171%             | 10                   | 15                            |
| Chief Executive         | 30%                      | 70%            | 100%                       | 171%             | 12                   | 18                            |

\* For example, if the Chief Executive achieves a 100% individual performance bonus and a 171% Group profit bonus the Chief Executive will be able to earn 18 months' additional income (i.e. 150% of his annual base salary).

- Therefore, no employee will receive a STI greater than 1.5 times his/her annual base salary (being the basic salary plus motor vehicle allowance (being 22% of basic remuneration) and the Company's contribution to pension fund (which is 10%).
- The Group's profit target (which refers either to operating profit or attributable profit) is triggered once 90% of the profit target (100% bonus level) is reached, further if the profit is greater than the profit target 2% additional bonus will be paid for every 1% achieved over the profit target.
- The STI is self-funded since all bonuses are budgeted for in full before the profit target is approved by the Remuneration Committee.
- The STI for Paterson Grade F is calculated with reference to attributable profit, whereas the STI for Paterson Grades E and D is calculated with reference to operating profit.
- The Remuneration Committee annually approves the profit targets and confirms the final profit figure after the annual audit is completed; whereafter bonuses are paid out during September/October of each year.
- Adjustments may be made for extraordinary factors at the sole and absolute discretion of the Remuneration Committee.
- Employees who have been found guilty of gross misconduct will not be allowed to participate in the STI.
- Due to the agricultural nature of the Group's business, the Remuneration Committee will use its discretion when awarding bonuses in the event that

cyclicality (which is beyond the control of the employees) played an integral part in the Group not achieving the necessary profit targets.

- Steps are put in place to manage and guide employees to achieve the maximum bonus (and relevant profit targets) through performance management sessions being held quarterly (on a one-on-one basis).

### 5.2 Performance bonus

- A performance bonus is paid to all employees who score an annual performance rating of 4 or 5.
- The performance bonus is calculated as a percentage of annual basic pay (plus motor vehicle allowance) and is paid together with the 13th cheque (for employees in Paterson Grades C5 and lower) or the STI (for employees in Paterson Grades D1 to E).

## 6. Long-term incentive

### 6.1 Long-term Incentive Scheme ("LTI")

- The LTI is a deferred bonus scheme, which serves as a retention mechanism and rewards senior management members (Paterson Grades E and certain Grade Ds) for adding value to the businesses of the Group.
- The Group's senior management members are eligible for participation in the LTI.
- Provided the attributable profit target is met, a percentage of annual earnings are paid out over a three-year period (in equal amounts).
- The LTI is governed by rules which are reviewed and updated regularly by the Remuneration Committee as necessary for alignment with best practice.

### 6.2 Share Appreciation Rights Scheme ("SAR Scheme")

- The purpose of the SAR Scheme is to attract, retain, motivate and reward the Group's Executives (Paterson Grade F) who are able to influence the performance of the Group, on a basis which aligns their interests with those of the Group's shareholders.
- The Group's Executives are eligible for participation in the SAR Scheme.
- The eligibility criteria, the quantum of allocations and the conditions governing each allocation are determined by the Remuneration Committee taking into consideration the following:
  - The seniority within the Group.
  - The work function.
  - The ability of the Executive to add value to the Group and its businesses.



- Notwithstanding the aforementioned, in calculating the number of share appreciation rights ("SARs") to be allocated to an Executive the following market related formula has been used (excluding the Initial Allocation set out on page 75):

$$A = (B \times C)/D$$

where –

- A = the total number of SARs to be allocated;
- B = TGP of the Executive;
- C = market related multiples (for the Chief Executive the multiple is 8, for the Deputy Chief Executive and the Chief Financial Officer the multiple is 6 and for other Executives the multiple is 4); and
- D = the volume weighted average price of an ordinary share on the JSE over seven trading days immediately prior to the allocation price.

- Following the benchmarking exercise conducted by PwC the Remuneration Committee resolved that with effect from 1 July 2012 the smoothed average face value allocation formula (set out below) will be used when allocating SARs to an Executive:

$$A = (B \times C)/D$$

where –

- A = the total number of SARs to be allocated;
- B = TGP of the Executive (or participant);
- C = market related multiples set out as follows:

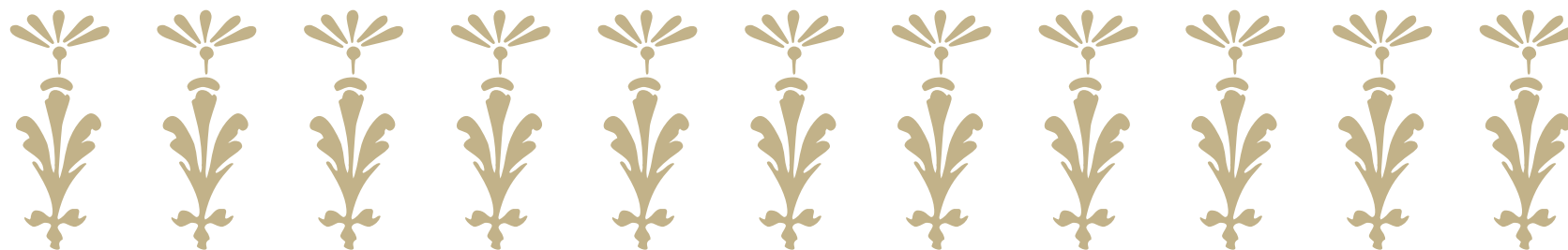
| Member           | Annual smoothed face value multiple |
|------------------|-------------------------------------|
| CE               | 267%                                |
| CFO              | 200%                                |
| Other Executives | 167%                                |

- D = the volume weighted average price of an ordinary share on the JSE over seven trading days immediately prior to the allocation price.

- The SAR Scheme rules were amended during the financial year under review to make provision that all SARs:
  - allocated on or after 1 July 2011 and have vested must be exercised by the Executive on or before the seventh anniversary of the relevant allocation date relating to such allocation of SARs; and
  - allocated on or after 1 July 2011 will vest in full after the third anniversary of the allocation date, provided that the relevant performance criteria were met.
- The SAR Scheme is governed according to rules approved by the Company's shareholders in November 2010.
- All SARs allocated on or after 1 July 2012 will be subjected to the following performance criteria:
  - 25% will be subject to personal performance conditions to be set and measured by the Chief Executive for each of the Executives, provided that the Chief Executive will make a recommendation regarding the vesting of the 25% of the allocation to the Remuneration Committee for each of the Executives;
  - 75% will be subject to Company (financial) performance conditions set out below:
    - the headline earnings per share must exceed the previous four year's headline earnings per share plus the average inflation rate over the previous four years plus 2% growth; and
    - provided that the vesting of the 75% of the allocation will be based on a sliding scale whereby 30% of the allocation will vest when achieving headline earnings per share growth above the average inflation and 100% when achieving the headline earnings per share increase by a minimum of 2% above inflation.

## 7. Regulatory

This policy is to be read in conjunction with the Company's letter of appointment, disciplinary code, code of ethics, applicable employment legislation, specifically the Basic Conditions of Employment Act and Labour Relations Act, as well as the Company's short-term and long-term incentive scheme rules.



The Audit and Risk Committee has pleasure in submitting this report as required by section 94(7)(f) of the Companies Act. The committee has adopted a detailed terms of reference which complies with the Companies Act, no 71, of 2008 ("Act") and King III and has been approved by the Board of Directors of the Company ("Board").

### Membership

Mr TA Wixley – Chairman

Dr SF Booysen

Mnr NP Mageza

Adv JNS du Plessis

The committee was duly appointed by the shareholders at the Annual General Meeting on 10 November 2011 and consists solely of Independent Non-executive Directors.

Shareholders will again be asked to approve the appointment of the members of the committee for the 2012/13 financial year at the Annual General Meeting scheduled for 30 November 2012.

### Function of the Audit and Risk Committee

The functions of the committee are as follows:

- To perform all of the duties required of it by the act, in respect of the Company and all of its subsidiary companies.
- To assist the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control and reporting processes, the maintenance of accurate and complete accounting records and the preparation of financial statements in compliance with the applicable legal requirements and accounting standards.
- To provide management, external auditors and the internal auditors with access to the Chairman or any other member of the Committee to discuss any matter within the Committee's scope.
- To meet separately with the external and internal auditors at least once a year.
- To provide a forum for discussing business risk and control issues and developing recommendations for consideration by the board.
- To monitor enterprise-wide, operational, market, regulatory, safety and other risks, and to monitor controls designed to minimize risk.
- To review the Group's annual integrated report, including the annual financial statements, as well as its interim report and any other public reports or announcements containing financial information.

Die Oudit- en Risikokomitee lê met genoeë hierdie verslag voor, soos vereis deur artikel 94(7)(f) van die Maatskappywet. Die komitee het 'n gedetailleerde verwysingraamwerk wat voldoen aan die Maatskappywet, No 71 van 2008 ("Wet") en King III en is goedgekeur is deur die Maatskappy se Direksie ("Direksie").

### Lidmaatskap

Mr TA Wixley – Voorsitter

Dr SF Booysen

Mr NP Mageza

Adv JNS du Plessis

Die komitee is aangestel deur die aandeelhouders op die Algemene Jaarvergadering op 10 November 2011 en bestaan slegs uit Onafhanklike Nie-uitvoerende Direkteure.

Aandeelhouders sal weer gevra word om die aanstelling van die lede van die komitee goed te keur vir die 2012/13 finansiële jaar op die Algemene Jaarvergadering geskeduleer vir 30 November 2012.

### Funksie van die Oudit- en Risikokomitee

Die funksies van die komitee is soos volg:

- Om al die pligte uit te voer wat volgens die wet vereis word in verband met die Maatskappy en van al sy filiaalmaatskappye.
- Om die Direksie by te staan in die uitvoering van sy pligte met betrekking tot die beveiliging van bates, die bedryf van toereikende stelsels, beheer- en rapporteringprosesse, die instandhouding van akkurate en volledige rekeningkundige rekords en die voorbereiding van finansiële state in ooreenstemming met die toepaslike wetlike vereistes en rekeningkundige standaarde.
- Om aan bestuur, eksterne ouditeure en die interne ouditeure toegang tot die Voorsitter of enige ander lid van die Komitee te verleen om enige aangeleentheid binne die Komitee se omvang te bespreek.
- Om minstens een keer per jaar afsonderlik met die eksterne en interne ouditeure te vergader.
- Om 'n forum te bied vir die bespreking van besigheid risiko's en beheerkwessies en die ontwikkeling van aanbevelings vir oorweging deur die Direksie.
- Om ondernemingswye, bedryfs-, mark-, regulatoriese, veiligheid en ander risiko's te monitor, sowel as maatreëls wat ontwerp is om risiko te minimaliseer.
- Om die Groep se geïntegreerde jaarverslag na te gaan, met inbegrip van die finansiële jaarstate, sowel as die tussentydse verslag en enige ander openbare verslae of aankondigings wat finansiële inligting bevat.

- To consider and recommend to the board whether external assurance should be provided on the sustainability report and to ensure that the report is consistent with the annual financial statements.
- To perform the functions required in terms of the JSE Listings Requirements.
- To perform the matters required by the Act, in respect of the Company and all its subsidiary companies incorporated in South Africa.
- To oversee the activities of, and ensure co-ordination, between the activities of internal and external audit.
- To review the committee's work and terms of reference annually and make recommendations to the Board to ensure its effectiveness.

### Duties carried out

The committee confirms that it has performed its duties and responsibilities during the financial year in accordance with the Act and its terms of reference.

### External audit

During the year under review, the Committee undertook the following:

- Nominated Ernst & Young Inc. as the external auditor, with Mr F Scheepers as the designated auditor to the shareholders for appointment as auditor for the financial year ending 30 June 2012, and ensured that the appointment complied with all legal and regulatory requirements for the appointment of an auditor.
- Confirmed that the auditor and the designated auditor are accredited by the JSE.
- Approved the external audit engagement letter, the plan and the budgeted audit fees payable to the external auditor.
- Reviewed the audit and evaluated the effectiveness of the auditor.
- Obtained a statement from the auditor confirming that his independence was not impaired.
- Determined the nature and extent of all non-audit services provided by the external auditor and pre-approved all non-audit services undertaken.
- Obtained assurances from the external auditor that adequate accounting records were being maintained.
- Confirmed that no reportable irregularities had been identified or reported by the external auditors under the Auditing Profession Act.
- Nominated the external auditor and the designated independent auditor for each of the South African subsidiary companies for the financial year ended 30 June 2012.

- Om oorweging te skenk en by die Direksie aan te beveel of eksterne gerusstelling verskaf moet word aangaande die volhoubaarheidverslag en om te verseker dat die verslag in ooreenstemming is met die finansiële jaarstate.
- Om die funksies te verrig wat ingevolge die Noteringsvereistes van die JSE vereis word.
- Om die funksies te verrig wat deur die Wet vereis word, ten opsigte van die Maatskappy en al sy filiaalmaatskappye wat in Suid-Afrika geïnkorporeer is.
- Om toesig te hou oor die aktiwiteite van, en koördinasie te verseker tussen die aktiwiteite van interne en eksterne audit.
- Om die komitee se werk en verwysingsraamwerk jaarliks te hersien en aanbevelings aan die Direksie te doen om sy doeltreffendheid te verseker.

### Pligte uitgevoer

Die komitee bevestig dat hy, sy verpligtinge en verantwoordelikhede met van toepassing tot die Wet en in terme van sy verwysing raamwerk, gedurende die afgelope finansiële jaar, nagekom het.

### Eksterne audit

Die komitee het gedurende die jaar onder oorsig die volgende onderneem:

- Ernst & Young Ing. benoem as die eksterne ouditeur, met Mnr F Scheepers as aangewese ouditeur aan die aandeelhouders vir aanstelling as ouditeur vir die finansiële jaar geëindig 30 Junie 2012, en verseker dat die aanstelling alle regs- en regulatoriese vereistes vir die aanstelling van 'n ouditeur nagekom het.
- Bevestig dat die ouditeur en die aangewese ouditeur geakkrediteer is deur die JSE.
- Die eksterne audit-aanstellingsbrief, die plan en die begrote auditgelde betaalbaar aan die eksterne ouditeur goedgekeur.
- Die audit nagegaan en die doeltreffendheid van die ouditeur geëvalueer.
- 'n Verklaring van die ouditeur verkry wat bevestig dat sy onafhanklikheid nie belemmer is nie.
- Die aard en omvang van alle nie-auditdienste wat deur die eksterne ouditeur verskaf is bepaal en nie-auditdienste vooraf goedgekeur.
- Versekering verkry van die eksterne ouditeur dat toereikende rekeningkundige rekords gehandhaaf is.
- Bevestig dat geen aanmeldbare ongeruimdheid geïdentifiseer is of oor verslag gedoen is deur die eksterne ouditeure ingevolge die Ouditprofessiewet nie.
- Die eksterne ouditeur en die aangewese onafhanklike ouditeur vir elk van die Suid-Afrikaanse filiaalmaatskappye vir die finansiële jaar geëindig 30 Junie 2012 benoem.

### Financial statements

During the year under review, the Committee:

- Confirmed, based on managements' review, that the interim and annual financial statements were drawn up on the going concern basis.
- Examined the published interim and annual financial statements and other financial information, prior to the Board's approval.
- Considered accounting treatments, significant or unusual transactions and accounting judgment's.
- Considered the appropriateness of accounting policies and any changes made.
- Reviewed the external auditor's audit report.
- Reviewed the representation letter relating to the annual financial statements signed by management.
- Considered any problems identified as well as any legal and tax matters that could materially affect the financial statements.
- Met separately with management, the external auditor and internal auditor.
- Concluded that the annual financial statements fairly present the financial position of the Group and Company at the end of the financial year and the results of operations and cash flows for the financial year.

### Risk management and information technology

During the year under review, the Committee:

- Reviewed the Group's policies on risk assessment and risk management, including fraud risks and information technology risks and found them to be sound.
- Received a limited assurance report on management's assesment of the effectiveness of the Company's system of internal controls over financial reporting from the external auditors, Ernst & Young Inc.

### Finansiële state

Die komitee het gedurende die jaar onder oorsig:

- Bevestig, gebaseer op bestuur se oorsig, dat die tussentydse en finansiële jaarstate op die lopendesaaik-grondslag voorberei is.
- Die gepubliseerde tussentydse en finansiële jaarstate en ander finansiële inligting ondersoek, voor die Direksie se goedkeuring.
- Rekeningkundige hantering, beduidende of ongewone transaksies en rekeningkundige beoordeling oorweeg.
- Die toepaslikheid van rekeningkundige beleid en enige veranderinge wat aangebring is oorweeg.
- Die eksterne ouditeur se auditverslag nagegaan.
- Die bestuursverklaringsbrief met betrekking tot die finansiële jaarstate onderteken deur bestuur nagegaan.
- Enige probleme wat geïdentifiseer is, asook enige wetlike en belastingaangeleenthede wat 'n wesenlike uitwerking op die finansiële state kon hê, oorweeg.
- Afsonderlik met bestuur, eksterne ouditeur en interne ouditeur vergader.
- Tot die gevolgtrekking gekom dat die finansiële jaarstate die finansiële posisie van die Groep en Maatskappy aan die einde van die finansiële jaar en die resultate van bedrywighede en kontantvloei vir die finansiële jaar op 'n redelike wyse weergee.

### Risikobestuur en inligtingstegnologie

Die komitee het gedurende die jaar onder oorsig:

- Die Groep se beleid oor risiko oorweging en risiko bestuur, insluitend bedrogrisiko's en inligtingstegnologierisiko's nagegaan en dit bevredigend bevind.
- 'n Beperkte gerusstellingsverslag oor bestuur se oorweging van die doeltreffendheid van die Maatskappy se stelsel van interne kontroles oor finansiële verslagdoening van die eksterne ouditeure, Ernst & Young Ing., ontvang.

## Internal control and internal audit

During the year under review, the Committee:

- Reviewed and approved the annual internal audit plan and evaluated the independence, effectiveness and performance of the internal audit providers.
- Considered the reports of the internal auditor and external auditor on the Group's systems of internal control including financial controls, business risk management and maintenance of effective internal control systems.
- Received assurances that proper accounting records were maintained and that the systems safeguarded the Group's assets against unauthorised use or disposal.
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response.
- Assessed the adequacy of the performance of the internal audit function and found it satisfactory.

Taking into account all information received from management as well as the internal and external auditors, nothing has come to the attention of the committee that indicates a material breakdown in the internal controls of the Group.

## Sustainability

During the year under review, the Committee:

- Reviewed the sustainability review included in the Company's integrated annual report and satisfied itself that it is consistent with the annual financial statements.
- Considered the desirability of obtaining external assurance regarding the sustainability review and recommended to the Board that it would serve no useful purpose in view of the developing nature of the Company's sustainability information systems.

## Legal and regulatory requirements

During the year under review, the Committee:

- Reviewed with management legal matters that could have a material impact on the Group.
- Reviewed with the Group's internal legal counsel the adequacy and effectiveness of the Group's procedures to ensure compliance with legal and regulatory responsibilities.

## Interne beheer en interne audit

Die komitee het gedurende die jaar onder oorsig:

- Die jaarlikse interne auditplan nagegaan en goedgekeur en die onafhanklikheid, doeltreffendheid en prestasie van die verskaffers van interne audit geëvalueer.
- Die verslae van die interne ouditeur en eksterne ouditeur oor die Groep se stelsels van interne beheer insluitend finansiële beheer, besigheidsrisikobestuur en handhawing van effektiewe interne beheerstelsels oorweeg.
- Die gerustelling ontvang dat behoorlike rekeningkundige rekords in stand gehou is en dat die stelsels die Groep se bates teen ongemagtigde gebruik of verkoop beskerm.
- Aangeleenthede deur interne audit geopper en die toereikendheid van regstellende aksie deur bestuur in reaksie daarop oorweeg.
- Die toereikendheid van die prestasie van die interne auditfunksie beoordeel en gevind dat dit bevredigend is.

Met inagneming van alle inligting wat ontvang is van bestuur sowel as die interne en eksterne ouditeure, het niks onder die aandag van die komitee gekom wat daarop dui dat daar 'n wesenlike verval in die interne beheermaatreëls van die Groep was nie.

## Volhoubaarheid

Die komitee het gedurende die jaar onder oorsig:

- Die volhoubaarheidsdoelstelling ingesluit in die Maatskappy se geïntegreerde jaarverslag nagegaan en homself vergewis dat dit in ooreenstemming is met die finansiële jaarstate.
- Die wenslikheid van die verkryging van eksterne gerustelling ten opsigte van die Volhoubaarheidsverslag in oënskou geneem en aan die Direksie aanbeveel dat dit geen nuttige doel sou dien in die lig van die ontwikkelende aard van die Maatskappy se volhoubaarheidsinligtingstelsels.

## Regs- en regulatoriese vereistes

Die komitee het gedurende die jaar onder oorsig:

- Saam met bestuur regs-aangeleenthede oorweeg wat 'n wesenlike invloed op die Groep kan hê.
- Saam met die Groep se interne regsverteenvoordiger die toereikendheid en doeltreffendheid van die Groep se prosedures oorweeg om nakoming rakende regs- en regulatoriese verantwoordelikhede nagegaan te verseker.

- Monitored complaints received via the Group's ethics line, including complaints or concerns regarding accounting matters, internal audit, internal accounting controls, contents of the financial statements, potential violations of the law and questionable accounting or auditing matters.
- Considered reports provided by management, internal audit and the external auditor regarding compliance with legal and regulatory requirements.

### Combined assurance

The Committee reviewed the plans and reports of the external and internal auditors and other assurance providers including management, and concluded that the material finance and governance controls within the business was adequate.

### Chief Financial Officer and finance function

As required by the JSE Listings Requirements 3.84 (h), the Committee has:

- Considered the experience and expertise of the chief financial officer and concluded that these were satisfactory.
- Considered the expertise, resources and experience of the finance function and concluded that these were satisfactory.

### Independence of external auditor

The committee is satisfied that Ernst & Young Inc. is independent of the Group after taking the following factors into account:

- Representations made by Ernst & Young Inc. to the committee.
- The auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefit from the Group.
- The auditor's independence was not impaired by any consultancy, advisory or other work undertaken.
- The auditor's independence was not prejudiced as a result of any previous appointment as auditor.
- The criteria specified for independence by the Independent Regulatory Board of Auditors and international regulatory bodies.

- Klagtes gemoniteer wat ontvang is via die Groep se etiese lyn, met inbegrip van klagtes of bekommernisse rakende rekeningkundige, interne oudit, interne rekeningkundige kontroles, inhoud van die finansiële state, moontlike oortredings van die wet en twyfelagtige rekeningkundige of ouditaangeleenthede.
- Verslae verskaf deur bestuur, interne oudit en die eksterne ouditeur met betrekking tot die nakoming van wetlike en regulatoriese vereistes in oënskou geneem.

### Gekombineerde gerustelling

Die komitee het die planne en verslae van die eksterne en interne ouditeure en ander verskaffers van gerustelling nagegaan, insluitend bestuur, en tot die gevolgtrekking gekom dat die wesenlike finansiële- en bestuurskontroles binne die onderneming toereikend was.

### Hoof Finansiële Beampte en finansiële funksie

Soos vereis deur die Noteringsvereistes van die JSE 3.84 (h), het die komitee:

- Die ervaring en kundigheid van die hoof finansiële beampte oorweeg en tot die gevolgtrekking gekom dat dit bevredigend was.
- Die kundigheid, hulpbronne en ervaring van die finansiële funksie oorweeg en tot die gevolgtrekking gekom dat dit bevredigend was.

### Onafhanklikheid van eksterne ouditeur

Die komitee is tevrede dat Ernst & Young Ing. onafhanklik van die Groep is nadat die volgende faktore in ag geneem is:

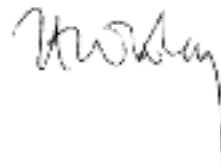
- Voorleggings gedoen deur Ernst & Young Ing. aan die komitee.
- Die ouditeur ontvang nie, behalwe as eksterne ouditeur of in die lewer van toegelate nie-ouditdienste, enige besoldiging of ander voordeel van die Groep nie.
- Die ouditeur se onafhanklikheid is nie deur enige konsultasie-, advies- of ander werk onderneem belemmer nie.
- Die ouditeur se onafhanklikheid is nie beïnvloed as gevolg van enige vorige aanstelling as ouditeur nie.
- Die kriteria wat deur die Onafhanklike Reguleringsraad vir Ouditeure en internasionale reguleringsorganisasies gespesifiseer is.

## Annual financial statements

Following the review by the committee of the consolidated and separate annual financial statements of Clover Industries Limited for the year ended 30 June 2012, the committee is of the view that they fairly present, in all material aspects, the financial position at that date and the results of operations and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the requirements of the Companies Act. The committee has satisfied itself of the integrity of the remainder of the Integrated Annual Report.

Having achieved its objectives for the financial year, the committee has recommended the annual financial statements and Integrated Annual Report for the year ended 30 June 2012 for approval to the Clover Industries Limited Board. The Board has subsequently approved the financial statements, which will be open for discussion at the forthcoming Annual General Meeting.

On behalf of the committee



**Tom Wixley**

Chairman of the Audit and Risk Committee/Voorsitter van die Oudit- en Risikokomitee

Date: 6 September 2012

## Finansiële jaarstate

Nadat die komitee die gekonsolideerde en afsonderlike finansiële jaarstate van Clover Industries Beperk vir die jaar geëindig 30 Junie 2012 nagegaan het, is die komitee van mening dat dit, in alle wesenlike opsigte die finansiële posisie op daardie datum, en die resultate van bedrywighede en kontantvloei vir die jaar wat op daardie datum geëindig het, in ooreenstemming met "International Financial Reporting Standards" en die vereistes van die Maatskappyywet redelik weerspieël. Die komitee het homself vergewis oor die integriteit van die res van die Geïntegreerde Jaarverslag.

Nadat sy doelwitte vir die finansiële jaar behaal is, het die komitee goedkeuring van die finansiële jaarstate en Geïntegreerde Jaarverslag vir die jaar geëindig 30 Junie 2012 deur die Direksie van Clover Industries Beperk aanbeveel. Die Direksie het vervolgens die finansiële state goedgekeur, en dit sal oop wees vir bespreking by die komende Algemene Jaarvergadering.

Namens die komitee



## Approval of the financial statements

The Directors are required by the Companies Act 2008 to maintain adequate accounting records and to prepare financial statements for each year which fairly present the state of affairs of the Company and the Group at the end of the financial year and of the profit and cash flows for the period. In preparing the accompanying financial statements, International Financial Reporting Standards have been followed, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. Any changes to accounting policies are approved by the Board and the effects thereof are fully explained in the annual financial statements. The financial statements incorporate full and responsible disclosure. 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.

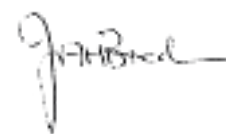
To enable the Directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures 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 in the Group 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 are of the opinion, based on the information and explanations given by management and the internal auditors that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Group and Company's budget and cash flow forecast up to 30 June 2013. On the basis of this review and in the light of the current financial position and existing borrowing facilities, the Directors are satisfied that CIL is a going concern and have therefore continued to adopt the going-concern basis in preparing the financial statements.

The Group's external auditors, Ernst & Young Inc., have audited the financial statements and their unqualified report appears on page 94.

The consolidated and separate annual financial statements, set out on pages 96 to 197, which have been prepared on the going concern basis, were approved by the Board of directors on 6 September 2012 and were signed on their behalf by:



**John Bredin**  
Chairman



**Johann Vorster**  
Chief Executive



### Certificate by Secretary – (in terms of Section 89(4) of the Companies Act)

The Secretary of Clover Industries Limited, Hermanus Bernardus Roode, certifies that Clover Industries Limited has complied with all the requirements of the Companies Act and more specifically that all such returns as required by a public company in terms of the Companies Act 2008, as amended, have been lodged with the Registrar of Companies and that such returns are true, correct and up to date and that a copy of these annual financial statements was sent to every person who is entitled thereto in terms of the Act.



**Hermanus Roode**  
Secretary

6 September 2012

Kragtens die Maatskappywet 2008 moet die Direkteure toereikende rekeningkundige rekords in stand hou en finansiële state voorberei vir elke jaar wat die stand van sake van die Maatskappy en die Groep aan die einde van die finansiële jaar en die wins en kontantvloei vir die tydperk redelik weergee. In die opstel van die bygaande finansiële state is "International Financial Reporting Standards" gevolg, geskikte rekeningkundige beleid is gebruik en konsekwent toegepas en redelike en omsigtige oordele en beramings is gemaak. Enige veranderinge aan die rekeningkundige beleid word deur die Direksie goedgekeur en die uitwerking daarvan word volledig in die finansiële jaarstate verduidelik. Die finansiële state sluit in volledige en verantwoordelike openbaarmaking. Die Direkteure erken dat hulle uiteindelik verantwoordelik is vir die stelsel van interne finansiële beheer wat deur die Groep in plek gestel is en beskou dit as van die uiterste belang om 'n sterk beheeromgewing te handhaaf.

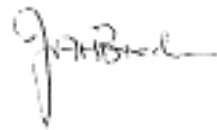
Om die Direkteure in staat te stel om hierdie verantwoordelikhede na te kom, stel die Raad standaarde vir interne beheer wat gemik is op die verlaging van die risiko van foute of verlies op 'n kostedoeltreffende manier. Die standaard sluit in die behoorlike afwenteling van verantwoordelikhede binne 'n duidelik omskrewe raamwerk, doeltreffende rekeningkundige prosedures en voldoende skeiding van pligte om 'n aanvaarbare vlak van risiko te verseker. Hierdie kontroles word regdeur die Groep gemonitor en daar word van alle personeel vereis om die hoogste etiese standaarde te handhaaf om te verseker dat die Groep se besigheid bedryf word op 'n manier wat in alle redelike omstandighede bo verdenking staan. Die fokus van risikobestuur in die Groep is op die identifisering, evaluering, bestuur en monitering van alle bekende vorms van risiko regdeur die Groep. Alhoewel bedryfsrisiko nie heeltemal uitgeskakel kan word nie, poog die Groep om dit te minimaliseer deur te verseker dat toepaslike infrastruktuur, beheermaatreëls, stelsels en etiese gedrag toegepas en bestuur word binne voorafbepaalde prosedures en beperkings.

Die Direkteure is van mening, gebaseer op die inligting en verduidelikings soos deur bestuur en die interne ouditeure verskaf, dat die stelsel van interne beheer redelike gerusstelling bied dat op die finansiële rekords gesteun kan word vir die voorbereiding van die gekonsolideerde en afsonderlike finansiële jaarstate. Enige stelsel van interne finansiële beheer kan egter slegs redelike, en nie absolute, versekering teen wesenlike wanvoorstelling of verlies bied nie.

Die Direkteure het die Groep en Maatskappy se begroting en kontantvloei-vooruitskatting tot 30 Junie 2013 nagegaan. Op die basis van hierdie oorsig en in die lig van die huidige finansiële posisie en bestaande finansieringsfasiliteite, is die Direkteure tevrede dat CIL 'n lopende saak is en het dus voortgegaan om die lopendesaak-grondslag te aanvaar in die voorbereiding van die finansiële state.

Die Groep se eksterne ouditeure, Ernst & Young Ing., het die finansiële state geoudit en hulle ongekwalifiseerde verslag verskyn op bladsy 95.

Die gekonsolideerde en afsonderlike finansiële jaarstate, soos uiteengesit op bladsye 96 tot 197, wat op die lopendesaak-grondslag opgestel is, is op 6 September 2012 deur die Direksie goedgekeur en is namens dit onderteken deur:



**John Bredin**  
Voorsitter



**Johann Vorster**  
Uitvoerende Hoof



### Sertifikaat van die Sekretaris – (in terme van artikel 89(4) van die Maatskappywet)

Die Sekretaris van Clover Industries Beperk, Hermanus Bernardus Roode, sertifiseer dat Clover Industries Beperk voldoen het aan al die vereistes van die Maatskappywet en meer spesifiek dat alle sodanige opgawes soos vereis van 'n openbare maatskappy ingevolge die Maatskappywet 2008, soos gewysig, by die Registrateur van Maatskappye ingedien is en dat sodanige opgawes waar, korrek en op datum is en dat 'n kopie van hierdie finansiële jaarstate gestuur is aan elke persoon wat daarop geregtig is in terme van die Wet.



**Hermanus Roode**  
Sekretaris

6 September 2012

## Independent Auditors report for the year ended 30.6.2012

### To the shareholders of Clover Industries Limited

We have audited the consolidated and separate financial statements of Clover Industries Limited set out on pages 100 to 197, which comprise the consolidated and separate statements of financial position as at 30 June 2012, and the consolidated and separate statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

#### Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards 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.

#### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and separate financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated and separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of Clover Industries Limited as at 30 June 2012, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

### Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 30 June 2012, we have read the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

*Ernst & Young Inc.*

#### Ernst & Young Incorporated

Director – Frantz Frederik Scheepers

Registered Auditor

Chartered Accountant (SA)

Wanderers Office Park

52 Corlett Drive

Illovo

Johannesburg

6 September 2012

## Aan die aandeelhouders van Clover Industries Beperk

Ons het die gekonsolideerde en afsonderlike finansiële state van Clover Industries Beperk, soos uiteengesit op bladsye 100 tot 197, geoudit. Hierdie finansiële state bestaan uit die state van finansiële posisie soos op 30 Junie 2012, en die state van omvattende inkomste, state van veranderings in ekwiteit en state van kontantvloei vir die jaar wat op daardie datum geëindig het, en die aantekeninge, wat bestaan uit 'n opsomming van beduidende rekeningkundige beleid en ander verduidelikende inligting.

### Direkteure se verantwoordelikheid vir die finansiële state

Die maatskappy se direkteure is verantwoordelik vir die opstel en redelike voorstelling van hierdie finansiële state ooreenkomstig 'International Financial Reporting Standards' en die vereistes van die Maatskappywet van Suid-Afrika, en vir sodanige interne beheer as wat die direkteure nodig ag om die opstel van finansiële state wat vry is van wesenlike wanvoorstelling, hetsy weens bedrog of foute, in staat te stel.

### Ouditeur se verantwoordelikheid

Dit is ons verantwoordelikheid om op grond van ons audit 'n mening oor hierdie finansiële state uit te spreek. Ons het ons audit ooreenkomstig 'International Standards on Auditing' uitgevoer. Daardie standaard vereis dat ons voldoen aan etiese vereistes en die audit beplan en uitvoer om redelike gerusstelling te verkry of die gekonsolideerde en afsonderlike finansiële state vry is van wesenlike wanvoorstelling.

'n Oudit behels die uitvoer van prosedures om auditbewyse te verkry oor die bedrae en openbaarmaking in die gekonsolideerde en afsonderlike finansiële state. Die prosedures wat gekies word hang af van die ouditeur se oordeel, insluitend die beoordeling van die risiko's van wesenlike wanvoorstelling van die gekonsolideerde en afsonderlike finansiële state, hetsy weens bedrog of foute. Tydens daardie risikoboordeel oorweeg die ouditeur interne beheer relevant tot die entiteit se opstel en redelike voorstelling van die gekonsolideerde en afsonderlike finansiële state, ten einde auditprosedures te ontwerp wat in die omstandighede toepaslik is, maar nie met die doel om 'n mening uit te spreek oor die effektiwiteit van die entiteit se interne beheer nie. 'n Oudit sluit ook 'n evaluering van die toepaslikheid van rekeningkundige beleid wat gebruik is en die redelikheid van rekeningkundige ramings wat deur die direkteure gemaak is in, asook 'n evaluering van die algehele voorstelling van die gekonsolideerde en afsonderlike finansiële state.

Ons glo dat die auditbewyse wat ons verkry het, toereikend en toepaslik is om 'n grondslag vir ons auditmening te bied.

### Mening

Na ons mening is die finansiële state, in alle wesenlike opsigte, 'n redelike voorstelling van die gekonsolideerde en afsonderlike finansiële stand van Clover Industries Beperk soos op 30 Junie 2012, en van die maatskappy se gekonsolideerde en afsonderlike finansiële prestasie en gekonsolideerde en afsonderlike kontantvloei vir die jaar wat op daardie datum geëindig het, ooreenkomstig 'International Financial Reporting Standards' en die vereistes van die Maatskappywet van Suid-Afrika.

### Ander verslae wat deur die Maatskappywet vereis word

As deel van ons audit van die gekonsolideerde en afsonderlike finansiële state vir die jaar geëindig 30 Junie 2012 het ons die Direkteursverslag, die Verslag van die Oudit- en Risikokomitee en die Sertifikaat van die Maatskappysekreteraris deurgelees om te bepaal of daar wesenlike teenstrydighede tussen hierdie verslae en die geouditeerde finansiële state is. Hierdie verslae is die verantwoordelikheid van die verskeie opstellers daarvan. Gebaseer op die deurlees van hierdie verslae het ons nie wesenlike teenstrydighede tussen hierdie verslae en die geouditeerde finansiële state geïdentifiseer nie. Ons het hierdie verslae egter nie geoudit nie en spreek dienooreenkomstig nie 'n mening oor hierdie verslae uit nie.

*Ernst & Young Inc.*

### Ernst & Young Ingelyf

Direkteur – Frantz Frederik Scheepers  
Geregistreerde Ouditeur  
Geoktrooieerde Rekenmeester (SA)

Wanderers Office Park  
Corlettrylaan 52  
Illovo  
Johannesburg

6 September 2012

The Directors present their report on the activities and the financial statements for Clover Industries Ltd ("CIL") and the Group in respect of the year ended 30 June 2012.

### Nature of business

The procurement, production, marketing, sales and distribution of branded consumer goods to customers in the Southern African region at benchmarked costs, with margins sufficient to ensure Clover's long-term prosperity and growth.

### Group results

The Group's results for the year are as follows:

|                                                                               | 2012<br>R'm | 2011<br>R'm |
|-------------------------------------------------------------------------------|-------------|-------------|
| Revenue                                                                       | 7 223,9     | 6 542,3     |
| Total comprehensive income attributable to shareholders of the parent Company | 205,3       | 179,6       |

More detailed financial information can be found in the Financial Report which forms part of the Integrated Annual Report.

### Subsidiary companies and interests in joint ventures

Details of subsidiary companies are reflected in note 31 to the financial statements and interests in joint ventures in note 4 to the financial statements.

With effect from 1 July 2011 Clover SA bought out the 45% minority shareholder in Clover West Africa for US\$ 1 million (R8,0 million). This Company is now a wholly owned subsidiary of Clover SA.

Similarly with effect from 1 April 2012 Clover SA also bought out the 30% minority shareholder in Clover Botswana for 18 million Pula (R19,2 million).

On 31 May 2012 Clover SA entered into an agreement with AVI Limited for the purchase of 100% of the shares in The Real Juice Co. Holdings (Pty) Ltd for a purchase consideration of R60 million. This Company, through its subsidiaries, manufactures and sells the Quali and Real Juice range of fruit juices. The transaction was conditionally approved by the competition authorities on 28 August 2012. Clover accepted the conditions attached to this approval and the effective date will be 1 October 2012.

### Share capital

Details of the authorised and issued share capital are included in note 19 to the financial statements.

A general authority to repurchase ordinary shares of the Company was granted to the Directors by way of a special resolution adopted on 10 November 2011. Such authority is subject to the Companies Act and the Listings Requirements of the

Die Direkteure lê hul verslag oor die aktiwiteite en die finansiële state van Clover Industries Bpk ("CIL") en die Groep vir die jaar geëindig 30 Junie 2012 voor.

### Aard van besigheid

Die verskaffing, produksie, bemaking, verkoop en verspreiding van handelsmerk-verbruikersgoedere aan klante in Suidelike Afrika teen mededingende koste, met marges wat voldoende is om Clover se langtermynvoorspoed en -groei te verseker.

### Groepresultate

Die Groep se resultate vir die jaar is soos volg:

|                                                               | 2012<br>Rm | 2011<br>Rm |
|---------------------------------------------------------------|------------|------------|
| Inkomste                                                      | 7 223,9    | 6 542,3    |
| Wins toeskryfbaar aan ekwiteitshouers van die houermaatskappy | 205,3      | 179,6      |

Meer breedvoerige finansiële inligting is beskikbaar in die Finansiële Verslag wat deel uitmaak van hierdie Geïntegreerde Jaarverslag.

### Filiaalmaatskappye en belange in gesamentlike ondernemings

Inligting aangaande filiaalmaatskappye word in aantekening 31 tot die finansiële state uiteengesit en belange in gesamentlike ondernemings in aantekening 4 tot die finansiële state.

Clover SA het met ingang van 1 Julie 2011 die 45%-minderheidsaandeelhouer in Clover Wes-Afrika vir VS\$1 miljoen (R8,0 miljoen) uitgekoop. Hierdie maatskappy is nou 'n volfiliaal van Clover SA.

Eweneens, met ingang van 1 April 2012, het Clover SA ook die 30%-minderheidsaandeelhouer in Clover Botswana vir 18 miljoen Pula (R19,2 miljoen) uitgekoop.

Clover SA het op 31 Mei 2012 'n ooreenkoms met AVI Beperk aangegaan vir die aankoop van 100% van die aandele in The Real Juice Co. Holdings (Edms) Bpk vir 'n koopprijs van R60 miljoen. Dié maatskappy, deur sy filiale, vervaardig en verkoop die Quali- en Real Juice reeks vrugtesappe. Die transaksie is op 28 Augustus 2012 voorwaardelik deur die mededingingsowerhede goedgekeur. Clover het die voorwaardes verbonde aan hierdie goedkeuring aanvaar en die effektiewe datum sal 1 Oktober 2012 wees.

### Aandelekapitaal

Besonderhede van die gemagtigde en uitgereikte aandelekapitaal word in aantekening 19 tot die finansiële state ingesluit.

'n Algemene magtiging om die Maatskappy se gewone aandele terug te koop is aan die Direkteure toegestaan by wyse van 'n spesiale besluit wat op 10 November 2011 aanvaar is. Sodanige magtiging is onderworpe aan die Maatskappywet en die Noteringsvereistes van die JSE. Die Noteringsvereistes van

JSE. The Listings Requirements of the JSE limit repurchases during any one year to a maximum of 20% of the issued ordinary shares at the time.

No shares were issued or repurchased during the year ended 30 June 2012.

The debt portion of preference shares is quantified and separately disclosed as part of interest-bearing liabilities. The guaranteed preference dividends paid during the year are accounted for as interest paid in the statement of comprehensive income.

## Dividends

Dividends declared and paid by CIL during the year:

|                         | 2012<br>R'000 | 2011<br>R'000 |
|-------------------------|---------------|---------------|
| Ordinary dividends      |               |               |
| Declared                | 53 734        | 58 720        |
| Paid                    | 53 734        | 58 720        |
| Preference dividends    |               |               |
| Recognised as interest: |               |               |
| Declared                | 22 007        | 21 359        |
| Paid                    | 16 117        | 26 529        |

The Board declared and paid an interim cash dividend of 15c per ordinary share during April 2012. It further declared a final dividend of R24,0 million or 13,4 cents per ordinary share. The interim dividend together with the proposed final dividend will constitute 25% of Comprehensive Income Attributable to Shareholders of CIL, excluding after tax capital profits.

### Declaration of dividend number 5

Notice is hereby given that the directors have declared a final gross cash dividend of 13,4 cents (11,39 cents net of dividend withholding tax) per ordinary share for the year ended 30 June 2012.

The dividend has been declared from income reserves and no secondary tax on companies credits has been used.

A dividend withholding tax of 15% will be applicable to all shareholders who are not exempt.

The Company income tax number is 9657/002/71/4

The issued share capital at the declaration date is 179 111 867 ordinary shares.

The salient dates will be as follows:

|                                         |                           |
|-----------------------------------------|---------------------------|
| Last day to trade to receive a dividend | Friday, 28 September 2012 |
| Shares commence trading "ex" dividend   | Monday, 1 October 2012    |
| Record date                             | Friday, 5 October 2012    |
| Payment date                            | Monday, 8 October 2012    |

Share certificates may not be dematerialised or rematerialised between Monday, 1 October 2012 and Friday, 5 October 2012, both days inclusive.

die JSE beperk terugkope gedurende enige enkele jaar tot 'n maksimum van 20% van die uitgereikte gewone aandele op daardie tyd.

Geen aandele is gedurende die jaar geëindig 30 Junie 2012 uitgereik of teruggekoop nie.

Die skuldcomponent van die voorkeuraandele is gekwantifiseer en word afsonderlik geopenbaar as deel van rentedraende laste. Die gewaarborgde voorkeurd dividende gedurende die jaar betaal, word as rente betaal in die staat van omvattende inkomste verantwoord.

## Dividende

Dividende deur CIL verklaar en betaal gedurende die jaar:

|                     | 2012<br>R'000 | 2011<br>R'000 |
|---------------------|---------------|---------------|
| Gewone dividende    |               |               |
| Verklaar            | 53 734        | 58 720        |
| Betaal              | 53 734        | 58 720        |
| Voorkeurd dividende |               |               |
| As rente erken:     |               |               |
| Verklaar            | 22 007        | 21 359        |
| Betaal              | 16 117        | 26 529        |

Die Direksie het gedurende April 2012 'n tussentydse kontantdividend van 15c per gewone aandeel verklaar en betaal. Hy het voorts 'n finale dividend van R24,0 miljoen of 13,4 sent per gewone aandeel verklaar. Die tussentydse dividend saam met die voorgestelde finale dividend sal 25% van Omvattende Inkomste Toeskryfbaar aan Aandeelhouders van CIL uitmaak, met uitsluiting van kapitaalwinst na belasting.

### Verklaring van dividend nommer 5

Kennis geskied hiermee dat die Direkteure 'n finale bruto kontantdividend verklaar het van 13,4 sent (11,39 sent na aftrekking van terughoubelasting op dividende) per gewone andeel vir die jaar geëindig 30 Junie 2012.

Die dividend is verklaar uit inkomstereserwes en geen krediete vir sekondêre belasting op maatskappye is gebruik nie.

'n Terughoubelasting op dividende van 15% sal van toepassing wees op alle aandeelhouders wat nie vrygestel is nie.

Die Maatskappy se inkomstebelastingnommer is 9657/002/71/4.

Die uitgereikte aandeelkapitaal op die datum van verklaring is 179 111 867 gewone aandele.

Die belangrike datums sal soos volg wees:

|                                                       |                           |
|-------------------------------------------------------|---------------------------|
| Laaste dag van verhandeling om 'n dividend te ontvang | Vrydag, 28 September 2012 |
| Aandele begin verhandel "ex" dividend                 | Maandag, 1 Oktober 2012   |
| Rekorddatum                                           | Vrydag, 5 Oktober 2012    |
| Betaaldatum                                           | Maandag, 8 Oktober 2012   |

Aandeesertifikate mag nie gedematerialiseer of gematerialiseer word tussen Maandag, 1 Oktober 2012 tot en met Vrydag, 5 Oktober 2012 nie, beide dae ingegrepe.

### Directors and Secretary

Particulars of the present Directors and Secretary are listed on pages 13 to 15.

### Share-based compensation

During the current year a further 2,1 million SAR were issued to executives at an issue price of R11. These SAR will vest three years after the issue date and are subject to vesting conditions. SAR not exercised will be cancelled seven years after the issue date.

On 1 June 2012, Mr E Bosch was appointed to the Executive Committee and 953 620 SAR was issued to him on the same day at an issue price of R13,50. One third of these SAR will vest three years after the issue date and thereafter another third after four years and the last third after five years. There are no vesting conditions attached to these SAR. SAR not exercised will be cancelled seven years after the issue date.

On exercise Executives will be entitled to a payment equal to the increase in the CIL ordinary share price over the issue price of the SAR. Such payment can at the election of the Company be either in cash or by way of the issue to the member of a number of ordinary shares equal in value to such cash amount. Details of SAR issued and vested in terms of the plan are given in the Remuneration Policy and Remuneration Report contained in the Integrated Annual Report.

### Insurance and risk management

The Group follows a policy of reviewing the risks relating to assets and commitments that might flow from the use thereof with its insurers on an annual basis. Wherever possible, assets are automatically included. There is also a continuous asset risk control programme, which is carried out in conjunction with the Group's insurance brokers. For further information on the Group's risk management process please refer to the Corporate Governance report on page 70.

### Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Group or in the policy regarding their use. Capital expenditure on tangible assets was R254,3 million (2011: R197,5 million) and R19,4 million (2011: R18,8 million) on intangible assets.

### Events after the reporting period

On 28 August 2012 the Competition Commission conditionally approved Clover SA's acquisition of The Real Juice Co. Holdings (Pty) Ltd from AVI Ltd. Clover SA accepted the conditions posed and the effective date of the transaction will be on 1 October 2012.

Other than the above, no significant events occurred subsequent to the year-end.

### Direkteure en Sekretaris

Besonderhede van die huidige Direkteure en Sekretaris word op bladsye 213 tot 215 uiteengesit.

### Aandelegebaseerde vergoeding

'n Verdere 2,1 miljoen SAR is gedurende die huidige jaar aan uitvoerende beamptes uitgereik teen 'n uitgifteprys van R11. Hierdie SAR sal drie jaar na die datum van uitreiking vestig en is onderworpe aan vestigingsvoorwaardes. SAR wat nie uitgeoefen is nie, sal sewe jaar na die datum van uitreiking gekanselleer word.

Mnr E Bosch is op 1 Junie 2012 op die Uitvoerende Komitee aangestel en 953 620 SAR is op dieselfde dag aan hom uitgereik teen 'n uitgifteprys van R13,50. Een derde van hierdie SAR sal drie jaar na die datum van uitreiking vestig, en daarna 'n verdere derde ná vier jaar en die laaste derde na vyf jaar. Daar is geen vestigingsvoorwaardes verbonde aan hierdie SAR nie. SAR nie uitgeoefen nie sal sewe jaar ná die datum van uitreiking gekanselleer word.

By uitoefening sal uitvoerende beamptes geregtig wees op 'n betaling wat gelyk is aan die toename in die prys van gewone CIL-aandele bo die uitgifteprys van die SAR. Sodanige betaling kan volgens keuse van die Maatskappy óf in kontant óf by wyse van die uitreiking aan die lid van 'n aantal gewone aandele wees wat gelyke waarde het as sodanige kontantbedrag. Besonderhede van SAR ingevolge die plan uitgereik en gevestig word in die Vergoedingsbeleid en Vergoedingsverslag in die Geïntegreerde Jaarverslag vervat.

### Versekering en risikobestuur

Dit is die beleid van die Groep om jaarliks in samewerking met die versekeraars die risiko met betrekking tot die bates en moontlike aanspreeklikhede wat uit die bedryf daarvan mag voortvloei te hersien. Waar moontlik word bates teen vervangingswaarde verseker en nuwe aankope gedurende die jaar word outomaties ingesluit. Daar is ook 'n deurlopende batesrisikobeheerprogram wat in samewerking met die Groep se versekeringsmakelaars bedryf word. Die verslag oor Korporatiewe Beheer op bladsy 270 handel meer breedvoerig met die Groep se risikobestuurproses.

### Eiendom, aanleg en toerusting

Daar was geen verandering in die aard van die eiendom, aanleg en toerusting van die Groep of in die beleid ten opsigte van die gebruik daarvan nie. Kapitale besteding op tasbare bates was R254,3 miljoen (2011: R197,5 miljoen) en R19,4 miljoen (2011: R18,8 miljoen) op ontasbare bates.

### Gebeure na die verslagdoeningstydperk

Die Mededingingskommissie het op 28 Augustus 2012 Clover SA se verkryging van die Real Juice Co. Holdings (Edms) Bpk van AVI Bpk voorwaardelik goedgekeur. Clover SA het die voorwaardes wat gestel is aanvaar en die effektiewe datum van die transaksie sal 1 Oktober 2012 wees.

Behoudens die bogemelde het geen wesenlike gebeure na die jaareinde plaasgevind nie.



## Special resolutions

The following special resolutions were adopted at the Annual General Meeting held on 10 November 2011:

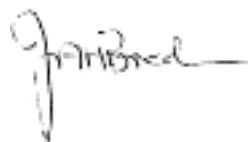
- A general authority was given to the board to repurchase shares in the Company subject to the Companies Act and the JSE Listings Requirements.
- A general authority as required by sections 44 and 45 of the Companies Act was given to the Board to provide financial assistance to related and inter-related companies or to Directors and prescribed officers of the Company and Directors and prescribed officers of related and inter-related companies. This general authority is valid for two years from the date of the resolution.
- The remuneration of the Non-executive Directors with effect from 1 July 2011 was approved.
- The following special resolution was adopted at both a preference shareholders meeting and a combined preference and ordinary shareholder meeting held on 7 June 2012:
- The dividend rate attached to preference shares was increased from 90% of the prime interest rate to 99% of the prime interest rate. This effectively passed on the savings of the Company, relating to preference dividends, on the abolishment of the STC tax regime to the preference shareholders.

On 4 August 2011 the Company granted the Board of Clover SA a general authority as required by sections 44 and 45 of the Companies Act to provide financial assistance to related and inter-related companies or to Directors and prescribed officers of the Company and Directors and prescribed officers of related and inter-related companies. This general authority is valid for two years from the date of the resolution.

## Acknowledgements

We express our thanks and appreciation to:

- our shareholders for their support during the year;
- our staff for their dedication to the Clover brand;
- all our suppliers for their support in reducing the costs in the supply chain;
- the retail and wholesale trade for their support; and
- the consumers who support the Clover brand.



**John Bredin**  
Chairman/Voorsitter

6 September 2012

## Spesiale besluite

Die volgende spesiale besluite is op die Algemene Jaarvergadering soos gehou op 10 November 2011, goedgekeur:

- 'n Algemene magtiging is aan die Direksie gegee om aandele in die Maatskappy terug te koop onderworpe aan die Maatskappywet en die Noteringsvereistes van die JSE
- 'n Algemene magtiging soos vereis deur artikels 44 en 45 van die Maatskappywet is aan die Direksie gegee om finansiële bystand te verleen aan verwante en interverwante maatskappye of Direkteure en voorgeskrewe beamptes van die Maatskappy en Direkteure en voorgeskrewe beamptes van verwante en interverwante maatskappye. Hierdie algemene magtiging is geldig vir twee jaar vanaf die datum van die besluit.
- Die vergoeding van die Nie-uitvoerende Direkteure met ingang vanaf 1 Julie 2011 is goedgekeur.
- Die volgende spesiale besluit is aangeneem op beide 'n voorkeuraandeelhoudersvergadering en 'n gekombineerde voorkeur- en gewone aandeelhoudersvergadering gehou op 7 Junie 2012:
- Die dividendkoers verbonde aan voorkeuraandele is verhoog van 90% van die prima rentekoers tot 99% van die prima rentekoers. Dit het effektief die besparing van die Maatskappy, wat verband hou met voorkeurdividende, met die afskaffing van die SBM-belastingregime aan die voorkeuraandeelhouders oorgedra.

Die Maatskappy het op 4 Augustus 2011 'n algemene magtiging aan die Direksie van Clover SA toegestaan soos vereis deur artikels 44 en 45 van die Maatskappywet om finansiële bystand te verleen aan verwante en interverwante maatskappye of aan Direkteure en voorgeskrewe beamptes van die Maatskappy en Direkteure en voorgeskrewe beamptes van verwante en interverwante maatskappye. Hierdie algemene magtiging is geldig vir twee jaar vanaf die datum van die besluit.

## Bedankings

Ons betuig ons dank en waardering aan:

- ons aandeelhouders vir hul ondersteuning gedurende die jaar;
- ons personeel vir hul toewyding tot die Clover-handelsmerk;
- al ons verskaffers vir hul ondersteuning in die vermindering van koste in die voorsieningsketting;
- die kleinhandel- en groothandelbedryf vir hul ondersteuning; en
- die verbruikers wat die Clover-handelsmerk ondersteun.



**Johann Vorster**  
Uitvoerende Hoof

6 September 2012



consolidated statement of comprehensive income/  
gekonsolideerde staat van omvattende inkomste

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep   |               |                                                            |                                                                   |     | Notes/<br>Aantekeninge | Company/Maatskappy |               |
|---------------|---------------|------------------------------------------------------------|-------------------------------------------------------------------|-----|------------------------|--------------------|---------------|
| 2012<br>R'000 | 2011<br>R'000 |                                                            |                                                                   |     |                        | 2012<br>R'000      | 2011<br>R'000 |
| 6 109 268     | 5 510 436     | Sales of products                                          | Verkope van produkte                                              |     |                        |                    |               |
| 763 723       | 642 133       | Rendering of services                                      | Lewering van dienste                                              |     |                        |                    |               |
| 346 287       | 386 070       | Sale of raw milk                                           | Verkope van rou melk                                              |     |                        |                    |               |
| 4 585         | 3 682         | Rental income                                              | Huurinkomste                                                      |     |                        |                    |               |
| 7 223 863     | 6 542 321     | Revenue                                                    | Inkomste                                                          |     |                        |                    |               |
| (5 233 222)   | (4 801 323)   | Cost of sales                                              | Koste van verkope                                                 | 6.1 |                        |                    |               |
| 1 990 641     | 1 740 998     | Gross profit                                               | Bruto wins                                                        |     |                        |                    |               |
| 14 716        | 13 974        | Other operating income                                     | Ander bedryfsinkomste                                             | 6.2 | 40 444                 | 39 172             |               |
| –             | –             | Dividends received                                         | Dividende ontvang                                                 |     | 190 000                | 461 012            |               |
| (1 422 643)   | (1 243 160)   | Selling and distribution costs                             | Verkoops- en verspreidingskoste                                   |     |                        |                    |               |
| (191 382)     | (173 287)     | Administrative expenses                                    | Administratiewe uitgawes                                          |     | (9 715)                | (6 850)            |               |
| (9 573)       | (16 907)      | Restructuring expenses                                     | Herstruktureringsuitgawes                                         | 6.7 | –                      | (8 499)            |               |
| (10 527)      | (2 610)       | Other operating expenses                                   | Ander bedryfsuitgawes                                             | 6.3 | –                      | (3)                |               |
| 371 232       | 319 008       | Operating profit                                           | Bedryfswins                                                       | 6.4 | 220 729                | 484 832            |               |
| 28 598        | 24 625        | Finance income                                             | Finansieringsinkomste                                             | 6.5 | 8 741                  | 6 624              |               |
| (52 460)      | (62 065)      | Finance cost                                               | Finansieringskoste                                                | 6.6 | (22 023)               | (32 943)           |               |
| 347 370       | 281 568       | Profit before tax                                          | Wins voor belasting                                               |     | 207 447                | 458 513            |               |
| (137 654)     | (97 534)      | Taxes                                                      | Belasting                                                         | 7   | (18 279)               | (15 138)           |               |
| 209 716       | 184 034       | Profit for the year                                        | Wins vir die jaar                                                 |     | 189 168                | 443 375            |               |
|               |               | Other comprehensive income                                 | Ander omvattende inkomste                                         |     |                        |                    |               |
| (822)         | (856)         | Exchange differences on translations of foreign operations | Wisselkoersverskille met omskakeling van buitelandse bedrywighede |     |                        |                    |               |
| 208 894       | 183 178       | Total comprehensive income for the year, net of tax        | Totale omvattende inkomste vir die jaar, netto van belasting      |     | 189 168                | 443 375            |               |
|               |               | Profit attributable to:                                    | Wins toeskryfbaar aan:                                            |     |                        |                    |               |
| 205 290       | 179 588       | Equity holders of the parent                               | Ekwiteitshouers van die houermaatskappy                           |     | 189 168                | 443 375            |               |
| 4 426         | 4 446         | Non-controlling interests                                  | Nie-beherende belange                                             |     |                        |                    |               |
| 209 716       | 184 034       |                                                            |                                                                   |     | 189 168                | 443 375            |               |

for the year ended/vir die jaar geëindig 30.6.2012

## consolidated statement of comprehensive income/ gekonsolideerde staat van omvattende inkomste

| Group/Groep    |               |                                                                                   |                                                                                             | Notes/<br>Aantekeninge | Company/Maatskappy |               |
|----------------|---------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|------------------------|--------------------|---------------|
| 2012<br>R'000  | 2011<br>R'000 |                                                                                   |                                                                                             |                        | 2012<br>R'000      | 2011<br>R'000 |
|                |               | <b>Total comprehensive income attributable to:</b>                                | <b>Totale omvattende inkomste toeskryfbaar aan:</b>                                         |                        |                    |               |
| <b>204 388</b> | 178 992       | Equity holders of the parent                                                      | Ekwiteitshouers van die houermaatskappy                                                     |                        | <b>189 168</b>     | 443 375       |
| <b>4 506</b>   | 4 186         | Non-controlling interests                                                         | Nie-beherende belange                                                                       |                        |                    |               |
| <b>208 894</b> | 183 178       |                                                                                   |                                                                                             |                        | <b>189 168</b>     | 443 375       |
|                |               | <b>Earnings per share</b>                                                         | <b>Verdienste per aandeel</b>                                                               |                        |                    |               |
| <b>114,6</b>   | 116,7         | Basic profit for the year attributable to ordinary equity holders of the parent   | Basiese wins vir die jaar toedeelbaar aan gewone ekwiteitshouers van die houermaatskappy    | 8                      |                    |               |
| <b>107,4</b>   | 108,9         | Diluted profit for the year attributable to ordinary equity holders of the parent | Verwaterde wins vir die jaar toedeelbaar aan gewone ekwiteitshouers van die houermaatskappy | 8                      |                    |               |



consolidated statement of financial position/  
gekonsolideerde staat van finansiële posisie

as at/soos op 30.6.2012

| Group/Groep   |               |                                    |                                           | Notes/<br>Aantekeninge | Company/Maatskappy |               |
|---------------|---------------|------------------------------------|-------------------------------------------|------------------------|--------------------|---------------|
| 2012<br>R'000 | 2011<br>R'000 |                                    |                                           |                        | 2012<br>R'000      | 2011<br>R'000 |
|               |               | <b>Assets</b>                      | <b>Bates</b>                              |                        |                    |               |
|               |               | <b>Non-current assets</b>          | <b>Nie-bedryfsbates</b>                   |                        |                    |               |
| 1 168 047     | 1 013 289     | Property, plant and equipment      | Eiendom, aanleg en toerusting             | 11                     | 666                | 667           |
| 492           | 961           | Investment properties              | Beleggingseiendomme                       | 12                     |                    |               |
| 357 767       | 347 102       | Intangible assets                  | Ontasbare bates                           | 13                     |                    |               |
|               |               | Investment in subsidiary company   | Belegging in filiaalmaatskappy            | 31                     | 350 050            | 338 659       |
| 492           | 3 262         | Deferred tax assets                | Uitgestelde belastingbates                | 15                     | 86                 | 88            |
| 1 526 798     | 1 364 614     |                                    |                                           |                        | 350 802            | 339 414       |
|               |               | <b>Current assets</b>              | <b>Bedryfsbates</b>                       |                        |                    |               |
| 602 053       | 460 247       | Inventories                        | Voorrade                                  | 16                     |                    |               |
| 996 995       | 865 725       | Trade and other receivables        | Handels- en ander debiteure               | 17                     | 640 859            | 538 993       |
| 25 631        | 29 000        | Prepayments                        | Vooruitbetalings                          |                        |                    |               |
| 173           | 750           | Other current financial assets     | Ander bedryfs finansiële bates            | 14.1                   |                    |               |
| 711 470       | 824 212       | Cash and short-term deposits       | Kontant- en korttermyndeposito's          | 18                     | 42 955             | 2 232         |
| 2 336 322     | 2 179 934     |                                    |                                           |                        | 683 814            | 541 225       |
| 423           | 940           | Assets classified as held-for-sale | Bates geklassifiseer as gehou-vir-verkoop | 10                     | –                  | –             |
| 2 336 745     | 2 180 874     |                                    |                                           |                        | 683 814            | 541 225       |
| 3 863 543     | 3 545 488     | <b>Total assets</b>                | <b>Totale bates</b>                       |                        | 1 034 616          | 880 639       |

| Group/Groep   |               |                                                                   |                        | Company/Maatskappy |               |
|---------------|---------------|-------------------------------------------------------------------|------------------------|--------------------|---------------|
| 2012<br>R'000 | 2011<br>R'000 |                                                                   | Notes/<br>Aantekeninge | 2012<br>R'000      | 2011<br>R'000 |
|               |               | <b>Equity and liabilities</b>                                     |                        |                    |               |
|               |               | <b>Equity</b>                                                     |                        |                    |               |
| 8 955         | 8 955         | Issued share capital                                              |                        | 8 955              | 8 955         |
| 675 113       | 675 113       | Share premium                                                     |                        | 675 113            | 675 113       |
| 254 286       | 252 784       | Other reserves                                                    |                        | 25 485             | 14 094        |
| 955 890       | 805 499       | Retained earnings/(accumulated loss)                              |                        | 52 923             | (83 510)      |
| 1 894 244     | 1 742 351     | Equity attributable to equity holders of the parent               |                        | 762 476            | 614 652       |
| 1 796         | 9 444         | Non-controlling interests                                         |                        |                    |               |
| 1 896 040     | 1 751 795     | <b>Total equity</b>                                               |                        | 762 476            | 614 652       |
|               |               | <b>Liabilities</b>                                                |                        |                    |               |
|               |               | <b>Non-current liabilities</b>                                    |                        |                    |               |
| 21 686        | 432 833       | Interest-bearing loans and borrowings                             |                        | –                  | 259 382       |
| 61 637        | 62 526        | Provisions                                                        |                        |                    |               |
| 116 950       | 32 017        | Deferred tax liability                                            |                        |                    |               |
| 6 904         | 13 357        | Trade and other payables                                          |                        |                    |               |
| 207 177       | 540 733       |                                                                   |                        | –                  | 259 382       |
|               |               | <b>Current liabilities</b>                                        |                        |                    |               |
| 1 316 794     | 1 068 836     | Trade and other payables                                          |                        | 12 425             | 6 842         |
| 421 376       | 173 829       | Interest-bearing loans and borrowings                             |                        | 259 382            | –             |
| 4 308         | –             | Other current financial liabilities                               |                        |                    |               |
| 5 672         | 243           | Income tax payable                                                |                        | 333                | (237)         |
| 12 176        | 10 052        | Provisions                                                        |                        |                    |               |
| 1 760 326     | 1 252 960     |                                                                   |                        | 272 140            | 6 605         |
| 1 967 503     | 1 793 693     | <b>Total liabilities</b>                                          |                        | 272 140            | 265 987       |
| 3 863 543     | 3 545 488     | <b>Total equity and liabilities</b>                               |                        | 1 034 616          | 880 639       |
|               |               | <b>Ekwiteit en laste</b>                                          |                        |                    |               |
|               |               | <b>Ekwiteit</b>                                                   |                        |                    |               |
|               |               | Uitgereikte aandeelkapitaal                                       | 19                     | 8 955              | 8 955         |
|               |               | Aandelepremie                                                     | 19                     | 675 113            | 675 113       |
|               |               | Ander reserves                                                    | 20                     | 25 485             | 14 094        |
|               |               | Behoue verdienste/(opgehoopte verlies)                            | 21                     | 52 923             | (83 510)      |
|               |               | Ekwiteit toeskryfbaar aan ekwiteitshouers van die houermaatskappy |                        | 762 476            | 614 652       |
|               |               | Nie-beherende belang                                              |                        |                    |               |
|               |               | <b>Totale ekwiteit</b>                                            |                        | 762 476            | 614 652       |
|               |               | <b>Laste</b>                                                      |                        |                    |               |
|               |               | <b>Nie-bedryfslaste</b>                                           |                        |                    |               |
|               |               | Rentedraende lenings en verpligtinge                              | 22                     | –                  | 259 382       |
|               |               | Voorsienings                                                      | 23                     |                    |               |
|               |               | Uitgestelde belasting verpligtinge                                | 15                     |                    |               |
|               |               | Handels- en ander krediteure                                      | 24                     |                    |               |
|               |               |                                                                   |                        | –                  | 259 382       |
|               |               | <b>Bedryfslaste</b>                                               |                        |                    |               |
|               |               | Handels- en ander krediteure                                      | 24                     | 12 425             | 6 842         |
|               |               | Rentedraende lenings en verpligtinge                              | 22                     | 259 382            | –             |
|               |               | Ander bedryfs finansiële verpligtinge                             | 14.2                   |                    |               |
|               |               | Inkomstebelasting betaalbaar                                      | 26.1                   | 333                | (237)         |
|               |               | Voorsienings                                                      | 23                     |                    |               |
|               |               |                                                                   |                        | 272 140            | 6 605         |
|               |               | <b>Totale laste</b>                                               |                        | 272 140            | 265 987       |
|               |               | <b>Totale ekwiteit en laste</b>                                   |                        | 1 034 616          | 880 639       |



consolidated statement of changes in equity/  
gekonsolideerde staat van veranderinge in ekwiteit

for the year ended/vir die jaar geëindig 30.6.2012

|                                                                                         |                                                                                | Group/Groep                                                                        |                                                                                  |                                                                                                                                |                                                    |                                                                           |                                         |                  |                                                        |                                  |
|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------|------------------|--------------------------------------------------------|----------------------------------|
|                                                                                         | Notes/Aantekeninge                                                             |                                                                                    |                                                                                  |                                                                                                                                |                                                    |                                                                           |                                         |                  |                                                        |                                  |
|                                                                                         |                                                                                | Ordinary and<br>preference share<br>capital/Gewone – en<br>voorkeuraandelekapitaal | Ordinary and<br>preference share<br>premium/Gewone – en<br>voorkeuraandelepremie | Preference share<br>capital and premium<br>transferred to debt/<br>Voorkeuraandelekapitaal<br>en – premie oorgedra na<br>skuld | Other capital reserves/<br>Ander kapitaal reserwes | Foreign currency<br>translation reserve/<br>Buitelandse valuta<br>reserwe | Retained earnings/<br>Behoue verdienste | Total/<br>Totaal | Non-controlling<br>interests/ Nie-beherende<br>belange | Total equity/<br>Totale ekwiteit |
|                                                                                         |                                                                                | R'000                                                                              | R'000                                                                            | R'000                                                                                                                          | R'000                                              | R'000                                                                     | R'000                                   | R'000            | R'000                                                  | R'000                            |
| <b>Balance at 30 June 2010</b>                                                          | <b>Saldo op 30 Junie 2010</b>                                                  | <b>15 136</b>                                                                      | <b>365 786</b>                                                                   | <b>(259 382)</b>                                                                                                               | <b>248 565</b>                                     | <b>(6 377)</b>                                                            | <b>684 631</b>                          | <b>1 048 359</b> | <b>28 108</b>                                          | <b>1 076 467</b>                 |
| Profit for the year                                                                     | Wins vir die jaar                                                              |                                                                                    |                                                                                  |                                                                                                                                |                                                    |                                                                           |                                         | 179 588          | 4 446                                                  | 184 034                          |
| Other comprehensive income                                                              | Ander omvattende inkomste                                                      |                                                                                    |                                                                                  |                                                                                                                                |                                                    | (596)                                                                     | 179 588                                 | (596)            | (260)                                                  | (856)                            |
| Total comprehensive income                                                              | Totale omvattende inkomste                                                     |                                                                                    |                                                                                  |                                                                                                                                |                                                    | (596)                                                                     | 179 588                                 | 178 992          | 4 186                                                  | 183 178                          |
| Ordinary shares issued                                                                  | Gewone aandele uitgereik                                                       | 19                                                                                 | 2 763                                                                            | 574 572                                                                                                                        |                                                    |                                                                           |                                         | 577 335          |                                                        | 577 335                          |
| Share issue cost allocated to share premium                                             | Koste van aandele uitreiking toegewys aan<br>aandelepremie                     | 19                                                                                 |                                                                                  | (14 807)                                                                                                                       |                                                    |                                                                           |                                         | (14 807)         |                                                        | (14 807)                         |
| Share based payment reserve                                                             | Aandeelgebaseerde betalingsreserwe                                             |                                                                                    |                                                                                  |                                                                                                                                | 11 192                                             |                                                                           |                                         | 11 192           |                                                        | 11 192                           |
| Dividends of subsidiaries                                                               | Dividende van filiale                                                          |                                                                                    |                                                                                  |                                                                                                                                |                                                    |                                                                           |                                         | –                | (1 805)                                                | (1 805)                          |
| Non-controlling interest acquired through the buy<br>out of Clover Beverages minorities | Nie-beherende belang verkry met die uitkoop van<br>Clover Beverages minderhede |                                                                                    |                                                                                  |                                                                                                                                |                                                    |                                                                           |                                         | –                | (21 045)                                               | (21 045)                         |
| Dividends                                                                               | Dividende                                                                      | 25                                                                                 |                                                                                  |                                                                                                                                |                                                    |                                                                           | (58 720)                                | (58 720)         |                                                        | (58 720)                         |
| <b>Balance at 30 June 2011</b>                                                          | <b>Saldo op 30 Junie 2011</b>                                                  | <b>17 899</b>                                                                      | <b>925 551</b>                                                                   | <b>(259 382)</b>                                                                                                               | <b>259 757</b>                                     | <b>(6 973)</b>                                                            | <b>805 499</b>                          | <b>1 742 351</b> | <b>9 444</b>                                           | <b>1 751 795</b>                 |
| Profit for the year                                                                     | Wins vir die jaar                                                              |                                                                                    |                                                                                  |                                                                                                                                |                                                    |                                                                           | 205 290                                 | 205 290          | 4 426                                                  | 209 716                          |
| Other comprehensive income                                                              | Ander omvattende inkomste                                                      |                                                                                    |                                                                                  |                                                                                                                                |                                                    | (902)                                                                     |                                         | (902)            | 80                                                     | (822)                            |
| Total comprehensive income                                                              | Totale omvattende inkomste                                                     |                                                                                    |                                                                                  |                                                                                                                                |                                                    | (902)                                                                     | 205 290                                 | 204 388          | 4 506                                                  | 208 894                          |
| Acquisition of non-controlling interest                                                 | Uitkoop van nie-beherende belange                                              |                                                                                    | –                                                                                | –                                                                                                                              | (8 987)                                            |                                                                           |                                         | (8 987)          | (11 805)                                               | (20 792)                         |
| Share appreciation rights exercised                                                     | Aandeelgroei regte uitgeoefen                                                  |                                                                                    |                                                                                  |                                                                                                                                | (1 724)                                            |                                                                           | (2 716)                                 | (4 440)          |                                                        | (4 440)                          |
| Share based payment reserve                                                             | Aandeelgebaseerde betalingsreserwe                                             |                                                                                    |                                                                                  |                                                                                                                                | 13 115                                             |                                                                           |                                         | 13 115           |                                                        | 13 115                           |
| Dividends of subsidiaries                                                               | Dividende van filiale                                                          |                                                                                    |                                                                                  |                                                                                                                                |                                                    |                                                                           |                                         | –                | (349)                                                  | (349)                            |
| Dividends forfeited                                                                     | Dividende verbeur                                                              |                                                                                    |                                                                                  |                                                                                                                                |                                                    |                                                                           | 1 551                                   | 1 551            |                                                        | 1 551                            |
| Dividends                                                                               | Dividende                                                                      | 25                                                                                 |                                                                                  |                                                                                                                                |                                                    |                                                                           | (53 734)                                | (53 734)         |                                                        | (53 734)                         |
| <b>Balance at 30 June 2012</b>                                                          | <b>Saldo op 30 Junie 2012</b>                                                  | <b>17 899</b>                                                                      | <b>925 551</b>                                                                   | <b>(259 382)</b>                                                                                                               | <b>262 161</b>                                     | <b>(7 875)</b>                                                            | <b>955 890</b>                          | <b>1 894 244</b> | <b>1 796</b>                                           | <b>1 896 040</b>                 |

for the year ended/vir die jaar geëindig 30.6.2012

statement of changes in equity/  
staat van veranderinge in ekwiteit

| Company/Maatskappy                          |                                             |                                                                             |                                                                           |                                                                                                               |                                |                                      |                               |
|---------------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------------|-------------------------------|
|                                             | Notes/Aantekeninge                          | Ordinary and preference – share capital/Gewone – en voorkeuraandelekapitaal | Ordinary and preference – share premium/Gewone – en voorkeuraandelepremie | Preference share capital and premium transferred to debt/Voorkeuraandelekapitaal en -premie oorgedra na skuld | Other reserves/ Ander reserves | Retained earnings/ Behoue verdienste | Total equity/ Totale ekwiteit |
|                                             |                                             | R'000                                                                       | R'000                                                                     | R'000                                                                                                         | R'000                          | R'000                                | R'000                         |
| <b>Balance at 30 June 2010</b>              | <b>Saldo op 30 Junie 2010</b>               | <b>15 136</b>                                                               | <b>365 786</b>                                                            | <b>(259 382)</b>                                                                                              | <b>2 170</b>                   | <b>(468 165)</b>                     | <b>(344 455)</b>              |
| Profit for the year                         | Wins vir die jaar                           |                                                                             |                                                                           |                                                                                                               |                                | 443 375                              | 443 375                       |
| Other comprehensive income                  | Ander omvattende inkomste                   |                                                                             |                                                                           |                                                                                                               | –                              | –                                    | –                             |
| Total comprehensive income                  | Totale omvattende inkomste                  |                                                                             |                                                                           |                                                                                                               | –                              | 443 375                              | 443 375                       |
| Ordinary Shares issued                      | Gewone aandele uitgereik                    | 19 2 763                                                                    | 574 572                                                                   |                                                                                                               |                                |                                      | 577 335                       |
| Share issue cost allocated to share premium | Uitreikingskoste toegewys aan aandeelpremie | 19                                                                          | (14 807)                                                                  |                                                                                                               |                                |                                      | (14 807)                      |
| Share based payment reserve                 | Aandeelgebaseerde betalingsreserwe          |                                                                             |                                                                           |                                                                                                               | 11 924                         |                                      | 11 924                        |
| Dividends                                   | Dividende                                   |                                                                             |                                                                           |                                                                                                               |                                | (58 720)                             | (58 720)                      |
| <b>Balance at 30 June 2011</b>              | <b>Saldo soos op 30 Junie 2011</b>          | <b>17 899</b>                                                               | <b>925 551</b>                                                            | <b>(259 382)</b>                                                                                              | <b>14 094</b>                  | <b>(83 510)</b>                      | <b>614 652</b>                |
| Profit for the year                         | Wins vir die jaar                           |                                                                             |                                                                           |                                                                                                               |                                | 189 168                              | 189 168                       |
| Other comprehensive income                  | Ander omvattende inkomste                   |                                                                             |                                                                           |                                                                                                               | –                              | –                                    | –                             |
| Total comprehensive income                  | Totale omvattende inkomste                  |                                                                             |                                                                           |                                                                                                               | –                              | 189 168                              | 189 168                       |
| Dividends forfeited                         | Dividende verbeur                           |                                                                             |                                                                           |                                                                                                               |                                | 999                                  | 999                           |
| Share based payment reserve                 | Aandeelgebaseerde betalingsreserwe          |                                                                             |                                                                           |                                                                                                               | 11 391                         |                                      | 11 391                        |
| Dividends                                   | Dividende                                   | 25                                                                          |                                                                           |                                                                                                               |                                | (53 734)                             | (53 734)                      |
| <b>Balance at 30 June 2012</b>              | <b>Saldo soos op 30 Junie 2012</b>          | <b>17 899</b>                                                               | <b>925 551</b>                                                            | <b>(259 382)</b>                                                                                              | <b>25 485</b>                  | <b>52 923</b>                        | <b>762 476</b>                |

consolidated statement of cash flows/  
gekonsolideerde staat van kontantvloeï

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep      |               |                                                                    |                                                                                 | Notes/<br>Aantekeninge | Company/Maatskappy |               |
|------------------|---------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------|--------------------|---------------|
| 2012<br>R'000    | 2011<br>R'000 |                                                                    |                                                                                 |                        | 2012<br>R'000      | 2011<br>R'000 |
|                  |               | <b>Operating activities</b>                                        | <b>Bedryfsaktiwiteite</b>                                                       |                        |                    |               |
| <b>347 370</b>   | 281 568       | Profit before tax                                                  | Wins voor belasting                                                             |                        | <b>207 447</b>     | 458 513       |
| <b>347 370</b>   | 281 568       | <b>Profit before tax</b>                                           | <b>Wins voor belasting</b>                                                      |                        | <b>207 447</b>     | 458 513       |
|                  |               | <b>Adjustments to reconcile profit before tax to net cash flow</b> | <b>Aanpassing om wins voor belasting met netto kontantvloeï te rekonsilieer</b> |                        |                    |               |
|                  |               | <i>Adjustment for non-cash items:</i>                              | <i>Aanpassing vir nie-kontant items:</i>                                        |                        |                    |               |
| <b>93 496</b>    | 90 165        | Depreciation and impairment of property, plant and equipment       | Waardevermindering en waardedaling van eiendom, aanleg en toerusting            |                        | <b>1</b>           | 11            |
| <b>8 774</b>     | 8 131         | Amortisation and impairment of intangible assets                   | Amortisasie en waardedaling van ontasbare bates                                 |                        |                    |               |
| <b>46</b>        | 49            | Depreciation of investment properties                              | Waardevermindering van beleggingseiendomme                                      |                        |                    |               |
| <b>4 885</b>     | –             | Net movement in financial instruments                              | Netto beweging in finansiële instrumente                                        |                        |                    |               |
| <b>(6 447)</b>   | 1 258         | Foreign exchange (profit)/loss                                     | (Wins)/Verlies op buitelandse valuta                                            |                        |                    |               |
| <b>1 235</b>     | 5 771         | Movement in provisions                                             | Beweging in voorsienings                                                        |                        |                    |               |
| <b>13 115</b>    | 11 192        | Share-based payment reserve provision                              | Aandeelgebaseerde betalingsreserwe voorsiening                                  |                        |                    |               |
| <b>(878)</b>     | (4 255)       | Profit on disposal and scrapping of assets                         | Wins met verkoop en skraping van bates                                          |                        |                    |               |
| <b>4 796</b>     | 1 780         | Impairment of plant included in restructuring cost                 | Waardedaling van aanleg ingesluit by herstruktureringkoste                      |                        |                    |               |
| <b>(1 174)</b>   | 1 666         | Foreign exchange differences on fixed assets                       | Buitelandse valutaverskille op vaste bates                                      |                        |                    |               |
|                  |               | <i>Other adjustments:</i>                                          | <i>Ander aanpassings:</i>                                                       |                        |                    |               |
| <b>52 460</b>    | 62 065        | Finance cost                                                       | Finansieringskoste                                                              | 6.6                    | <b>22 023</b>      | 32 943        |
| <b>(28 598)</b>  | (24 625)      | Finance income                                                     | Finansieringsinkomste                                                           | 6.5                    | <b>(8 741)</b>     | (6 624)       |
|                  |               | Dividends received                                                 | Dividende ontvang                                                               |                        | <b>(190 000)</b>   | (461 012)     |
|                  |               | <i>Working capital adjustments:</i>                                | <i>Bedryfskapitaal aanpassings:</i>                                             |                        |                    |               |
| <b>(141 806)</b> | 5 747         | (Increase)/Decrease in inventories                                 | (Toename)/Afname in voorraad                                                    |                        |                    |               |
| <b>(127 901)</b> | (81 841)      | Increase in trade and other receivables                            | Toename in handels – en ander debiteure                                         |                        | <b>(101 866)</b>   | (420 855)     |
| <b>241 505</b>   | (46 491)      | Increase/(Decrease) in trade and other payables                    | Toename/(Afname) in handels – en ander krediteure                               |                        | <b>5 583</b>       | (476 478)     |
| <b>(44 519)</b>  | (55 264)      | Taxes                                                              | Belasting                                                                       | 26                     | <b>(17 707)</b>    | (18 444)      |
| <b>416 359</b>   | 256 916       | <b>Net cash flow from/(used in) operating activities</b>           | <b>Netto kontantvloeï uit/(benut in) bedryfsaktiwiteite</b>                     |                        | <b>(83 260)</b>    | (891 946)     |



| Group/Groep                     |               |                                                                                     | Company/Maatskappy     |               |               |
|---------------------------------|---------------|-------------------------------------------------------------------------------------|------------------------|---------------|---------------|
| 2012<br>R'000                   | 2011<br>R'000 |                                                                                     | Notes/<br>Aantekeninge | 2012<br>R'000 | 2011<br>R'000 |
| <b>Investing activities</b>     |               |                                                                                     |                        |               |               |
| 4 181                           | 10 676        | Proceeds from sale of property, plant and equipment                                 |                        | –             | 7             |
| 6 447                           | (1 258)       | Foreign exchange profit/(loss)                                                      |                        |               |               |
| 28 598                          | 24 625        | Interest received                                                                   |                        | 8 741         | 6 624         |
| –                               | –             | Dividends received                                                                  |                        | 190 000       | 461 012       |
| –                               | (49 387)      | Goodwill purchased through the buyout of Clover Beverages non-controlling interests |                        |               |               |
| (20 792)                        | (21 045)      | Aquisition of non-controlling interest                                              |                        |               |               |
| (254 309)                       | (197 529)     | Capital expenditure: tangible assets                                                |                        |               |               |
| (19 373)                        | (18 797)      | Capital expenditure: intangible assets                                              |                        |               |               |
| (902)                           | (596)         | Foreign currency translation reserve                                                |                        |               |               |
| (256 150)                       | (253 311)     | <b>Net cash flows (used in)/from investing activities</b>                           |                        | 198 741       | 467 643       |
| <b>Financing activities</b>     |               |                                                                                     |                        |               |               |
| (52 460)                        | (62 065)      | Interest paid                                                                       |                        | (22 023)      | (32 943)      |
| (53 734)                        | (58 720)      | Dividends paid                                                                      |                        | (53 734)      | (58 720)      |
| 1 551                           | –             | Dividends forfeited                                                                 |                        | 999           |               |
| (269)                           | 2 380         | (Decrease)/Increase in non-controlling interest                                     |                        |               |               |
| (4 440)                         | –             | Share appreciation rights paid out                                                  |                        |               |               |
| –                               | 577 335       | Proceeds from issue of ordinary shares                                              |                        | –             | 577 335       |
| –                               | (14 807)      | Transaction cost on issue of shares                                                 |                        | –             | (14 807)      |
| (169 974)                       | (52 790)      | Repayment of borrowings                                                             |                        | –             | (44 427)      |
| 6 375                           | –             | Proceeds from borrowings                                                            |                        |               |               |
| (272 951)                       | 391 333       | <b>Net cash flows (used)/from in financing activities</b>                           |                        | (74 758)      | 426 438       |
| (112 742)                       | 394 938       | <b>Net (decrease)/increase in cash and cash equivalents</b>                         |                        | 40 723        | 2 135         |
| 824 212                         | 429 274       | <b>Cash and cash equivalents at the beginning of the year</b>                       |                        | 2 232         | 97            |
| 711 470                         | 824 212       | <b>Cash and cash equivalents at the end of the year</b>                             |                        | 42 955        | 2 232         |
|                                 |               |                                                                                     |                        |               |               |
| <b>Beleggingsaktiwiteite</b>    |               |                                                                                     |                        |               |               |
|                                 |               | Opbrengs met verkoop van eiendom, aanleg en toerusting                              |                        | –             | 7             |
|                                 |               | Wins/(Verlies) op buitelandse valuta                                                |                        |               |               |
|                                 |               | Rente ontvang                                                                       | 6.5                    | 8 741         | 6 624         |
|                                 |               | Dividende ontvang                                                                   |                        | 190 000       | 461 012       |
|                                 |               | Klandisiewaarde met die uitkoop van Clover Beverages nie-beherende belange          |                        |               |               |
|                                 |               | Verkryging van nie-beherende belang                                                 |                        |               |               |
|                                 |               | Kapitaalbesteding: tasbare bates                                                    |                        |               |               |
|                                 |               | Kapitaalbesteding: ontasbare bates                                                  |                        |               |               |
|                                 |               | Buitelandse valuta omskakeling reserve                                              |                        |               |               |
|                                 |               | <b>Netto kontantvloei (benut in)/uit beleggingsaktiwiteite</b>                      |                        | 198 741       | 467 643       |
| <b>Finansieringsaktiwiteite</b> |               |                                                                                     |                        |               |               |
|                                 |               | Rente betaal                                                                        | 6.6                    | (22 023)      | (32 943)      |
|                                 |               | Dividende betaal                                                                    |                        | (53 734)      | (58 720)      |
|                                 |               | Dividende verbeur                                                                   |                        | 999           |               |
|                                 |               | (Afname)/Toename in nie-beherende belang                                            |                        |               |               |
|                                 |               | Aandeelgroei regte uitbetaal                                                        |                        |               |               |
|                                 |               | Opbrengs met uitreiking van gewone aandele                                          |                        | –             | 577 335       |
|                                 |               | Transaksiekoste met uitreik van aandele                                             |                        | –             | (14 807)      |
|                                 |               | Terugbetaling van lenings                                                           |                        | –             | (44 427)      |
|                                 |               | Opbrengs uit lenings                                                                |                        |               |               |
|                                 |               | <b>Netto kontantvloei (benut in)/uit finansieringsaktiwiteite</b>                   |                        | (74 758)      | 426 438       |
|                                 |               | <b>Netto (afname)/toename in kontant en kontantekwivalente</b>                      |                        | 40 723        | 2 135         |
|                                 |               | <b>Kontant en kontantekwivalente aan die begin van die jaar</b>                     |                        | 2 232         | 97            |
|                                 |               | <b>Kontant en kontantekwivalente aan die einde van die jaar</b>                     | 18                     | 42 955        | 2 232         |



# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

## 1. Corporate information

Clover Industries Limited (the "Company") is a company incorporated and domiciled in South Africa. The consolidated financial statements of the Group for the year ended 30 June 2012 comprise the Company and its subsidiary companies (together referred to as the "Group") and the Group's interest in jointly controlled entities. The Companies within the Group have coterminous year-ends.

The consolidated financial statements of Clover Industries Limited for the year ended 30 June 2012 were authorised for issue in accordance with a resolution of the Directors on 6 September 2012.

The Group's operations and principal activities are set out in the Directors' report.

## 2. Basis of accounting

### 2.1 Basis of preparation

#### (a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and their interpretations adopted by the International Accounting Standards Board.

#### (b) Preparation

The consolidated financial statements are presented in rands, rounded off to the nearest thousand. They are prepared on the historical-cost basis unless otherwise stated. The carrying values of the recognised assets and liabilities that are designated hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged. The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.3. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

## 1. Korporatiewe inligting

Clover Industries Bpk (die "Maatskappy") is 'n maatskappy geïnkorporeer en gevestig in Suid-Afrika. Die gekonsolideerde finansiële state van die Groep vir die jaar geëindig 30 Junie 2012 sluit die Maatskappy en sy filiale in (saam word daar na die "Groep" verwys) en die Groep se belange in gesamentlike beheerde entiteite. Die Maatskappye in die Groep se jaareindes stem ooreen.

Die gekonsolideerde finansiële state van Clover Industries Bpk vir die jaar geëindig 30 Junie 2012 is deur die Direkteure goedgekeur vir uitreiking in terme van 'n resoluë op 6 September 2012.

Die Groep se bedrywighede en hoof-aktiwiteite word in die Direkteursverslag uiteengesit.

## 2. Rekeningkundige basis

### 2.1 Basis van voorbereiding

#### (a) Verklaring van nakoming

Die finansiële state is opgestel ooreenkomstig "International Financial Reporting Standards" en die vertolking daarvan deur die "International Accounting Standards Board".

#### (b) Voorbereiding

Die gekonsolideerde finansiële state word in rande aangebied, afgerond tot die naaste duisend. Die state is opgestel op die historiese kostebasis, tensy anders aangetoon. Die drawaarde van die erkende bates en laste wat in aangewese instrumente met 'n billike waarde verskans is en andersins teen kosprys gedra word, word aangepas om veranderinge in die billike waarde van die risiko's wat verskans word aan te teken. Die voorbereiding van finansiële state in ooreenstemming met IFRS vereis dat die bestuur waardebepalings, ramings en aannames moet maak wat die toepassing van beleid en die aangeduide waardes van bates en laste en inkomste en uitgawes raak. Die ramings en verwante aannames is gegrond op ervaring en verskeie ander faktore wat in die omstandighede as redelik beskou kan word en die resultate vorm die basis van die menings oor die drawaardes van bates en laste wat nie gereedelik uit ander bronne blyk nie. Werklike waardes mag van hierdie ramings verskil. Die ramings en onderliggende aannames word voortdurend hersien.

Hersienings van rekeningkundige ramings word erken in die tydperk waarin die raming hersien word indien die hersiening slegs daardie tydperk raak, of in die daaropvolgende tydperke as die hersiening huidige sowel as toekomstige tydperke raak. Waardebepalings deur bestuur wat 'n beduidende uitwerking op die finansiële state en ramings het en 'n beduidende risiko van wesenlike aanpassing in die volgende jaar inhou, word in aantekening 2.3 bespreek. Die rekeningkundige beleid hieronder omskryf is konsekwent op alle periodes in hierdie finansiële state toegepas.

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

## (c) Basis of consolidation

### *Subsidiaries and business combinations*

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date that control ceases. Investments in subsidiaries are accounted for at cost by the investing company.

A change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of IAS 39, it is measured in accordance with the appropriate IFRS.

Total comprehensive income is attributed to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interest.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.

## (c) Basis van konsolidasie

### *Filiale en besigheidsamevoegings*

Filiale is entiteit wat deur die Maatskappy beheer word. Beheer bestaan waar die Maatskappy die mag het om die finansiële – en bedryfsbeleid van 'n entiteit regstreeks of onregstreeks te bestuur om voordeel uit sy aktiwiteite te verkry. By die bepaling van beheer word potensiele stemreg wat tans uitoefenbaar of omskepbaar is, in ag geneem. Filiale se finansiële state word in die gekonsolideerde finansiële state ingesluit vanaf die datum waarop beheer begin tot die datum waarop beheer eindig. Beleggings in filiale word teen kosprys gedra deur die maatskappy wat die beleggings maak.

'n Verandering in die eienaarskap-belang van 'n filiaal sonder die verlies van beheer word as 'n ekwiteitstransaksie te boek gestel.

Besigheidskombinasies word verantwoord deur die gebruik van die verkrygingsmetode. Die koste van 'n verkryging word gemeet as die totaal van die teenprestasie wat oorgedra word, gemeet teen billike waarde op die verkrygingsdatum en die som van enige nie-beherende belang in die verkrygte. Vir elke besigheidskombinasie kies die Groep of hy die nie-beherende belang in die verkrygte meet of teen billike waarde of teen die proporsionele aandeel van die verkrygte se identifiseerbare netto bates. Verkrygingskoste aangegaan word as uitgawe hanteer en ingesluit in administratiewe uitgawes. Wanneer die Groep 'n besigheid verkry, beoordeel hy die finansiële bates en aanspreeklikhede vir toepaslike klassifikasie en aanwysing in ooreenstemming met die kontraktuele terme, ekonomiese omstandighede en pertinente voorwaardes soos op die verkrygingsdatum. Dit sluit in die skeiding van verskeie afgeleide instrumente in die gasheerkontrakte deur die verkryger verkry.

Enige voorwaardelike teenprestasie wat deur die verkryger oorgedra moet word, sal erken word teen billike waarde op die verkrygingsdatum. Latere veranderinge aan die billike waarde van die voorwaardelike teenprestasie wat geag word 'n bate of aanspreeklikheid te wees, sal in ooreenstemming met IAS 39 of in wins of verlies of as 'n verandering in ander omvattende inkomste erken word. Indien die voorwaardelike teenprestasie as ekwiteit geklassifiseer word, sal dit nie herwaardeer word nie. Daaropvolgende vereffening word binne ekwiteit verantwoord. In gevalle waar die voorwaardelike teenprestasie nie binne die omvang van IAS 39 val nie, word dit gemeet in ooreenstemming met die toepaslike IFRS.

Totale omvattende inkomste word toegeskryf aan die nie-beherende belang selfs al lei dit tot 'n negatiewe saldo.

Indien die Groep beheer verloor oor 'n filiaal, dan geld die volgende:

- Onderken die bates (insluitend klandisiewaarde) en laste van die filiaal.
- Onderken die drabedrag van enige nie-beherende belang.
- Onderken die kumulatiewe omskakelingsverskille wat in ekwiteit aangeteken word.

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

### *Non-controlling interest*

Non-controlling interest represents the portion of profit or loss and the net assets not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

### *Joint ventures*

Joint ventures are those entities over which activities the Company has joint control, established by contractual agreement. The consolidated financial statements include the Group's proportionate share of the entities' assets, liabilities, income and expenses with items of a similar nature on a line-by-line basis, from the date on which joint control commences until the date that joint control ceases. Financial statements of the joint ventures are prepared for the same reporting period as the Parent Company. Adjustments are made where necessary to bring the accounting policies in line with those of the Group.

Upon loss of joint control and provided the former joint-control-entity does not become a subsidiary or associate, the Group measures and recognises its remaining investment at its fair value. Any difference between the carrying amount of the former joint controlled entity upon loss of joint control and the fair value of the remaining investment and proceeds from disposal are recognised in profit or loss. When the remaining investment constitutes significant influence, it is accounted for as investment in an associate.

From the date when a jointly controlled entity becomes an associate of the Group, the Group accounts for its interest in accordance with IAS 28.

### *Transactions eliminated on consolidation*

Intra-group balances and unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Impairment losses on transactions are recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets.

- Erken die billike waarde van die vergoeding ontvang.
- Erken die billike waarde van enige belegging behou.
- Erken enige surplus of tekort in wins of verlies.
- Herklassifiseer die houermaatskappy se deel van komponente wat voorheen erken is in omvattende inkomste na wins of verlies of behoue verdienste, soos toepaslik.

### *Nie-beherende belang*

Nie-beherende belang verteenwoordig die gedeelte van die wins of verlies en die netto bates wat nie deur die Groep gehou word nie en word afsonderlik in die staat van omvattende inkomste en as deel van ekwiteit in die gekonsolideerde staat van finansiële posisie aangetoon, afsonderlik van die houermaatskappy se aandeelhouersekewiteit.

### *Gesamentlike ondernemings*

Gesamentlike ondernemings is daardie entiteite oor wie se aktiwiteite die Maatskappy gesamentlike beheer uitoefen soos per kontraktuele ooreenkoms bepaal. Die gekonsolideerde finansiële state sluit die Groep se proporsionele gedeelte van die entiteite se bates, laste, inkomste en uitgawes in, met soortgelyke items op 'n lyn-vir-lyn-basis, vanaf die datum waarop gesamentlike beheer begin tot die datum waarop gesamentlike beheer eindig. Finansiële state van die gesamentlike ondernemings word voorberei vir dieselfde verslagdoeningstydperk as die Houermaatskappy.

Met die verlies van gesamentlike beheer en mits die voormalige gesamentlik beheerde entiteit nie 'n filiaal of geassosieerde word nie, meet en erken die Groep sy oorblywende belegging teen sy billike waarde. Enige verskil tussen die drabedrag van die voormalige gesamentlik beheerde entiteit tydens die verlies van gesamentlike beheer en die billike waarde van die oorblywende belegging en die opbrengs uit die verkoop word in wins of verlies erken. Wanneer die oorblywende belegging beduidende invloed uitoefen, word dit as 'n belegging in 'n geassosieerde te boek gestel.

Vanaf die datum waarop 'n gesamentlik beheerde entiteit 'n geassosieerde van die Groep word, stel die Groep sy belang in ooreenstemming met IAS 28 te boek.

### *Transaksies met konsolidasie uitgeskakel*

Intergroepsaldo's, enige ongerealiseerde winste en verliese of inkomste en uitgawes uit intergroeptransaksies word by die voorbereiding van die gekonsolideerde finansiële state uitgeskakel. Ongerealiseerde winste wat ontstaan uit transaksies met gesamentlik beheerde entiteite word uitgeskakel tot die mate van die Groep se belang in die entiteit. Ongerealiseerde verliese word op dieselfde wyse as ongerealiseerde winste uitgeskakel, maar slegs tot die mate dat daar geen bewys van waardedaling is nie. Waardedalingsverliese met transaksies word onmiddellik erken indien die verlies bewys lewer van 'n vermindering in die netto realiseerbare waarde van bedryfsbates.

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

## (d) Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year. The Group has adopted the following new and amended IFRS and IFRIC interpretations during the year:

**IAS 24 Amendments to IAS 24** – Related Party Disclosures, effective date 1 January 2011

**IFRIC 14 Amendments to IFRIC 14** – Prepayments of a Minimum Funding Requirement, effective date 1 January 2011

**IFRS 7 Financial instruments: Disclosure** – Transfer of Financial Assets, effective date 1 July 2011

**Improvements to IFRS (May 2010)** – Effective date mostly 1 January 2011

The Directors are of the opinion that the impact of the standards will be as follows:

- **IAS 24** Amendments to IAS 24 – Related Party Disclosures

The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government related entities. The Group does not expect any impact on its financial position or performance. Early adoption is permitted for either the partial exemption for Government-related entities or for the entire standard.

- **IFRIC 14** Amendments to IFRIC 14 – Prepayments of a Minimum Funding Requirement

The amendment to IFRIC 14 is effective for annual periods beginning on or after 1 January 2011 with retrospective application. The amendment provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset. The amendment is deemed to have no impact on the financial statements of the Group.

- **IFRS 7** Financial Instruments: Disclosure – Transfer of Financial Assets

The amendments improve the disclosure requirements for derecognition of financial assets. Users of financial statements are expected to evaluate the risk exposures relating to transferred financial assets and the effect of the risks on an entity's financial position, particularly those that involve securitisation of financial assets. The Group, however, expects no impact from the adoption of the amendments on its financial position or performance.

- **Improvements to IFRS** (issued in May 2010)

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard.

## (d) Veranderinge in rekeningkundige beleide en openbaarmakings

Die rekeningkundige beleid is konsekwent toegepas met dié in die vorige finansiële jaar. Die Groep het die volgende nuwe en gewysigde IFRS- en IFRIC-interpretasies gedurende die jaar geïmplementeer:

**IAS 24 Wysigings tot IAS 24** – Openbaarmaking van Verwante Partye, effektiewe datum 1 Januarie 2011

**IFRIC 14 Wysigings tot IFRIC 14** – Voorafbetaling van 'n Minimum Befondsingsvereiste, effektiewe datum 1 Januarie 2011

**Verbeterings tot IFRS (Mei 2010)** – Effektiewe datum meestal 1 Januarie 2011

Die Direkteure is van mening dat die impak van die standaarde soos volg sal wees:

- **IAS 24** Wysigings tot IAS 24 – Openbaarmaking van Verwante Partye

Die gewysigde standaard is effektief vir jaarlikse periodes wat op of na 1 Januarie 2011 begin. Dit het die definisie van 'n verwante party verduidelik om die identifisering van sodanige verhoudings te vereenvoudig en om inkonsekwenthede in die uitvoering daarvan uit te skakel. Die hersiene standaard stel 'n gedeeltelike kwyskelding van bekendmakingsvereistes vir Regeringsverwante entiteite in. Die Groep verwag geen impak op sy finansiële posisie of prestasie nie. Vroeë toepassing word toegelaat vir die gedeeltelike kwyskelding vir regeringsverwante entiteite of vir die hele standaard.

- **IFRIC 14** Wysigings tot IFRIC 14 – Voorafbetaling van 'n Minimum Befondsingsvereiste

Die wysiging tot IFRIC 14 is effektief vir jaarlikse periodes wat op of na 1 Januarie 2011 met terugwerkende toepassing begin. Die wysiging bied riglyne vir die assessering van die verhaalbare bedrag van 'n netto pensioenbete. Die wysiging stel 'n entiteit in staat om die voorafbetaling van 'n minimum befondsingsvereiste as 'n bate te behandel. Daar word gemeen dat die wysiging geen impak op die finansiële state van die Groep het nie.

- **IFRS 7** Finansiële Instrumente: Openbaarmaking – Oordrag van Finansiële Bates

Die wysigings verbeter die openbaarmakingsvereistes vir die ontkenning van finansiële bates. Daar word van gebruikers van finansiële state verwag om die risikoblootstelling ten opsigte van finansiële bates wat oorgedra is en die effek van die risiko's op 'n entiteit se finansiële posisie te evalueer, veral die wat sekuritisering van finansiële bates insluit. Die Groep verwag egter geen impak van die toepassing van die wysigings op sy finansiële posisie of prestasie nie.

- **Verbeterings tot IFRS** (uitgereik in Mei 2010)

Die IASB het in Mei 2010 sy derde omnibus van wysigings tot sy standaarde uitgereik, hoofsaaklik met die doel om inkonsekwenthede te verwyder en bewoording meer suiwer te stel. Daar is afsonderlike oorgangsbepalings vir elke standaard.

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

The adoption of the following amendments resulted in changes to accounting policies, but no impact on the financial position or performance of the Group.

**IFRS 7** – Clarification of Disclosures.  
(effective 1 January 2011)

**IAS 1** – Clarification of Statement of Changes in Equity.  
(effective 1 January 2011)

**IAS 34** – Significant Events and Transactions.  
(effective 1 January 2011)

**IFRIC 13** – Fair Value of Award Credits (effective 1 January 2011)

### 2.2 Standards, interpretations and amendments issued that are not yet effective

At the date of authorisation of the Group annual financial statements for the year ended 30 June 2012, the following standards and interpretations were in issue but not yet effective:

**IAS 1** Financial Statement Presentation – Presentation of Items of Other Comprehensive Income (amendment) (effective 1 July 2012)

**IAS 12** Deferred Tax – Recovery of Underlying Assets (amendment) (effective 1 January 2012)

**IAS 19** Employee Benefits (amendment)  
(effective 1 January 2013)

**IAS 27** Separate Financial Statements (as revised in 2011)  
(effective 1 January 2013)

**IAS 28** Investment in Associates and Joint Ventures (as revised in 2011) (effective 1 January 2013)

**IFRS 9** Financial Instruments Classification and Measurement (effective 1 January 2015)

**IFRS 10** Consolidated Financial Statements  
(effective 1 January 2013)

**IFRS 11** Joint Arrangements (effective 1 January 2013)

**IFRS 12** Disclosure of Involvement with Other Entities (effective 1 January 2013)

**IFRS 13** Fair Value Measurement (effective date 1 January 2013)

**IFRS 7** Disclosure – Offsetting Financial Assets and Financial Liabilities (amendments to IFRS 7) (effective 1 January 2013)

**IAS 32** Offsetting Financial Assets and Financial Liabilities (amendments to IAS 32) (effective 1 January 2014)

**IFRS 9**, IFRS 7 Mandatory Effective Date and Transition Disclosures (amendments to IFRS 9 and IFRS 7) (effective 1 January 2015)

**Improvements to IFRS** (issued in May 2012)

Die aanvaarding van die volgende wysigings het gelei tot veranderinge in rekeningkundige beleid, maar geen uitwerking op die finansiële posisie of prestasie van die Groep nie:

**IFRS 7** – Verduideliking van openbaarmakings.  
(effektief 1 Januarie 2011)

**IAS 1** – Verduideliking van staat van veranderinge in ekwiteit.  
(effektief 1 Januarie 2011)

**IAS 34** – Belangrike gebeure en transaksies.  
(effektief 1 Januarie 2011)

**IFRIC 13** – Billike waarde van toekenningkrediete.  
(effektief 1 Januarie 2011)

### 2.2 Standpunte, interpretasies en wysigings uitgereik en nog nie effektief nie

Op die magtigingsdatum van die Groep se finansiële jaarstate vir die jaar geëindig 30 June 2012 was die volgende standpunte en interpretasies uitgereik, maar nog nie effektief nie:

**IAS 1** Aanbieding van finansiële state – Aanbieding van Items van Ander Omvattende Inkomste (Wysiging), effektiewe datum 1 Julie 2012

**IAS 12** Uitgestelde Belasting: Verhaling van onderliggende bates (Wysiging), effektiewe datum 1 Januarie 2012

**IAS 19** Werknemervoordele (Wysiging) (effektiewe datum 1 Januarie 2013)

**IAS 27** Afsonderlike Finansiële State (Soos hersien in 2011), effektiewe datum 1 Januarie 2013

**IAS 28** Belegging in Geassosieerdes en Gesamentlike Ondernemings (Soos hersien in 2011), effektiewe datum 1 Januarie 2013

**IFRS 9** Finansiële Instrumente Klassifikasie en Meting, effektiewe datum 1 Januarie 2015

**IFRS 10** Gekonsolideerde Finansiële State  
(effektief 1 Januarie 2013)

**IFRS 11** Gesamentlike Reëlins  
(effektief 1 Januarie 2013)

**IFRS 12** Openbaarmaking van Belange in Ander Entiteite  
(effektief 1 Januarie 2013)

**IFRS 13** Meting van Billike Waarde (effektief 1 Januarie 2013)

**IFRS 7** Openbaarmaking – Verrekening van finansiële bates en finansiële laste (Wysigings aan IFRS 7) (effektiewe datum 1 Januarie 2013)

**IAS 32** Verrekening van finansiële bates en finansiële laste  
(Wysigings aan IAS 32), effektiewe datum 1 Januarie 2014

**IFRS 9** IFRS 7 Verpligte effektiewe datum en oorgangsoopenbaarmakings (Wysigings aan IFRS 9 en IFRS 7), effektiewe datum 1 Januarie 2015

**Verbeterings tot IFRS** (uitgereik in Mei 2012)

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

The standards must be implemented for annual periods beginning on or after the effective date.

The Directors are of the opinion that the impact of the application of the standards will be as follows:

- **IAS 1** Financial Statement Presentation – Presentation of Items of Other Comprehensive Income (OCI) (amendment)

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has there no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

- **IAS 12** Deferred Tax: Recovery of Underlying Assets (amendment)

The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. The amendment becomes effective for annual periods beginning on or after 1 January 2012.

- **IAS 19** Employee Benefits (amendment)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The Group is currently assessing the full impact of the amendments. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

- **IAS 27** Separate Financial Statements (as revised in 2011)

As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

- **IAS 28** Investment in Associates and Joint Ventures (as revised in 2011)

As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity

Die standpunte moet vir jaarlikse periodes geïmplementeer word wat op of na die effektiewe datum begin

Die Direkteure is van mening dat die impak van die toepassing van die standpunte soos volg sal wees:

- **IAS 1** Aanbieding van Finansiële State – Aanbieding van Items van Ander Omvattende Inkomste (AOI) (Wysiging)

Die wysigings aan IAS 1 verander die groepering van items aangebied in AOI. Items wat geherklassifiseer kan word (of "herwin") na wins of verlies op 'n toekomstige tydstip (byvoorbeeld, op onderkenning of vereffenings) sou afsonderlik aangebied word van items wat nooit geherklassifiseer sal word nie. Die wysiging beïnvloed slegs aanbieding en is daar geen impak op die Groep se finansiële posisie of prestasie nie. Die wysiging word effektief vir jaarperiodes wat begin op of na 1 Julie 2012.

- **IAS 12** Uitgestelde Belasting: Verhaling van onderliggende bates (Wysiging)

Die wysiging verduidelik die bepaling van uitgestelde belasting op beleggingseiendom gemeet teen billike waarde. Die wysiging stel 'n weerlegbare veronderstelling dat uitgestelde belasting op beleggingseiendom gemeet deur gebruik te maak van die billikewaardemodel in IAS 40 bepaal moet word op die basis dat sy drabedrag deur verkoop verhaal sal word. Hierbenewens stel dit die vereiste bekend dat uitgestelde belasting op nie-depresieerbare bates gemeet word deur gebruik te maak van die herwaardasiemodel in IAS 16 altyd gemeet word op 'n verkoopbasis van die bate. Die wysiging word effektief vir jaarperiodes wat begin op of na 1 Januarie 2012.

- **IAS 19** Werknemervoordele (Wysiging)

Die IASB het verskeie wysigings tot IAS 19 uitgereik. Dit wissel van fundamentele veranderinge soos die verwydering van die korridormeganisme en die konsep van die verwagte opbrengs op planbates tot eenvoudige opklaring en herbewoording. Die Groep is tans besig met die taksering van die volle uitwerking van die wysigings. Die wysiging word effektief vir jaarperiodes wat begin op of na 1 Januarie 2013.

- **IAS 27** Afsonderlike Finansiële State (Soos in 2011 hersien)

As 'n gevolg van die nuwe IFRS 10 en IFRS 12, wat oorbly van IAS 27 is beperk tot die verantwoording van filiale, gesamentlik beheerde entiteite, en geassosieerdes in die afsonderlike finansiële state. Die wysiging word effektief vir jaarperiodes wat begin op of na 1 Januarie 2013.

- **IAS 28** Belegging in Geassosieerdes en Gesamentlike Ondernemings (soos in 2011 hersien)

As gevolg van die nuwe IFRS 11 en IFRS 12 is IAS 28 hernoem as IAS 28 Beleggings in Geassosieerdes en Gesamentlike Ondernemings, en beskryf die toepassing van die ekwiteitsmetode vir beleggings in gesamentlike ondernemings bykomend tot geassosieerdes. Die wysiging word effektief vir jaarperiodes wat begin op of na 1 Januarie 2013.



## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

- **IFRS 9** Financial Instruments Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The project is expected to be completed in 2012. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

- **IFRS 10** Consolidated Financial Statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard becomes effective for annual periods beginning on or after 1 January 2013.

The Group is in the process of evaluating the impact on the financial statements.

- **IFRS 11** Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The application of this new standard will impact the financial position of the Group. This is due to the cessation of proportionate consolidating the joint venture to equity accounting for this investment. This standard becomes effective for annual periods beginning on or after 1 January 2013.

The Group is in the process of evaluating the impact on the financial statements.

- **IFRS 12** Disclosure of Interest in Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also

- **IFRS 9** Finansiële Instrumente Klassifikasie en Meting

IFRS 9 soos uitgereik weerspieël die eerste fase van die IASB se werk op die vervanging van IAS 39 en van toepassing op die klassifikasie en meting van finansiële bates en finansiële laste soos omskryf in IAS 39. Die standaard word effektief vir jaarperiodes wat begin op of na 1 Januarie 2015. In daaropvolgende fases sal die IASB verskansingsrekeningkunde en waardedaling van finansiële bates aanspreek. Die projek sal na verwagting in 2012 voltooi word. Die aanvaarding van die eerste fase van IFRS 9 sal 'n uitwerking op die klassifikasie en meting van die Groep se finansiële bates hê, maar moontlik geen impak op klassifikasie en meting van finansiële laste nie. Die Groep sal die uitwerking in samewerking met die ander fases kwantifiseer, wanneer uitgereik, om 'n omvattende beeld aan te bied.

- **IFRS 10** Gekonsolideerde Finansiële State

IFRS 10 vervang die gedeelte van IAS 27 Gekonsolideerde en Afsonderlike Finansiële State wat die rekeningkundige hantering van gekonsolideerde finansiële state aanspreek. Dit sluit ook die aangeleenthede aangespreek in SIC-12 Konsolidasie – Spesialedoelentiteite in. IFRS 10 vestig 'n enkele beheermodel wat van toepassing is op alle entiteite insluitende spesialedoelentiteite. Die veranderinge wat deur IFRS 10 gevestig word, sal van bestuur vereis om betekenisvolle oordeel te gebruik om te bepaal oor watter entiteite beheer uitgeoefen word, en gevolglik sal konsolidasie deur 'n houermaatskappy uitgeoefen moet word, in vergelyking met die vereistes wat in IAS 27 was. Hierdie standaard word effektief vir jaarperiodes wat begin op of na 1 Januarie 2013.

Die Groep is in die proses van evaluering van die impak op die finansiële state.

- **IFRS 11** Gesamentlike Reëlins

IFRS 11 vervang IAS 31 Belange in Gesamentlike Ondernemings en SIC-13 Gesamentlik Beheerde Entiteite - Nie-monetêre Bydraes deur Ondernemers. IFRS 11 verwyder die opsie om gesamentlik beheerde entiteite (GBE's) te boek te stel deur proporsionele konsolidasie te gebruik. In plaas daarvan moet GBE's wat voldoen aan die definisie van 'n gesamentlike onderneming te boek gestel word met gebruikmaking van die ekwiteitsmetode. Die toepassing van hierdie nuwe standaard sal 'n impak op die finansiële posisie van die Groep hê. Dit is as gevolg van die staking van die proporsionele konsolidasie van die gesamentlike onderneming tot ekwiteitsverantwoording vir hierdie belegging. Hierdie standaard word effektief vir jaarperiodes wat begin op of na 1 Januarie 2013.

Die Groep is in die proses van evaluering van die impak op die finansiële state.

- **IFRS 12** Openbaarmaking van Belange in Ander Entiteite

IFRS 12 sluit al die openbaarmakings in wat voorheen in IAS 27 was met betrekking tot gekonsolideerde finansiële state, sowel as al die openbaarmakings wat voorheen ingesluit is in IAS 31 en IAS 28. Hierdie openbaarmakings hou verband met 'n entiteit se belange in filiale, gesamentlike reëlins, geassosieerdes en gestruktureerde entiteite. 'n Aantal nuwe



# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

required. This standard becomes effective for annual periods beginning on or after 1 January 2013.

The Group is in the process of evaluating the impact on the financial statements.

- **IFRS 13** Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

- **IFRS 7** Disclosure – Offsetting Financial Assets and Financial Liabilities (amendments to IFRS 7)

Provides additional disclosures (similar to current US GAAP requirements).

- **IAS 32** Offsetting Financial Assets and Financial Liabilities (amendments to IAS 32)

The amendment clarifies the meaning of the entity currently having a legally enforceable right to set off financial assets and financial liabilities as well as the application of IAS 32 offsetting criteria to settlement systems (such as clearing houses).

- **IFRS 9** Mandatory effective date and transition disclosures (amendments to IFRS 9 and IFRS 7)

Mandatory effective date for IFRS 9 is 1 January 2015.

Amendments to IFRS 7 depend on when IFRS 9 is adopted and affect the extent of comparative information required to be disclosed.

- **Improvements to IFRS** (May 2012)

**IAS 1** – Presentation of Financial Statements

◊ Clarification of the requirements for comparative information (effective 1 January 2013)

**IAS 16** – Property, Plant and Equipment

◊ Classification of servicing equipment (effective 1 January 2013)

**IAS 32** – Financial Instruments: Presentation

◊ Tax effect of distribution to holders of equity instruments (effective 1 January 2013)

**IAS 34** – Interim Financial Reporting

◊ Interim financial reporting and segment information for total assets and liabilities (effective 1 January 2013)

openbaarmakings word ook vereis. Hierdie standaard word effektief vir jaarperiodes wat begin op of na 1 Januarie 2013.

Die Groep is in die proses van evaluering van die impak op die finansiële state.

- **IFRS 13** Billikewaardemeting

IFRS 13 vestig 'n enkele bron van riglyne onder IFRS vir alle billikewaardemetinge.

IFRS 13 verander nie wanneer 'n entiteit dit nodig ag om billike waarde te gebruik nie, maar verskaf eerder riglyne oor hoe om billike waarde onder IFRS te meet wanneer billike waarde vereis of toegelaat word. Die groep is in die proses van evaluering van die impak wat hierdie standaard sal hê op die finansiële posisie en prestasie. Hierdie standaard word effektief vir jaarperiodes wat begin op of na 1 Januarie 2013.

- **IFRS 7** Openbaarmaking - Verrekening van Finansiële Bates en Finansiële Laste (wysigings aan IFRS 7)

Voorsien bykomende openbaarmaking (soortgelyk aan huidige VS AARP-vereistes).

- **IAS 32** Verrekening van Finansiële Bates en Finansiële Laste (wysigings aan IAS 32)

Die wysiging verskaf duidelikheid oor die betekenis van die entiteit wat tans 'n wetlik afdwingbare reg het om finansiële bates en finansiële laste te verreken, sowel as die toepassing van IAS 32-verrekeningkriteria vir vereffeningstelsels (soos verrekeningshuise).

- **IFRS 9** Verpligte effektiewe datum en oorgangsoopenbaarmakings (wysigings aan IFRS 9 en IFRS 7)

Verpligte effektiewe datum vir IFRS 9 is 1 Januarie 2015.

Wysigings aan IFRS 7 hang af van wanneer IFRS 9 aanvaar word en beïnvloed die omvang van vergelykbare inligting wat openbaar gemaak moet word.

- **Verbeteringe aan IFRS** (Mei 2012)

**IAS 1** – Aanbieding van Finansiële State

◊ Verduideliking van die vereistes vir vergelykbare inligting (effektief 1 Januarie 2013)

**IAS 16** – Eiendom, Aanleg en Toerusting

◊ Klassifikasie van dienstoerusting (effektief 1 Januarie 2013)

**IAS 32** – Finansiële Instrumente: Aanbieding

◊ Belastinguitwerking van uitkering aan houers van ekwiteitsinstrumente (effektief 1 Januarie 2013)

**IAS 34** – Tussentydse Finansiële Verslagdoening

◊ Tussentydse finansiële verslagdoening en segmentinligting vir totale bates en laste (effektief 1 Januarie 2013)

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

### 2.3 Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### Judgements

In the process of applying the Group's accounting policies, management has made judgements, which may have significant effects on the amounts recognised in the consolidated financial statements. Such judgements are disclosed in the relevant notes to the financial statements.

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### Property, plant and equipment

The carrying values of property, plant and equipment are based on management's estimates of the useful lives and residual values. These estimates are based on product life cycles and assessments by engineering and other specialist staff.

#### Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

#### Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model and making assumptions about them.

### 2.3 Beduidende rekeningkundige oordeel en ramings

Die voorbereiding van die Groep se gekonsolideerde finansiële state vereis van bestuur om menings, skattings en aannames te maak wat die gerapporteerde bedrae van inkomste, uitgawes, bates en laste en die openbaarmaking van voorwaardelike aanspreeklikheid op die verslaggewingsdatum kan beïnvloed. Onsekerhede oor hierdie aannames en skattings kan egter 'n materiële aanpassing in die drawaardes van die geaffekteerde bate of las in die toekoms tot gevolg hê.

#### Oordeel

Met die toepassing van die Groep se rekeningkundige beleid het bestuur sekere beoordelings gemaak wat 'n beduidende uitwerking kan hê op die bedrae wat in die gekonsolideerde finansiële state erken word. Sulke beoordelings word in die toepaslike aantekeninge tot die finansiële state geopenbaar.

#### Ramings en aannames

Die belangrikste aannames wat die toekoms betref en ander belangrike bronne van ramingsonsekerheid op die verslag-doeningsdatum wat 'n betekenisvolle risiko inhou dat dit in die volgende finansiële jaar wesenlike aanpassing van die drawaardes van bates en laste kan veroorsaak, word hieronder bespreek:

#### Eiendom, aanleg en toerusting

Die drawaarde van eiendom, aanleg en toerusting word gebaseer op bestuur se ramings van die bruikbare lewe en reswaardes. Sulke ramings is afhanklik van produklewensiklusse en van evaluering deur ingenieurs – en ander spesialispersoneel.

#### Waardedaling van nie-finansiële bates

Die Groep bepaal met elke verslaggewingsdatum of daar enige tekens van waardedaling ten opsigte van enige nie-finansiële bates is. Klandisiewaarde en ander onbepaalbare-lewensduur ontasbare bates word jaarliks en op ander tye wanneer daar aanwysers is, getoets vir waardedaling. Ander nie-finansiële bates word vir waardedaling getoets wanneer daar tekens is dat die drawaardes nie verhaalbaar mag wees nie.

Wanneer waarde-in-gebruik-berekeninge gedoen word, moet bestuur die verwagte toekomstige kontantvloei van die bate of kontantgenererende eenheid bepaal en 'n gepaste koers van verdiskontering beraam om die huidige waarde van die kontantvloei te bereken.

#### Aandeelgebaseerde betalings

Die Groep meet die koste van ekwiteitvereffende transaksies met werknemers met verwysing na die billike waarde van die ekwiteitinstrumente op die datum wat hulle toegestaan is. Om billike waarde te skat, vereis dat die mees gepaste waardasiemodel vir die toestaan van ekwiteit bepaal word, wat afhang van die bepalinge en voorwaardes daarvan. Dit vereis ook dat die mees gepaste insette tot die waardasiemodel bepaal moet word en dat aannames daarvoor gemaak word.

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

## Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date using a modified version of the Hull-White Trinomial Lattice model, taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured at each reporting date up to and including the settlement date with changes in fair value recognised in profit or loss.

## Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

## Income tax expense

Taxes are a matter of interpretation and subject to changes. The Group makes use of tax experts to advise on all tax matters. Estimations of normal company tax and CGT are based on the advice and management's interpretation thereof.

## Long service bonus provision and defined benefit-pension plan

The cost of the long service bonus provision and defined-benefit pension plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

## 2.4 Summary of significant accounting policies

### (a) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets include, in particular, cash and cash equivalents, trade receivables and other originated loans and receivables as well as derivative and non-derivative financial assets held for trading. Financial liabilities generally substantiate claims for repayment in cash or another financial asset. In particular, this includes interest-bearing loans and borrowings, trade payables, liabilities to banks, finance lease payables and derivative financial liabilities.

#### Measurement

Financial instruments are generally recognised as soon as the Group becomes a party under the contractual regulations of the financial instruments. In general, financial assets and financial liabilities are offset and the net amount presented in the statement of financial position, when and only when, the entity currently has a legally enforceable right

## Kontantvereffende transaksies

Die koste van kontantvereffende transaksies word aanvanklik op die kennisgewingdatum teen redelike waarde gemeet, deur gebruikmaking van 'n aangepaste weergawe van die Hull-White Trinomial Lattice model, inagnemend die terme en voorwaardes waarop die instrumente toegeken is. Die redelike waarde word afgeskryf oor die periode tot en met vestiging met erkenning van die ooreenkomstige las. Die las word op elke verslagdoeningsdatum hermeet tot en met die vereffeningsdatum, met veranderinge in redelike waarde teen wins of verlies erken.

## Uitgestelde belastingbates

Uitgestelde belastingbates word erken vir alle ongebruikte belastingverliese tot die mate dat dit waarskynlik is dat belasbare wins beskikbaar sal wees waarteen die verliese gebruik kan word. Betekenisvolle bestuursoordeel word vereis om die bedrag van uitgestelde belastingbates te bepaal wat so erken kan word, gebaseer op die waarskynlike tydsberekening en vlak van toekomstige belasbare winste saam met toekomstige belastingbeplanningstrategieë.

## Inkomstebelastinguitgawe

Belasting is 'n saak van interpretasie en onderhewig aan veranderinge. Die Groep maak van belastingkundiges gebruik om oor alle belasting-aangeleenthede te adviseer. Ramings van normale maatskappybelasting en KWB word gegrond op hierdie advies en bestuur se interpretasie daarvan.

## Langdiensbonusvoorsiening en omskrewevoordele-pensioenplan

Die koste van langdiensbonusvoorsiening en die omskrewevoordele-pensioenplan is bepaal met behulp van aktuariële waardasies. Die aktuariële waardasie behels die aannames oor verdiskonteringskoerse, verwagte opbrengskoerse op bates, toekomstige salarisverhogings, sterftesyfers en toekomstige pensioenverhogings. Weens die langtermyn-aard van hierdie planne is sulke ramings onderhewig aan wesenlike onsekerheid.

## 2.4 Opsomming van beduidende rekeningkundige beleid

### (a) Finansiële instrumente

'n Finansiële instrument is enige kontrak wat 'n finansiële bate vir een entiteit en 'n finansiële las of ekwiteitsinstrument vir 'n ander entiteit tot gevolg het. Finansiële bates sluit veral in kontant en kontantekwivalente, handelsdebiteure en ander lenings en debiteure, asook afgeleide en nie-afgeleide finansiële bates gehou vir verhandeling. Oor die algemeen ondersteun finansiële laste eise vir terugbetaling in kontant of 'n ander finansiële bate. Meer spesifiek sluit dit rentedraende lenings en verpligtinge, handelskrediteure, verpligtinge aan banke, bruikhuurverpligtinge en afgeleide finansiële laste in.

#### Meting

Finansiële instrumente word gewoonlik erken die oomblik wanneer die Groep 'n party word ingevolge die kontraktuele regulasies van die finansiële instrumente. Oor die algemeen word finansiële bates en finansiële laste teen mekaar verreken en die

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

to set off the recognised amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

### *Derecognition*

A financial asset (or, where applicable a part of financial asset or part of group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass through" arrangement; or
- the Group has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement with the asset. Continuing involvement that takes a form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognised in profit or loss.

### *Impairment of financial assets*

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired.

### *Assets carried at amortised cost*

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss.

nettobedrag word in die staat van finansiële posisie aangebied, wanneer, en slegs wanneer, die entiteit 'n wetlik afdwingbare reg het om die erkende bedrae teen mekaar te verreken en van plan is om dit af te los op 'n netto basis of om die bate te realiseer en die aanspreeklikheid terselfdertyd af te los.

### *Onterkenning*

'n Finansiële bate (of, waar van toepassing, 'n gedeelte van 'n finansiële bate of 'n gedeelte van 'n groep soortgelyke finansiële bates) word ontken, wanneer:

- die regte om kontantvloeï van die bate te ontvang, verval het;
- die Groep die reg behou om kontantvloeï te ontvang van die bate, maar 'n aanspreeklikheid aanvaar het om dit ten volle te betaal aan 'n derde party sonder wesenlike vertraging ingevolge 'n "deurgang"-reëling; of
- die Groep sy reg om kontantvloeï van die bate te ontvang oorgedra het en óf (a) al die risiko en voordele van die bate wesenlik oorgedra het, óf (b) nie al die risiko en voordele van die bate wesenlik oorgedra het nie, maar beheer oor die bate oorgedra het.

Wanneer die Groep sy reg om kontantvloeï van 'n bate te ontvang, oorgedra het en nie die risiko's en voordele daarvan in hoofsaak oorgedra of behou het nie en ook nie die beheer oor die bate oorgedra het nie, word die bate erken tot die mate van die Groep se volgehoue betrokkenheid by die bate. Volgehoue betrokkenheid in die vorm van 'n waarborg oor die bate wat oorgedra is, word gemeet teen die laagste van die oorspronklike drawaarde van die bate en die maksimum bedrag vergoeding wat van die Groep verwag kan word om te betaal.

'n Finansiële las word ontken wanneer die verpligting onder die las opgehef word, gekanselleer word of verval. Wanneer 'n bestaande finansiële las vervang word met 'n ander een van dieselfde uitlener op wesenlike verskillende voorwaardes, of die voorwaardes van die bestaande las word wesenlik verander, word so 'n vervanging of verandering hanteer as 'n ontkenning van die oorspronklike las en die erkenning van 'n nuwe las en die verskil tussen die onderskeie drawaardes word in wins of verlies erken.

### *Waardedaling van finansiële bates*

Die Groep bepaal met elke verslagdoeningsdatum of daar by 'n finansiële bate of groep finansiële bates waardedaling plaasgevind het.

### *Bates gedra teen geamortiseerde koste*

Indien daar objektiewe bewys is dat daar 'n waardedalingsverlies plaasgevind het op bates gedra teen geamortiseerde koste, word die verlies gemeet as die verskil tussen die bate se drawaarde en die huidige waarde van geskatte toekomstige kontantvloeï (waarby toekomstige verwagte kredietverliese wat nog nie opgeloop het nie, uitgesluit is), verdiskonteer teen die finansiële bate se oorspronklike effektiewe rentekoers. Die drawaarde van die bate word verminder deur gebruik te maak van 'n toelaagrekening. Die bedrag van die verlies word erken in wins of verlies.

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in profit or loss.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectable.

### *Available-for-sale financial investments*

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognised in profit or loss. Reversals of impairment losses on debt instruments are reversed through profit or loss, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

### **(a) (i) Financial assets**

#### *Investments and other financial assets*

When financial assets are recognised initially, they are measured at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end. All regular-way purchases and sales of financial assets are recognised on the trade date i.e. the date that the risks and rewards of ownership are passed to the Group. Regular-way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention within the marketplace.

#### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Indien die bedrag van die waardedaling in 'n daaropvolgende tydperk verminder en die vermindering kan objektief gekoppel word aan 'n gebeurtenis wat na die waardedaling plaasgevind het, word die voorheen aangetekende waardedalingsverlies teruggedra tot die mate wat die drawaarde van die bate nie sy geamortiseerde koste op die datum van terugskrywing oorskry nie. Enige gevolglike terugskrywing van 'n waardedalingsverlies word erken in wins of verlies.

Met betrekking tot handelsdebiteure word voorsiening vir waardedaling gemaak wanneer daar objektiewe bewys is (soos die waarskynlikheid van insolvensie of wesenlike finansiële moeilikhede van die debiteur) dat die Groep nie die volle bedrag betaalbaar onder die oorspronklike bepalinge van die faktuur sal kan invorder nie. Die drawaarde van die debiteur word verminder deur die gebruik van 'n toelaagrekening. Skuld waarby waardedaling plaasgevind het, word nie erken wanneer dit as oninbaar beskou word nie.

### *Beleggings beskikbaar-vir-verkoop*

Vir beskikbaar-vir-verkoop beleggings oorweeg die Groep op elke verslagdoeningsdatum of daar objektiewe getuienis is dat 'n belegging of 'n groep beleggings se waarde gedaal het.

Wanneer daar waardedaling van 'n bate beskikbaar-vir-verkoop plaasvind, word 'n bedrag gelykstaande aan die verskil tussen sy koste (netto van enige kapitaaldelging en amortisasie) en sy huidige billike waarde, minus enige waardedaling voorheen erken in wins of verlies, oorgeplaas van ander omvattende inkomste na wins of verlies. Terugskrywings met betrekking tot ekwiteitsinstrumente as beskikbaar-vir-verkoop geklassifiseer word nie erken in wins of verlies nie. Terugskrywings van waardedalingsverliese op skuldinstrumente word teruggedra tot wins of verlies indien die vermeerdering in billike waarde objektief gekoppel kan word aan 'n gebeurtenis wat plaasgevind het nadat die waardedalingsverlies aangedui is in wins of verlies.

### **(a) (i) Finansiële bates**

#### *Beleggings en ander finansiële bates*

Wanneer finansiële bates aanvanklik erken word, word dit teen billike waarde gemeet plus, in die geval van beleggings nie teen billike waarde deur wins of verlies nie, regstreeks toeskryfbare transaksiekoste. Die Groep bepaal die klassifikasie van sy finansiële bates na aanvanklike erkenning en hersien hierdie aanduiding teen elke finansiële jaareinde waar toegelaat en toepaslik. Alle "gewone manier"-aankope en -verkope van finansiële bates word op die verhandelingsdatum erken, naamlik die datum waarop die regte en verpligtinge van eienaarskap na die Groep oorgaan. "Gewone manier"-aankope en -verkope is aankope of verkope van finansiële bates wat vereis dat die bates gelewer word binne die tydskedule wat algemeen deur regulasie of konvensie in die mark bepaal word.

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

Financial assets are classified as held-for-trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments or a financial guarantee contract. Gains and losses on investments held-for-trading are recognised in profit or loss.

### *Loans and accounts receivables*

Loans and accounts receivables are non-derivative financial assets with fixed determinable payments that are not quoted in an active market. After initial measurement loans and receivables are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees and transaction costs that are an integral part of the effective interest rate. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

### *Available-for-sale financial investments*

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial measurement, available-for-sale financial assets are measured at fair value with unrealised gains or losses recognised directly in other comprehensive income until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recorded in equity is recognised in profit or loss.

### *Fair value*

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument, which is substantially the same, discounted cash flow analysis or other valuation models.

### *Amortised cost*

Loans and receivables are measured at amortised cost. This is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

### *Cash and cash equivalents*

Cash and cash equivalents consist of cash on hand, cash in banks, short-term deposits and highly liquid investments.

### *Finansiële bates erken teen billike waarde deur wins of verlies*

Finansiële bates teen billike waarde deur wins of verlies sluit in finansiële bates gehou vir verhandeling en finansiële bates by aanvanklike aanduiding aangetoon as teen billike waarde deur wins of verlies.

Finansiële bates word geklassifiseer as gehou-vir-verhandeling indien dit verkry is met die doel om in die nabye toekoms verkoop te word. Afgeleide instrumente word geklassifiseer as gehou-vir-verhandeling behalwe as dit aangewys word as doeltreffende verskansingsinstrumente of 'n finansiële waarborgkontrak. Winste en verliese op finansiële bates wat gehou word vir verhandeling word in wins of verlies erken.

### *Lenings en rekeninge ontvangbaar*

Lenings en rekeninge ontvangbaar is nie-afgeleide finansiële bates met vaste bepaalbare betalings wat nie in 'n aktiewe mark gekwoteer word nie. Na aanvanklike erkenning word lenings en ontvangstes teen geamortiseerde koste erken deur gebruikmaking van die effektiwige rente-metode min enige aanpassing vir waardedaling. Geamortiseerde koste word bereken met inagneming van enige diskonto of premie met verkryging en sluit fooie en transaksiekoste in wat 'n onafskeidbare deel uitmaak van die effektiwige rentekoers. Winste en verliese word in wins of verlies aangedui wanneer die lenings en ontvangstes onderken of vir waardedaling verminder word, asook deur die amortisasieproses.

### *Beleggings beskikbaar-vir-verkoop*

Finansiële bates wat beskikbaar is om verkoop te word, is die nie-afgeleide finansiële bates wat as te koop aangetoon word of wat nie in een van die drie voorafgaande kategorieë geklassifiseer is nie. Na aanvanklike meting word finansiële bates wat vir verkoop beskikbaar is, gemeet teen billike waarde met ongerealiseerde winste of verliese direk in ander omvattende inkomste erken totdat die belegging onderken word, óf dit bepaal word dat waardedalings gerealiseer het, word die opgelope wins of verlies wat voorheen in ekwiteit erken is, in wins of verlies erken.

### *Billike waarde*

Die billike waarde van beleggings wat aktief in georganiseerde finansiële markte verhandel word, word bepaal deur verwysings na gekwoteerde markaanlooppryse aan die einde van die sakedag op die verslagdoeningsdatum. Vir beleggings waar daar nie 'n aktiewe mark is nie, word billike waarde bepaal deur waardasietegnieke te gebruik. Dit sluit in onlangse armlengte-transaksies, verwysing na die huidige markwaarde van ander instrumente wat wesenlik eenders is, verdiskonteerde kontantvloei-ontledings en ander waardasiemodelle.

### *Geamortiseerde koste*

Lenings en debiteure word gemeet teen geamortiseerde koste. Dit word bereken deur die effektiwigerente-metode te gebruik min enige voorsiening vir waardedaling.

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

## (a) (ii) Financial liabilities

### *Trade and other payables*

Trade payables are non-interest-bearing and carried at the original invoice amount.

### *Interest-bearing loans and borrowings*

All loans, borrowings and financial liabilities are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process. Borrowing cost are expensed through profit or loss as incurred.

## (b) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to rand at foreign exchange rates ruling at the reporting date. The income and expenses of foreign operations are translated to rand at rates approximating the foreign exchange rates ruling at the date of the transaction.

## (c) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to rand at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

## (d) Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. The fair value of forward exchange contracts is their quoted market price at the reporting date, being the present value of the quoted forward price for contracts with similar maturity profiles. The change in the fair value of the hedging derivative is recognised in profit or loss. The change in the fair value of the hedged instrument attributable to the risk hedged is recorded as part of the carrying value of the hedged instrument and is also recognised in profit or loss.

Die berekening neem enige premie of diskonto op die verkryging in ag en sluit transaksiekoste en koste wat deel is van die effektiewe rentekoers in.

### *Kontant en kontantekwivalente*

Kontant- en kontantekwivalente bestaan uit kontant voorhande, kontant in banke, korttermyn deposito's en hoogs likiede beleggings.

## (a) (ii) Finansiële laste

### *Handels- en ander krediteure*

Handelskrediteure is nie-rentedraend en word getoon teen die oorspronklike faktuurbedrag.

### *Rentedraende lenings en verpligtinge*

Alle lenings en finansiële laste word aanvanklik erken teen die billike waarde plus regstreeks toeskryfbare transaksiekoste. Na aanvanklike erkenning word rentedraende lenings teen die geamortiseerde koste gemeet deur die effektiewerente-metode te gebruik. Winste en verliese word in wins of verlies erken wanneer die laste onterken word, asook deur die amortisasieproses. Leningskoste word deur wins of verlies afgeskryf soos dit aangegaan word.

## (b) Finansiële state van buitelandse ondernemings

Die bates en laste van buitelandse ondernemings, wat klandisiewaarde en billike waardeaanpassings by konsolidasie insluit, word in rand omgeskakel teen wisselkoerse wat op die verslagdoeningsdatum geld. Die inkomste en uitgawes van buitelandse ondernemings word in rand omgesit teen wisselkoerse wat by benadering dieselfde is as die wisselkoerse op die datum van die transaksie.

## (c) Transaksies in buitelandse valuta

Transaksies in buitelandse valuta word omgeskakel teen die heersende wisselkoers op die datum van die transaksie. Monetêre bates en laste in buitelandse valuta word op die verslagdoeningsdatum in rand omgesit teen die heersende wisselkoers op daardie datum. Valutaverskille by omskakeling word in wins of verlies erken. Nie-monetêre bates en laste wat ingevolge historiese koste in buitelandse valuta gemeet word, word teen die wisselkoers op die datum van die transaksie omgeskakel.

## (d) Afgeleide finansiële instrumente

Die Groep gebruik afgeleide finansiële instrumente om sy blootstelling aan wissel- en rentekoersrisiko's wat uit bedryfs-, finansierings- en beleggingsaktiwiteite voortspruit te verskans. In ooreenstemming met die Groep se tesouriebeleid word geen afgeleide finansiële instrumente vir handelsdoeleindes gehou of uitgereik nie. Afgeleide finansiële instrumente word aanvanklik teen billike waarde hermeet. Na aanvanklike erkenning word afgeleide finansiële instrumente teen billike waarde erken. Die wins of verlies by die hermeting van billike waarde word onmiddellik in wins of verlies erken. Die billike waarde van valutatermyntermyntkontrakte is die gekwoteerde prys op die verslagdoeningsdatum,



## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

### (e) Property, plant and equipment

#### *Owned assets*

Plant and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met. When each major service and/ or inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All buildings are measured at cost less accumulated depreciation and accumulated impairment.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the asset is derecognised. The asset's residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, at each financial year-end.

#### *Depreciation*

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- Buildings: 10 to 50 years
- Plant: 3 to 30 years
- Furniture and equipment: 3 to 15 years
- Vehicles: 5 to 20 years

naamlik die huidige waarde van die gekwoteerde termynprys vir kontrakte met 'n ooreenstemmende termynprofiel. Die verandering in die billike waarde van die verskanste item word in wins of verlies erken. Die verandering in die billike waarde van die verskansingsinstrument toeskryfbaar aan die verskanste risiko word aangeteken as deel van die drawaarde van die verskansingsinstrument en word ook in wins of verlies erken.

### (e) Eiendom, aanleg en toerusting

#### *Eie bates*

Aanleg en toerusting word teen kosprys getoon, met uitsluiting van die koste van daaglikse versiening, min opgehoopte depresiasie en opgehoopte waardedaling. Die koste sluit die vervangingskoste van 'n deel van die aanleg en toerusting in wanneer sodanige koste aangegaan word en indien daar aan die erkenningskriteria voldoen word. Met elke belangrike versiening en/of inspeksie word die koste daarvan in die drabedrag van aanleg en toerusting erken as 'n vervanging indien daar aan die erkenningskriteria voldoen word. Alle geboue word teen kosprys min opgehoopte depresiasie en opgehoopte waardedaling gemeet.

Drawaardes van aanleg en toerusting word vir waardedaling hersien wanneer gebeure of veranderinge in omstandighede daarop dui dat die drawaarde moontlik nie verhaalbaar is nie. 'n Waardedalingsverlies word in wins of verlies erken wanneer die bate se drawaarde sy verhaalbare waarde oorskry. 'n Item van eiendom, aanleg en toerusting word onderken wanneer dit vervreem word of wanneer geen toekomstige ekonomiese voordele uit die gebruik of vervreemding daarvan verwag word nie.

Enige wins of verlies by die onderkenning van die bate (bereken as die verskil tussen die netto wegdoeningsopbrengs en die drabedrag van die bate) word in wins of verlies aangetoon in die jaar waarin die bate onderken word. Die bate se reswaardes, nuttige lewensduur en depresiasiemetodes word teen elke finansiële jaareinde hersien en vooruitwerkend aangepas indien nodig.

#### *Depresiasie*

Depresiasie word erken in wins of verlies op 'n reguitlyn-basis oor die geraamde nuttige lewensduur van elke deel van 'n item van eiendom, aanleg en toerusting. Geen depresiasie word op grond voorsien nie. Die geraamde nuttige lewensduur is soos volg:

- Geboue: 10 tot 50 jaar
- Aanleg: 3 tot 30 jaar
- Meubels en toerusting: 3 tot 15 jaar
- Voertuie: 5 tot 20 jaar

#### *Huurkontrakte*

Om te bepaal of 'n ooreenkoms 'n huurkontrak is of insluit, moet die wese van die ooreenkoms met aanvangsdatum ondersoek word en bepaal word of die nakoming



# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

## Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to use the asset.

## Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

## Group as a lessor

Leases where the Group retains substantially all the risks and benefits incidental to ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

## (f) Investment properties

Investment properties are properties which are held either to earn rental income or capital appreciation or both. Investment properties are initially measured at cost, including transaction costs. Investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment. They are tested for impairment if there is an indication of impairment. The estimated useful lives of investment properties are 10 to 50 years and are depreciated using the straight-line basis. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal. Transfers are made to investment property when, and only when, there is a change in use, evidenced by the ending of owner-occupation, commencement of an operating lease to another party or construction or development. Transfers are made from investment property when, and

van die ooreenkoms afhanklik is van die gebruik van 'n spesifieke bate of bates en of die ooreenkoms 'n reg oordra om die bates te gebruik.

## Groep as huurder

Finansiële bruikhuurkontrakte wat in hoofsaak al die risiko's en voordele wat met eienaarskap van die gehuurde item gepaardgaan aan die Groep oordra, word by die ontstaan van die kontrak gekapitaliseer teen die billike waarde van die gehuurde bate of, indien laer, teen die huidige waarde van die minimum bruikhuurbetalings. Bruikhuurbetalings word verdeel tussen finansieringskoste en die vermindering van die bruikhuurlas om 'n konstante rentekoers op die oorblywende saldo van die las te bewerkstellig. Finansieringskoste word regstreeks teen inkomste verreken. Gekapitaliseerde gehuurde bates word oor die kortste van die geraamde nuttige lewensduur van die bate of die bruikhuurtermyn gedeprimeer indien geen sekerheid bestaan dat die Groep aan die einde van die bruikhuurtermyn eienaarskap sal verkry nie. Bedryfshuurbetalings word as 'n uitgawe in wins of verlies erken en volgens die reguitlynmetode oor die huurtermyn verreken.

## Groep as verhuurder

Huurkontrakte waar die Groep in hoofsaak al die risiko's en voordele van eienaarskap van die bate behou, word as bedryfshuurkontrakte geklassifiseer. Aanvanklike direkte koste wat met die onderhandeling van bedryfshuurkontrakte aangegaan word, word by die drabedrag van die verhuurde bate gevoeg en op dieselfde basis as huurinkomste oor die huurtydperk erken.

## (f) Beleggingseiendomme

Beleggingseiendomme word gehou met die doel om huurinkomste te genereer of vir kapitaalgroei, of albei. Beleggingseiendomme word aanvanklik teen kosprys getoon, met insluiting van transaksiekoste. Beleggingseiendomme word later teen kosprys min opgehoopte depresiasië en opgehoopte waardedaling erken. Dit word getoets vir waardedaling indien daar 'n indikasie van waardedaling is. Die beraamde verwagte lewensduur van beleggingseiendomme is 10 to 50 jaar en word met die reguitlyn-metode gedeprimeer. Die drabedrag sluit die koste in om deel van 'n beleggingseiendom te vervang wanneer sodanige koste aangegaan word indien daar aan die erkenningskriteria voldoen word en sluit die koste van daaglikse instandhouding van 'n beleggingseiendom uit. 'n Beleggingseiendom word onterken wanneer dit weggedoen of permanent van gebruik onttrek word en geen toekomstige ekonomiese voordeel uit die wegdoening daarvan verwag word nie.

Enige winste of verliese by die onttrekking of wegdoening van 'n beleggingseiendom word in wins of verlies erken in die jaar van die onttrekking of wegdoening. Oorplasinge na beleggingseiendomme vind plaas wanneer, en slegs wanneer, daar 'n verandering in gebruik is, soos aangedui deur die beëindiging van eenaarokkupasie, die begin van bedryfshuurkontrakte met 'n ander party, konstruksie of ontwikkeling. Oorplasinge uit beleggingseiendomme vind plaas wanneer, en slegs wanneer, daar 'n verandering van

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

### (g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets are not capitalised and expenditure is charged in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset. Intangible assets with indefinite useful lives are tested for impairment annually, either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

#### *Trademarks, patents and software licences*

Trademarks, patents and software licences are measured on initial recognition at cost. Following initial recognition they are amortised on a straight-line basis over a period of five to fifteen years. Impairment testing is done annually or more frequently when an indication of impairment exists. Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

#### *Research and development cost*

Research and development costs are recognised in profit or loss as incurred.

#### *Goodwill*

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

gebruik is, soos aangedui deur die aanvang van eienaarokkupasie of die begin van ontwikkeling met die oog op verkoop.

### (g) Ontasbare bates

Ontasbare bates wat afsonderlik bekom word, word by aanvanklike erkenning teen kosprys erken. Die koste van ontasbare bates wat in 'n besigheidskombinasie verkry word, is die billike waarde daarvan op die datum van aankoop. Na aanvanklike erkenning word ontasbare bates gedra teen kosprys min enige opgehoopte amortisasie en opgehoopte waardedalingsverliese. Intern gegenereerde ontasbare bates, word nie gekapitaliseer nie en besteding word in wins of verlies erken in die jaar waarin die besteding aangegaan word. Die nuttige lewensduur van ontasbare bates word óf as beperk, óf as onbeperk aangeslaan. Ontasbare bates met 'n beperkte lewensduur word oor die nuttige ekonomiese lewensduur geamortiseer en vir waardedaling getoets wanneer 'n aanduiding bestaan dat waardedaling voorkom. Die tydperk en metode van amortisasie vir 'n ontasbare bate met 'n beperkte nuttige lewensduur word minstens teen elke finansiële jaareinde hersien.

Veranderinge in die verwagte nuttige lewensduur of die verwagte verbruikspatroon van die toekomstige ekonomiese voordele wat in die bate beliggam is, word verantwoord deur die amortisasietydperk of – metode, soos toepaslik, te verander en as veranderinge in rekeningkundige ramings te hanteer. Die amortisasie-uitgawe op ontasbare bates met 'n beperkte lewensduur word in wins of verlies erken in die uitgawekategorie wat met die funksie van die ontasbare bate ooreenstem. Ontasbare bates met 'n onbeperkte nuttige lewensduur word jaarliks vir waardedaling getoets, óf individueel, óf op die kontantgenererende eenheidsvlak. Sodanige ontasbare bates word nie geamortiseer nie. Die nuttige lewensduur van 'n ontasbare bate met 'n onbeperkte lewensduur word jaarliks hersien om te bepaal of die onbeperkte lewensduur steeds geldig is. Indien nie, word die nuttige lewensduur vooruitwerkend van onbeperk na beperk verander.

#### *Handelsmerke, patente en programmatuurlisensies*

Handelsmerke, patente en programmatuurlisensies word by aanvanklike erkenning teen kosprys gemeet. Na aanvanklike erkenning word dit volgens die reguitlynmetode oor 'n tydperk van vyf tot 15 jaar geamortiseer. Waardedalingstoetse word jaarliks uitgevoer, of meer dikwels indien 'n aanduiding van waardedaling voorkom. Winste of verliese wat uit die onderkenning van 'n ontasbare bate voortspruit, word gemeet as die verskil tussen die netto wegdoeningsopbrengs en die drawaarde van die bate en word in wins of verlies erken wanneer die bate onderken word.

#### *Navorsings- en ontwikkelingskoste*

Navorsings- en ontwikkelingskoste word in wins of verlies erken soos dit aangegaan word.

#### *Klandisiewaarde*

Klandisiewaarde wat in 'n besigheidsamevoeging verkry is, word aanvanklik teen kosprys gemeet, naamlik die oormaat van die koste van die besigheidsamevoeging oor die Groep

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment losses cannot be reversed in future periods.

### (h) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: purchase cost on a first-in, first-out basis.
- Finished goods and work in progress: cost of direct materials and labour and a portion of manufacturing overheads, based on normal operating capacity but excluding finance cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### (i) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable value. An asset's recoverable value is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in previous years. Such a reversal is recognised in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

se belang in die netto billike waarde van die identifiseerbare bates, laste en voorwaardelike aanspreeklikheid. Na aanvanklike erkenning word klandisiewaarde gemeet teen kosprys min enige opgehoopte waardedalingverliese. Klandisiewaarde word jaarliks vir waardedaling hersien, of meer dikwels indien gebeure of veranderinge in omstandighede daarop dui dat 'n daling van die drawaarde voorkom. Waardedalingverliese kan nie in toekomstige periodes teruggeskryf word nie.

### (h) Voorrade

Vorrade word gewaardeer teen die laagste van kosprys en netto realiseerbare waarde. Die koste om elke produk in sy huidige toestand by sy huidige plek te kry, word soos volg in berekening gebring:

- Grondstowwe: aankoopkoste volgens die eerste-in-eerste-uit-metode.
- Klaarprodukte en onvoltooide werk: koste van direkte materiale en arbeid en 'n deel van vervaardigingsbokoste, gegrond op normale bedryfsvermoë maar met uitsluiting van finansieringskoste.

Netto realiseerbare waarde is die geraamde verkoopprijs in die gewone gang van sake, min geraamde koste van voltooiing en die geraamde koste benodig om die verkoop af te handel.

### (i) Waardedaling van nie-finansiële bates

Die Groep bepaal op elke verslagdoeningsdatum of 'n aanduiding bestaan dat 'n bate se waarde gedaal het. As enige sodanige aanduiding voorkom, of wanneer jaarlikse toetse vir waardedaling van 'n bate verlang word, maak die Groep 'n raming van die bate se verhaalbare waarde. Die verhaalbare waarde van 'n bate is die hoogste van die bate of kontantgenererende eenheid se billike waarde min verkoopskoste en sy gebruikswaarde, en dit word vir 'n individuele bate bepaal tensy die bate nie 'n invloed van kontant genereer wat grootliks onafhanklik is van dié van ander bates of groep bates nie. Wanneer die drawaarde van 'n bate sy verhaalbare waarde oorskry, word die waarde van die bate verlaag tot die verhaalbare waarde. Wanneer die gebruikswaarde bepaal word, word die geraamde toekomstige kontantvloei tot huidige waarde verdiskonteer teen 'n voorbelasting-diskontokoers wat huidige markbepalings van die tydwaarde van geld en die risiko's kenmerkend van die bate weerspieël. Waardedalingverliese van voortgesette bedrywighede word in wins of verlies erken in die uitgawekategorieë wat met die funksie van die verswakte bate ooreenstem.

Vir bates benewens klandisiewaarde, word 'n evaluering op elke verslagdoeningsdatum gemaak om te bepaal of enige voorheen erkende waardedaling moontlik nie meer bestaan nie of intussen verminder het. Indien sodanige aanduiding voorkom, word die verhaalbare bedrag geraam. 'n Voorheen erkende waardedaling word teruggeskryf slegs as daar 'n verandering was in die ramings wat gebruik is om die bate se verhaalbare bedrag te bepaal sedert die erkenning van die vorige waardedaling. Indien wel, word die drabedrag

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

## (j) Redeemable cumulative preference shares

The component of the cumulative preference shares that exhibits characteristics of a liability is recognised as a liability in the statement of financial position. The corresponding dividends on those shares are charged as interest expense in profit or loss. On issue of the preference shares, the fair value of the liability component is determined using cost of capital and this amount is carried as a long-term liability on the amortised cost basis until cleared on conversion or redemption.

The remainder of the amount after deduction of the debt component is recognised and included in shareholders' equity net of transaction costs. The carrying amount of the equity component is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

## (k) Treasury shares

Shares in the Company held by the Group are classified as treasury shares. On consolidation, these shares are treated as a deduction from the issued number of shares and the cost price of the shares is deducted from share capital and share premium in the statement of financial position. No gain or loss is recognised in the statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Dividends received on treasury shares are eliminated on consolidation.

## (l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

## (m) Retirement benefits

It is the policy of the Group to provide for pension liabilities by payments to separate funds, independent of the Group, and contributions are recognised in profit or loss. Surpluses are not accounted for, as they accrue to members of the fund.

### *Defined benefit fund*

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value and the fair value of any plan assets is deducted. Actuarial valuations are done on the projected unit credit actuarial valuation method. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the profit or loss on a straight-line basis

van die bate vermeerder tot die verhaalbare bedrag. Die verhoogde bedrag kan nie die drabedrag oorskry wat bepaal sou gewees het, na aftrekking van depresiasië, indien geen waardedaling van die bate in vorige jare erken is nie. Sodanige terugskrywings word in wins of verlies erken. Na so 'n terugskrywing word die depresiasiëskoste in toekomstige periodes aangepas om die bate se hersiene drabedrag, min enige reswaarde, sistematies oor die oorblywende nuttige lewensduur van die bate toe te pas.

## (j) Aflosbare kumulatiewe voorkeuraandeel

Die komponent van die kumulatiewe voorkeuraandeel wat kenmerke van 'n las toon, word as 'n las in die staat van finansiële posisie erken. Die ooreenstemmende dividende op hierdie aandeel word as 'n rente-uitgawe in wins of verlies verreken. By uitreiking van die kumulatiewe voorkeuraandeel word die billike waarde van die laskomponent met behulp van koste van kapitaal bepaal, en hierdie bedrag word as 'n langtermynlas op die geamortiseerde kostebasis gedra totdat dit by omskepping of aflossing uitgewis word.

Die oorblywende bedrag na aftrekking van die skuldcomponent word erken en is ingesluit in aandeelhouersekewiteit netto van transaksiekoste. Die drabedrag van die ekwiteitscomponent word nie weer in daaropvolgende jare hermeet nie.

Transaksiekoste word toegedeel tussen die laste- en ekwiteitskomponente van die omskepbare voorkeuraandeel, gegrond op die toewysing van opbrengste tot die laste- en ekwiteitskomponente wanneer die instrumente aanvanklik erken word.

## (k) Tesourie-aandeel

Aandeel in die Maatskappy wat deur die Groep gehou word, word as tesourie-aandeel geklassifiseer. By konsolidasie word hierdie aandeel as 'n aftrekking van die aantal uitgereikte aandeel beskou en die kosprys van die aandeel word afgetrek van die aandeelkapitaal en aandeelpremie in die staat van finansiële posisie. Geen wins of verlies word erken in die staat van omvattende inkomste by die aankoop, verkoop, uitreiking of kansellasie van die Groep se eie ekwiteitsinstrumente nie. Dividende ontvang op tesourie-aandeel word by konsolidasie uitgeskakel.

## (l) Voorsienings

'n Voorsiening word erken wanneer die Groep 'n huidige verpligting het (regs of konstruktief) as gevolg van 'n gebeurtenis in die verlede, wat waarskynlik 'n uitvloeï van ekonomiese hulpbronne sal veroorsaak om die verpligting te vereffen, en indien 'n betroubare raming gemaak kan word van die bedrag wat nodig is om die verpligting af te los.

## (m) Aftreevoordele

Dit is die Groep se beleid om vir pensioenverpligtinge te voorsien deur betalings te maak aan afsonderlike fondse wat onafhanklik van die Groep staan en bydraes word in wins of verlies verreken. Surplusse word nie te boek gestel nie, aangesien dit aan die lede van die fonds toeval.

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The defined benefit asset or liability comprises the present value of the defined benefit obligation, less unrecognised past service costs and less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value is based on market price information and, in the case of quoted securities, it is the published bid price. The value of any defined benefit asset recognised is restricted to the sum of any unrecognised past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

## *Defined contribution funds*

Obligations for contributions to defined contribution pension and provident plans are recognised as an expense in profit or loss as incurred.

## *Medical aid*

The obligation in respect of post-retirement health care is the sole responsibility of the retired employee. Therefore there is no Group obligation or liability in this regard.

## **(n) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, taking into account confidential discounts; distribution, sales and marketing services rendered; contract manufacturing; and rental income. The following specific recognition criteria must also be met before revenue is recognised:

### *Sales of products*

Invoiced product sales are recognised as turnover, excluding value-added taxation.

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue comprises invoiced gross sales of products, less discounts and provisions for product claims.

### *Services rendered*

Revenue from the rendering of services is recognised at the stage of completion of the service.

### *Finance income*

Revenue is recognised as interest accrues (using the effective interest rate – that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset). The Group deposits

## *Omskrewewoordeledefonds*

Die Groep se verpligting ten opsigte van omskrewewoordeledepensioenskemas word afsonderlik vir elke plan bereken deur ramings te maak van die waarde van die toekomstige voordeel wat werknemers in die huidige en vorige tydperke vir hulle dienste verdien het. Hierdie voordeel word verdiskonteer om die huidige waarde te bepaal en die billike waarde van enige bates in die plan word afgetrek. Die aktuariële geprojekteerde eenheidskrediet-metode word vir aktuariële waardasies gebruik. Wanneer die voordele van 'n plan verbeter word, word die deel van die groter voordeel wat verband hou met diens deur werknemers in die verlede as 'n uitgawe in wins of verlies erken op 'n reguitlyn-basis oor die gemiddelde tydperk verreken totdat die voordele gevestig raak. Tot die mate dat die voordele onmiddellik vestig, word die uitgawe onmiddellik in wins of verlies erken.

Die omskrewewoordeel-bate of -las bestaan uit die huidige waarde van die omskrewewoordeel-verpligting, minus onerkende verstreke dienskosse en minus die billike waarde van planbates waaruit die verpligtinge vereffen moet word. Planbates is bates wat gehou word deur 'n langtermynwerknemervoordeelfonds of kwalifiserende versekeringspolis. Bates in die plan is nie beskikbaar vir skuldeisers van die Groep nie, nóg kan dit direk aan die Groep betaal word. Billike waarde is gebaseer op markprysinligting en, in die geval van genoteerde effekte, is dit die gepubliseerde bodprys. Die waarde van enige omskrewewoordeel-bate erken, word beperk tot die totaal van enige onerkende verstreke dienskosse en die huidige waarde van enige ekonomiese voordele wat beskikbaar is in die vorm van terugbetalings uit die plan of verlaging in die toekomstige bydraes tot die plan.

## *Omskrewewydraefondse*

Verpligtinge vir bydraes aan omskrewewydraepensioen- en voorsorgskemas word as 'n uitgawe erken in wins of verlies soos dit aangegaan word.

## *Mediese fonds*

Die verpligting vir gesondheidsorg na aftrede is die uitsluitlike verantwoordelikheid van die afgetrede werknemer. Die Groep het gevolglik geen verpligting of aanspreeklikheid in hierdie verband nie.

## **(n) Erkenning van inkomste**

Inkomste word erken tot die mate dat dit waarskynlik is dat die ekonomiese voordele na die Groep sal vloei en dat die inkomste betroubaar gemeet kan word. Inkomste word teen billike waarde gemeet, na inagneming van vertroulike afslag; distribusie, verkope en bemarkingsdienste gelewer; kontrakvervaardiging en huurinkomste. Daar moet ook aan die volgende spesifieke erkenningskriteria voldoen word voordat inkomste erken word:

### *Verkoop van produkte*

Gefaktureerde produkverkope word erken as omset, uitgesluit belasting op toegevoegde waarde.

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

surplus funds at financial institutions and does not act as a supplier of finance to third parties. Interest received is recognised as finance income.

### *Dividends received*

Dividends are recognised when the right to receive payment is established.

### *Rental income*

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the rental income. The rental of properties does not form part of the core business of the Group. Income in this regard is recognised as other operating income.

### (o) Cost of sales

Cost of sales consists of the following:

- Cost of raw milk, ingredients and packaging.
- Milk collection cost.
- Manufacturing direct and indirect costs.
- Primary distribution costs.
- Charges against sales.

### (p) Finance costs

Finance costs are recognised as an expense when incurred.

### (q) Taxes

#### *Current taxation*

Current taxation assets and liabilities for the current and previous periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The taxation rates and taxation laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Inkomste word erken wanneer die beduidende regte en verpligtinge van eienaarskap van die goedere na die koper oorgaan. Inkomste sluit gefaktureerde bruto verkope van produkte min afslag en voorsienings vir produkteise in.

### *Dienste gelewer*

Inkomste vir dienste gelewer word erken op stadium van voltooiing van die diens.

### *Finansieringsinkomste*

Inkomste word erken soos rente toeval (die effektiewe rentekoers word gebruik – dit is die koers wat die toekomstige beraamde kontantontvangstes presies verdiskonteer deur die verwagte lewe van die finansiële instrument, na die netto drawaarde van die finansiële bate). Die Groep deponeer surplusfondse by finansiële instellings en tree nie as 'n verskaffer van finansiering aan derde partye op nie. Rente-inkomste word as finansieringsinkomste erken.

### *Dividende ontvang*

Dividende word erken wanneer die reg om betaling te ontvang, gevestig is.

### *Huurinkomste*

Huurinkomste uit beleggingseiendom word in wins of verlies erken op 'n reguitlyn-basis oor die termyn van die huurkontrak. Huuraansporings wat toegestaan word, word as 'n geïntegreerde deel van die huurinkomste erken. Die huurinkomste op eiendomme maak nie deel uit van die Groep se kernbesigheid nie. Inkomste in hierdie verband word as ander bedryfsinkomste erken.

### (o) Koste van verkope

Bestaan uit die volgende:

- Koste van rou melk, bestanddele en verpakking.
- Melkwinningskoste.
- Direkte- en indirekte produksiekoste.
- Primêre verspreidingskoste.
- Verhalings teen verkope.

### (p) Finansieringskoste

Finansieringskoste word as 'n uitgawe erken wanneer dit aangegaan word.

### (q) Belasting

#### *Lopende belasting*

Lopende belastingbates en -laste vir die huidige en vorige tydperke word gemeet aan die bedrag wat na verwagting van die belastingowerheid verhaal of aan die owerheid betaal sal word. Die belastingkoerse en -wette wat vir die berekening van die bedrag gebruik word, is dié wat bepaal of wesentlik bepaal word op die verslagdoeningsdatum.

Huidige inkomstebelasting met betrekking tot items wat direk in ekwiteit erken word, word in ekwiteit erken en nie in die inkomstestaat nie. Bestuur evalueer periodiek standpunte geneem in die belastingopgawes ten opsigte van gevalle waar die toepaslike belastingregulasies onderworpe is aan interpretasie en skep voorsienings, waar toepaslik.

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

## Deferred taxation

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to

## Uitgestelde belasting

Uitgestelde belasting word voorsien volgens die aanspreeklikheidsmetode op tydelike verskille tussen die belastingbasisse van bates en laste en hul drabedrae vir doeleindes van finansiële verslagdoening op die verslagdoeningsdatum.

Uitgestelde belastingaanspreeklikheid word erken vir alle belasbare tydelike verskille, behalwe:

- Wanneer die uitgestelde belastingaanspreeklikheid ontstaan uit die aanvanklike erkenning van klandisiewaarde of 'n bate of las in 'n transaksie wat nie 'n besigheidkombinasie is nie, en tydens die transaksie nie die rekeningkundige- of belasbare wins of verlies beïnvloed nie
- Ten opsigte van belasbare tydelike verskille wat verband hou met beleggings in filiale, geassosieerdes en belange in gesamentlike ondernemings, wanneer die tydsberekening van die omswaai van die tydelike verskille beheer kan word en dit waarskynlik is dat die tydelike verskille nie in die afsienbare toekoms sal omswaai nie.

Uitgestelde belastingbates word erken vir alle aftrekbare tydelike verskille, die oordrag van onbenutte belastingkrediete en enige ongebruikte belastingverliese. Uitgestelde belastingbates word erken tot die mate dat dit waarskynlik is dat belasbare wins beskikbaar sal wees wat die aftrekbare tydelike verskille, en die oordrag van onbenutte belastingkrediete en onbenutte belastingverliese aangewend kan word nie, behalwe:

- Wanneer die uitgestelde belastingbate met betrekking tot die aftrekbare tydelike verskil ontstaan uit die aanvanklike erkenning van 'n bate of las in 'n transaksie wat nie 'n besigheidkombinasie is nie, en tydens die transaksie nie die rekeningkundige- of belasbare wins of verlies beïnvloed nie
- Ten opsigte van aftrekbare tydelike verskille wat verband hou met beleggings in filiale, geassosieerdes en belange in gesamentlike ondernemings, word uitgestelde belastingbates slegs erken tot die mate dat dit waarskynlik is dat die tydelike verskille sal omswaai in die afsienbare toekoms en belasbare wins beskikbaar sal wees waarteen die tydelike verskille aangewend kan word.

Belastingvoordele wat as deel van 'n besigheidkombinasie verkry is, maar nie aan die kriteria vir die afsonderlike erkenning op daardie datum voldoen nie, sal daarna erken word indien nuwe inligting oor die feite en omstandighede verander. Die wysiging sal behandel word as 'n vermindering van klandisiewaarde (indien dit nie meer is as klandisiewaarde nie) indien dit aangegaan is tydens die metingstydperk of in wins of verlies.

Die drawaarde van uitgestelde belastingbates word verreken op elke verslagdoeningsdatum en verminder tot die mate dat dit nie meer waarskynlik is dat voldoende belasbare inkomste beskikbaar sal wees om al die, of 'n gedeelte van, die uitgestelde belastingbate te benut nie. Onterkende uitgestelde belastingbates word heroorweeg op elke verslagdoeningsdatum en word erken tot die mate dat dit waarskynlik raak dat toekomstige belasbare inkomste voldoende sal wees om die uitgestelde belastingbate te benut.



## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

the same taxable entity and the same taxation authority. Deferred tax is based on current rates of taxation. IFRS requires the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on taxation rates and taxation laws that have been enacted or substantively enacted at the reporting date, to be applied.

### *Value-added taxation (VAT)*

Revenues, expenses, assets and liabilities are recognised net of the amount of VAT, except:

- where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

### *Secondary taxation on companies (STC)*

STC is recognised if one of the following events occurs:

- Dividends are declared whether regular or preferences; or
- Events have occurred which result in a deemed dividend.

STC is calculated at the prescribed legislated rate and the expense is reflected as part of the taxation expense in profit or loss.

### **(r) Segment reporting**

The operating segments are based on the Group's management and internal reporting structure. Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

### **(s) Share-based compensation**

The Group operates an equity-settled, as well as a cash-settled share-based compensation plan.

#### *Equity-settled share-based compensation plan*

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Uitgestelde belastingbates en uitgestelde belastinglaste word verreken indien 'n regsgeldige afdwingbare reg bestaan om lopende belastingbates teen lopende belastingverplichtinge te verreken en die uitgestelde belasting hou verband met dieselfde belastingentiteit en dieselfde belastingowerheid. Uitgestelde belasting is gegrond op heersende belastingkoerse. IFRS bepaal dat die belastingkoerse wat na verwagting sal geld in die jaar waarin die bate gerealiseer of die las afgelos word, gegrond op die belastingkoerse en belastingwette wat op die verslagdoeningsdatum geld of sulke koerse en/of toekomstige wetswysigings wat reeds bekend is en na alle waarskynlikheid geïmplementeer sal word, toegepas word.

### *Belasting op toegevoegde waarde (BTW)*

Inkomste, uitgawes, bates en laste word erken netto van die BTW bedrag, behalwe:

- waar die BTW op die aankoop van bates of dienste aangegaan nie van die belastingowerheid verhaalbaar is nie, word die BTW erken as deel van die aankoopkoste van die bate of as deel van die uitgawe-item, soos toepaslik; en
- rekeninge ontvangbaar en betaalbaar wat aangedui word met die BTW-bedrag ingesluit.

Die netto bedrag BTW verhaalbaar van of betaalbaar aan die belastingowerheid is ingesluit as deel van rekeninge ontvangbaar of betaalbaar in die staat van finansiële posisie.

### *Sekondêre belasting op maatskappye (SBM)*

SBM word erken wanneer een van die onderstaande gebeurtenisse ontstaan:

- Gewone – of voorkeurdividende verklaar is; of
- Gebeurtenisse plaasvind wat 'n geagte dividend tot gevolg het.

SBM word bereken teen die koers wat vasgestel is deur die belastingowerheid en die uitgawe word as deel van die belastinguitgawe in wins of verlies erken.

### **(r) Segmentverslagdoening**

Die bedryfsegmente is gebaseer op die Groep se bestuur en interne verslagdoeningstruktuur. Intersegmentele pryse word op 'n armlengte-basis bepaal. Segmentresultate, bates en laste sluit items in wat regstreeks aan 'n segment toegewys kan word asook die wat op 'n redelike basis toegewys kan word.

### **(s) Aandeelgebaseerde vergoeding**

Die Groep bedryf 'n ekwiteitsvereffende, sowel as 'n kontantvereffende aandeelgebaseerde vergoedingsplan.

#### *Ekwiteitsvereffende aandeelgebaseerde vergoedingsplan*

Die koste van ekwiteitsvereffende transaksies word erken, tesame met 'n ooreenstemmende styging in ander kapitaalreserwes in ekwiteit, oor die tydperk waarin die prestasie en/of diensvoorwaardes nagekom word. Die kumulatiewe uitgawe erken vir ekwiteitsvereffende transaksies op elke verslagdoeningsdatum tot die vestigingsdatum weerspieël die mate waartoe die vestigingstydperk verstryk het en die Groep se beste raming van die getal ekwiteitsinstrumente wat uiteindelik sal vestig. Die inkomtestaatuitgawe of -krediet vir 'n tydperk verteenwoordig die beweging in kumulatiewe uitgawe erken soos aan die begin en einde van daardie tydperk en word in werknemervoordelekeste erken.



## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### *Cash-settled share-based compensation plan*

The cost of a cash-settled transaction is measured initially at fair value at the grant date using a modified version of the Hull-White Trinominal Lattice model taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured at each reporting date up to and including the settlement date with changes in fair value recognised in profit or loss.

### **(t) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they incur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The Group capitalised borrowing costs for all eligible assets where construction was commenced on or after 1 July 2009.

### **(u) Comparative figures**

Where account balances were adjusted for the purpose of improved disclosure, the comparative figures have been restated accordingly.

Geen uitgawes word erken vir toekennings wat nie uiteindelik vestig nie, behalwe vir ekwiteitsvereffende transaksies waarvoor vestiging afhanklik is van 'n mark- of nie-vestigende toestand. Dit word behandel as die vestigingstydperk ongeag daarvan of die mark- of nie-vestigende toestand nagekom is, met dien verstande dat alle ander prestasie- en/of diensvoorwaardes nagekom is.

Wanneer die bepalings van 'n ekwiteitsvereffende transaksietoekenning gewysig word, is die minimum uitgawe erken die uitgawe asof die bepalings nie verander het nie, indien die oorspronklike voorwaardes van die toekenning nagekom word. 'n Bykomende uitgawe word erken vir enige wysiging wat die totale billike waarde van die ekwiteitsgebaseerde betalingstransaksie verhoog, of andersins voordelig is vir die werknemer soos gemeet op die datum van die wysiging.

Wanneer 'n ekwiteitsvereffende toekenning gekanselleer word, word dit hanteer asof dit gevestig het op die kanselleringsdatum, en enige uitgawe wat nog nie vir die toekenning erken is nie, word onmiddellik erken. Dit sluit in enige toekenning waar nie-vestigende toestande binne die beheer van óf die entiteit óf die werknemer nie nagekom word nie. Indien 'n nuwe toekenning egter die gekanselleerde toekenning vervang, en aangewys word as 'n plaasvervanger-toekenning op die datum waarop dit toegestaan word, word die gekanselleerde en nuwe toekennings behandel asof hulle 'n wysiging van die oorspronklike toekenning was, soos beskryf in die vorige paragraaf. Die verwateringseffek van uitstaande opsies word as bykomende aandeelverwatering in die berekening van verwaterde verdienste per aandeel weerspieël.

### *Kontantvereffende aandeelgebaseerde vergoedingsplan*

Die koste van kontantvereffende transaksies word aanvanklik op die kennisgewingdatum teen billike waarde gemeet deur gebruikmaking van 'n aangepaste weergawe van die Hull-White Trinominal Lattice model, inagnemend die terme en voorwaardes waarop die instrumente toegeken is. Die billike waarde word afgeskryf oor die periode tot en met vestiging met erkenning van die ooreenkomstige las. Die las word op elke verslagdoeningsdatum hermeet tot en met die vereffeningsdatum, met veranderinge in billike waarde in wins of verlies erken.

### **(t) Leenkoste**

Leningskoste wat regstreeks toegewys word aan die aankoop, konstruksie of produksie van 'n bate wat noodwendig 'n aansienlike tyd neem voordat dit gereed is vir gebruik of verkoop, word as deel van die koste van die onderskeie bates gekapitaliseer. Alle ander leningskoste word afgeskryf in die tydperk waarin hulle aangegaan word. Leningskoste bestaan uit rente en ander kostes wat 'n onderneming aangaan ten opsigte van die leen van fondse. Die Groep het leningskoste vir alle toepaslike bates gekapitaliseer indien daar op of voor 1 Julie 2009 met konstruksie begin is.

### **(u) Vergelykende syfers**

Waar rekeningsaldo's aangepas is om verbeterde openbaarmaking daar te stel, word die vergelykende syfers dienoreenkomstig hersaamgestel.

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

### 3 Definitions

#### 3.1 Dividend per ordinary share

Dividend paid to ordinary shareholders, divided by the weighted average number of ordinary shares in issue at the end of the year.

#### 3.2 Equity dividend per preference share

Ordinary dividend paid to preference shareholders, divided by the weighted average number of preference shares in issue at the end of the year.

##### Preference dividend recognised as interest per preference share

Preference dividend paid, divided by the weighted average number of preference shares in issue at the end of the year.

#### 3.3 Earnings and diluted earnings per share

##### Earnings per ordinary share

Profit attributable to ordinary shareholders, based on ordinary dividend rights, divided by the weighted average number of ordinary shares net of the weighted average number of treasury shares in issue at the end of the year.

##### Diluted earnings per ordinary share

Profit attributable to ordinary shareholders, based on ordinary dividend rights, divided by the weighted average number of ordinary shares, adjusted for options issued, net of the weighted average number of treasury shares at the end of the year, adjusted for options issued.

#### 3.4 Net assets

Total assets less total liabilities.

#### 3.5 Cash flow

Cash flow from operating activities.

#### 3.6 Cash flow per share

Cash flow divided by the weighted average number of ordinary shares in issue at the end of the year.

#### 3.7 Net asset turnover

Revenue divided by average net assets less average cash on hand.

#### 3.8 Return on net assets

Operating profit as a percentage of average assets less average current liabilities excluding current interest-bearing loans and borrowings.

### 3. Definisies

#### 3.1 Dividend per gewone aandeel

Dividend betaal aan gewone aandeelhouders, gedeel deur die geweege gemiddelde aantal gewone aandele uitgereik aan die einde van die jaar.

#### 3.2 Ekwiteitsdividend per voorkeuraandeel

Gewone dividend betaal aan voorkeuraandeelhouders, gedeel deur die geweege gemiddelde aantal voorkeuraandele uitgereik aan die einde van die jaar.

##### Voorkeurdividend as rente erken per voorkeuraandeel

Voorkeurdividend betaal, gedeel deur die geweege gemiddelde aantal voorkeuraandele uitgereik aan die einde van die jaar.

#### 3.3 Verdienste en verwaterde verdienste per aandeel

##### Verdienste per gewone aandeel

Wins toeskryfbaar aan gewone aandeelhouders, gebaseer op gewone dividendregte, gedeel deur die geweege gemiddelde aantal gewone aandele netto van die geweege gemiddelde tesourie-aandele uitgereik aan die einde van die jaar.

##### Verwaterde verdienste per gewone aandeel

Wins toeskryfbaar aan gewone aandeelhouders, gebaseer op gewone dividendregte, gedeel deur die geweege gemiddelde aantal gewone aandele, aangepas vir opsies uitgereik, netto van die geweege gemiddelde tesourie-aandele aan die einde van die jaar, aangepas vir uitgereikte opsies.

#### 3.4 Netto bates

Totale bates min totale laste.

#### 3.5 Kontantvloei

Kontantvloei uit bedryfsaktiwiteite.

#### 3.6 Kontantvloei per aandeel

Kontantvloei gedeel deur die geweege gemiddelde aantal gewone aandele uitgereik aan die einde van die jaar.

#### 3.7 Netto bate-omset

Inkomste gedeel deur gemiddelde netto bates min gemiddelde kontant voorhande.

#### 3.8 Opbrengs op netto bates

Bedryfswins as 'n persentasie van gemiddelde bates, minus gemiddelde bedryfslaste uitgesluit lopende rentedraende lenings en verpligtinge.

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

### 3.9 Return on shareholders' funds

Profit attributable to shareholders as a percentage of average shareholders' funds, before minority interest.

### 3.10 Gearing percentage

Interest-bearing loans and borrowings reduced by cash funds, as a percentage of total shareholders' interest, including minority interest.

### 3.11 Current ratio

Current assets divided by current liabilities.

### 3.12 Activities pertaining to cash flow

#### Operating activities

All transactions and other events that are not investing or financing activities.

#### Financing activities

Activities that result in changes in the size and composition of the capital structures of the Group. This includes both the equity and debt not falling within the definition of cash and cash equivalents.

#### Investing activities

Activities relating to the acquisition, holding and disposal of long-term assets.

### 3.13 Cash and cash equivalents

Cash on hand and in current bank accounts.

### 3.14 Restructuring cost

Restructuring cost consists of costs incurred in order to streamline processes of the Group.

### 3.9 Opbrengs op aandeelhoudersfondse

Wins toeskryfbaar aan gewone aandeelhouders as 'n persentasie van gemiddelde aandeelhouerfondse, voor minderheidsbelang.

### 3.10 Hefboompersentasie

Rentedraende lenings en verpligtinge, verminder met kontantfondse, as 'n persentasie van totale aandeelhoudersbelang, ingesluit minderheidsbelang.

### 3.11 Bedryfsverhouding

Bedryfsbates gedeel deur bedryfslaste.

### 3.12 Aktiwiteite ten opsigte van kontantvloei

#### Bedryfsaktiwiteite

Alle transaksies en gebeure wat nie beleggings- of finansierings- aktiwiteite is nie.

#### Finansieringsaktiwiteite

Aktiwiteite wat veranderinge in die grootte en samestelling van die kapitaalstrukture van die Groep tot gevolg het. Dit sluit ekwiteit en skuld in wat nie onder die definisie van kontant en kontantekwivalente val nie.

#### Beleggingsaktiwiteite

Aktiwiteite met betrekking tot die verkryging, hou en vervreemding van langtermynbates.

### 3.13 Kontant en kontantekwivalente

Kontant voorhande en in lopende bankrekeninge.

### 3.14 Herstruktureringse koste

Herstruktureringse koste behels kostes aangegaan om sodoende prosesse in die Groep in lyn te bring met mekaar.

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |               | Company/Maatskappy                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 2012<br>R'000                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2011<br>R'000 | 2012<br>R'000                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2011<br>R'000 |
| <b>4. Interest in joint ventures</b><br><br>Clover Industries indirectly holds a 50,1% interest in Clover Manhattan through Clover SA. Clover also formed an unincorporated joint venture, Clover Manhattan which is involved in the manufacture, marketing and distribution of ice tea.<br><br>Clover Industries indirectly holds a 51% interest in Clover Fonterra through Clover SA. Clover Fonterra is involved in the marketing and distribution of dairy-related products. |               | <b>4. Belang in gesamentlike ondernemings</b><br><br>Clover Industries hou indirek deur Clover SA 'n 50,1% aandeel in Clover Manhattan. Clover het 'n on-ingekorporeerde gesamentlike onderneming, Clover Manhattan, gestig wat betrokke is by die vervaardiging, bemarking en verspreiding van ystee.<br><br>Clover Industries besit indirek deur Clover SA 'n 51% aandeel in Clover Fonterra. Clover Fonterra is betrokke by die bemarking en verspreiding van suiwelverwante produkte. |               |
| <b>4.1 Interest in joint ventures</b><br><br>The Group's share of the assets, liabilities, income and expenses of the jointly controlled entities at 30 June 2012 which are proportionally consolidated in the consolidated financial statements, is as follows:                                                                                                                                                                                                                 |               | <b>4.1 Belang in gesamentlike onderneming</b><br><br>Die Groep se deel van die bates, laste, inkomste en uitgawes van die gesamentlik beheerde entiteite op 30 Junie 2012 wat proporsioneel gekonsolideer is in die gekonsolideerde finansiële state, is soos volg:                                                                                                                                                                                                                       |               |
| <b>Clover Manhattan</b><br><b>Share of the joint venture's statement of financial position</b>                                                                                                                                                                                                                                                                                                                                                                                   |               | <b>Gedeelte van gesamentlike onderneming se staat van finansiële posisie</b>                                                                                                                                                                                                                                                                                                                                                                                                              |               |
| 8 171                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 12 958        | Bedryfsbates                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |               |
| 7 211                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 10 719        | Bedryfslaste                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |               |
| <b>Share of joint venture's revenue and profit</b>                                                                                                                                                                                                                                                                                                                                                                                                                               |               | <b>Gesamentlike onderneming se gedeelte van inkomste en wins</b>                                                                                                                                                                                                                                                                                                                                                                                                                          |               |
| 37 546                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 31 507        | Inkomste                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| (25 056)                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | (20 989)      | Koste van verkope                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |               |
| (10 896)                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | (8 995)       | Verkoops-, bemarkings-, verspreidings- en administratiewe uitgawes                                                                                                                                                                                                                                                                                                                                                                                                                        |               |
| 282                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 158           | Ander bedryfsuitgawes                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |               |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | (3)           | Finansierings inkomste/(koste)                                                                                                                                                                                                                                                                                                                                                                                                                                                            |               |
| 1 880                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1 678         | Wins voor belasting                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |               |
| (760)                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | (449)         | Inkomstebelastinguitgawe                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| 1 120                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1 229         | Wins vir die jaar                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |               |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep   |               |                                                                              | Company/Maatskappy |               |
|---------------|---------------|------------------------------------------------------------------------------|--------------------|---------------|
| 2012<br>R'000 | 2011<br>R'000 |                                                                              | 2012<br>R'000      | 2011<br>R'000 |
|               |               | <b>Clover Fonterra</b>                                                       |                    |               |
|               |               | <b>Share of joint venture's statement of financial position</b>              |                    |               |
| 60 120        | 43 199        | Current assets                                                               |                    |               |
| 370           | 294           | Non-current assets                                                           |                    |               |
| 38 452        | 27 276        | Current liabilities                                                          |                    |               |
|               |               | <b>Share of joint venture's revenue and profit</b>                           |                    |               |
| 168 816       | 87 632        | Revenue                                                                      |                    |               |
| (142 031)     | (69 851)      | Cost of sales                                                                |                    |               |
| (9 511)       | (8 362)       | Sales, marketing, distribution and administrative expenses                   |                    |               |
| (27)          | 67            | Other operating (expenses)/income                                            |                    |               |
| (168)         | 119           | Finance (cost)/income                                                        |                    |               |
| 17 079        | 9 605         | Profit before taxation                                                       |                    |               |
| (4 782)       | (3 012)       | Income tax expense                                                           |                    |               |
| 12 297        | 6 593         | <b>Profit for the year</b>                                                   |                    |               |
|               |               | <b>Capital commitments</b>                                                   |                    |               |
| –             | –             | Capital commitments authorised and contracted for                            |                    |               |
| –             | –             | Capital commitments authorised but not contracted for                        |                    |               |
|               |               | <b>Clover Fonterra</b>                                                       |                    |               |
|               |               | <b>Gedeelte van gesamentlike onderneming se staat van finansiële posisie</b> |                    |               |
|               |               | Bedryfsbates                                                                 |                    |               |
|               |               | Nie-bedryfsbates                                                             |                    |               |
|               |               | Bedryfslaste                                                                 |                    |               |
|               |               | <b>Gesamentlike onderneming se gedeelte van inkomste en wins</b>             |                    |               |
|               |               | Inkomste                                                                     |                    |               |
|               |               | Koste van verkope                                                            |                    |               |
|               |               | Verkoops-, bemarkings-, verspreidings- en administratiewe uitgawes           |                    |               |
|               |               | Ander (bedryfsuitgawes)/bedryfsinkomste                                      |                    |               |
|               |               | Finansierings (koste)/inkomste                                               |                    |               |
|               |               | Wins voor belasting                                                          |                    |               |
|               |               | Inkomstebelastinguitgawe                                                     |                    |               |
|               |               | <b>Wins vir die jaar</b>                                                     |                    |               |
|               |               | <b>Kapitaalverpligtinge</b>                                                  |                    |               |
|               |               | Kapitaalverpligtinge goedgekeur en gekontrakteer                             |                    |               |
|               |               | Kapitaalverpligtinge goedgekeur, maar nie gekontrakteer nie                  |                    |               |

## 5. Segment reporting

Segment information is presented in respect of the Group's operating segments. The operating segments are based on the Group's management and internal reporting structure. Inter-segment pricing is determined on an arm's length basis. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The following tables present information of the Group's operating segments for the year ended 30 June 2012 and 2011 respectively.

## 5. Segmentverslagdoening

Segmentinligting word met betrekking tot die Groep se bedryfsegmente aangebied. Die bedryfsegmente is gegrond op die Groep se bestuur en interne verslagdoeningstruktuur. Pryse tussen segmente word op 'n arm lengte-basis bepaal. Segmentresultate sluit items in wat regstreeks aan segmente toegewys kan word asook items wat redelikerwys toegewys kan word.

Die volgende tabelle verskaf inligting oor die Groep se bedryfsegmente vir die jaar geëindig 30 Junie 2012 en 2011 onderskeidelik.



## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep   |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Company/Maatskappy |               |
|---------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------|
| 2012<br>R'000 | 2011<br>R'000 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2012<br>R'000      | 2011<br>R'000 |
|               |               | <p>The Group's manufacturing, distribution and other assets are totally integrated between the different operating segments as well as the Group liabilities. It is not practical, nor cost effective to attempt to allocate assets and liabilities between different operating segments. Similarly, and for the same reasons, production, distribution and administrative costs are also not practically distinguishable between the different operating segments. Management monitors operating segment performance at the margin on materials level which includes revenue, raw material and packaging costs and the segmental disclosure therefore is at this level.</p> <p>Assets, liabilities and overhead costs are managed on a group basis and are therefore not allocated to operating segments. Group operations outside of South Africa are not material and therefore not disclosed separately.</p> | <p>Die Groep se vervaardigings-, verspreidings- en ander bates is heeltemal geïntegreer tussen die verskillende bedryfsegmente asook die Groep se laste. Dit is nie prakties of koste-effektief om bates en laste aan verskillende bedryfsegmente toe te wys nie. Soortgelyk, en om dieselfde redes, kan vervaardigings-, verspreidings- en administratiewe koste ook nie prakties onderskei word tussen die verskillende bedryfsegmente nie. Bestuur monitor bedryfsegmentprestasie op die vlak van marge op materiale wat inkomste, grondstowwe en verpakkingskoste insluit en die segment-openbaring vind dus op hierdie vlak plaas.</p> <p>Bates, laste en oorhoofse koste word op 'n groepsbasis bestuur en word dus nie aan bedryfsegmente toegewys nie. Groep bedrywighede buite Suid-Afrika is nie wesentlik nie en word dus nie afsonderlik openbaar gemaak nie.</p> |                    |               |
|               |               | <p><b>Operating segments</b></p> <p>The Group comprises the following main operating segments:</p> <ul style="list-style-type: none"> <li>• The dairy fluids segment is focused on providing the market with quality dairy fluid products.</li> <li>• The dairy concentrated products consist of cheese, butter, condensed milk and retail milk powders.</li> <li>• The ingredients products consist of bulk milk powders, bulk butter, bulk condensed milk, bulk creamers, calf feed substitutes, whey powder and buttermilk powder.</li> <li>• The non-alcoholic beverages segment focus on the development and marketing of non-alcoholic, value-added branded beverages products.</li> <li>• Other consists of Clover Industries Ltd holding company and Lactolab (Pty) Ltd that render laboratory services.</li> </ul>                                                                                      | <p><b>Bedryfsegmente</b></p> <p>Die Groep bestaan uit die volgende hoofbedryfsegmente:</p> <ul style="list-style-type: none"> <li>• Die suiwelvloeistowwe segment is gefokus op die verskaffing van kwaliteit vloeibare suiwelprodukte aan die mark.</li> <li>• Die suiwel-gekonsentreerde produkte bestaan uit kaas, botter, kondensmelk en kleinhandel melkpoeiers.</li> <li>• Die ingrediënte bestaan uit grootmaat melkpoeiers, – botter, – kondensmelk en – verromer, kalfvoer-plaasvervangers, weipoeier en karringmelkpoeier.</li> <li>• Die nie-alkoholiese dranksegment fokus op die ontwikkeling en bemarking van nie-alkoholiese, waarde-toegevoegde handelsmerk drankprodukte.</li> <li>• Ander bestaan uit Clover Industries Bpk houermaatskappy en Lactolab (Edms) Bpk wat laboratoriumdienste verskaf.</li> </ul>                                              |                    |               |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

30 June 2012

## Segmental report/Segmentverslag

|                                                          |                                                     | Dairy fluids/<br>Suiwelvoleistowwe | Dairy concentrated<br>products/<br>Suiwel<br>gekonsentreerde<br>produkte | Ingredients/<br>Ingrediënte | Non-alcoholic<br>beverages/<br>Nie-alkoholiese<br>drankies | Other/<br>Ander | CIL Group/CIL Groep |
|----------------------------------------------------------|-----------------------------------------------------|------------------------------------|--------------------------------------------------------------------------|-----------------------------|------------------------------------------------------------|-----------------|---------------------|
|                                                          |                                                     | R'000                              | R'000                                                                    | R'000                       | R'000                                                      | R'000           | R'000               |
| <b>External revenue</b>                                  | <b>Eksterne inkomste</b>                            |                                    |                                                                          |                             |                                                            |                 |                     |
| Sale of products                                         | Verkope van produkte                                | 3 092 413                          | 1 020 961                                                                | 428 494                     | 1 557 476                                                  | 9 924           | 6 109 268           |
| Sale of raw milk                                         | Verkope van rou melk                                | 346 287                            | –                                                                        | –                           | –                                                          | –               | 346 287             |
| Charges against sales                                    | Heffings op verkope                                 | (35 790)                           | (25 131)                                                                 | (6 752)                     | (30 017)                                                   | –               | (97 690)            |
| Cost of material and packaging                           | Koste van materiaal en verpakking                   | (1 957 550)                        | (638 259)                                                                | (318 192)                   | (713 366)                                                  | (2 506)         | (3 629 873)         |
| Milk collection cost                                     | Koste van melkinsameling                            | (220 109)                          | (56 774)                                                                 | (19 647)                    | (8 542)                                                    | –               | (305 072)           |
|                                                          |                                                     | 1 225 251                          | 300 797                                                                  | 83 903                      | 805 551                                                    | 7 418           | 2 422 920           |
| <b>Margin on material</b>                                | <b>Marge op materiaal</b>                           |                                    |                                                                          |                             |                                                            |                 |                     |
| Reconciliation of margin on material to operating profit | Rekonsiliasie van marge op materiaal na bedryfswins |                                    |                                                                          |                             |                                                            |                 | 2 422 920           |
| <b>Margin on material</b>                                | <b>Marge op materiaal</b>                           |                                    |                                                                          |                             |                                                            |                 | 763 723             |
| Revenue from rendering of services                       | Inkomste uit dienste gelewer                        |                                    |                                                                          |                             |                                                            |                 | 4 585               |
| Rental income                                            | Huurinkomste                                        |                                    |                                                                          |                             |                                                            |                 | (775 552)           |
| Direct and indirect manufacturing cost                   | Direkte en indirekte vervaardigingskoste            |                                    |                                                                          |                             |                                                            |                 | (425 035)           |
| Primary distribution cost                                | Primêre verspreidingskoste                          |                                    |                                                                          |                             |                                                            |                 |                     |
|                                                          |                                                     |                                    |                                                                          |                             |                                                            |                 | 1 990 641           |
| <b>Gross profit</b>                                      | <b>Bruto wins</b>                                   |                                    |                                                                          |                             |                                                            |                 | (1 609 836)         |
| Net other costs                                          | Netto ander koste                                   |                                    |                                                                          |                             |                                                            |                 | (9 573)             |
| Restructuring cost                                       | Herstruktureringkoste                               |                                    |                                                                          |                             |                                                            |                 |                     |
|                                                          |                                                     |                                    |                                                                          |                             |                                                            |                 | 371 232             |
| <b>Operating profit</b>                                  | <b>Bedryfswins</b>                                  |                                    |                                                                          |                             |                                                            |                 | (23 862)            |
| Net financing cost                                       | Netto finansieringskoste                            |                                    |                                                                          |                             |                                                            |                 | (137 654)           |
| Tax expense                                              | Belastinguitgawe                                    |                                    |                                                                          |                             |                                                            |                 | (102 316)           |
| Depreciation                                             | Waardevermindering                                  |                                    |                                                                          |                             |                                                            |                 |                     |
|                                                          |                                                     |                                    |                                                                          |                             |                                                            |                 |                     |
| <b>Assets and liabilities</b>                            | <b>Bates en laste</b>                               |                                    |                                                                          |                             |                                                            |                 | 3 863 543           |
| Assets                                                   | Bates                                               |                                    |                                                                          |                             |                                                            |                 | 1 967 503           |
| Liabilities                                              | Laste                                               |                                    |                                                                          |                             |                                                            |                 |                     |



# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| 30 June 2011                                             |                                                     | Dairy fluids/<br>Suiwelvloeistowwe | Dairy concentrated<br>products/Suiwel<br>gekonsentreerde<br>produkte | Ingredients/<br>Ingrediënte | Non-alcoholic<br>beverages/<br>Nie-alkoholiese<br>drankies | Other/<br>Ander | CIL Group/<br>CIL Groep |
|----------------------------------------------------------|-----------------------------------------------------|------------------------------------|----------------------------------------------------------------------|-----------------------------|------------------------------------------------------------|-----------------|-------------------------|
| Segmental report/Segmentverslag                          |                                                     |                                    |                                                                      |                             |                                                            |                 |                         |
| External revenue                                         | Eksterne inkomste                                   | R'000                              | R'000                                                                | R'000                       | R'000                                                      | R'000           | R'000                   |
| Sale of products                                         | Verkope van produkte                                | 2 959 585                          | 922 306                                                              | 332 258                     | 1 287 553                                                  | 8 734           | 5 510 436               |
| Sale of raw milk                                         | Verkope van rou melk                                | 386 070                            | –                                                                    | –                           | –                                                          | –               | 386 070                 |
| Charges against sales                                    | Heffings op verkope                                 | (55 975)                           | (15 036)                                                             | (25 808)                    | (9 396)                                                    | (613)           | (106 828)               |
| Cost of material and packaging                           | Koste van materiaal en verpakking                   | (1 869 831)                        | (607 889)                                                            | (220 946)                   | (613 881)                                                  | (1 961)         | (3 314 508)             |
| Milk collection cost                                     | Koste van melkinsameling                            | (192 420)                          | (75 182)                                                             | (14 107)                    | (7 979)                                                    | –               | (289 688)               |
| <b>Margin on material</b>                                | <b>Marge op materiaal</b>                           | 1 227 429                          | 224 199                                                              | 71 397                      | 656 297                                                    | 6 160           | 2 185 482               |
| Reconciliation of margin on material to operating profit | Rekonsiliasie van marge op materiaal na bedryfswins |                                    |                                                                      |                             |                                                            |                 | 2 185 482               |
| <b>Margin on material</b>                                | <b>Marge op materiaal</b>                           |                                    |                                                                      |                             |                                                            |                 | 2 185 482               |
| Revenue from rendering of services                       | Inkomste van dienste gelewer                        |                                    |                                                                      |                             |                                                            |                 | 642 133                 |
| Rental income                                            | Huurinkomste                                        |                                    |                                                                      |                             |                                                            |                 | 3 682                   |
| Direct and indirect manufacturing cost                   | Direkte en indirekte vervaardigingskoste            |                                    |                                                                      |                             |                                                            |                 | (709 760)               |
| Primary distribution cost                                | Primêre verspreidingskoste                          |                                    |                                                                      |                             |                                                            |                 | (380 539)               |
| <b>Gross profit</b>                                      | <b>Bruto wins</b>                                   |                                    |                                                                      |                             |                                                            |                 | 1 740 998               |
| Net other costs                                          | Netto ander koste                                   |                                    |                                                                      |                             |                                                            |                 | (1 405 083)             |
| Restructuring cost                                       | Herstruktureringkoste                               |                                    |                                                                      |                             |                                                            |                 | (16 907)                |
| <b>Operating profit</b>                                  | <b>Bedryfswins</b>                                  |                                    |                                                                      |                             |                                                            |                 | 319 008                 |
| Net financing cost                                       | Netto finansieringskoste                            |                                    |                                                                      |                             |                                                            |                 | (37 440)                |
| Tax expense                                              | Belastinguitgawe                                    |                                    |                                                                      |                             |                                                            |                 | (97 534)                |
| Depreciation                                             | Waardevermindering                                  |                                    |                                                                      |                             |                                                            |                 | (98 345)                |
| <b>Assets and liabilities</b>                            | <b>Bates en laste</b>                               |                                    |                                                                      |                             |                                                            |                 |                         |
| Assets                                                   | Bates                                               |                                    |                                                                      |                             |                                                            |                 | 3 545 488               |
| Liabilities                                              | Laste                                               |                                    |                                                                      |                             |                                                            |                 | 1 793 693               |



# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                   |             |                                                                                                                                                                             | Company/Maatskappy             |       |
|-------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-------|
| 2012                          | 2011        |                                                                                                                                                                             | 2012                           | 2011  |
| R'000                         | R'000       |                                                                                                                                                                             | R'000                          | R'000 |
| <b>6. Income and expenses</b> |             |                                                                                                                                                                             | <b>6. Inkomste en uitgawes</b> |       |
| <b>6.1 Cost of sales</b>      |             |                                                                                                                                                                             | <b>6.1 Koste van verkope</b>   |       |
| (97 690)                      | (106 828)   | Charges against sales                                                                                                                                                       |                                |       |
| (2 916 268)                   | (2 645 565) | Cost of raw materials                                                                                                                                                       |                                |       |
| (713 605)                     | (668 943)   | Packaging costs                                                                                                                                                             |                                |       |
| (305 072)                     | (289 688)   | Milk collection cost                                                                                                                                                        |                                |       |
| (775 552)                     | (709 760)   | Manufacturing direct and indirect cost                                                                                                                                      |                                |       |
| (425 035)                     | (380 539)   | Primary distribution cost                                                                                                                                                   |                                |       |
| (5 233 222)                   | (4 801 323) | <b>Total cost of sales</b>                                                                                                                                                  |                                |       |
|                               |             | Included in cost of sales are operating expenses as indicated below:                                                                                                        |                                |       |
|                               |             | Depreciation, impairment and amortisation                                                                                                                                   |                                |       |
| 64 074                        | 60 188      | <ul style="list-style-type: none"> <li>Depreciation of property, plant and equipment</li> </ul>                                                                             |                                |       |
| 3 591                         | 3 660       | <ul style="list-style-type: none"> <li>Amortisation and impairment of trademarks, patents and licences</li> </ul>                                                           |                                |       |
| 67 665                        | 63 848      | <b>Total depreciation, impairment and amortisation included in cost of sales</b>                                                                                            |                                |       |
| 11 886                        | 9 936       | <b>Total inventories, raw material and finished product written off or provided for included in cost of sales</b>                                                           |                                |       |
|                               |             |                                                                                                                                                                             |                                |       |
|                               |             | Ingesluit in koste van verkope is die volgende bedryfsuitgawes:                                                                                                             |                                |       |
|                               |             | Depresiasie, waardedaling en amortisasie                                                                                                                                    |                                |       |
|                               |             | <ul style="list-style-type: none"> <li>Depresiasie van eiendom, aanleg en toerusting</li> <li>Amortisasie en waardedaling van handelsmerke, patente en lisensies</li> </ul> |                                |       |
|                               |             | <b>Totale depresiasie, waardedaling en amortisasie ingesluit in koste van verkope</b>                                                                                       |                                |       |
|                               |             | <b>Totale voorrade, grondstowwe en klaarprodukte afgeskryf of voorsien ingesluit in koste van verkope</b>                                                                   |                                |       |

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                         |         |                                                           | Company/Maatskappy               |        |
|-------------------------------------|---------|-----------------------------------------------------------|----------------------------------|--------|
| 2012                                | 2011    |                                                           | 2012                             | 2011   |
| R'000                               | R'000   |                                                           | R'000                            | R'000  |
| <b>6.2 Other operating income</b>   |         |                                                           | <b>6.2 Ander bedryfsinkomste</b> |        |
| –                                   | 707     | Impairment loss on trade receivables reversed             |                                  |        |
| –                                   | 4 255   | Profit on sale of property, plant and equipment           |                                  |        |
| <b>6 447</b>                        | –       | Foreign exchange profits                                  |                                  |        |
| <b>1 956</b>                        | –       | Insurance premiums refunded                               |                                  |        |
| <b>2 590</b>                        | 1 992   | Scrap sales                                               |                                  |        |
| –                                   | –       | Fees for the cession of milk rights                       |                                  |        |
| <b>3 723</b>                        | 7 020   | Sundry*                                                   |                                  |        |
| <b>14 716</b>                       | 13 974  | <b>Total other operating income</b>                       | <b>41 096</b>                    | 38 391 |
|                                     |         |                                                           | <b>(652)</b>                     | 781    |
|                                     |         |                                                           | <b>40 444</b>                    | 39 172 |
| <b>6.3 Other operating expenses</b> |         |                                                           | <b>6.3 Ander bedryfsuitgawes</b> |        |
| –                                   | (1 258) | Foreign exchange loss                                     | –                                | (3)    |
| –                                   | 397     | Handling fees                                             |                                  |        |
| <b>(1 771)</b>                      | (1 034) | Provision: consumable stock obsolescence                  |                                  |        |
| <b>(1 825)</b>                      | –       | Loss on sale of property, plant and equipment             |                                  |        |
| <b>(3 669)</b>                      | –       | Loss on share appreciation rights forward purchases       |                                  |        |
| <b>(1 481)</b>                      | –       | Additional provision for impairment of inter company loan |                                  |        |
| <b>(1 781)</b>                      | (715)   | Sundry*                                                   |                                  |        |
| <b>(10 527)</b>                     | (2 610) | <b>Total other operating expenses</b>                     | <b>–</b>                         | (3)    |
|                                     |         |                                                           |                                  |        |

\* Sundry income and expenses consist of immaterial items.

Diverse inkomste en uitgawes bestaan uit nie-wesenskaplike items.

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                                                                                                                                                                      |               | Company/Maatskappy                                                                                       |               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------------------------------------------------------------------------------|---------------|
| 2012<br>R'000                                                                                                                                                                                                    | 2011<br>R'000 | 2012<br>R'000                                                                                            | 2011<br>R'000 |
| <b>6.4 Operating profit</b>                                                                                                                                                                                      |               | <b>6.4 Bedryfswins</b>                                                                                   |               |
| Operating profit before finance income/(cost) has been determined after taking into account the following expenses:                                                                                              |               | Bedryfswins voor finansieringsinkomste/ (koste) is bepaal met inagneming van die volgende uitgawes:      |               |
| <b>Other expenses</b>                                                                                                                                                                                            |               | <b>Ander uitgawes</b>                                                                                    |               |
| 16 150                                                                                                                                                                                                           | 8 001         | Ontwikkelingskoste                                                                                       |               |
| 30 581                                                                                                                                                                                                           | 15 079        | Huuruitgawes                                                                                             |               |
| 23 828                                                                                                                                                                                                           | 21 943        | • grond en geboue                                                                                        |               |
| 310 139                                                                                                                                                                                                          | 302 063       | • toerusting                                                                                             |               |
| 8 436                                                                                                                                                                                                            | 15 138        | • voertuie                                                                                               |               |
| 1 463                                                                                                                                                                                                            | 912           | • masjiene                                                                                               |               |
|                                                                                                                                                                                                                  |               | • ander                                                                                                  |               |
|                                                                                                                                                                                                                  |               | Direkte bedryfsuitgawes van beleggingseiendomme                                                          |               |
| 56                                                                                                                                                                                                               | 30            | • instandhouding                                                                                         |               |
| 390 653                                                                                                                                                                                                          | 363 166       | <b>Totale ander uitgawes</b>                                                                             |               |
| <b>Personnel expenses</b>                                                                                                                                                                                        |               | <b>Personeeluitgawes</b>                                                                                 |               |
| 1 117 573                                                                                                                                                                                                        | 1 013 605     | • lone, salarisse, bonusse en motortoelaes                                                               | 19            |
| 15 849                                                                                                                                                                                                           | 17 142        | • maatskappybydraes                                                                                      |               |
| 67 318                                                                                                                                                                                                           | 60 602        | • pensioenbydraes                                                                                        |               |
| 23 843                                                                                                                                                                                                           | 22 288        | • mediese fondse bydraes                                                                                 |               |
| 37 085                                                                                                                                                                                                           | 44 066        | • ander personeeluitgawes                                                                                |               |
| 1 261 668                                                                                                                                                                                                        | 1 157 703     | <b>Totale personeeluitgawes</b>                                                                          | 19            |
| <b>Auditors' remuneration</b>                                                                                                                                                                                    |               | <b>Ouditeursvergoeding</b>                                                                               |               |
| 9 148                                                                                                                                                                                                            | 8 879         | • ouditfooie huidige jaar                                                                                | 1 750         |
| 380                                                                                                                                                                                                              | 263           | • vorige jaar onder voorsiening                                                                          | 1 530         |
| 361                                                                                                                                                                                                              | 1 210         | • ander fooie                                                                                            |               |
| 9 889                                                                                                                                                                                                            | 10 352        | <b>Totale ouditeursvergoeding</b>                                                                        | 1 750         |
| <b>Total personnel expenses</b>                                                                                                                                                                                  |               | <b>Depresiasi en amortisasie</b>                                                                         |               |
| <b>Total auditors' remuneration</b>                                                                                                                                                                              |               | Depresiasi van eiendom, aanleg en toerusting                                                             |               |
| Included in other fees in the prior year is R1 210 250 that relates to professional services rendered with the listing. Of this amount R335 124 was capitalised against share premium and R875 126 was expensed. |               | Depresiasi van beleggingseiendomme                                                                       |               |
| 29 395                                                                                                                                                                                                           | 29 401        | Amortisasie en waardedaling van handelsmerke, patente en lisensies                                       |               |
| 46                                                                                                                                                                                                               | 49            | <b>Totale depresiasi en amortisasie ingesluit in verkoops-, distribusie- en administratiewe uitgawes</b> |               |
| 4 705                                                                                                                                                                                                            | 4 949         | 1                                                                                                        | 11            |
| 34 146                                                                                                                                                                                                           | 34 399        | 1                                                                                                        | 11            |

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep |          |                                                                                          | Company/Maatskappy |          |
|-------------|----------|------------------------------------------------------------------------------------------|--------------------|----------|
| 2012        | 2011     |                                                                                          | 2012               | 2011     |
| R'000       | R'000    |                                                                                          | R'000              | R'000    |
|             |          | <b>6.5 Finance income</b>                                                                |                    |          |
| 2 071       | 2 475    | Bank interest                                                                            | 3 699              | 555      |
| 21 299      | 15 707   | Interest received on call deposits                                                       |                    |          |
| 5 228       | 6 443    | Other                                                                                    | 5 042              | 6 069    |
| 28 598      | 24 625   | <b>Total finance income</b>                                                              | 8 741              | 6 624    |
|             |          | <b>6.6 Finance cost</b>                                                                  |                    |          |
| (2 678)     | (3 839)  | Bank loans and overdrafts                                                                |                    |          |
| (27 550)    | (35 870) | Debtor's securitisation                                                                  |                    |          |
| (22 007)    | (21 359) | Preference dividends transferred to finance cost                                         | (22 007)           | (21 359) |
| (225)       | –        | Inter-company                                                                            | –                  | (11 195) |
| –           | (997)    | Other                                                                                    | (16)               | (389)    |
| (52 460)    | (62 065) | <b>Total finance cost</b>                                                                | (22 023)           | (32 943) |
|             |          | <b>6.7 Restructuring cost</b>                                                            |                    |          |
|             |          | Restructuring cost has been determined after taking into account the following expenses: |                    |          |
| (3 629)     | (6 628)  | • Retrenchment cost                                                                      |                    |          |
| –           | (8 499)  | • Legal and professional service cost associated with the listing                        | –                  | (8 499)  |
| (4 796)     | (1 780)  | • Carrying value written off                                                             | –                  | –        |
| (1 148)     | –        | • Other                                                                                  |                    |          |
| (9 573)     | (16 907) |                                                                                          | –                  | (8 499)  |
|             |          | <b>6.5 Finansieringsinkomste</b>                                                         |                    |          |
|             |          | Bankrente                                                                                |                    |          |
|             |          | Rente ontvang op daggelddeposito's                                                       |                    |          |
|             |          | Ander                                                                                    |                    |          |
|             |          | <b>Totale finansieringsinkomste</b>                                                      |                    |          |
|             |          | <b>6.6 Finansieringskoste</b>                                                            |                    |          |
|             |          | Banklenings en -oortrekkings                                                             |                    |          |
|             |          | Debiteure versekering                                                                    |                    |          |
|             |          | Voorkeurdividende oorgedra na finansieringskoste                                         |                    |          |
|             |          | Inter-maatskappy                                                                         |                    |          |
|             |          | Ander                                                                                    |                    |          |
|             |          | <b>Totale finansieringskoste</b>                                                         |                    |          |
|             |          | <b>6.7 Herstruktureringkoste</b>                                                         |                    |          |
|             |          | Herstruktureringkoste is bepaal na inagneming van die volgende uitgawes                  |                    |          |
|             |          | • Afleggingskoste                                                                        |                    |          |
|             |          | • Regs- en professionele koste met betrekking tot notering                               |                    |          |
|             |          | • Drawaarde afgeskryf                                                                    |                    |          |
|             |          | • Ander                                                                                  |                    |          |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                                                                                            |          | Company/Maatskappy                                                                                                                                 |          |
|----------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| 2012                                                                                                                                   | 2011     | 2012                                                                                                                                               | 2011     |
| R'000                                                                                                                                  | R'000    | R'000                                                                                                                                              | R'000    |
| <b>7. Taxes</b>                                                                                                                        |          | <b>7. Belasting</b>                                                                                                                                |          |
| <b>7.1 The major components of the tax expense are:</b>                                                                                |          | <b>7.1 Die hoofkomponente van die belastinguitgawe is:</b>                                                                                         |          |
| <b>Local income tax</b>                                                                                                                |          | <b>Plaaslike inkomstebelasting</b>                                                                                                                 |          |
| Current income tax                                                                                                                     |          | Lopende inkomstebelasting                                                                                                                          |          |
| (39 172)                                                                                                                               | (49 028) | (11 132)                                                                                                                                           | (10 527) |
| (931)                                                                                                                                  | 3 161    | (194)                                                                                                                                              | 3 161    |
| Deferred tax                                                                                                                           |          | Uitgestelde belasting                                                                                                                              |          |
| (70 646)                                                                                                                               | (43 361) | (6)                                                                                                                                                | (74)     |
| (17 323)                                                                                                                               | –        |                                                                                                                                                    |          |
| Secondary taxation on companies                                                                                                        |          | Sekondêre belasting op maatskappye                                                                                                                 |          |
| (7 264)                                                                                                                                | (8 272)  | (6 947)                                                                                                                                            | (7 698)  |
| <b>Foreign taxation</b>                                                                                                                |          | <b>Buitelandse belasting</b>                                                                                                                       |          |
| Current income tax                                                                                                                     |          | Lopende inkomstebelasting                                                                                                                          |          |
| (2 581)                                                                                                                                | (2 305)  |                                                                                                                                                    |          |
| Deferred taxation                                                                                                                      |          | Uitgestelde belasting                                                                                                                              |          |
| 263                                                                                                                                    | 2 271    |                                                                                                                                                    |          |
| (137 654)                                                                                                                              | (97 534) | (18 279)                                                                                                                                           | (15 138) |
| <b>Total tax expense</b>                                                                                                               |          | <b>Totale belastinguitgawe</b>                                                                                                                     |          |
| –                                                                                                                                      | 195 083  |                                                                                                                                                    | –        |
| <b>Estimated taxation losses available for reduction of future taxable income</b>                                                      |          | <b>Geraamde belastingverliese beskikbaar vir vermindering van toekomstige belasbare inkomste</b>                                                   |          |
| %                                                                                                                                      | %        | %                                                                                                                                                  | %        |
| 28,0                                                                                                                                   | 28,0     | 28,0                                                                                                                                               | 28,0     |
| 3,3                                                                                                                                    | 4,7      | (25,7)                                                                                                                                             | (25,7)   |
| 0,8                                                                                                                                    | –        | 1,7                                                                                                                                                | 1,6      |
| 2,1                                                                                                                                    | 2,9      |                                                                                                                                                    |          |
| 0,3                                                                                                                                    | –        |                                                                                                                                                    |          |
| 1,0                                                                                                                                    | –        |                                                                                                                                                    |          |
| 3,8                                                                                                                                    | –        |                                                                                                                                                    |          |
| 0,3                                                                                                                                    | (0,9)    | (0,7)                                                                                                                                              | (0,5)    |
| 39,6                                                                                                                                   | 34,7     | 3,3                                                                                                                                                | 3,4      |
| <b>7.2 Reconciliation of tax rate</b>                                                                                                  |          | <b>7.2 Rekonsiliasie van belastingkoers</b>                                                                                                        |          |
| Standard income tax rate                                                                                                               |          | Standaard inkomstebelastingkoers:                                                                                                                  |          |
| Adjusted for:                                                                                                                          |          | Aangepas vir                                                                                                                                       |          |
| Non-deductible expenses/exempt income                                                                                                  |          | Nie-aftrekbare uitgawes/vrygestelde inkomste                                                                                                       |          |
| Loss from foreign subsidiaries                                                                                                         |          | Verlies van buitelandse filiale                                                                                                                    |          |
| Secondary taxation on companies – paid                                                                                                 |          | Sekondêre belasting op maatskappye – betaal                                                                                                        |          |
| 2009 tax deductions not allowed                                                                                                        |          | 2009 belastingafrekkings nie toegelaat                                                                                                             |          |
| Reversal of deferred tax asset raised in prior year on the basis of a judgement by the Supreme Court of Appeal (not related to Clover) |          | Omswaai van uitgestelde belastingbate in vorige jaar gehef op die grondslag van 'n uitspraak van die Hoogste Appêlhof (nie verwant aan Clover nie) |          |
| Reversal of deferred tax asset on property, plant and equipment                                                                        |          | Omswaai van uitgestelde belastingbate op eiendom, aanleg en toerusting                                                                             |          |
| Other                                                                                                                                  |          | Ander                                                                                                                                              |          |
| <b>Effective tax rate</b>                                                                                                              |          | <b>Effektiewe belastingkoers</b>                                                                                                                   |          |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                      |                                  |                                                                                   |                                                                            | Company/Maatskappy               |                                  |
|----------------------------------|----------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------|----------------------------------|
| 2012                             | 2011                             |                                                                                   |                                                                            | 2012                             | 2011                             |
| Number of shares/Aantal aandeel  | Number of shares/Aantal aandeel  | 8. Earnings and headline earnings per share                                       | 8. Verdienste en wesensverdienste per aandeel                              | Number of shares/Aantal aandeel  | Number of shares/Aantal aandeel  |
| 179 111 867                      | 153 882 447                      | 8.1 Diluted weighted average number of ordinary shares                            | 8.7 Verwaterde geweege gemiddelde aantal gewone aandeel                    |                                  |                                  |
| 12 015 285                       | 11 008 072                       | Weighted average number of issued ordinary shares                                 | Geweege gemiddelde uitgereikte gewone aandeel                              |                                  |                                  |
| 191 127 152                      | 164 890 519                      | Increase in number of shares as a result of unexercised share appreciation rights | Toename in aantal aandeel as gevolg van onuitgeoefende aandeelgroeiregte   |                                  |                                  |
| R'000                            | R'000                            | Diluted weighted average number of ordinary shares                                | Verwaterde geweege gemiddelde aantal gewone aandeel                        |                                  |                                  |
| 205 290                          | 179 588                          | 8.2 Profit for the year                                                           | 8.2 Wins vir die jaar                                                      | R'000                            | R'000                            |
|                                  |                                  | Profit for the year attributable to equity holders of the parent company          | Wins vir die jaar toeskryfbaar aan ekwiteitshouers van die houermaatskappy |                                  |                                  |
| Cents per share/Sent per aandeel | Cents per share/Sent per aandeel | 8.3 Earnings per share                                                            | 8.3 Verdienste per aandeel                                                 | Cents per share/Sent per aandeel | Cents per share/Sent per aandeel |
| 114,6                            | 116,7                            | Basic                                                                             | Basies                                                                     |                                  |                                  |
| 107,4                            | 108,9                            | Attributable to equity holders of the parent                                      | Toeskryfbaar aan ekwiteitshouers van die houermaatskappy                   |                                  |                                  |
|                                  |                                  | Diluted                                                                           | Verwaterde                                                                 |                                  |                                  |
|                                  |                                  | Attributable to equity holders of the parent                                      | Toeskryfbaar aan ekwiteitshouers van die houermaatskappy                   |                                  |                                  |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                                               |                                         | Company/Maatskappy                                                                        |                                         |
|-------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------------|-----------------------------------------|
| 2012<br>R'000                                                                             | 2011<br>R'000                           | 2012<br>R'000                                                                             | 2011<br>R'000                           |
| <b>8.4 Headline earnings per share</b>                                                    |                                         | <b>8.4 Wesensverdienste per aandeel</b>                                                   |                                         |
| <b>Headline earnings attributable to equity holders of the parent company</b>             |                                         | <b>Wesensverdienste toeskryfbaar aan ekwiteitshouers van die houermaatskappy</b>          |                                         |
| <b>205 290</b>                                                                            | 179 588                                 |                                                                                           |                                         |
| Profit for the year attributable to equity holders of the parent company                  |                                         | Wins vir die jaar toeskryfbaar aan ekwiteitshouers van die houermaatskappy                |                                         |
| <b>Gross remeasurements excluded from headline earnings</b>                               |                                         | <b>Bruto aanpassings uitgesluit van wesensverdienste</b>                                  |                                         |
| <b>(878)</b>                                                                              | (7 277)                                 |                                                                                           |                                         |
| Profit on sale and scrapping of property, plant and equipment                             |                                         | Wins met verkoop en skraping van eiendom, aanleg en toerusting                            |                                         |
| Non-controlling interest in profit on sale and scrapping of property, plant and equipment |                                         | Nie-beherende gedeelte van wins met verkoop en skraping van eiendom, aanleg en toerusting |                                         |
| <b>–</b>                                                                                  | 1 324                                   |                                                                                           |                                         |
| Impairment of plant and equipment                                                         |                                         | Waardedaling van aanleg en toerusting                                                     |                                         |
| <b>4 796</b>                                                                              | 1 780                                   |                                                                                           |                                         |
| <b>Taxation effects of remeasurements</b>                                                 |                                         | <b>Belastingeffek van aanpassings</b>                                                     |                                         |
| <b>(65)</b>                                                                               | 509                                     |                                                                                           |                                         |
| Profit on sale and scrapping of property, plant and equipment                             |                                         | Wins met verkoop en skraping van eiendom, aanleg en toerusting                            |                                         |
| Non-controlling interest in profit on sale and scrapping of property, plant and equipment |                                         | Nie-beherende gedeelte van wins met verkoop en skraping van eiendom, aanleg en toerusting |                                         |
| <b>–</b>                                                                                  | (259)                                   |                                                                                           |                                         |
| Impairment of plant and equipment                                                         |                                         | Waardedaling van aanleg en toerusting                                                     |                                         |
| <b>(1 343)</b>                                                                            | (498)                                   |                                                                                           |                                         |
| <b>207 800</b>                                                                            | 175 167                                 |                                                                                           |                                         |
| <b>Headline earnings attributable to equity holders of the parent company</b>             |                                         | <b>Wesensverdienste toeskryfbaar aan ekwiteitshouers van die houermaatskappy</b>          |                                         |
| <b>Cents per share/Sent per aandeel</b>                                                   | <b>Cents per share/Sent per aandeel</b> | <b>Cents per share/Sent per aandeel</b>                                                   | <b>Cents per share/Sent per aandeel</b> |
| <b>116,0</b>                                                                              | 113,8                                   |                                                                                           |                                         |
| <b>Headline earnings per share</b>                                                        |                                         | <b>Wesensverdienste per aandeel</b>                                                       |                                         |
| <b>Basic</b>                                                                              |                                         | <b>Basies</b>                                                                             |                                         |
| Attributable to equity holders of the parent                                              |                                         | Toeskryfbaar aan ekwiteitshouers van die houermaatskappy                                  |                                         |
| <b>Diluted</b>                                                                            |                                         | <b>Verwaterde</b>                                                                         |                                         |
| Attributable to equity holders of the parent                                              |                                         | Toeskryfbaar aan ekwiteitshouers van die houermaatskappy                                  |                                         |
| <b>108,7</b>                                                                              | 106,2                                   |                                                                                           |                                         |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                                     |                                         | Company/Maatskappy                                                                         |                                         |
|---------------------------------------------------------------------------------|-----------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------|
| 2012                                                                            | 2011                                    | 2012                                                                                       | 2011                                    |
| R'000                                                                           | R'000                                   | R'000                                                                                      | R'000                                   |
| <b>9. Normalised earnings per share</b>                                         |                                         | <b>9. Genormaliseerde verdienste per aandeel</b>                                           |                                         |
| <b>Reported results adjusted for exceptional items</b>                          |                                         | <b>Gerapporteerde resultate aangepas vir buitengewone items</b>                            |                                         |
| 371 232                                                                         | 319 008                                 | Bedryfswins                                                                                |                                         |
| <b>Adjusted for exceptional items:</b>                                          |                                         | <b>Aangepas vir buitengewone items:</b>                                                    |                                         |
| (878)                                                                           | (7 277)                                 | Wins met verkoop en skrap van eiendom, aanleg en toerusting                                |                                         |
| 3 629                                                                           | 6 628                                   | Afleggingskoste                                                                            |                                         |
| –                                                                               | 8 499                                   | Koste vir regs- en professionele dienste wat verband hou met die notering                  |                                         |
| 5 944                                                                           | 1 780                                   | Ander herstruktureringkoste                                                                |                                         |
| 379 927                                                                         | 328 638                                 | <b>Bedryfswins aangepas vir buitengewone items</b>                                         |                                         |
| (23 862)                                                                        | (37 440)                                | Netto rente betaal                                                                         |                                         |
| <b>Operating profit adjusted for exceptional items</b>                          |                                         | <b>Belasting</b>                                                                           |                                         |
| <i>Taxation</i>                                                                 |                                         | Belastinguitgawe soos per staat van omvattende inkomste                                    |                                         |
| (137 654)                                                                       | (97 534)                                | Belastingaanpassing op buitengewone items                                                  |                                         |
| (2 745)                                                                         | (1 845)                                 | Ander nie-herhalende belastingaanpassings                                                  |                                         |
| 18 254                                                                          | –                                       | Nie-beherende belang                                                                       |                                         |
| (4 426)                                                                         | (4 446)                                 | <b>Genormaliseerde verdienste toeskryfbaar aan ekwiteitshouers van die houermaatskappy</b> |                                         |
| 229 494                                                                         | 187 373                                 |                                                                                            |                                         |
| <b>Normalised earnings attributable to equity holders of the parent company</b> |                                         |                                                                                            |                                         |
| <b>Cents per share/Sent per aandeel</b>                                         | <b>Cents per share/Sent per aandeel</b> | <b>Cents per share/Sent per aandeel</b>                                                    | <b>Cents per share/Sent per aandeel</b> |
| 128,1                                                                           | 121,8                                   | <b>Basies</b>                                                                              |                                         |
| <b>Diluted</b>                                                                  |                                         | Toeskryfbaar aan ekwiteitshouers van die moedermaatskappy                                  |                                         |
| 120,1                                                                           | 113,6                                   | <b>Verwaterde</b>                                                                          |                                         |
| Attributable to equity holders of the parent                                    |                                         | Toeskryfbaar aan ekwiteitshouers van die moedermaatskappy                                  |                                         |



## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                                                                                                                                                                                                                                                                                                                                                           |               |                                                | Company/Maatskappy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 2012<br>R'000                                                                                                                                                                                                                                                                                                                                                                                         | 2011<br>R'000 |                                                | 2012<br>R'000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 2011<br>R'000 |
| <b>10. Assets of disposal group classified as held-for-sale</b>                                                                                                                                                                                                                                                                                                                                       |               |                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |               |
| <b>940</b>                                                                                                                                                                                                                                                                                                                                                                                            | 1 979         | Net book value at the beginning of the year    | –                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 4             |
| <b>423</b>                                                                                                                                                                                                                                                                                                                                                                                            | 445           | Transfer to assets classified as held-for-sale | –                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (4)           |
| <b>(940)</b>                                                                                                                                                                                                                                                                                                                                                                                          | (1 484)       | Disposals                                      | –                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | –             |
| <b>423</b>                                                                                                                                                                                                                                                                                                                                                                                            | 940           | <b>Carrying value</b>                          | –                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | –             |
| <p>Certain properties are classified as assets held-for-sale following the decision of the Group's Management to sell certain properties no longer required for Group operations</p> <p>Sales are expected to be realised within the next six months. The value of the properties is estimated at R700 000 (2011: R1,2 million). The fair value of the disposal group exceeds the carrying value.</p> |               |                                                | <p><b>10. Bates van verkope-groep geklassifiseer as gehou-vir-verkoop</b></p> <p>Netto boekwaarde aan die begin van die jaar</p> <p>Oordrag na bates geklassifiseer as gehou-vir-verkoop</p> <p>Vervreemdings</p> <p><b>Drawaarde</b></p> <p>Sekere eiendomme word geklassifiseer as bates gehou-vir-verkoop na die besluit van die Groep se Bestuur om hierdie grond en geboue te verkoop omrede sodanige eiendomme nie meer benodig word vir die Groep nie.</p> <p>Daar word verwag dat die verkope binne ses maande sal realiseer. Die waarde van die eiendomme word op R700 000 (2011: R1,2 miljoen) geraam. Die billike waarde van die verkoopsgroep oorskry die drawaarde.</p> |               |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                              |               | Company/Maatskappy                                   |               |
|------------------------------------------|---------------|------------------------------------------------------|---------------|
| 2012<br>R'000                            | 2011<br>R'000 | 2012<br>R'000                                        | 2011<br>R'000 |
| <b>11. Property, plant and equipment</b> |               | <b>11. Eiendom, aanleg en toerusting</b>             |               |
| <b>11.1 Freehold land and buildings</b>  |               | <b>11.1 Vrypaggrond en geboue</b>                    |               |
| <b>Cost</b>                              |               | <b>Kosprys</b>                                       |               |
| 472 618                                  | 423 079       | Saldo aan die begin van die jaar                     | 679           |
| 33 521                                   | 51 107        | Toevoegings gekapitaliseer                           |               |
| –                                        | (1 090)       | Oordrag na bates geklassifiseer as gehou-vir-verkoop |               |
| (1 253)                                  | –             | Vervreemdings                                        |               |
| –                                        | (478)         | Waardedaling                                         |               |
| 504 886                                  | 472 618       | Saldo aan die einde van die jaar                     | 679           |
| <b>Accumulated depreciation</b>          |               | <b>Opgehoopte depresiasie</b>                        |               |
| (153 773)                                | (140 043)     | Saldo aan die begin van die jaar                     | (12)          |
| (15 443)                                 | (14 387)      | Depresiasie vir die jaar                             | (1)           |
| 632                                      | –             | Vervreemdings                                        |               |
| –                                        | 657           | Oordrag na bates geklassifiseer as gehou-vir-verkoop |               |
| (168 584)                                | (153 773)     | Saldo aan die einde van die jaar                     | (13)          |
| <b>Carrying amounts</b>                  |               | <b>Drawaardes</b>                                    |               |
| 318 845                                  | 283 036       | Saldo aan die begin van die jaar                     | 667           |
| 336 302                                  | 318 845       | Saldo aan die einde van die jaar                     | 666           |
| <b>11.2 Leasehold properties</b>         |               | <b>11.2 Huurpageiendomme</b>                         |               |
| <b>Cost</b>                              |               | <b>Kosprys</b>                                       |               |
| 20 727                                   | 8 194         | Saldo aan die begin van die jaar                     |               |
| –                                        | 13 396        | Toevoegings gekapitaliseer                           |               |
| –                                        | (631)         | Vervreemdings                                        |               |
| 805                                      | (232)         | Buitelandse valuta verskille                         |               |
| 21 532                                   | 20 727        | Saldo aan die einde van die jaar                     |               |
| <b>Accumulated depreciation</b>          |               | <b>Opgehoopte depresiasie</b>                        |               |
| (1 688)                                  | (1 632)       | Saldo aan die begin van die jaar                     |               |
| (465)                                    | (343)         | Depresiasie vir die jaar                             |               |
| –                                        | 241           | Vervreemdings                                        |               |
| (66)                                     | 46            | Buitelandse valuta verskille                         |               |
| (2 219)                                  | (1 688)       | Saldo aan die einde van die jaar                     |               |
| <b>Carrying amounts</b>                  |               | <b>Drawaardes</b>                                    |               |
| 19 039                                   | 6 562         | Saldo aan die begin van die jaar                     |               |
| 19 313                                   | 19 039        | Saldo aan die einde van die jaar                     |               |

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep      |           |                                                      |  | Company/Maatskappy |       |
|------------------|-----------|------------------------------------------------------|--|--------------------|-------|
| 2012             | 2011      |                                                      |  | 2012               | 2011  |
| R'000            | R'000     |                                                      |  | R'000              | R'000 |
|                  |           | <b>11.3 Plant, equipment and vehicles</b>            |  |                    |       |
|                  |           | <b>Cost</b>                                          |  |                    |       |
| <b>1 110 550</b> | 1 028 404 | Balance at the beginning of the year                 |  | <b>65</b>          | 65    |
| <b>136 726</b>   | 114 380   | Additions capitalised                                |  |                    |       |
| <b>–</b>         | (43)      | Transfer to assets classified as held-for-sale       |  |                    |       |
| <b>(25 897)</b>  | (31 897)  | Disposals                                            |  |                    |       |
| <b>1 350</b>     | (294)     | Foreign exchange differences                         |  |                    |       |
| <b>1 222 729</b> | 1 110 550 | <b>Balance at the end of the year</b>                |  | <b>65</b>          | 65    |
|                  |           | <b>Accumulated depreciation</b>                      |  |                    |       |
| <b>(503 174)</b> | (454 258) | Balance at the beginning of the year                 |  | <b>(65)</b>        | (55)  |
| <b>(77 588)</b>  | (74 957)  | Depreciation for the year                            |  | <b>–</b>           | (10)  |
| <b>–</b>         | 31        | Transfer to assets classified as held-for-sale       |  |                    |       |
| <b>18 963</b>    | 25 911    | Disposals                                            |  |                    |       |
| <b>(253)</b>     | 99        | Foreign exchange differences                         |  |                    |       |
| <b>(562 052)</b> | (503 174) | <b>Balance at the end of the year</b>                |  | <b>(65)</b>        | (65)  |
|                  |           | <b>Carrying amounts</b>                              |  |                    |       |
| <b>607 376</b>   | 574 146   | Balance at the beginning of the year                 |  | <b>–</b>           | 10    |
| <b>660 677</b>   | 607 376   | Balance at the end of the year                       |  | <b>–</b>           | –     |
|                  |           |                                                      |  |                    |       |
|                  |           | <b>11.3 Aanleg, toerusting en voertuie</b>           |  |                    |       |
|                  |           | <b>Kosprys</b>                                       |  |                    |       |
|                  |           | Saldo aan die begin van die jaar                     |  | <b>65</b>          | 65    |
|                  |           | Toevoegings gekapitaliseer                           |  |                    |       |
|                  |           | Oordrag na bates geklassifiseer as gehou-vir-verkoop |  |                    |       |
|                  |           | Vervreemdings                                        |  |                    |       |
|                  |           | Buitelandse valuta verskille                         |  |                    |       |
|                  |           | <b>Saldo aan die einde van die jaar</b>              |  | <b>65</b>          | 65    |
|                  |           | <b>Opgehoopde depresiasie</b>                        |  |                    |       |
|                  |           | Saldo aan die begin van die jaar                     |  | <b>(65)</b>        | (55)  |
|                  |           | Depresiasie vir die jaar                             |  | <b>–</b>           | (10)  |
|                  |           | Oordrag na bates geklassifiseer as gehou-vir-verkoop |  |                    |       |
|                  |           | Vervreemdings                                        |  |                    |       |
|                  |           | Buitelandse valuta verskille                         |  |                    |       |
|                  |           | <b>Saldo aan die einde van die jaar</b>              |  | <b>(65)</b>        | (65)  |
|                  |           | <b>Drawaardes</b>                                    |  |                    |       |
|                  |           | Saldo aan die begin van die jaar                     |  | <b>–</b>           | 10    |
|                  |           | Saldo aan die einde van die jaar                     |  | <b>–</b>           | –     |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                           |               | Company/Maatskappy                                                              |                  |
|-----------------------------------------------------------------------|---------------|---------------------------------------------------------------------------------|------------------|
| 2012<br>R'000                                                         | 2011<br>R'000 | 2012<br>R'000                                                                   | 2011<br>R'000    |
| <b>11.4 Total property, plant and equipment</b>                       |               | <b>11.4 Totale eiendom, aanleg en toerusting</b>                                |                  |
| <b>Cost</b>                                                           |               | <b>Kosprys</b>                                                                  |                  |
| <b>1 603 895</b>                                                      | 1 459 677     | Saldo aan die begin van die jaar                                                | <b>744</b> 744   |
| <b>170 247</b>                                                        | 178 883       | Toevoegings gekapitaliseer                                                      |                  |
| –                                                                     | (1 133)       | Oordrag na bates geklassifiseer as gehou-vir-verkoop                            |                  |
| <b>(27 150)</b>                                                       | (32 528)      | Vervreemdings                                                                   | – –              |
| <b>2 155</b>                                                          | (526)         | Buitelandse valuta verskille                                                    |                  |
| –                                                                     | (478)         | Waardedaling                                                                    |                  |
| <b>1 749 147</b>                                                      | 1 603 895     | <b>Saldo aan die einde van die jaar</b>                                         | <b>744</b> 744   |
| <b>Accumulated depreciation</b>                                       |               | <b>Opgehoopte depresiasie</b>                                                   |                  |
| <b>(658 635)</b>                                                      | (595 933)     | Saldo aan die begin van die jaar                                                | <b>(77)</b> (66) |
| <b>(93 496)</b>                                                       | (89 687)      | Depresiasie vir die jaar                                                        | <b>(1)</b> (11)  |
| –                                                                     | 688           | Oordrag na bates geklassifiseer as gehou-vir-verkoop                            |                  |
| <b>19 595</b>                                                         | 26 152        | Vervreemdings                                                                   |                  |
| <b>(319)</b>                                                          | 145           | Buitelandse valuta verskille                                                    |                  |
| <b>(732 855)</b>                                                      | (658 635)     | <b>Saldo aan die einde van die jaar</b>                                         | <b>(78)</b> (77) |
| <b>Capital work-in-progress</b>                                       |               | <b>Onvoltooide kapitaalwerke</b>                                                |                  |
| <b>68 029</b>                                                         | 50 669        | Saldo aan die begin van die jaar                                                |                  |
| <b>(638)</b>                                                          | (1 286)       | Buitelandse valuta verskille                                                    |                  |
| <b>254 309</b>                                                        | 197 529       | Toevoegings: huidige jaar                                                       |                  |
| <b>(169 945)</b>                                                      | (178 883)     | Bedrae gekapitaliseer                                                           |                  |
| <b>151 755</b>                                                        | 68 029        | <b>Saldo aan die einde van die jaar</b>                                         |                  |
| <b>Total property, plant and equipment including work-in-progress</b> |               | <b>Totale eiendom, aanleg en toerusting ingesluit onvoltooide kapitaalwerke</b> |                  |
| <b>Carrying amounts</b>                                               |               | <b>Drawaardes</b>                                                               |                  |
| <b>1 013 289</b>                                                      | 914 413       | Total eiendom, aanleg en toerusting aan die begin van die jaar                  | <b>667</b> 678   |
| <b>1 168 047</b>                                                      | 1 013 289     | Total eiendom, aanleg en toerusting aan die einde van die jaar                  | <b>666</b> 667   |

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep   |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Company/Maatskappy |               |
|---------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------|
| 2012<br>R'000 | 2011<br>R'000 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2012<br>R'000      | 2011<br>R'000 |
|               |               | <p>The estimated fair value of property, plant and equipment at 30 June 2012 is R1 971,9 million (2011: R1 973,1 million).</p> <p>During the year under review the Group has written off or impaired plant and equipment to the value of R4,8 million (2011: RNil).</p> <p>The fair value of property, plant and equipment has been determined based on valuations performed by 'The Property Partnership', an accredited independent valuer, as at 30 June 2012 and 30 June 2011 for the current and previous years respectively. 'The Property Partnership' is an industry specialist in valuing property, plant and equipment. The fair value has been determined as follows:</p> <p>Land and buildings: This category has either been assessed on a capitalised rental income basis or, where specialised facilities are involved, by way of a depreciated replacement cost basis.</p> <p>Plant and machinery: This category has been assessed on a net current replacement cost/depreciated replacement cost basis.</p> <p>Registers containing details of land are available for inspection at the registered office. The carrying value of plant and equipment held under finance leases and hire purchase contracts at 30 June 2012 was R9,2 million (2011: R23,9 million). Additions during the year were R6,5 million (2011: RNil) of plant and equipment held under finance lease and hire purchase agreements. Leased assets and assets bought under hire purchase contracts are pledged as security for the related finance lease and hire purchase liabilities.</p> | <p>Die beraamde billike waarde van eiendom, aanleg en toerusting op 30 Junie 2012 is R1 971,9 miljoen (2010: R1 973,1 miljoen).</p> <p>Gedurende die jaar onder oorsig het die Groep aanleg en toerusting afgeskryf ter waarde van R4,8 million (2011: RNil).</p> <p>Die billike waarde van eiendom, aanleg en toerusting is gebaseer op die waardasies gedoen deur 'The Property Partnership', 'n geakkrediteerde onafhanklike waardeerder, op 30 Junie 2012 en 30 Junie 2011 vir onderskeidelik die huidige en die vorige finansiële jare. 'The Property Partnership' is 'n bedryfspesialis in die waardasie van eiendom, aanleg en toerusting. Die billike waarde is soos volg bepaal:</p> <p>Grond en geboue: Hierdie kategorie is of deur die gekapitaliseerde huurinkomste-basis bepaal of, waar spesialisfasiliteite betrokke is, deur middel van die gedepresieerde vervangingskoste-basis bepaal.</p> <p>Aanleg en masjinerie: Hierdie kategorie is deur middel van die netto huidige vervangingskoste/gedepresieerde vervangingskoste-basis bepaal.</p> <p>Registers wat besonderhede aangaande grond bevat, is vir inspeksie by die geregistreerde kantoor beskikbaar. Die drawaarde van aanleg en toerusting ingevolge finansiële bruikhuurkontrakte en huurkoopkontrakte op 30 Junie 2012 gehou, was R9,2 miljoen (2011: R23,9 miljoen). Toevoegings gedurende die jaar in bruikhuur- en huurkoopkontrakte vir aanleg en toerusting was R6,5 miljoen (2011: RNil). Gehuurde bates en bates aangekoop met huurkoopkontrakte word as sekuriteit verpand teen die verwante bruikhuur- en huurkoopverpligtinge.</p> |                    |               |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                                                                                                                                                                                                                                                                                          |               | Company/Maatskappy                                                                                                                                                                                                                                                                                                                                |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 2012<br>R'000                                                                                                                                                                                                                                                                                                                        | 2011<br>R'000 | 2012<br>R'000                                                                                                                                                                                                                                                                                                                                     | 2011<br>R'000 |
| <b>12. Investment properties</b>                                                                                                                                                                                                                                                                                                     |               | <b>12. Beleggingseiendomme</b>                                                                                                                                                                                                                                                                                                                    |               |
| <b>Cost</b>                                                                                                                                                                                                                                                                                                                          |               | <b>Kosprys</b>                                                                                                                                                                                                                                                                                                                                    |               |
| 2 379                                                                                                                                                                                                                                                                                                                                | 2 379         |                                                                                                                                                                                                                                                                                                                                                   |               |
|                                                                                                                                                                                                                                                                                                                                      |               |                                                                                                                                                                                                                                                                                                                                                   |               |
| 2 379                                                                                                                                                                                                                                                                                                                                | 2 379         |                                                                                                                                                                                                                                                                                                                                                   |               |
| <b>Balance at the end of the year</b>                                                                                                                                                                                                                                                                                                |               | <b>Saldo aan die einde van die jaar</b>                                                                                                                                                                                                                                                                                                           |               |
| <b>Accumulated depreciation</b>                                                                                                                                                                                                                                                                                                      |               | <b>Opgehoopte depresiasie</b>                                                                                                                                                                                                                                                                                                                     |               |
| (1 418)                                                                                                                                                                                                                                                                                                                              | (1 369)       |                                                                                                                                                                                                                                                                                                                                                   |               |
| (46)                                                                                                                                                                                                                                                                                                                                 | (49)          |                                                                                                                                                                                                                                                                                                                                                   |               |
| (423)                                                                                                                                                                                                                                                                                                                                |               |                                                                                                                                                                                                                                                                                                                                                   |               |
| (1 887)                                                                                                                                                                                                                                                                                                                              | (1 418)       |                                                                                                                                                                                                                                                                                                                                                   |               |
| <b>Balance at the end of the year</b>                                                                                                                                                                                                                                                                                                |               | <b>Saldo aan die einde van die jaar</b>                                                                                                                                                                                                                                                                                                           |               |
| <b>Carrying amounts</b>                                                                                                                                                                                                                                                                                                              |               | <b>Drawaardes</b>                                                                                                                                                                                                                                                                                                                                 |               |
| 961                                                                                                                                                                                                                                                                                                                                  | 1 010         |                                                                                                                                                                                                                                                                                                                                                   |               |
| 492                                                                                                                                                                                                                                                                                                                                  | 961           |                                                                                                                                                                                                                                                                                                                                                   |               |
| <b>Balance at the end of the year</b>                                                                                                                                                                                                                                                                                                |               | <b>Saldo aan die einde van die jaar</b>                                                                                                                                                                                                                                                                                                           |               |
| 877                                                                                                                                                                                                                                                                                                                                  | 825           |                                                                                                                                                                                                                                                                                                                                                   |               |
| –                                                                                                                                                                                                                                                                                                                                    | –             |                                                                                                                                                                                                                                                                                                                                                   |               |
| 877                                                                                                                                                                                                                                                                                                                                  | 825           |                                                                                                                                                                                                                                                                                                                                                   |               |
| <b>Net profit arising from investment properties carried at net book value</b>                                                                                                                                                                                                                                                       |               | <b>Netto wins voortspruitend uit beleggingseiendomme gedra teen netto boekwaarde</b>                                                                                                                                                                                                                                                              |               |
| The fair value of these properties is R4,7 million (2011: R5,4 million).                                                                                                                                                                                                                                                             |               | Die billike waarde van hierdie eiendomme is R4,7 miljoen (2011: R5,4 miljoen).                                                                                                                                                                                                                                                                    |               |
| The fair value of investment properties has been determined based on valuations performed by 'The Property Partnership', an accredited independent valuer, for the current and previous years. 'The Property Partnership' is an industry specialist in valuing investment properties. The fair value has been determined as follows: |               | Die billike waarde van beleggingseiendom is gebaseer op die waardasies gedoen deur 'The Property Partnership', 'n geakkrediteerde onafhanklike waardeerder, vir die huidige sowel as die vorige finansiële jare. 'The Property Partnership' is 'n bedryfspesialis in die waardasie van beleggingseiendom. Die billike waarde is soos volg bepaal: |               |
| Land and buildings: This category has either been assessed on a capitalised rental income basis or, where specialised facilities are involved, by way of a depreciated replacement cost basis.                                                                                                                                       |               | Grond en geboue: Hierdie kategorie is of deur die gekapitaliseerde huurinkomste- basis bepaal of waar spesialisfasiliteite betrokke is deur middel van die gedeprimeerde vervangingskoste-basis.                                                                                                                                                  |               |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                           |          | Company/Maatskappy                                          |       |
|-------------------------------------------------------|----------|-------------------------------------------------------------|-------|
| 2012                                                  | 2011     | 2012                                                        | 2011  |
| R'000                                                 | R'000    | R'000                                                       | R'000 |
| <b>13. Intangible assets</b>                          |          | <b>13. Ontasbare bates</b>                                  |       |
| <b>13.1 Goodwill</b>                                  |          | <b>13.1 Klandisiewaarde</b>                                 |       |
| <b>Cost</b>                                           |          | <b>Kosprys</b>                                              |       |
| 304 785                                               | 255 398  | Saldo aan die begin van die jaar                            |       |
| –                                                     | 49 387   | Verkrygings                                                 |       |
| 304 785                                               | 304 785  | Saldo aan die einde van die jaar                            |       |
| <b>Balance at the end of the year</b>                 |          | <b>Waardedalingsverliese</b>                                |       |
| <b>Impairment losses</b>                              |          | Saldo aan die begin van die jaar                            |       |
| (1 311)                                               | (1 311)  | Saldo aan die einde van die jaar                            |       |
| (1 311)                                               | (1 311)  | <b>Drawaardes</b>                                           |       |
| <b>Carrying amounts</b>                               |          | Saldo aan die begin van die jaar                            |       |
| 303 474                                               | 254 087  | Saldo aan die einde van die jaar                            |       |
| 303 474                                               | 303 474  | <b>13.2 Handelsmerke, patente en programmatuurlisensies</b> |       |
| <b>13.2 Trademarks, patents and software licences</b> |          | <b>Kosprys</b>                                              |       |
| <b>Cost</b>                                           |          | Saldo aan die begin van die jaar                            |       |
| 78 269                                                | 64 790   | Verkrygings                                                 |       |
| 7 978                                                 | 13 778   | Vervreemdings                                               |       |
| (856)                                                 | (299)    | Saldo aan die einde van die jaar                            |       |
| 85 391                                                | 78 269   | <b>Opgehoopte amortisasie</b>                               |       |
| <b>Balance at the end of the year</b>                 |          | Saldo aan die begin van die jaar                            |       |
| <b>Accumulated amortisation</b>                       |          | Amortisasie vir die jaar                                    |       |
| (40 343)                                              | (32 500) | Vervreemdings                                               |       |
| (8 774)                                               | (8 131)  | Saldo aan die einde van die jaar                            |       |
| 896                                                   | 288      | <b>Drawaardes</b>                                           |       |
| (48 221)                                              | (40 343) | Saldo aan die begin van die jaar                            |       |
| <b>Carrying amounts</b>                               |          | Saldo aan die einde van die jaar                            |       |
| 37 926                                                | 32 290   |                                                             |       |
| 37 170                                                | 37 926   |                                                             |       |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep     |          |                                                      |  | Company/Maatskappy |       |
|-----------------|----------|------------------------------------------------------|--|--------------------|-------|
| 2012            | 2011     |                                                      |  | 2012               | 2011  |
| R'000           | R'000    |                                                      |  | R'000              | R'000 |
|                 |          | <b>13.3 Total intangible assets</b>                  |  |                    |       |
|                 |          | <b>Cost</b>                                          |  |                    |       |
| <b>383 054</b>  | 320 188  | Balance at the beginning of the year                 |  |                    |       |
| <b>7 978</b>    | 63 165   | Acquisitions                                         |  |                    |       |
| <b>(856)</b>    | (299)    | Disposals                                            |  |                    |       |
| <b>390 176</b>  | 383 054  | <b>Balance at the end of the year</b>                |  |                    |       |
|                 |          | <b>Accumulated amortisation</b>                      |  |                    |       |
| <b>(41 654)</b> | (33 811) | Balance at the beginning of the year                 |  |                    |       |
| <b>(8 774)</b>  | (8 131)  | Amortisation for the year                            |  |                    |       |
| <b>896</b>      | 288      | Disposals                                            |  |                    |       |
| <b>(49 532)</b> | (41 654) | <b>Balance at the end of the year</b>                |  |                    |       |
|                 |          | <b>Capital work-in-progress</b>                      |  |                    |       |
| <b>5 702</b>    | 683      | Balance at the beginning of the year                 |  |                    |       |
| <b>26</b>       | –        | Foreign exchange differences                         |  |                    |       |
| <b>19 373</b>   | 18 797   | Additions                                            |  |                    |       |
| <b>(7 978)</b>  | (13 778) | Amounts capitalised                                  |  |                    |       |
| <b>17 123</b>   | 5 702    | <b>Balance at the end of the year</b>                |  |                    |       |
|                 |          | <b>Carrying amount</b>                               |  |                    |       |
| <b>347 102</b>  | 287 060  | Total intangible assets at the beginning of the year |  |                    |       |
| <b>357 767</b>  | 347 102  | Total intangible assets at the end of the year       |  |                    |       |
|                 |          |                                                      |  |                    |       |
|                 |          | <b>13.3 Totale ontasbare bates</b>                   |  |                    |       |
|                 |          | <b>Kosprys</b>                                       |  |                    |       |
|                 |          | Saldo aan die begin van die jaar                     |  |                    |       |
|                 |          | Verkrygings                                          |  |                    |       |
|                 |          | Vervreemdings                                        |  |                    |       |
|                 |          | <b>Saldo aan die einde van die jaar</b>              |  |                    |       |
|                 |          | <b>Opgehoopte amortisasie</b>                        |  |                    |       |
|                 |          | Saldo aan die begin van die jaar                     |  |                    |       |
|                 |          | Amortisasie vir die jaar                             |  |                    |       |
|                 |          | Vervreemdings                                        |  |                    |       |
|                 |          | <b>Saldo aan die einde van die jaar</b>              |  |                    |       |
|                 |          | <b>Onvoltooide kapitaalwerke</b>                     |  |                    |       |
|                 |          | Saldo aan die begin van die jaar                     |  |                    |       |
|                 |          | Buitelandse valuta verskille                         |  |                    |       |
|                 |          | Toevoegings                                          |  |                    |       |
|                 |          | Bedrae gekapitaliseer                                |  |                    |       |
|                 |          | <b>Saldo aan die einde van die jaar</b>              |  |                    |       |
|                 |          | <b>Drawaarde</b>                                     |  |                    |       |
|                 |          | Totale ontasbare bates aan die begin van die jaar    |  |                    |       |
|                 |          | Totale ontasbare bates aan die einde van die jaar    |  |                    |       |



## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep    |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Company/Maatskappy |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2012<br>R'000  | 2011<br>R'000 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2012<br>R'000      | 2011<br>R'000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                |               | <b>13.4 Impairment testing of goodwill</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                    | <b>13.4 Waardedalingtoetsing van klandisiewaarde</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                |               | <p>An impairment test is done annually at the Group's financial year-end on goodwill acquired through business combinations. The present value of future cash flows generated by the businesses is estimated for a five-year period and is based on:</p> <p>Current net profit before tax, projected forward for average growth of 6% and adjusted for non-cash items; an effective tax rate of 28%; required capital expenditure; movements in working capital; and a discount rate equal to the weighted average cost of capital of the business.</p> <p>Goodwill has been allocated to Clover Industries as the smallest separately identifiable cash-generating unit. As per note 5, assets, liabilities and overhead costs are managed on a group basis and are therefore not allocated to operating segments.</p> <p>Goodwill has been allocated to the following cash generating units for purposes of the impairment review:</p> <p>– Clover Industries</p> |                    | <p>'n Waardedalingstoets word jaarliks gedoen op die Groep se finansiële jaareinde vir klandisiewaarde bekom deur middel van besigheidsamevoegings. Die huidige waarde van toekomstige kontantvloei gegenereer deur die besighede word geskat vir 'n vyfjaar-periode en gebaseer op:</p> <p>Huidige netto winste voor belasting, vooruit geprojekteer vir gemiddelde groei van 6% en aangepas vir nie-kontantitems; 'n effektiewe belastingkoers van 28%; vereiste kapitaalbesteding; beweging in bedryfskapitaal; en 'n diskontokoers gelyk aan die geweegde gemiddelde koste van kapitaal van die onderneming.</p> <p>Klandisiewaarde is toegeken aan Clover Industries as die kleinste afsonderlik identifiseerbare kontantgenererende eenheid. Soos per aantekening 5 word bates, laste en oorhoofse koste op 'n groepsbasis bestuur en word dus nie aan bedryfsegmente toegewys nie.</p> <p>Klandisiewaarde is na die volgende kontantgenererende eenhede geallokeer met die doel om waardedaling te oorweeg:</p> <p>– Clover Industries</p> |
| <b>302 530</b> | 302 530       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                       |       | Company/Maatskappy                                                                                                                                                                                                                                             |       |
|-------------------------------------------------------------------|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| 2012                                                              | 2011  | 2012                                                                                                                                                                                                                                                           | 2011  |
| R'000                                                             | R'000 | R'000                                                                                                                                                                                                                                                          | R'000 |
| <b>14. Other financial assets and financial liabilities</b>       |       | <b>14. Ander finansiële bates en finansiële verpligtinge</b>                                                                                                                                                                                                   |       |
| <b>14.1 Other financial assets</b>                                |       | <b>14.1 Ander finansiële bates</b>                                                                                                                                                                                                                             |       |
| <b>Financial instruments at fair value through profit or loss</b> |       | <b>Finansiële instrumente teen billike waarde deur wins of verlies</b>                                                                                                                                                                                         |       |
|                                                                   |       | Afgeleide instrumente nie as verskansings aangewys                                                                                                                                                                                                             |       |
|                                                                   |       | Buitelandse valutatermykontrakte                                                                                                                                                                                                                               |       |
| <b>173</b>                                                        | 750   |                                                                                                                                                                                                                                                                |       |
| <b>173</b>                                                        | 750   | <b>Totale finansiële instrumente teen billike waarde</b>                                                                                                                                                                                                       |       |
| <b>173</b>                                                        | 750   | <b>Totale ander finansiële bates</b>                                                                                                                                                                                                                           |       |
| <b>173</b>                                                        | 750   |                                                                                                                                                                                                                                                                |       |
| <b>–</b>                                                          | –     |                                                                                                                                                                                                                                                                |       |
|                                                                   |       | Totaal bedryfs                                                                                                                                                                                                                                                 |       |
|                                                                   |       | Totaal nie-bedryfs                                                                                                                                                                                                                                             |       |
|                                                                   |       | Finansiële bates deur wins of verlies is daardie buitelandse valuta-vooruitverkoopkontrakte wat nie aangewys is in verskansingsverhouding nie aangesien hulle bedoel is om die vlak van buitelandse valutarisiko vir verwagte verkope en aankope te verminder. |       |
|                                                                   |       | Die Groep gebruik valutatermykontrakte om sommige van sy transaksiesblootstellings te bestuur.                                                                                                                                                                 |       |
| <b>14.2 Other financial liabilities</b>                           |       | <b>14.2 Ander finansiële verpligtinge</b>                                                                                                                                                                                                                      |       |
| <b>Financial liabilities at fair value through profit or loss</b> |       | <b>Finansiële verpligtinge teen billike waarde deur wins of verlies</b>                                                                                                                                                                                        |       |
|                                                                   |       | Afgeleide instrumente nie as verskansings aangewys                                                                                                                                                                                                             |       |
|                                                                   |       | Diesel Nulcoste Beperkte Speling-verskansings                                                                                                                                                                                                                  |       |
|                                                                   |       | Clover Industries vooruit aandeelaankope                                                                                                                                                                                                                       |       |
| <b>639</b>                                                        | –     | <b>Totale finansiële instrumente teen billike waarde</b>                                                                                                                                                                                                       |       |
| <b>3 669</b>                                                      | –     | <b>Totale ander finansiële laste</b>                                                                                                                                                                                                                           |       |
| <b>4 308</b>                                                      | –     |                                                                                                                                                                                                                                                                |       |
| <b>4 308</b>                                                      | –     |                                                                                                                                                                                                                                                                |       |
| <b>4 308</b>                                                      | –     |                                                                                                                                                                                                                                                                |       |
| <b>–</b>                                                          | –     |                                                                                                                                                                                                                                                                |       |
|                                                                   |       | Totaal bedryfs                                                                                                                                                                                                                                                 |       |
|                                                                   |       | Totaal nie-bedryfs                                                                                                                                                                                                                                             |       |
|                                                                   |       | As gevolg daarvan dat die Groep blootgestel word aan veranderinge in die prys van diesel, het hy 'n dieselverskansingsverhouding vir Nulcoste Beperkte Spelings aangegaan. Die vooruitkontrak het nie die fisiese lewering van diesel as gevolg nie.           |       |
|                                                                   |       | Die Groep het 6 miljoen liter diesel verskans, wat gelyk is aan sy dieselgebruik vir ses maande. Die verskansing het op 3 Februarie 2012 'n aanvang geneem en sal op 26 Julie 2013 verstryk.                                                                   |       |
|                                                                   |       | Die Groep het 'n vooruitkontrak aangegaan om 2 132 695 Clover Industries-aandele teen R17, 90 per aandeel op 30 Junie 2014 te koop. Hierdie transaksie is aangegaan om 'n gedeelte van die aandeelgroei te uitgereik aan bestuur te verskans.                  |       |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

## 14.3 Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique;

Level 1: quoted prices in active market for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

## 14.3 Hiërargie van billike waarde

Die Groep maak gebruik van die volgende hiërargie vir die bepaling en openbaarmaking van die billike waarde van finansiële instrumente volgens die waardasietegniek:

Vlak 1: gekwoteerde pryse in 'n aktiewe mark vir identiese bates en laste.

Vlak 2: ander tegnieke waarvoor alle insette wat 'n beduidende uitwerking op die aangetekende billike waarde waarneembaar is, hetsy direk of indirek.

Vlak 3: tegnieke wat insette gebruik wat 'n beduidende uitwerking op die aangetekende billike waarde wat nie op waarneembare markdata gebaseer is nie.

| Group/Groep                                                                                                                     |                                                                                                                               |                                                                                                                                        |                 |                 |                 |
|---------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|
| As at 30 June, the Group held the following financial instruments carried at fair value in the statement of financial position: |                                                                                                                               | Soos op 30 Junie, het die Groep het die volgende finansiële instrumente gehou teen billike waarde in die staat van finansiële posisie: |                 |                 |                 |
|                                                                                                                                 |                                                                                                                               | 30 Junie 2012<br>R'000                                                                                                                 | Vlak 1<br>R'000 | Vlak 2<br>R'000 | Vlak 3<br>R'000 |
| Assets measured at fair value                                                                                                   | Bates teen billike waarde gemeet                                                                                              |                                                                                                                                        |                 |                 |                 |
| Derivatives not designated as hedging instruments:                                                                              | Afgeleide instrumente nie as verskansingsinstrumente aangewys nie:                                                            |                                                                                                                                        |                 |                 |                 |
| Foreign exchange contracts                                                                                                      | Buitelandse valutatermynkontrakte                                                                                             | 173                                                                                                                                    |                 | 173             |                 |
| Liabilities measured at fair value                                                                                              | Laste teen billike waarde gemeet                                                                                              |                                                                                                                                        |                 |                 |                 |
| Derivatives not designated as hedging instruments:                                                                              | Afgeleide instrumente nie as verskansingsinstrumente aangewys nie:                                                            |                                                                                                                                        |                 |                 |                 |
| Diesel Zero Cost Collar hedges                                                                                                  | Diesel Nul koste Beperkte Speling-verskansings                                                                                | 639                                                                                                                                    |                 | 639             |                 |
| Clover Industries forward share purchases                                                                                       | Clover Industries vooruit aandele-aankope                                                                                     | 3 669                                                                                                                                  |                 | 3 669           |                 |
| During the reporting period ending 30 June 2012, there were no transfers between Level 1 and Level 2 fair value measurements    | Daar was geen oordragte tussen Vlak 1- en Vlak 2-billikewaardemetings gedurende die verslagtydperk geëindig 30 Junie 2012 nie |                                                                                                                                        |                 |                 |                 |
|                                                                                                                                 |                                                                                                                               | 30 Junie 2011<br>R'000                                                                                                                 | Vlak 1<br>R'000 | Vlak 2<br>R'000 | Vlak 3<br>R'000 |
| Assets measured at fair value                                                                                                   | Bates teen billike waarde gemeet                                                                                              |                                                                                                                                        |                 |                 |                 |
| Derivatives not designated as hedging instruments:                                                                              | Afgeleide instrumente nie as verskansingsinstrumente aangewys nie:                                                            |                                                                                                                                        |                 |                 |                 |
| Foreign exchange contracts                                                                                                      | Buitelandse valutatermynkontrakte                                                                                             | 750                                                                                                                                    |                 | 750             |                 |
| During the reporting period ending 30 June 2011, there were no transfers between Level 1 and Level 2 fair value measurements    | Daar was geen oordragte tussen Vlak 1- en Vlak 2-billikewaardemetings gedurende die verslaatydperk geëindig 30 Junie 2011 nie |                                                                                                                                        |                 |                 |                 |



## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                   |          |                                       | Company/Maatskappy                       |       |
|-----------------------------------------------|----------|---------------------------------------|------------------------------------------|-------|
| 2012                                          | 2011     |                                       | 2012                                     | 2011  |
| R'000                                         | R'000    |                                       | R'000                                    | R'000 |
| <b>15. Deferred taxation</b>                  |          |                                       | <b>15. Uitgestelde belasting</b>         |       |
| (28 755)                                      | 12 377   | Balance at the beginning of the year  | 88                                       | 165   |
| (87 703)                                      | (41 132) | Movements during the year             | (2)                                      | (77)  |
| (116 458)                                     | (28 755) | <b>Balance at the end of the year</b> | 86                                       | 88    |
| <b>The balance is constituted as follows:</b> |          |                                       | <b>Die saldo bestaan uit:</b>            |       |
| <b>Deferred tax assets</b>                    |          |                                       | <b>Uitgestelde belastingbates</b>        |       |
| 368                                           | 1 502    | Bad debts provision                   | 89                                       | 82    |
| 2 215                                         | 2 304    | Provision: credit notes               |                                          |       |
| 106                                           | 1 920    | Consumable stores                     |                                          |       |
| 8 691                                         | 8 983    | Long-service bonus                    |                                          |       |
| 1 154                                         | –        | Provision: Special bonus              |                                          |       |
| –                                             | 6        | Property, plant and equipment         | –                                        | 6     |
| 11 654                                        | 11 142   | Leave pay provision                   |                                          |       |
| 1 027                                         | 3 134    | Share-based payments                  |                                          |       |
| 786                                           | 964      | In-plant building                     |                                          |       |
| 1 785                                         | –        | Leases                                |                                          |       |
| 5 680                                         | 4 421    | Provisions                            |                                          |       |
| 58                                            | 55 830   | Assessed loss carried forward         |                                          |       |
| 465                                           | 3 522    | Other                                 |                                          |       |
| 33 989                                        | 93 728   | <b>Total deferred tax assets</b>      | 89                                       | 88    |
|                                               |          |                                       | <b>Totale uitgestelde belastingbates</b> |       |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep   |               |                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                      | Company/Maatskappy |               |
|---------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------|
| 2012<br>R'000 | 2011<br>R'000 |                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                      | 2012<br>R'000      | 2011<br>R'000 |
|               |               | <b>Deferred tax liabilities</b>                                                                                                                                                                                                                                                                                                                                                                            | <b>Uitgestelde belastingverpligtinge</b>                                                                                                                                                                                                                                                                                                                                                                                             |                    |               |
| (148 250)     | (120 323)     | Property, plant and equipment                                                                                                                                                                                                                                                                                                                                                                              | Eiendom, aanleg en toerusting                                                                                                                                                                                                                                                                                                                                                                                                        |                    |               |
| (379)         | (2 142)       | Prepayments                                                                                                                                                                                                                                                                                                                                                                                                | Vooruitbetalings                                                                                                                                                                                                                                                                                                                                                                                                                     | 3                  | –             |
| –             | (138)         | Provision: Rentals, straightline adjustments                                                                                                                                                                                                                                                                                                                                                               | Voorsienings: Huurgeld, reguittlyn aanpassings                                                                                                                                                                                                                                                                                                                                                                                       |                    |               |
| (1 818)       | 120           | Other                                                                                                                                                                                                                                                                                                                                                                                                      | Ander                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |               |
| (150 447)     | (122 483)     | <b>Total deferred tax liabilities</b>                                                                                                                                                                                                                                                                                                                                                                      | <b>Totale uitgestelde belastingverpligtinge</b>                                                                                                                                                                                                                                                                                                                                                                                      | 3                  | –             |
| (116 458)     | (28 755)      | <b>Net deferred tax liability</b>                                                                                                                                                                                                                                                                                                                                                                          | <b>Netto uitgestelde belastingverpligtinge</b>                                                                                                                                                                                                                                                                                                                                                                                       | 86                 | 88            |
|               |               | <b>Reflected in the statement of financial position as follows:</b>                                                                                                                                                                                                                                                                                                                                        | <b>Soos volg in die staat van finansiële posisie weerspieël:</b>                                                                                                                                                                                                                                                                                                                                                                     |                    |               |
| 492           | 3 262         | Deferred tax assets                                                                                                                                                                                                                                                                                                                                                                                        | Uitgestelde belastingbates                                                                                                                                                                                                                                                                                                                                                                                                           | 86                 | 88            |
| (116 950)     | (32 017)      | Deferred tax liabilities                                                                                                                                                                                                                                                                                                                                                                                   | Uitgestelde belastingverpligtinge                                                                                                                                                                                                                                                                                                                                                                                                    |                    |               |
| (116 458)     | (28 755)      | <b>Net deferred tax liability</b>                                                                                                                                                                                                                                                                                                                                                                          | <b>Netto uitgestelde belastingverpligtinge</b>                                                                                                                                                                                                                                                                                                                                                                                       | 86                 | 88            |
|               |               | In assessing the availability of sufficient future taxable profit for utilisation against unused tax losses, cognisance was taken of the Group's vision, goals and strategies. The Board is of the opinion that future taxable profits would be adequate to utilise the unused tax losses.                                                                                                                 | By die evaluering van voldoende toekomstige belasbare winste vir aanwending teen onbenutte belastingverliese, is kennis geneem van die Groep se visie, doelwitte en strategieë. Die Direksie is van mening dat toekomstige belasbare winste toereikend sal wees om die ongebruikte belastingverliese te benut.                                                                                                                       |                    |               |
|               |               | The statement of financial position disclosure for deferred tax assets is the total amount for all Group companies with net deferred tax assets. Likewise the deferred tax liability represents the total of all companies with net deferred tax liabilities. Note 15 however groups all deferred tax assets and liabilities in the Group, irrespective of the net position of individual Group companies. | Die uitgestelde belastingbate in die staat van finansiële posisie is die totale bedrag van alle Groepmaatskappye wat netto uitgestelde belastingbates het. Soortgelyk is die uitgestelde belastinglas die totaal van alle Groepmaatskappye met netto uitgestelde belastinglaste. Aantekening 15 groepeer egter alle uitgestelde belastingbates en laste in die Groep, ongeag die netto posisie van die individuele Groepmaatskappye. |                    |               |
|               |               | The asset and liability totals per this Note will therefore not agree to the statement of financial position disclosure although the net amount corresponds.                                                                                                                                                                                                                                               | Die totale bates en laste in hierdie Aantekeninge stem dus nie ooreen met die staat van finansiële posisie bedrae nie, alhoewel die netto bedrag dieselfde is.                                                                                                                                                                                                                                                                       |                    |               |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                |                                                   | Company/Maatskappy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2011           |                                                   | 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2011    |
| R'000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | R'000          |                                                   | R'000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | R'000   |
| <b>16. Inventories</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                                                   | <b>16. Voorrade</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |         |
| 5 800                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 5 800          | Delivery agreements                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |
| 91 120                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 76 374         | Raw materials                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |
| 50 017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 43 033         | Work-in-progress                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |
| 60 595                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 46 678         | Consumable stores                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |
| 394 521                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 288 362        | Finished goods                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |
| <b>602 053</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>460 247</b> | <b>Total inventories</b>                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |
| The amount of the write-down of inventories recognised as an expense is R11,9 million (2011: R9,9 million). This expense is included in the cost of sales line item as a cost of inventories.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                |                                                   | Die bedrag van die waardedaling van voorrade wat as 'n uitgawe erken word, is R11,9 miljoen (2011: R9,9 miljoen). Hierdie uitgawe is ingesluit in die koste van verkope-lyntem as 'n voorraadkoste.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |         |
| <b>17. Trade and other receivables</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                                                   | <b>17. Handels- en ander debiteure</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |
| 874 476                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 754 049        | Trade receivables                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |
| 74 633                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 54 633         | Other receivables and advance payments            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |
| 57 874                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 66 772         | Loans to Executive Directors and other Executives |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                | Intercompany loan: Clover SA                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                | Loan: CIL Share Purchase Plan Trust               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |
| (1 539)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (1 325)        | Allowance for impairment                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |
| (8 449)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (8 404)        | Credit note accrual                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |
| <b>996 995</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>865 725</b> | <b>Total trade and other receivables</b>          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |
| The loans to Directors and Senior Personnel were made to finance ordinary shares in CIL issued to them on 31 May 2010. The terms of the loans are as follows: they will bear interest at 90% of the prime rate of Absa Bank, interest will be capitalised on a monthly basis, repayable by management on the sale of the ordinary shares or within two months of leaving the employ of Clover or within six months in the case of death. All proceeds of the ordinary shares are ceded to CIL as security for the loans in addition to all proceeds on the Clover Industries preference shares held by them. The loan agreements have been amended to make provision for a final repayment date of the respective loans linked to the normal retirement date for each of the executives. See note 29,4 for further detail. |                |                                                   | Die lenings aan Direkteure en Senior Personeel is toegestaan vir die finansiering van gewone aandele in CIL aan hulle uitgereik op 31 Mei 2010. Die terme van die lening is soos volg: die lening sal rente dra teen 90% van die primakoers van Absa Bank, rente sal maandeliks gekapitaliseer word, terugbetaalbaar deur bestuur as hulle gewone aandele verkoop of binne twee maande nadat hulle die diens van Clover verlaat, of binne ses maande in geval van dood. Alle inkomste van die gewone aandele is aan CIL gesedeer as sekuriteit vir die lenings sowel as al die inkomste van die Clover Industries voorkeuraandele deur hulle gehou. Die leningsooreenkomste is gewysig om voorsiening te maak vir 'n finale terugbetalingsdatum van die onderskeie lenings gekoppel aan die normale aftreedatum vir elk van die uitvoerende beampies. |         |
| Clover SA securitised its trade debtors, excluding debtors generated from export sales, through a special-purpose entity, Clover Capital. Clover Capital was consolidated into the results of the Group.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                |                                                   | Clover SA het sy handelsdebiteure, uitgesluit debiteure wat uit uitvoerverkope genereer is, deur 'n spesialedoelentiteit, Clover Capital, versekureer. Clover Capital is by die resultate van die Groep gekonsolideer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |
| The payment terms for accounts receivable are 30 days after the end of the month in which the goods were delivered.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                |                                                   | Die betalingsvoorwaardes vir rekeninge ontvangbaar is 30 dae na die maandeinde waarin die goedere afgelewer is.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                |                                                   | <b>771</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1 650   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                |                                                   | <b>57 874</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 66 772  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                |                                                   | <b>581 051</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 469 450 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                |                                                   | <b>1 480</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1 438   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                |                                                   | <b>(317)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | (317)   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                |                                                   | <b>640 859</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 538 993 |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep   |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Company/Maatskappy |               |
|---------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------|
| 2012<br>R'000 | 2011<br>R'000 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2012<br>R'000      | 2011<br>R'000 |
|               |               | See note 30.5 for age analysis on trade receivables and on credit risk of trade receivables to understand how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.<br>Trade receivables are non-interest bearing and the payment terms are 30 days after the end of the month in which the goods were delivered.<br>As at 30 June 2012, trade receivables of an initial value of R1,5m (2011: R1,3m) were impaired and fully provided for. See below for the movement in the provision for impairment of receivables.                                                                                                                                       |                    |               |
| 1 325         | 2 198         | Balance at the beginning of the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 317                | 570           |
| 214           | 3 440         | Charge for the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | –                  | (253)         |
| –             | (4 313)       | Unused amounts or amounts written off reversed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | –                  | –             |
| 1 539         | 1 325         | <b>Balance at the end of the year</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 317                | 317           |
|               |               | <b>18. Cash and short-term deposits</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                    |               |
|               |               | Cash at bank earns interest at floating rates based on daily deposit rates. Short-term deposits are made for periods varying between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. At 30 June 2012, the Group had available R240 million (2011: R240 million) of unutilised committed borrowing facilities in respect of which all conditions precedent had been met. The Group has an additional R75 million facility available that is currently put in a shadow facility.<br>For the purpose of the consolidated cash flow statements, cash and short-term deposits comprise the following:               |                    |               |
|               |               | <b>Cash at bank and on hand</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                    |               |
| 272           | 221           | On hand                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                    |               |
| 119 591       | 30 569        | Outstanding deposits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                    |               |
| 216 815       | 533 689       | Call loans and money market investments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                    |               |
| 374 792       | 259 733       | Cash in banks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                    |               |
| 711 470       | 824 212       | <b>Total cash and short-term deposits</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                    |               |
|               |               | <b>18. Kontant en korttermyndeposito's</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |               |
|               |               | Kontant in die bank verdien rente teen veranderlike koerse gegrond op daaglikse depositokoerse. Korttermyndeposito's word gemaak vir tydperke van tussen een dag en drie maande, na gelang van die onmiddellike kontantbehoefte van die Groep, en verdien rente teen die onderskeidelike korttermyn- depositokoerse. Op 30 Junie 2012 het die Groep oor onbenutte verbonde leengeriewe van R240 miljoen (2011: R240 miljoen) beskik waarop alle opskortende voorwaardes nagekom is. Die Groep het 'n addisionele R75 miljoen fasiliteit beskikbaar wat tans in 'n skaduwee fasiliteit is.<br>Vir doeleindes van die gekonsolideerde kontantvloei-state word kontant en korttermyndeposito's soos volg saamgestel: |                    |               |
|               |               | <b>Kontant in banke en voorhande</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                    |               |
|               |               | Voorhande                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                    |               |
|               |               | Uitstaande deposito's                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                    |               |
|               |               | Daglenings en geldmarkbeleggings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                    |               |
|               |               | Kontant in banke                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 42 955             | 2 232         |
|               |               | <b>Totale kontant- en korttermyndeposito's</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 42 955             | 2 232         |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                                                  |                                 | Company/Maatskappy                                                                          |                                 |
|----------------------------------------------------------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------|---------------------------------|
| 2012                                                                                         | 2011                            | 2012                                                                                        | 2011                            |
| Number of shares/Aantal aandele                                                              | Number of shares/Aantal aandele | Number of shares/Aantal aandele                                                             | Number of shares/Aantal aandele |
| <b>19. Share capital and share premium</b>                                                   |                                 | <b>19. Aandelekapitaal en aandelepremie</b>                                                 |                                 |
| <b>19.1 Ordinary shares</b>                                                                  |                                 | <b>19.1 Gewone aandele</b>                                                                  |                                 |
| <b>Authorised</b>                                                                            |                                 | <b>Gemagtig</b>                                                                             |                                 |
| 2 billion (2011: 2 billion) ordinary shares with a par value of 5 cents (2011: 5 cents) each |                                 | 2 miljard (2011: 2 miljard) gewone aandele met 'n pari-waarde van 5 sent (2011: 5 sent) elk |                                 |
| <b>Share capital issued</b>                                                                  |                                 | <b>Aandelekapitaal uitgereik</b>                                                            |                                 |
| Number of ordinary shares issued                                                             |                                 | Aantal gewone aandele uitgereik                                                             |                                 |
| <b>179 111 867</b>                                                                           | 61 924 981                      | <b>179 111 867</b>                                                                          | 61 924 981                      |
| Ordinary shares in issue at the beginning of the year                                        |                                 | Gewone aandele in uitreiking aan die begin van die jaar                                     |                                 |
| <b>2 for 1 share split</b>                                                                   |                                 | <b>2 vir 1 aandeelverdeling</b>                                                             |                                 |
| At 4 November 2010                                                                           |                                 | Op 4 November 2010                                                                          |                                 |
| –                                                                                            | 61 924 981                      | –                                                                                           | 61 924 981                      |
| <b>Issued during the year</b>                                                                |                                 | <b>Aandele uitgereik gedurende die jaar</b>                                                 |                                 |
| At 4 November 2010                                                                           |                                 | Op 4 November 2010                                                                          |                                 |
| –                                                                                            | 500 000                         | –                                                                                           | 500 000                         |
| At 14 December 2010                                                                          |                                 | Op 14 Desember 2010                                                                         |                                 |
| –                                                                                            | 47 619 048                      | –                                                                                           | 47 619 048                      |
| At 14 January 2011                                                                           |                                 | Op 14 Januarie 2011                                                                         |                                 |
| –                                                                                            | 7 142 857                       | –                                                                                           | 7 142 857                       |
| <b>179 111 867</b>                                                                           | 179 111 867                     | <b>179 111 867</b>                                                                          | 179 111 867                     |
| <b>Ordinary shares in issue at the end of the year</b>                                       |                                 | <b>Gewone aandele in uitreiking aan die einde van die jaar</b>                              |                                 |
| <b>2012</b>                                                                                  | <b>2011</b>                     | <b>2012</b>                                                                                 | <b>2011</b>                     |
| <b>R'000</b>                                                                                 | <b>R'000</b>                    | <b>R'000</b>                                                                                | <b>R'000</b>                    |
| <b>Ordinary share capital</b>                                                                |                                 | <b>Gewone aandelekapitaal</b>                                                               |                                 |
| 179,1 million (2011: 179,1 million) ordinary shares of 5 cents (2011: 5 cents) each          |                                 | 179,1 miljoen (2011 : 179,1 miljoen) gewone aandele van 5 sent (2011: 5 sent) elk           |                                 |
| <b>8 955</b>                                                                                 | 8 955                           | <b>8 955</b>                                                                                | 8 955                           |
| <b>Ordinary share premium</b>                                                                |                                 | <b>Gewone aandelepremie</b>                                                                 |                                 |
| Ordinary share premium on 179,1 million (2011: 179,1 million) ordinary shares                |                                 | Gewone aandelepremie op 179,1 miljoen (2011: 179,1 miljoen) gewone aandele                  |                                 |
| <b>674 635</b>                                                                               | 689 442                         | <b>674 635</b>                                                                              | 689 442                         |
| Share issue cost                                                                             |                                 | Uitreikingskoste van aandele                                                                |                                 |
| –                                                                                            | (14 807)                        | –                                                                                           | (14 807)                        |
| <b>683 590</b>                                                                               | 683 590                         | <b>683 590</b>                                                                              | 683 590                         |
| <b>Total ordinary share capital and ordinary share premium</b>                               |                                 | <b>Totale gewone aandelekapitaal en gewone aandelepremie</b>                                |                                 |



# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                     |                                 | Company/Maatskappy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                 |                                 |
|---------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| 2012                            | 2011                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 2012                            | 2011                            |
| Number of shares/Aantal aandele | Number of shares/Aantal aandele | 19.2 Preference shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 19.2 Voorkeuraandeel                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Number of shares/Aantal aandele | Number of shares/Aantal aandele |
|                                 |                                 | <b>Authorised</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Gemagtig</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                 |                                 |
|                                 |                                 | 100 million redeemable cumulative preference shares with a par value of 10 cents each                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 100 miljoen aflosbare kumulatiewe voorkeuraandeel met 'n pariwaarde van 10 sent elk                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |                                 |
|                                 |                                 | <b>Share capital issued</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Aandelekapitaal uitgereik</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                 |                                 |
| 89 442 022                      | 89 442 022                      | Preference shares in issue at the beginning of the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Voorkeuraandeel in uitreiking aan die begin van die jaar                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 89 442 022                      | 89 442 022                      |
| 89 442 022                      | 89 442 022                      | <b>Preference shares in issue at the end of the year</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Voorkeuraandeel in uitreiking aan die einde van die jaar</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 89 442 022                      | 89 442 022                      |
| 2012<br>R'000                   | 2011<br>R'000                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 2012<br>R'000                   | 2011<br>R'000                   |
| 8 944                           | 8 944                           | <b>Preference share capital</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Voorkeuraandelekapitaal</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 8 944                           | 8 944                           |
|                                 |                                 | 89,4 million (2011: 89,4 million) preference shares at 10 cents each                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 89,4 miljoen (2011: 89,4 miljoen) voorkeuraandeel van 10 sent elk                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                 |                                 |
| 251 146                         | 251 146                         | <b>Preference share premium</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Voorkeuraandelepremie</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 251 146                         | 251 146                         |
| (230)                           | (230)                           | Premium on 89,4 million preference shares (2011: 89,4 million)                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Premie op 89,4 miljoen voorkeuraandeel (2011: 89,4 miljoen).                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | (230)                           | (230)                           |
|                                 |                                 | Share issue cost                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Koste van aandele uitgereik                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                 |                                 |
| 259 860                         | 259 860                         | <b>Total preference share capital and premium</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Totale voorkeuraandelekapitaal en -premie</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 259 860                         | 259 860                         |
|                                 |                                 | <p>Holders of preference shares are entitled to a preference dividend payable on a quarterly basis, calculated over the dividend period at 90% of Absa's prime rate multiplied by the subscription price of the preference share.</p> <p>On 8 June 2012 the preference shares dividend rate increased from 90% of Absa's prime rate to 99% of ABSA's prime rate multiplied by the subscription price of the preference share.</p> <p>The preference shares are redeemable on 2 June 2013. Preference shares have no voting rights</p> | <p>Voorkeuraandelehouers is geregtig op 'n voorkeurdividend, bereken oor die dividend-tydperk teen 90% van Absa se primakoers vermenigvuldig met die subskripsieprys van die voorkeuraandeel, betaalbaar op 'n kwartaallikse basis. Op 8 Junie 2012 het die voorkeuraandeeldividendkoers toegeneem van 90% van ABSA se prima koers tot 99% van ABSA se prima koers vermenigvuldig met die inskrywingsprys van die voorkeuraandeel.</p> <p>Die voorkeuraandeel is aflosbaar op 2 Junie 2013. Voorkeuraandeel het geen stemreg nie</p> |                                 |                                 |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep      |           |                                                                                          | Company/Maatskappy |           |
|------------------|-----------|------------------------------------------------------------------------------------------|--------------------|-----------|
| 2012             | 2011      |                                                                                          | 2012               | 2011      |
| R'000            | R'000     |                                                                                          | R'000              | R'000     |
|                  |           | <b>19.3 Total issued ordinary and preference share capital</b>                           |                    |           |
| <b>17 899</b>    | 17 899    | Total issued ordinary and preference share capital                                       | <b>17 899</b>      | 17 899    |
| <b>(8 944)</b>   | (8 944)   | Debt portion of preference share capital                                                 | <b>(8 944)</b>     | (8 944)   |
| <b>8 955</b>     | 8 955     | <b>Total ordinary share capital</b>                                                      | <b>8 955</b>       | 8 955     |
| <b>925 551</b>   | 925 551   | Total ordinary and preference share premium                                              | <b>925 551</b>     | 925 551   |
| <b>(250 438)</b> | (250 438) | Total debt portion of preference share premium                                           | <b>(250 438)</b>   | (250 438) |
| <b>675 113</b>   | 675 113   | <b>Total share premium net of debt portion</b>                                           | <b>675 113</b>     | 675 113   |
|                  |           | The total redeemable preference share capital and share premium are reflected as debt    |                    |           |
|                  |           | <b>Shares were issued as follows during the year</b>                                     |                    |           |
|                  |           | <b>Ordinary shares:</b>                                                                  |                    |           |
| –                | 2 763     | Ordinary shares of Nil cents (2011: 5 cents) each                                        | –                  | 2 763     |
| –                | 2 310     | Ordinary share premium of RNil (2011: R4,62) per share                                   | –                  | 2 310     |
| –                | 572 262   | Ordinary share premium of RNil (2011: R10,45) per share                                  | –                  | 572 262   |
| –                | 577 335   | <b>Total ordinary share capital raised during the year</b>                               | –                  | 577 335   |
| <b>(259 382)</b> | (259 382) | <b>19.4 Debt portion of preference share capital</b>                                     | <b>(259 382)</b>   | (259 382) |
|                  |           | Debt portion of preference shares                                                        |                    |           |
|                  |           | <b>19.3 Totale uitgereikte gewone- en voorkeuraandelekapitaal</b>                        |                    |           |
|                  |           | Totale uitgereikte gewone- en voorkeuraandelekapitaal                                    |                    |           |
|                  |           | Skuldkomponent van voorkeuraandelekapitaal                                               |                    |           |
|                  |           | <b>Totale gewone aandelekapitaal</b>                                                     |                    |           |
|                  |           | Totale gewone- en voorkeuraandelepremie                                                  |                    |           |
|                  |           | Totale skuldkomponent van voorkeuraandelepremie                                          |                    |           |
|                  |           | <b>Totale aandelepremie netto van skuldkomponent</b>                                     |                    |           |
|                  |           | Die totale uitgereikte aflosbare voorkeuraandelekapitaal en – premie word as skuld erken |                    |           |
|                  |           | <b>Aandele is soos volg gedurende die jaar uitgereik</b>                                 |                    |           |
|                  |           | <b>Gewone aandele:</b>                                                                   |                    |           |
|                  |           | Gewone aandele van Nul sent (2011:5 sent) elk                                            | –                  | 2 763     |
|                  |           | Gewone aandelepremie van RNul (2011: R4,62) per aandeel                                  | –                  | 2 310     |
|                  |           | Gewone aandelepremie van RNul (2011: R10,45) per aandeel                                 | –                  | 572 262   |
|                  |           | <b>Totale gewone aandelekapitaal ontvang gedurende die jaar</b>                          | –                  | 577 335   |
|                  |           | <b>19.4 Skuldkomponent van voorkeuraandelekapitaal</b>                                   |                    |           |
|                  |           | Skuldkomponent van voorkeuraandele                                                       |                    |           |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                      |               |                                                                                                                                                                                                                                                                                                                                                                                                | Company/Maatskappy                               |               |
|--------------------------------------------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|---------------|
| 2012<br>R'000                                    | 2011<br>R'000 |                                                                                                                                                                                                                                                                                                                                                                                                | 2012<br>R'000                                    | 2011<br>R'000 |
| <b>20. Other reserves</b>                        |               |                                                                                                                                                                                                                                                                                                                                                                                                | <b>20. Ander reserwes</b>                        |               |
| <b>52 681</b>                                    | 41 291        | Share-based payments reserve                                                                                                                                                                                                                                                                                                                                                                   | <b>25 485</b>                                    | 14 094        |
| <b>209 480</b>                                   | 218 466       | Other capital reserves                                                                                                                                                                                                                                                                                                                                                                         |                                                  |               |
| <b>262 161</b>                                   | 259 757       |                                                                                                                                                                                                                                                                                                                                                                                                | <b>25 485</b>                                    | 14 094        |
| <b>(7 875)</b>                                   | (6 973)       | Foreign currency translation reserve                                                                                                                                                                                                                                                                                                                                                           |                                                  |               |
| <b>254 286</b>                                   | 252 784       | <b>Total at the end of the year</b>                                                                                                                                                                                                                                                                                                                                                            | <b>25 485</b>                                    | 14 094        |
| <b>21. Retained earnings</b>                     |               |                                                                                                                                                                                                                                                                                                                                                                                                | <b>21. Behoue verdienste</b>                     |               |
| <b>955 890</b>                                   | 805 499       | Retained profit at the end of the year                                                                                                                                                                                                                                                                                                                                                         | <b>52 923</b>                                    | (83 510)      |
| <b>22. Interest-bearing loans and borrowings</b> |               |                                                                                                                                                                                                                                                                                                                                                                                                | <b>22. Rentendraende lenings en verpligtinge</b> |               |
| <b>22.1 Secured liabilities</b>                  |               |                                                                                                                                                                                                                                                                                                                                                                                                | <b>22.1 Versekerde verpligtinge</b>              |               |
| <b>150 000</b>                                   | 305 000       | (a) Secured by securitisation of trade debtors (Refer to Note 17). Repayable 31 March 2013, fixed interest rate: 13,025% (2011: 13,025%).                                                                                                                                                                                                                                                      |                                                  |               |
| <b>30 609</b>                                    | 31 007        | (b) Secured by plant and equipment with a book value of R44,5 million (2011: R32,9 million). Repayable in monthly instalments. Payments due within the next year are R8,9 million (2011: R7,5 million). Variable interest rate portion: 8,05% – 10,5% (2011: 8,05% – 10,5%). Maturity: between January 2013 and March 2022. Fixed interest rate portion 9,0% and 10,5% (2011: 9,6% and 11,5%). |                                                  |               |
| <b>180 609</b>                                   | 336 007       | <b>Total secured liabilities</b>                                                                                                                                                                                                                                                                                                                                                               |                                                  |               |
|                                                  |               |                                                                                                                                                                                                                                                                                                                                                                                                | <b>Totale versekerde verpligtinge</b>            |               |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                                                                                                                                                                                                                                                                                                                                                                 |               | Company/Maatskappy                                                                                                                                                                                                                                                                                                                                                                                                  |               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 2012<br>R'000                                                                                                                                                                                                                                                                                                                                                                                               | 2011<br>R'000 | 2012<br>R'000                                                                                                                                                                                                                                                                                                                                                                                                       | 2011<br>R'000 |
| <b>259 382</b>                                                                                                                                                                                                                                                                                                                                                                                              | 259 382       | <b>259 382</b>                                                                                                                                                                                                                                                                                                                                                                                                      | 259 382       |
| <b>625</b>                                                                                                                                                                                                                                                                                                                                                                                                  | 8 095         | –                                                                                                                                                                                                                                                                                                                                                                                                                   | –             |
| <b>2 446</b>                                                                                                                                                                                                                                                                                                                                                                                                | 3 178         |                                                                                                                                                                                                                                                                                                                                                                                                                     |               |
| <b>262 453</b>                                                                                                                                                                                                                                                                                                                                                                                              | 270 655       | <b>259 382</b>                                                                                                                                                                                                                                                                                                                                                                                                      | 259 382       |
| <b>443 062</b>                                                                                                                                                                                                                                                                                                                                                                                              | 606 662       | <b>259 382</b>                                                                                                                                                                                                                                                                                                                                                                                                      | 259 382       |
| <b>158 923</b>                                                                                                                                                                                                                                                                                                                                                                                              | 162 555       |                                                                                                                                                                                                                                                                                                                                                                                                                     |               |
| <b>262 453</b>                                                                                                                                                                                                                                                                                                                                                                                              | 11 274        | <b>259 382</b>                                                                                                                                                                                                                                                                                                                                                                                                      | –             |
| <b>421 376</b>                                                                                                                                                                                                                                                                                                                                                                                              | 173 829       | <b>259 382</b>                                                                                                                                                                                                                                                                                                                                                                                                      | –             |
| <b>21 686</b>                                                                                                                                                                                                                                                                                                                                                                                               | 432 833       | –                                                                                                                                                                                                                                                                                                                                                                                                                   | 259 382       |
| <b>443 062</b>                                                                                                                                                                                                                                                                                                                                                                                              | 606 662       | <b>259 382</b>                                                                                                                                                                                                                                                                                                                                                                                                      | 259 382       |
| <b>22.2 Unsecured liabilities</b>                                                                                                                                                                                                                                                                                                                                                                           |               | <b>22.2 Onversekerde verpligtinge</b>                                                                                                                                                                                                                                                                                                                                                                               |               |
| (a) Debt portion of preference share capital:<br>On 8 June 2012 the memorandum of incorporation of the Company was amended (by way of special resolution) to gross up the preference dividend rate, from 90% of the average prime rate, to 99% of the average prime rate. The preference shares are redeemable on 2 June 2013. The total amount outstanding on the preference shares is recognised as debt. |               | (a) Skuldkomponent van voorkeuraandelekapitaal:<br>Op 8 Junie 2012 is die akte van oprigting van die Maatskappy gewysig (deur middel van spesiale besluite) tot die bruto van die voorkeurdividendkoers, van 90% van die gemiddelde prima koers, tot 99% van die gemiddelde prima koers. Die voorkeuraandele is op 2 Junie 2013 aflosbaar. Die totale uitstaande bedrag op die voorkeuraandele word as skuld erken. |               |
| (b) Bank overdraft<br>Repayable on demand. The full outstanding amount is repayable within one year.<br>Variable interest rate: 9% (2011: 10,5% – 9,0%).                                                                                                                                                                                                                                                    |               | (b) Bankoortrekkings<br>Terugbetaalbaar op aanvraag. Die volle uitstaande bedrag is terugbetaalbaar binne een jaar.<br>Veranderlike rentekoers: 9% (2011: 10,5% – 9,0%).                                                                                                                                                                                                                                            |               |
| (c) Call loans<br>Variable interest rate: 6,25% – 7,35% (2011: 8,5% – 6,2%).                                                                                                                                                                                                                                                                                                                                |               | (c) Daggeld<br>Veranderlike rentekoers: 6,25% – 7,35% (2011: 8,5% – 6,2%).                                                                                                                                                                                                                                                                                                                                          |               |
| <b>Total unsecured liabilities</b>                                                                                                                                                                                                                                                                                                                                                                          |               | <b>Totale onversekerde verpligtinge</b>                                                                                                                                                                                                                                                                                                                                                                             |               |
| <b>Total secured and unsecured liabilities</b>                                                                                                                                                                                                                                                                                                                                                              |               | <b>Totale versekerde en onversekerde verpligtinge</b>                                                                                                                                                                                                                                                                                                                                                               |               |
| <b>Current portion transferred to current liabilities:</b>                                                                                                                                                                                                                                                                                                                                                  |               | <b>Bedryfsgedeelte oorgedra na bedryfslaste:</b>                                                                                                                                                                                                                                                                                                                                                                    |               |
| • Secured liabilities                                                                                                                                                                                                                                                                                                                                                                                       |               | • Versekerde verpligtinge                                                                                                                                                                                                                                                                                                                                                                                           |               |
| • Unsecured liabilities                                                                                                                                                                                                                                                                                                                                                                                     |               | • Onversekerde verpligtinge                                                                                                                                                                                                                                                                                                                                                                                         |               |
| Total current portion transferred to current liabilities                                                                                                                                                                                                                                                                                                                                                    |               | Totale bedryfsgedeelte oorgedra na bedryfslaste                                                                                                                                                                                                                                                                                                                                                                     |               |
| Total non-current interest-bearing borrowings                                                                                                                                                                                                                                                                                                                                                               |               | Totale nie-bedryfsrentedraende lenings                                                                                                                                                                                                                                                                                                                                                                              |               |
| <b>Total current and non-current interest-bearing loans and borrowings</b>                                                                                                                                                                                                                                                                                                                                  |               | <b>Totale bedryfs- en nie-bedryfsrentedraende lenings en verpligtinge</b>                                                                                                                                                                                                                                                                                                                                           |               |
| <b>23. Provisions</b>                                                                                                                                                                                                                                                                                                                                                                                       |               | <b>23. Voorsienings</b>                                                                                                                                                                                                                                                                                                                                                                                             |               |
| <b>23.1 Long-service bonus</b>                                                                                                                                                                                                                                                                                                                                                                              |               | <b>23.1 Langdiensbonus</b>                                                                                                                                                                                                                                                                                                                                                                                          |               |
| The projected-credit method is used for the calculation of the long-service bonus provision. Payments are recognised as utilisations.                                                                                                                                                                                                                                                                       |               | Die geprojekteerde kredietmetode word vir die berekening van die langdiensbonus- voorsiening gebruik. Betalings word as aanwendings erken.                                                                                                                                                                                                                                                                          |               |
| <b>The determination of the long-service bonus is based on the following assumptions:</b>                                                                                                                                                                                                                                                                                                                   |               | <b>Die bepaling van die langdiensbonus is gegrond op die volgende aannames:</b>                                                                                                                                                                                                                                                                                                                                     |               |
| Active members                                                                                                                                                                                                                                                                                                                                                                                              |               | Aktiewe lede                                                                                                                                                                                                                                                                                                                                                                                                        |               |
| Salary escalation ratio                                                                                                                                                                                                                                                                                                                                                                                     |               | Salarisverhogingskoers                                                                                                                                                                                                                                                                                                                                                                                              |               |
| Discounting rate                                                                                                                                                                                                                                                                                                                                                                                            |               | Afslagkoers                                                                                                                                                                                                                                                                                                                                                                                                         |               |
| Normal retirement age                                                                                                                                                                                                                                                                                                                                                                                       |               | Normale aftree-ouderdom                                                                                                                                                                                                                                                                                                                                                                                             |               |
| <b>6 534</b>                                                                                                                                                                                                                                                                                                                                                                                                | 6 174         | Saldo aan die begin van die jaar                                                                                                                                                                                                                                                                                                                                                                                    |               |
| <b>7,7%</b>                                                                                                                                                                                                                                                                                                                                                                                                 | 7,5%          | Bedrae voorsien                                                                                                                                                                                                                                                                                                                                                                                                     |               |
| <b>8,9%</b>                                                                                                                                                                                                                                                                                                                                                                                                 | 9,0%          | Bedrae aangewend                                                                                                                                                                                                                                                                                                                                                                                                    |               |
| <b>65</b>                                                                                                                                                                                                                                                                                                                                                                                                   | 65            |                                                                                                                                                                                                                                                                                                                                                                                                                     |               |
| <b>32 096</b>                                                                                                                                                                                                                                                                                                                                                                                               | 30 295        |                                                                                                                                                                                                                                                                                                                                                                                                                     |               |
| <b>6 426</b>                                                                                                                                                                                                                                                                                                                                                                                                | 10 551        |                                                                                                                                                                                                                                                                                                                                                                                                                     |               |
| <b>(7 489)</b>                                                                                                                                                                                                                                                                                                                                                                                              | (8 750)       |                                                                                                                                                                                                                                                                                                                                                                                                                     |               |
| <b>31 033</b>                                                                                                                                                                                                                                                                                                                                                                                               | 32 096        |                                                                                                                                                                                                                                                                                                                                                                                                                     |               |
| <b>Total long-service bonus provision</b>                                                                                                                                                                                                                                                                                                                                                                   |               | <b>Totale langdiensbonusvoorsiening</b>                                                                                                                                                                                                                                                                                                                                                                             |               |
| Refer to note 34 for further detail on the long-service bonus provision                                                                                                                                                                                                                                                                                                                                     |               | Verwys na aantekening 34 vir verdere inligting oor die langdiensbonusvoorsiening                                                                                                                                                                                                                                                                                                                                    |               |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                                                                                                                                                                                                                       |           | Company/Maatskappy                                                                                                                                                                                                                                                             |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| 2012                                                                                                                                                                                                                                                              | 2011      | 2012                                                                                                                                                                                                                                                                           | 2011   |
| R'000                                                                                                                                                                                                                                                             | R'000     | R'000                                                                                                                                                                                                                                                                          | R'000  |
| <b>23.2 Leave pay</b>                                                                                                                                                                                                                                             |           | <b>23.2 Verlofgeld</b>                                                                                                                                                                                                                                                         |        |
| A provision for leave pay is recognised for the number of days leave due to employees at 30 June valued at a rate per day based on the basic salary of each employee at 30 June. Leave payments are recognised as utilisations.                                   |           | 'n Voorsiening vir verlofgeld word erken vir die aantal dae verlofverskuldig aan werknemers op 30 Junie, gewaardeer teen 'n daaglikse tarief gegrond op die basiese salaris van elke werknemer op 30 Junie. Verlofbetalings word as benuttings erken.                          |        |
| 40 478                                                                                                                                                                                                                                                            | 36 512    | Saldo aan die begin van die jaar                                                                                                                                                                                                                                               |        |
| 7 269                                                                                                                                                                                                                                                             | 8 585     | Bedrae voorsien                                                                                                                                                                                                                                                                |        |
| (4 967)                                                                                                                                                                                                                                                           | (4 615)   | Bedrae aangewend                                                                                                                                                                                                                                                               |        |
| 42 780                                                                                                                                                                                                                                                            | 40 482    | <b>Totale verlofuitbetalingsvoorsiening</b>                                                                                                                                                                                                                                    |        |
| <b>23.3 Total provisions</b>                                                                                                                                                                                                                                      |           | <b>23.3 Totale voorsienings</b>                                                                                                                                                                                                                                                |        |
| Non-current portion                                                                                                                                                                                                                                               |           | Nie-bedryfs gedeelte                                                                                                                                                                                                                                                           |        |
| Current portion transferred to current liabilities                                                                                                                                                                                                                |           | Bedryfsgedeelte oorgedra na bedryfslaste                                                                                                                                                                                                                                       |        |
| 61 637                                                                                                                                                                                                                                                            | 62 526    | <b>Totale nie-bedryfs en bedryfsvoorsienings</b>                                                                                                                                                                                                                               |        |
| 12 176                                                                                                                                                                                                                                                            | 10 052    |                                                                                                                                                                                                                                                                                |        |
| 73 813                                                                                                                                                                                                                                                            | 72 578    |                                                                                                                                                                                                                                                                                |        |
| <b>24. Trade and other payables</b>                                                                                                                                                                                                                               |           | <b>24. Handels- en ander krediteure</b>                                                                                                                                                                                                                                        |        |
| 1 147 039                                                                                                                                                                                                                                                         | 906 224   | Handelskrediteure                                                                                                                                                                                                                                                              | 1 616  |
| 144 791                                                                                                                                                                                                                                                           | 135 330   | Ander krediteure                                                                                                                                                                                                                                                               | 1 793  |
| 8 802                                                                                                                                                                                                                                                             | 3 887     | Rente betaalbaar                                                                                                                                                                                                                                                               | 8 802  |
| 23 066                                                                                                                                                                                                                                                            | 36 752    | Betaalbaar aan gesamentlike ondernemings                                                                                                                                                                                                                                       | –      |
| –                                                                                                                                                                                                                                                                 | –         | Tussenmaatskappylening Clover SA                                                                                                                                                                                                                                               | 214    |
| 1 323 698                                                                                                                                                                                                                                                         | 1 082 193 | <b>Totale handels- en ander krediteure</b>                                                                                                                                                                                                                                     | 12 425 |
| 6 904                                                                                                                                                                                                                                                             | 13 357    | Nie-bedryfsgedeelte oorgedra na nie- bedryfslaste                                                                                                                                                                                                                              | 12 425 |
| 1 316 794                                                                                                                                                                                                                                                         | 1 068 836 | Bedryfsgedeelte                                                                                                                                                                                                                                                                | 12 425 |
| 1 323 698                                                                                                                                                                                                                                                         | 1 082 193 | <b>Totale handels- en ander krediteure</b>                                                                                                                                                                                                                                     | 12 425 |
| The terms for trade payables range from 7 days after date of invoice to 45 days after month-end. Interest is payable on a monthly basis. Payables to joint ventures range from 30 days to 45 days after the end of the month in which the transaction took place. |           | Die terme vir handelskrediteure wissel van 7 dae na datum van faktuur tot 45 dae na maandeinde. Rente is betaalbaar op 'n maandelikse basis. Betalings aan gesamentlike ondernemings wissel van 30 dae tot 45 dae wat volg op die maand waarin die transaksie plaasgevind het. |        |

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                      |                                 |                                                                                               |                                                                                                                | Company/Maatskappy               |                                 |
|----------------------------------|---------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------|
| 2012                             | 2011                            |                                                                                               |                                                                                                                | 2012                             | 2011                            |
| R'000                            | R'000                           |                                                                                               |                                                                                                                | R'000                            | R'000                           |
|                                  |                                 | <b>25. Dividends declared</b>                                                                 | <b>25. Dividende verklaar</b>                                                                                  |                                  |                                 |
|                                  |                                 | Dividends paid to preference shareholders are recognised as finance cost (Refer to Note 6.6). | Dividende betaalbaar aan voorkeuraandeelhouders word as finansierings-koste erken (Verwys na Aantekening 6.6). |                                  |                                 |
|                                  |                                 | During the year equity dividends were declared as follows:                                    | Gedurende die jaar is ekwiteitsdividende soos volg verklaar:                                                   |                                  |                                 |
|                                  |                                 | To ordinary shareholders                                                                      | Aan gewone aandeelhouders                                                                                      |                                  |                                 |
| 53 734                           | 58 720                          |                                                                                               |                                                                                                                | 53 734                           | 58 720                          |
| 53 734                           | 58 720                          | <b>Total dividends declared</b>                                                               | <b>Totale dividende verklaar</b>                                                                               | 53 734                           | 58 720                          |
| Cents per share/Sent per aandeel | Cent per share/Sent per aandeel |                                                                                               |                                                                                                                | Cents per share/Sent per aandeel | Cent per share/Sent per aandeel |
| 30,0                             | 43,0                            | To ordinary shareholders                                                                      | Aan gewone aandeelhouders                                                                                      | 30,0                             | 43,0                            |
|                                  |                                 | <b>26. Notes to the statements of cash flows</b>                                              | <b>26. Aantekeninge by die staat van kontantvloei</b>                                                          |                                  |                                 |
|                                  |                                 | <b>26.1 Tax paid</b>                                                                          | <b>26.1 Belasting betaal</b>                                                                                   |                                  |                                 |
| (243)                            | (1 368)                         | Amount unpaid at the beginning of the year                                                    | Bedrag verskuldig aan die begin van die jaar                                                                   | 237                              | (3 143)                         |
| (49 948)                         | (54 139)                        | Taxation charged in income statement, excluding deferred taxation                             | Belasting gehef in die inkomstestaat, uitgestelde belasting uitgesluit                                         | (18 277)                         | (15 064)                        |
| 5 672                            | 243                             | Amount due at the end of the year                                                             | Bedrag verskuldig aan die einde van die jaar                                                                   | 333                              | (237)                           |
| (44 519)                         | (55 264)                        | <b>Total tax paid</b>                                                                         | <b>Totale belasting betaal</b>                                                                                 | (17 707)                         | (18 444)                        |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |               | Company/Maatskappy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 2012<br>R'000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2011<br>R'000 | 2012<br>R'000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2011<br>R'000 |
| <b>27 Pensions and other post-employment benefit plans</b><br><b>27.1 Defined-benefit fund</b><br><p>The fund is a defined-benefit fund and an actuarial valuation of the pension fund was done on 30 June 2012. The actuarial method used in determining the cost of the retirement benefits is the same as those used in previous calculations. The assumptions regarding deaths, interest rates, salary increases, retirements, resignations and administration cost were all based on generally accepted standards for the industry. The fair value of the assets of the fund of R13,62 million (2011: R12,95 million), exceeded the actuarial present value of promised retirement benefits of R6,86 million (2011: R6,68 million).</p> <p>The surplus has not been accounted for, as it accrues to the members of the fund. The Group policy is to fund any deficit in accordance with the Pension Fund Act of 1956 and published regulations issued by the Registrar of Financial Services from time to time. The fund is subject to the same Act which requires an actuarial valuation every three years. Number of members on 1 July 2012: 7 (1 July 2011: 8). The fund closed for new entrants on 1 July 1994.</p> <b>27.2 Defined-contribution funds</b><br><b>27.2.1 Clover SA pension fund</b><br><p>This is a defined-contribution fund. The value of this fund determines the benefits which accrue to members. The Group has no obligation other than its normal contributions. Number of members on 30 June 2012: 983 (30 June 2011: 982).</p> <b>27.2.2 Clover SA provident fund</b><br><p>This is a defined-contribution fund. The value of the fund determines the benefits which accrue to members. The Group has no obligation other than its normal contributions. Number of members on 30 June 2012: 5 643 (2011: 5 266)</p> <b>27.3 Amounts recognised in the statement of comprehensive income</b><br><p>Contributions for the Group for the current year:</p> <p>Defined-benefit fund</p> <p>Pension fund</p> <p>Provident fund</p> <p><b>Total contributions recognised in statement of comprehensive income</b></p> |               | <b>27 Pensioen- en ander voordele na aftrede</b><br><b>27.1 Vastevoordelefondse</b><br><p>Die pensioenfondse is 'n vastevoordelefondse en is op 30 Junie 2012 gewaardeer. Dieselfde aktuariële metode as vir vorige waardasies is vir die waardebeoordeling van die aftreevoordele gebruik. Die aannames ten opsigte van sterftes, rentekoerse, salarisverhogings, aftredes, bedankings en administrasiekoste is gegrond op algemeen aanvaarde standaarde in die bedryf. Die billike waarde van die bates van die fonds, R13,62 miljoen (2011: R12,95 miljoen), oorskry die huidige aktuariële waarde van beloofde aftreevoordele van R6,86 miljoen (2011: R6,68 miljoen).</p> <p>Die surplus is nie te boek gestel nie, aangesien dit aan die lede van die fonds toeval. Dit is die Groep se beleid om enige tekorte te finansier in ooreenstemming met die Pensioenfondswet van 1956 en regulasies wat van tyd tot tyd deur die Registrateur van Finansiële Dienste gepubliseer word. Die fonds is onderworpe aan dieselfde Wet wat 'n driejaarlikse aktuariële waardasie vereis. Getal lede op 1 Julie 2012: 7 (1 Julie 2011: 8). Die fonds het op 1 Julie 1994 vir nuwe toetreders gesluit.</p> <b>27.2 Vastebydraefondse</b><br><b>27.2.1 Clover SA-pensioenfondse</b><br><p>Hierdie fonds is 'n vastebydraefonds. Die waarde van die fonds bepaal die voordele wat aan werknemers betaalbaar is. Bo en behalwe die normale bydraes is daar geen verdere verpligting op die Groep nie. Getal lede op 30 Junie 2012: 983 (30 Junie 2011: 982).</p> <b>27.2.2 Clover SA-voorsorgfondse</b><br><p>Hierdie fonds is 'n vastebydraefonds. Die waarde van die fonds bepaal die voordele wat aan werknemers betaalbaar is. Bo en behalwe die normale bydraes is daar geen verdere verpligting op die Groep nie. Getal lede op 30 Junie 2012: 5 643 (2010: 5 266).</p> <b>27.3 Bedrae wat in die staat van omvattende inkomste erken word</b><br><p>Bydraes vir die Groep vir die huidige jaar:</p> <p>Vastevoordelefondse</p> <p>Pensioenfondse</p> <p>Voorsorgfondse</p> <p><b>Totale bydraes in die staat van omvattende inkomste erken</b></p> |               |
| 104                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 106           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |               |
| 26 616                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 24 614        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |               |
| 40 598                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 35 881        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |               |
| 67 318                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 60 601        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |               |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                                                                                                                                                                                                                                                                                                                                                                                     |         | Company/Maatskappy                                                                                                                                                                                                                                                                                                                                                                                                                                                 |       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| 2012                                                                                                                                                                                                                                                                                                                                                                                                                            | 2011    | 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2011  |
| R'000                                                                                                                                                                                                                                                                                                                                                                                                                           | R'000   | R'000                                                                                                                                                                                                                                                                                                                                                                                                                                                              | R'000 |
| <b>28. Commitments and contingencies</b>                                                                                                                                                                                                                                                                                                                                                                                        |         | <b>28. Verpligtinge en aanspreeklikheid</b>                                                                                                                                                                                                                                                                                                                                                                                                                        |       |
| <b>28.1 Commitments</b>                                                                                                                                                                                                                                                                                                                                                                                                         |         | <b>28.1 Verpligtinge</b>                                                                                                                                                                                                                                                                                                                                                                                                                                           |       |
| <b>28.1.1 Operating lease commitments – Group as lessee</b>                                                                                                                                                                                                                                                                                                                                                                     |         | <b>28.1.1 Bedryfshuurverpligtinge – Groep as huurder</b>                                                                                                                                                                                                                                                                                                                                                                                                           |       |
| The Group entered into an outsourcing agreement whereby the Group is provided with distribution and milk collection vehicles. The Group also entered into commercial leases on motor vehicles and machinery. These leases have an average life of between three and ten years, with renewal options included on some of the contracts. There are no restrictions placed upon the lessee by entering into these lease contracts. |         | Die Groep het hom verbind tot 'n uitkontrakteringsooreenkoms waarvolgens die Groep van verspreiding- en melkwinningsvoertuie voorsien word. Die Groep het ook bedryfshuurooreenkomste vir die huur van motorvoertuie en masjiene aangegaan. Hierdie ooreenkomste het 'n gemiddelde lewensduur van drie tot tien jaar, met hernuwigingsopsies op sekere kontrakte. Daar is geen beperkings op die huurder geplaas met die aangaan van hierdie huurooreenkomste nie. |       |
| <b>Future minimum lease payments are as follows:</b>                                                                                                                                                                                                                                                                                                                                                                            |         | <b>Toekomstige minimum huurbetalings is soos volg:</b>                                                                                                                                                                                                                                                                                                                                                                                                             |       |
| Within one year                                                                                                                                                                                                                                                                                                                                                                                                                 |         | Binne een jaar                                                                                                                                                                                                                                                                                                                                                                                                                                                     |       |
| After one year but not more than five years                                                                                                                                                                                                                                                                                                                                                                                     |         | Na een jaar, maar binne vyf jaar                                                                                                                                                                                                                                                                                                                                                                                                                                   |       |
| More than five years                                                                                                                                                                                                                                                                                                                                                                                                            |         | Langer as vyf jaar                                                                                                                                                                                                                                                                                                                                                                                                                                                 |       |
| <b>229 985</b>                                                                                                                                                                                                                                                                                                                                                                                                                  | 248 147 | <b>Totale huurbetalings betaalbaar</b>                                                                                                                                                                                                                                                                                                                                                                                                                             |       |
| <b>804 429</b>                                                                                                                                                                                                                                                                                                                                                                                                                  | 426 739 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |       |
| <b>1 430 344</b>                                                                                                                                                                                                                                                                                                                                                                                                                | 34 943  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |       |
| <b>2 464 758</b>                                                                                                                                                                                                                                                                                                                                                                                                                | 709 829 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |       |
| <b>Total lease payments payable</b>                                                                                                                                                                                                                                                                                                                                                                                             |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |       |
| <b>28.1.2 Operating lease commitments – Group as lessor</b>                                                                                                                                                                                                                                                                                                                                                                     |         | <b>28.1.2 Bedryfshuurverpligtinge – Groep as verhuurder</b>                                                                                                                                                                                                                                                                                                                                                                                                        |       |
| The Group has entered into commercial property leases on its investment property portfolio, consisting of the Group's surplus offices and manufacturing buildings. These non-cancellable leases have remaining terms of between one and six years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.                                     |         | Die Groep het verhuuringskontrakte op sy beleggingseiendomsportefeulje aangegaan, wat bestaan uit die Groep se ongebruikte kantore en vervaardigingsgeboue. Hierdie nie-kanselleerbare verhuuringskontrakte het oorblywende termyne van tussen een en ses jaar. Alle kontrakte bevat 'n klousule wat opwaartse aanpassings van die huurbedrae jaarliks moontlik maak na gelang van heersende marktoestande.                                                        |       |
| <b>Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2012 are as follows:</b>                                                                                                                                                                                                                                                                                                              |         | <b>Toekomstige minimum huurbedrae ontvangbaar volgens nie-kanselleerbare bedryfshuurooreenkomste op 30 Junie 2012 is soos volg:</b>                                                                                                                                                                                                                                                                                                                                |       |
| Within one year                                                                                                                                                                                                                                                                                                                                                                                                                 |         | Binne een jaar                                                                                                                                                                                                                                                                                                                                                                                                                                                     |       |
| After one year, but not more than five years                                                                                                                                                                                                                                                                                                                                                                                    |         | Na een jaar, maar binne vyf jaar                                                                                                                                                                                                                                                                                                                                                                                                                                   |       |
| More than five years                                                                                                                                                                                                                                                                                                                                                                                                            |         | Langer as vyf jaar                                                                                                                                                                                                                                                                                                                                                                                                                                                 |       |
| <b>4 999</b>                                                                                                                                                                                                                                                                                                                                                                                                                    | 2 950   | <b>Totale minimum huurbetalings</b>                                                                                                                                                                                                                                                                                                                                                                                                                                |       |
| <b>7 810</b>                                                                                                                                                                                                                                                                                                                                                                                                                    | 7 695   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |       |
| <b>–</b>                                                                                                                                                                                                                                                                                                                                                                                                                        | –       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |       |
| <b>12 809</b>                                                                                                                                                                                                                                                                                                                                                                                                                   | 10 645  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |       |
| <b>Total minimum lease payments</b>                                                                                                                                                                                                                                                                                                                                                                                             |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |       |



## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

|                                                                                                                                                                                             | Group/Groep<br>2012                                   |                                                                              | Group/Groep<br>2011                                   |                                                                              |                                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                             | Minimum<br>payments/<br>Minimum<br>betalings<br>R'000 | Present value<br>of payments/<br>Huidige<br>waarde<br>van betalings<br>R'000 | Minimum<br>payments/<br>Minimum<br>betalings<br>R'000 | Present value<br>of payments/<br>Huidige<br>waarde<br>van betalings<br>R'000 |                                                                                                                                                                                                    |
| <b>28.1.3 Finance leases and hire purchase agreements</b>                                                                                                                                   |                                                       |                                                                              |                                                       |                                                                              | <b>28.1.3 Finansiële bruikhuurkontrakte en huurkoop-ooreenkomste</b>                                                                                                                               |
| The Group has finance leases and hire purchase contracts for various items of plant, machinery and vehicles. These leases have no terms of renewal, purchase options or escalation clauses. |                                                       |                                                                              |                                                       |                                                                              | Die Groep het finansiële bruikhuur – en huurkoopkontrakte vir verskeie items van aanleg, toerusting en voertuie. Hierdie hure het geen hernuwingstermyne, aankoopopsies of eskalasieklousules nie. |
| <b>Future minimum lease payments with the present value of the net minimum lease payments are as follows:</b>                                                                               |                                                       |                                                                              |                                                       |                                                                              | <b>Toekomstige minimum huurbetalings met die huidige waarde van die minimum huurbetalings is soos volg:</b>                                                                                        |
| Within one year                                                                                                                                                                             | 10 598                                                | 8 922                                                                        | 9 968                                                 | 7 555                                                                        | Binne een jaar                                                                                                                                                                                     |
| After one year but not more than five years                                                                                                                                                 | 24 992                                                | 21 686                                                                       | 26 310                                                | 23 452                                                                       | Na een jaar, maar binne vyf jaar                                                                                                                                                                   |
| <b>Total minimum lease payments</b>                                                                                                                                                         | <b>35 590</b>                                         | <b>30 608</b>                                                                | <b>36 278</b>                                         | <b>31 007</b>                                                                | <b>Totale minimum huurbetalings</b>                                                                                                                                                                |
| Less: amounts representing finance charges                                                                                                                                                  | (4 982)                                               | –                                                                            | (5 271)                                               | –                                                                            | Min: bedrae wat finansieringskoste verteenwoordig                                                                                                                                                  |
| <b>Present value of minimum lease payments</b>                                                                                                                                              | <b>30 608</b>                                         | <b>30 608</b>                                                                | <b>31 007</b>                                         | <b>31 007</b>                                                                | <b>Huidige waarde van minimum huurbetalings</b>                                                                                                                                                    |

| Group/Groep    |               |                                                                                                                                         | Company/Maatskappy |               |
|----------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------|
| 2012<br>R'000  | 2011<br>R'000 |                                                                                                                                         | 2012<br>R'000      | 2011<br>R'000 |
| <b>223 603</b> | 53 474        | <b>28.1.4 Capital commitments</b>                                                                                                       |                    |               |
| <b>41 558</b>  | 577 817       | Capital expenditure authorised and contracted for                                                                                       |                    |               |
|                |               | Capital expenditure authorised but not contracted for                                                                                   |                    |               |
| <b>265 161</b> | 631 291       | <b>Total capital commitments</b>                                                                                                        |                    |               |
|                |               | Commitments will be spent within the next three to four years. The capital expenditure will be funded from Group funds.                 |                    |               |
|                |               | <b>28.1.4 Kapitaalverpligtinge</b>                                                                                                      |                    |               |
|                |               | Bedrae goedgekeur en gekontrakteer                                                                                                      |                    |               |
|                |               | Bedrae goedgekeur, maar nie gekontrakteer nie                                                                                           |                    |               |
|                |               | <b>Totale kapitaalverpligtinge</b>                                                                                                      |                    |               |
|                |               | Verpligtinge sal deur die loop van die volgende drie tot vier jaar bestee word. Die kapitaalbesteding sal uit Groepfondse befonds word. |                    |               |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |         | Company/Maatskappy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2011    | 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2011                                                                                             |
| R'000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | R'000   | R'000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | R'000                                                                                            |
| <b>29. Related party disclosure</b><br>Transactions with related parties are made at market prices. Outstanding balances at the year-end are unsecured. No interest is paid on current accounts. Interest is payable on borrowings by the holding company from subsidiary companies at prime. Where the holding company lends money to subsidiary companies interest is charged at prime plus 1%. There have been no guarantees provided or received for any related party receivables or payables. No impairment was recorded for related parties (2011: R Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. |         | <b>29. Openbaarmaking van verwante partye</b><br>Transaksies met verwante partye word teen markpryse gedoen. Uitstaande balanse op jaareinde is onversekureer. Geen rente word betaal op die lopende rekening nie. Rente teen prima is betaalbaar op lenings aan die houermaatskappy van die filiaalmaatskappy. Waar die houermaatskappy lenings toegestaan het aan die filiaalmaatskappy is rente teen prima plus 1% gehef. Daar is geen waarborge aangevra of gelewer vir verwante partye – balanse ontvangbaar of betaalbaar nie. Geen waardedalingsverlies was erken gedurende die jaar vir verwante partye. Oorweging word elke jaareinde hieraan geskenk deur die finansiële posisies en markte waarin die verwante partye hul aktiwiteite bedryf te ondersoek. |                                                                                                  |
| <b>29.1 With regard to operating activities with subsidiaries, associated companies and joint ventures, the following transactions took place during the year:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |         | <b>29.1 Ten opsigte van bedryfsaktiwiteite met filiale, geassosieerde maatskappye en gesamentlike ondernemings het die volgende transaksies gedurende die jaar plaasgevind:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                  |
| 41 096                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 38 391  | (a) Fees earned by CIL for services rendered to Group Companies<br>Clover SA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | (a) Dienstegelde verdien deur CIL van Groepmaatskappy<br>Clover SA                               |
| 41 096                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 38 391  | <b>Total fees earned by CIL for services rendered to Group Companies</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Totale gelde verdien deur CIL vir dienste gelewer aan Groepmaatskappye</b>                    |
| –                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 414 459 | (b) Fees earned by Clover SA for services rendered to Group Companies<br>Clover Beverages                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (b) Gelde verdien deur Clover SA vir dienste gelewer aan<br>Groepmaatskappye<br>Clover Beverages |
| 3 749                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 817     | Clover Botswana                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Clover Botswana                                                                                  |
| 5 611                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 4 793   | Clover Fonterra                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Clover Fonterra                                                                                  |
| 27 916                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 23 346  | Clover Manhattan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Clover Manhattan                                                                                 |
| 37 276                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 443 415 | <b>Total fees earned by Clover SA for services rendered to Group Companies</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Totale gelde verdien deur Clover SA vir dienste gelewer aan Groepmaatskappye</b>              |
| –                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 7 543   | (c) Finance income received by Clover Beverages from Group Companies<br>Clover SA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (c) Finansieringsinkomste ontvang deur Clover Beverages vanaf<br>Groepmaatskappye<br>Clover SA   |
| –                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 7 543   | <b>Total finance income received by Clover Beverages from Group Company</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Totale finansieringsinkomste deur Clover Beverages ontvang vanaf Groepmaatskappye</b>         |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep   |               |                                                                        |                                                                                   | Company/Maatskappy |               |
|---------------|---------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------|---------------|
| 2012<br>R'000 | 2011<br>R'000 |                                                                        |                                                                                   | 2012<br>R'000      | 2011<br>R'000 |
| –             | 11 195        | (d) Finance income received by Clover SA from Group Companies          | (d) Finansieringsinkomste ontvang deur Clover SA vanaf Groepmaatskappye           | –                  | 11 195        |
| 170           | 117           | CIL                                                                    | CIL                                                                               |                    |               |
|               |               | Clover Namibia                                                         | Clover Namibië                                                                    |                    |               |
| 170           | 11 312        | <b>Total finance income received by Clover SA from Group Companies</b> | <b>Totale finansieringsinkomste ontvang deur Clover SA vanaf Groepmaatskappye</b> | –                  | 11 195        |
| 575 140       | 464 249       | (e) Amounts owing by Clover SA to Group Companies                      | (e) Bedrae verskuldig deur Clover SA aan Groepmaatskappye                         | 575 140            | 464 249       |
| 37 255        | 13 498        | Clover Industries                                                      | Clover Industries                                                                 |                    |               |
| 96            | 107           | Clover Fonterra                                                        | Clover Fonterra                                                                   |                    |               |
| –             | 110           | Lactolab                                                               | Lactolab                                                                          |                    |               |
| 10 408        | 14 544        | Clover Botswana                                                        | Clover Botswana                                                                   |                    |               |
| 544           | –             | Clover Manhattan                                                       | Clover Manhattan                                                                  |                    |               |
|               |               | Clover Swaziland                                                       | Clover Swaziland                                                                  |                    |               |
| 623 443       | 492 508       | <b>Total amounts owing by Clover SA to Group Companies</b>             | <b>Totale bedrae verskuldig deur Clover SA aan Groepmaatskappye</b>               | 575 140            | 464 249       |
| 1 064 553     | 627 437       | (f) Amounts due to Clover SA from Group Companies                      | (f) Bedrae verskuldig aan Clover SA van Groepmaatskappye                          |                    |               |
| 32 481        | 7 846         | Clover Capital                                                         | Clover Capital                                                                    |                    |               |
| –             | 4 458         | Clover West Africa                                                     | Clover Wes-Afrika                                                                 |                    |               |
| 70            | 161           | Clover Zambia                                                          | Clover Zambië                                                                     |                    |               |
| –             | 164           | Lactolab                                                               | Lactolab                                                                          |                    |               |
| 8 103         | 3 339         | Clover Swaziland                                                       | Clover Swaziland                                                                  |                    |               |
| 27 220        | 31 565        | Clover Fonterra                                                        | Clover Fonterra                                                                   |                    |               |
| 16 199        | 10 359        | Clover Botswana                                                        | Clover Botswana                                                                   |                    |               |
| 9 067         | 1 207         | Clover Namibia                                                         | Clover Namibië                                                                    |                    |               |
|               |               | Clover Manhattan                                                       | Clover Manhattan                                                                  |                    |               |
| 1 157 693     | 686 536       | <b>Total amounts due to Clover SA from Group Companies</b>             | <b>Totale bedrae verskuldig aan Clover SA van Groepmaatskappye</b>                |                    |               |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep   |               |                                                                                                                                                 |                                                                                                                                                             | Company/Maatskappy |               |
|---------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------|
| 2012<br>R'000 | 2011<br>R'000 |                                                                                                                                                 |                                                                                                                                                             | 2012<br>R'000      | 2011<br>R'000 |
| 575 140       | 464 249       | (g) Amounts due to CIL from Group Companies                                                                                                     | (g) Bedrae verskuldig aan CIL deur Groepmaatskappye                                                                                                         | 575 140            | 464 249       |
| 480           | 461           | Clover SA                                                                                                                                       | Clover SA                                                                                                                                                   | 480                | 461           |
| 1 480         | 1 438         | CIL Stabilisation Trust                                                                                                                         | CIL Stabilisation Trust                                                                                                                                     | 1 480              | 1 438         |
|               |               | CIL Share Purchase Trust                                                                                                                        | CIL Share Purchase Plan Trust                                                                                                                               |                    |               |
| 577 100       | 466 148       | <b>Total amounts due to CIL from Group Companies</b>                                                                                            | <b>Totale bedrae verskuldig aan CIL van Groepmaatskappye</b>                                                                                                | 577 100            | 466 148       |
| 6 476         | 3 180         | (h) Clover SA received the following dividends during the year from Group Companies:                                                            | (h) Clover SA het die volgende dividende gedurende die jaar ontvang van Groepmaatskappye:                                                                   |                    |               |
| –             | 339 123       | Clover Fonterra Ingredients                                                                                                                     | Clover Fonterra Ingredients                                                                                                                                 |                    |               |
| 378           | 756           | Clover Beverages                                                                                                                                | Clover Beverages                                                                                                                                            |                    |               |
| –             | 1 000         | Lactolab                                                                                                                                        | Lactolab                                                                                                                                                    |                    |               |
| 2 443         | –             | Clover Swaziland                                                                                                                                | Clover Swaziland                                                                                                                                            |                    |               |
|               |               | Clover Manhattan                                                                                                                                | Clover Manhattan                                                                                                                                            |                    |               |
| 9 297         | 344 059       | <b>Total dividends received by Clover SA from Group Companies</b>                                                                               | <b>Totale dividende ontvang deur Clover SA van Groepmaatskappye</b>                                                                                         |                    |               |
| 190 000       | 461 012       | (i) CIL received the following dividends during the year from Group Companies                                                                   | (i) CIL het die volgende dividende gedurende die jaar van Groepmaatskappye ontvang                                                                          | 190 000            | 461 012       |
|               |               | Clover SA                                                                                                                                       | Clover SA                                                                                                                                                   |                    |               |
| 190 000       | 461 012       | <b>Total dividends received by CIL from Group Companies</b>                                                                                     | <b>Totale dividende ontvang deur CIL van Groepmaatskappye</b>                                                                                               | 190 000            | 461 012       |
| 27 550        | 39 869        | <b>29.2 The following transactions regarding the securitisation of debtors took place during the year between Clover SA and Clover Capital:</b> | <b>29.2 Die volgende transaksie met betrekking tot die versekering van debiteure het gedurende die jaar plaasgevind tussen Clover SA en Clover Capital:</b> |                    |               |
| 9 236 322     | 8 240 320     | Net finance cost paid by Clover SA to Clover Capital                                                                                            | Netto finansieringskoste betaal deur Clover SA aan Clover Capital                                                                                           |                    |               |
| (9 123 177)   | (8 210 730)   | Debtors sold to Clover Capital                                                                                                                  | Debiteure verkoop aan Clover Capital                                                                                                                        |                    |               |
|               |               | Receipts from Clover Capital                                                                                                                    | Ontvangste van Clover Capital                                                                                                                               |                    |               |

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                                                                           |               | Company/Maatskappy                                                                                                            |       |
|-----------------------------------------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------|-------|
| 2012                                                                                                                  | 2011          | 2012                                                                                                                          | 2011  |
| R'000                                                                                                                 | R'000         | R'000                                                                                                                         | R'000 |
| <b>29.3 With regard to business done with Directors and Senior Management, the following transactions took place:</b> |               | <b>29.3 Ten opsigte van sake gedoen met Direkteure en Uitvoerende Bestuurslede, het die volgende transaksies plaasgevind:</b> |       |
| Milk purchased from the following Non-executive Directors by Clover SA                                                |               | Melk aangekoop van die volgende Nie-uitvoerende Direkteure deur Clover SA                                                     |       |
| 4 467                                                                                                                 | 4 182         | JAH Bredin                                                                                                                    |       |
| 6 047                                                                                                                 | 4 837         | HPF Du Preez                                                                                                                  |       |
| 3 737                                                                                                                 | 3 387         | MG Elliott                                                                                                                    |       |
| 23 648                                                                                                                | 19 228        | JC Hendriks                                                                                                                   |       |
| 17 818                                                                                                                | 16 616        | WI Büchner                                                                                                                    |       |
| –                                                                                                                     | 2 705         | JW Lotz (resigned 7 October 2010)                                                                                             |       |
| –                                                                                                                     | 858           | FG Meyer (resigned 7 October 2010)                                                                                            |       |
| –                                                                                                                     | 6 958         | MG Mackenzie (resigned 7 October 2010)                                                                                        |       |
| –                                                                                                                     | 11 722        | VP Turner (resigned 10 March 2011)                                                                                            |       |
| 25 995                                                                                                                | 5 762         | NA Smith (appointed 10 March 2011)                                                                                            |       |
| <b>81 712</b>                                                                                                         | <b>76 255</b> | <b>Total milk purchased from Non-executive Directors</b>                                                                      |       |
| Refer to note 33 for more information regarding compensation of Directors and key management personnel                |               | <b>Totale melk aangekoop van Nie-uitvoerende Direkteure</b>                                                                   |       |
|                                                                                                                       |               | Verwys na aantekening 33 vir nadere inligting in verband met vergoeding van Direkteure en sleutelbestuurspersoneel.           |       |

### 29.4 Loans outstanding to Directors and senior management

### 29.4 Uitstaande lenings aan Direkteure en senior bestuur

| Group/Groep                                                     |                | Group/Groep                                                                       |                                       |
|-----------------------------------------------------------------|----------------|-----------------------------------------------------------------------------------|---------------------------------------|
| Company/Maatskappy                                              |                | Company/Maatskappy                                                                |                                       |
| 2012                                                            |                | 2011                                                                              |                                       |
| R'000                                                           |                | R'000                                                                             |                                       |
| <b>Executive Director</b>                                       |                |                                                                                   | <b>Uitvoerende Direkteur</b>          |
| JH Vorster                                                      | R25 822        | R26 509                                                                           | JH Vorster                            |
| HB Roode                                                        | R11 621        | R19 177                                                                           | HB Roode                              |
| CP Lerm (Dr)                                                    | R11 718        | R12 037                                                                           | CP Lerm (Dr)                          |
| LJ Botha                                                        | R5 330         | R5 636                                                                            | LJ Botha                              |
| <b>Other Executives</b>                                         |                |                                                                                   | <b>Ander Uitvoerende Bestuurslede</b> |
| H Lubbe                                                         | R930           | R1 001                                                                            | H Lubbe                               |
| JHF Botes (Dr)                                                  | R2 453         | R2 412                                                                            | JHF Botes (Dr)                        |
| <b>Total</b>                                                    | <b>R57 874</b> | <b>R66 772</b>                                                                    | <b>Totaal</b>                         |
| Refer to note 17 for more details around the terms of the loans |                | Verwys na aantekening 17 vir meer inligting rondom die bepalings van die lenings. |                                       |

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

### 30. Financial instruments

The Group treasury function does not operate as a profit centre, but rather provides financial services to the divisions and Group companies, coordinates access to credit and loan facilities and manages the financial risks relating to the Group's operations. The Group's objective in using financial instruments is to reduce the uncertainty over future cash flows arising from movement in currency and interest rates. Currency and interest rate exposure is managed within Board-approved policies and guidelines which restrict the use of derivatives to the hedging of specific underlying currency and interest rate exposures.

#### 30.1 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk: foreign currency and interest rate risk

This Note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit and Risk Committee, is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Committee is assisted in its oversight role by Clover Risk Management, assisted by KPMG Services (Pty) Limited. Risk Management undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Committee.

##### (i) Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities.

Credit risk primarily relates to potential exposure on bank and cash balances, investments and trade receivables. The Group limits its exposure arising from money market and derivative instruments by only dealing with well-established financial institutions of high credit standing. The Group is exposed to credit risk in the form of trade receivables. The maximum exposure is the carrying amount as disclosed in note 30.5. Historically, Group bad debts have been negligible and the management of debtors payment terms have been very successful. Trade receivables comprise a large number of debtors, but with significant concentration in value on the country's major retail and wholesale chains, credit is extended in terms of the Group's credit policies. In the opinion of the Board there was no significant credit risk at year-end which had not been adequately provided for.

The Group limits its exposure to credit risk by only investing in reputable institutions with high credit ratings.

### 30. Finansiële instrumente

Die Groep tesouriefunksie word nie as 'n winssentrum bedryf nie, maar verskaf finansiële dienste aan afdelings en Groepmaatskappye, koördineer toegang tot krediet en leningsfasiliteite en bestuur die finansiële risiko met betrekking tot die Groep se bedrywighede. Die Groep het ten doel om met die gebruik van finansiële instrumente die onsekerheid oor toekomstige kontantvloei wat voortspruit uit beweging in wissel – en rentekoerse te verminder. Wissel – en rentekoersblootstelling word binne die goedgekeurde beleid en riglyne van die Direksie bestuur, wat die gebruik van afgeleide instrumente beperk tot die verskansing van spesifieke onderliggende wissel – en rentekoersblootstellings.

#### 30.1 Finansiële risikobestuur

Die Groep het blootstelling aan die volgende risiko's uit die gebruik van finansiële instrumente:

- kredietrisiko
- likiditeitsrisiko
- markrisiko: buitelandse valuta en rentekoersrisiko.

Hierdie Aantekening verskaf inligting oor die Groep se blootstelling aan elk van bogenelde risiko's, die Groep se doelstellings, beleid en prosesse om risiko te meet en te bestuur en die Groep se bestuur van kapitaal. Verdere kwantitatiewe openbaarmaking is regdeur hierdie finansiële state ingesluit.

Die Direksie het oorkoepelende verantwoordelikheid vir die daarstel van en oorsig oor die Groep se risikobestuursraamwerk. Die Oudit-en Risikokomitee is verantwoordelik vir die ontwikkeling en monitering van die Groep se risikobestuursbeleid. Die Komitee doen gereeld verslag aan die Direksie oor sy werksaamhede.

Die Groep se risikobestuursbeleid is opgestel om risiko te identifiseer en te ontleed, om gepaste risikogrense en – beheer in te stel en om die risiko en nakoming van grense te monitor. Risikobestuursbeleid en –stelsels word gereeld hersien om veranderinge in marktoestande en die Groep se werksaamhede te weerspieël. Die Groep beoog om deur sy opleiding en bestuursriglyne en – prosedures 'n gedissiplineerde en opbouende beheeromgewing te ontwikkel waarin alle werknemers hul rolle en verpligtinge verstaan.

Die Oudit-en Risikokomitee word bygestaan in sy oorsig oor die Groep se risikobestuur, bygestaan deur KPMG Services (Edms) Beperk. Risikobestuur onderneem beide gereelde en ad hoc – oorsigte van risikobestuurmaatreëls en – prosedures, en daar word oor die resultate aan die Komitee verslag gedoen.

##### (i) Kredietrisikobestuur

Kredietrisiko is die risiko van finansiële verlies vir die Groep as 'n klant of medeparty tot 'n finansiële instrument nalaat om sy kontraktuele verpligtinge na te kom en is hoofsaaklik afkomstig van die Groep se ontvangstes van klante en van beleggingsinstrumente.

Kredietrisiko verwys primêr na potensiële blootstelling op bank – en kontantsaldo's, beleggings en handelsrekeninge ontvangbaar. Die Groep beperk sy blootstelling op die geldmark – en afgeleide instrumente deur slegs met gevestigde finansiële instellings met hoë kredietgraderings sake te doen. Die Groep is blootgestel aan kredietrisiko in die vorm van handelsrekeninge ontvangbaar. Die maksimum blootstelling is die drawaarde soos in aantekening 30.5 geopenbaar. Histories is slegte skuld in die Groep minimaal en die bestuur van debiteure-betalings baie suksesvol. Handelsrekeninge ontvangbaar bestaan uit 'n groot aantal rekeninge, maar met aansienlike konsentrasie in die waarde van die land se groot kleinhandel – en groothandelkettings, word krediet toegestaan ooreenkomstig die Groep se kredietbeleid. Die Direksie is van mening dat geen beduidende kredietrisiko op jaareinde bestaan waarvoor daar nie voldoende voorsien is nie.

Die Groep beperk sy blootstelling aan kredietrisiko deur slegs by hoog aangeskrewe finansiële instansies met hoë kredietgraderings te belê.

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Approximately 71,4% (2011: 67,1%) of the Group's credit sales is attributable to sales transactions with the major national chain stores of good credit standing. However, geographically there is no concentration of credit risk.

The responsibility for effective credit management rests with the Chief Financial Officer. The granting of credit is governed by a policy for the approval and authorisation levels for new credit applications and revision of credit limits.

A credit application, duly authorised, is required before any new account is opened. The original credit application is retained at branch level for safe keeping.

The credit policy requires that each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Any variations in authorisation levels must be approved in terms of the credit policy. The review includes obtaining and evaluating trade references, bank codes, financial statements and trade history. Depending on the customer profile and credit limit required, further information on Directors and a credit bureau report will be obtained. With the exception of the major national chain stores, where credit risks are assessed as low, credit limits are established for each customer, which represents the maximum open amounts.

Most of the Group's customers have been transacting with the Group for many years and the Group has had a steady customer base. In monitoring customer credit risk, customers are grouped accordingly to their credit characteristics, including whether they are chain stores, general trade or wholesalers.

Additional credit is withheld from customers, excluding the major national chain stores, that have defaulted on their payments, until the situation has been resolved.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main component of this allowance is a specific loss component that relates to individually significant exposures.

As a general rule, sureties must be obtained for all new accounts, unless the Group waives its rights in this regard, backed by a low credit risk assessment.

Foreign customers are managed by ensuring that all exports are paid for in cash up front or suitable guarantees must be provided for payment prior to shipping. The current year guarantees increased primarily due to additional guarantees being issued to foreign supplier on the import of capital equipment.

Die Groep se blootstelling aan kredietrisiko word hoofsaaklik beïnvloed deur die individuele eienskappe van elke klant. Die demografie van die Groep se klantebasis, insluitende die nie-betalingsrisiko van die bedryf en land waarin die klant bedrywig is, het minder invloed op kredietrisiko. Ongeveer 71,4% (2011: 67,1%) van die Groep se kredietverkope word toegeskryf aan verkoopstransaksies met kettingwinkels met goeie kredietrekords. Geografies is daar egter geen konsentrasie van kredietrisiko nie.

Die verantwoordelikheid vir effektiewe kredietbestuur berus by die Hoof Finansiële Beampte. Die toestaan van krediet word beheer deur 'n beleid vir die goedkeuring en magtigingsvlakke vir nuwe kredietaansoeke en hersiening van kredietlimiete.

'n Kredietaansoek, behoorlik en volledig goedgekeur, word vereis voordat 'n nuwe rekening geopen word. Die oorspronklike kredietaansoek word by die tak in veilige bewaring gehou.

Die kredietbeleid vereis dat elke nuwe klant individueel ontleed word vir kredietwaardigheid voordat die Groep se standaardbetalings-, leweringsvoorwaardes en terme aangebied word. Enige afwyking van magtigingsvlakke moet in terme van die kredietbeleid goedgekeur word. Die hersiening sluit handelsverwysings, bankkodes en handelsgeskiedenis in. Bykomende inligting word verlang afhange van die klant se profiel en die kredietperk wat verlang word, naamlik inligting oor Direkteure, finansiële state en 'n onlangse kredietburoverslag van die voornemende klant. Met uitsondering van die groot kettingwinkels, waar kredietrisiko as laag geag word, word kredietlimiete vir elke klant bepaal wat die maksimum bedrag beskikbaar verteenwoordig.

Die meeste van die Groep se klante doen al vir baie jare sake met die Groep en die Groep het 'n bestendige klantebasis. Wanneer klante-kredietrisiko gemoniteer word, word klante volgens hul kredieteienskappe gegroepeer, insluitend of hulle kettingwinkels, algemene handelaars of groothandelaars is.

Met uitsluiting van die groot nasionale kettingwinkels, word addisionele krediet van klante weerhou waar hulle in gebreke bly om hulle betalings na te kom.

Die Groep bepaal 'n toelaag vir waardedaling wat sy raming verteenwoordig van verliese wat opgeloop kan word ten opsigte van handels – en ander debiteure en beleggings. Die hoofkomponent van die toelaag is 'n spesifieke verlieskomponent wat verwys na individueel wesenlike blootstellings.

As 'n reël moet sekuriteit verkry word vir alle nuwe rekeninge, behalwe waar die Groep sy reg tersyde stel op grond van 'n lae risiko-evaluasie.

Buitelandse klante word bestuur deur te verseker dat vir alle uitvoere kontant vooruitbetaal is of aanvaarbare waarborge moet gelewer word vir betaling voor versending. Die waarborge vir die huidige jaar het toegeneem hoofsaaklik as gevolg van bykomende waarborge uitgereik aan buitelandse verskaffer met die invoer van kapitaaltoerusting.

| Guarantees |                | 2012<br>Rm | 2011<br>Rm |                 |
|------------|----------------|------------|------------|-----------------|
|            | Municipalities | 6,91       | 5,35       | Munisipaliteite |
|            | Other          | 64,40      | 8,39       | Ander           |
|            |                | 71,31      | 13,74      |                 |

## (iii) Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The Group manages liquidity risk by monitoring actual and budgeted cash flows and ensuring that adequate borrowing facilities are maintained.

The Group ensures that it has sufficient cash on demand to meet expected operational demands, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition the Group maintains the lines of credit as can be viewed in note 22.2

The Group monitors the liquidity risk using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets and projected cash flows from operations.

## (ii) Likiditeitsrisikobestuur

Likiditeitsrisiko is die risiko dat die Groep nie in staat sal wees om sy verpligtinge na te kom soos wat dit betaalbaar word nie. Die Groep se benadering tot die bestuur van likiditeit is om sover moontlik te verseker dat dit altyd genoegsame likiditeit het om sy verpligtinge na te kom, onder beide normale en druk toestande.

Die Groep bestuur likiditeitsrisiko deur die monitering van werklike en begrote kontantvloei en die handhawing van voldoende leningsgeriewe.

Die Groep verseker dat hy genoeg kontant beskikbaar het om verwagte bedryfsverpligtinge na te kom, insluitend die diens van finansiële verpligtinge; dit sluit die potensiele impak van uitsonderlike omstandighede wat nie redelik voorsien kan word nie, soos natuurrampe, uit. Verder hou die Groep die kredietlyne soos uiteengesit in aantekening 22.2.

Die Groep moniteer die risiko van 'n tekort aan kontant deur 'n herhalende likiditeitsbeplanningswerktuig. Dit oorweeg die termyn van beide sy finansiële beleggings en bates en geprojekteerde kontantvloei uit sy werksaamhede.

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, preference shares, finance leases and hire purchase contracts. The Group's policy is that not more than 25% (2011: 25%) of long-term borrowings should mature in the next 12-month period, however due to the Group's strong cashflow and borrowing facilities available the Group has not yet refinanced the borrowings maturing in the next 12 months. 95,1% (2011: 28,7%) of the Group's long-term debt will mature in less than one year at year-end based on the carrying value of borrowings reflected in the financial statements.

Trade creditors form an important part of the short-term financing of the Group's working capital. Careful management and control of trade creditors is applied to ensure maximum use of what is viewed as interest-free debt.

### *(iii) Market risk management*

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return of risk.

The Group buys and sells derivatives in the ordinary course of business in order to manage market risks. All such transactions are carried out within the guidelines set by the Risk Management Policy.

### *(iv) Foreign currency risk management*

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. Currencies primarily exposed to from time to time are the Euro, US Dollar, Botswana Pula and the British Pound. Certain exchange rate exposures are hedged through the use of forward exchange contracts. The Group has entered into certain forward exchange contracts on foreign commitments not yet due.

The Group hedges amounts greater than R200 000 denominated in a foreign currency. Forward exchange contracts are used to hedge currency risk, most with a maturity of less than one year from the reporting date. When necessary, forward exchange contracts are rolled over at maturity.

### **Foreign currency sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates of the Euro, US Dollar and the Pula. The Group's exposure to foreign currency changes for all other currencies is not material.

Die Groep se doelwit is om 'n balans te handhaaf tussen die deurlopendheid van befondsing en aanpasbaarheid deur die gebruik van bankoortrekkings, banklenings, voorkeuraandele, bruikhuurooreenkomste en huurkoopkontrakte. Die Groep se beleid is dat nie meer as 25% (2011: 25%) van die Groep se langtermynlenings oor die volgende 12 maande betaalbaar moet wees nie. 95,1% (2011: 28,7%) van die Groep se langtermynskuld op jaareinde sal oor minder as een jaar betaalbaar wees, gegrond op die drawaarde van lenings weergegee in die finansiële state.

Handelskrediteure vorm 'n belangrike deel van die korttermyn – finansiering van die Groep se bedryfskapitaalbehoefte. Versigtige bestuur en beheer van handelskrediteure word toegepas om te verseker dat daar maksimaal gebruik gemaak word van wat beskou word as rentevrye skuld.

### *(iii) Markrisikobestuur*

Markrisiko is die risiko dat veranderinge in markpryse soos buitelandse valutakoerse en rentekoerse die Groep se inkomste of die waarde van sy finansiële instrument-posisie sal beïnvloed. Die doel van doeltreffende markrisikobestuur is om blootstelling aan markrisiko te beheer en binne aanvaarbare perke te hou, terwyl die opbrengs geoptimaliseer word.

Die Groep koop en verkoop afgeleide instrumente in die normale gang van sake en gaan ook finansiële verpligtinge aan om die markrisiko te bestuur. Al sulke transaksies word uitgevoer binne die riglyne wat deur die Risikobestuur-beleid daargestel is.

### *(iv) Buitelandse valutarisikobestuur*

Die Groep is blootgestel aan valutarisiko op verkope en aankope onderneem in ander valuta as Groep entiteite se funksionele valuta. Primêre valuta waaraan die Groep blootgestel word, is hoofsaaklik die Euro, VS Dollar, Botswana Pula en die Britse Pond. Sekere wisselkoers-blootstelling word verskans deur die gebruik van valutatermynkontrakte. Die Groep het sekere valutatermynkontrakte aangegaan wat nog nie betaalbaar is nie.

Die Groep verskans bedrae groter as R200 000 in 'n buitelandse geldeenheid. Die Groep gebruik valutatermynkontrakte om sy valutarisiko te verskans, meestal oor 'n termyn van minder as een jaar van die verslaggewingsdatum af. Indien nodig, word valutatermynkontrakte hernu met die verstryking daarvan.

### **Buitelandse valuta sensitiwiteit**

Die volgende tabel dui die sensitiwiteit vir 'n redelik moontlike wisselkoers-verandering van die Euro, VS Dollar en die Pula. Die Groep se blootstelling aan buitelandse valuta verandering vir alle ander geldeenhede is nie beduidend nie.



## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep 2012                        |                                                                |                                          | Group/Groep 2011                                  |                                                                |                                          |
|-----------------------------------------|----------------------------------------------------------------|------------------------------------------|---------------------------------------------------|----------------------------------------------------------------|------------------------------------------|
| Change in rate/<br>Verandering in koers | Effect on profit before tax/<br>Invloed op wins voor belasting | Effect on equity/<br>Invloed op ekwiteit | Change in rate/<br>Verandering in koers           | Effect on profit before tax/<br>Invloed op wins voor belasting | Effect on equity/<br>Invloed op ekwiteit |
|                                         | R'000                                                          | R'000                                    |                                                   | R'000                                                          | R'000                                    |
| <b>+30%</b>                             | —                                                              |                                          | Forward exchange contracts open on reporting date |                                                                |                                          |
|                                         |                                                                |                                          | Rand – strengthening                              |                                                                |                                          |
|                                         |                                                                |                                          | Profit on Euro                                    |                                                                |                                          |
|                                         |                                                                |                                          | Profit on US Dollar                               |                                                                |                                          |
| <b>–30%</b>                             | <b>588</b>                                                     |                                          | Rand – weakening                                  |                                                                |                                          |
|                                         |                                                                |                                          | Loss on Euro                                      |                                                                |                                          |
|                                         |                                                                |                                          | Loss on US Dollar                                 |                                                                |                                          |
|                                         |                                                                |                                          | Foreign subsidiaries – equity                     |                                                                |                                          |
| <b>+10%</b>                             |                                                                | <b>5 496</b>                             | Rand – strengthening                              |                                                                |                                          |
|                                         |                                                                |                                          | Profit on Pulas                                   |                                                                |                                          |
| <b>–10%</b>                             |                                                                | <b>(5 496)</b>                           | Rand – weakening                                  |                                                                |                                          |
|                                         |                                                                |                                          | Loss on Pula's                                    |                                                                |                                          |
|                                         |                                                                |                                          | Valutatermykontrakte oop op verslagdoeningsdatum  |                                                                |                                          |
|                                         |                                                                |                                          | Rand – versterk                                   |                                                                |                                          |
|                                         |                                                                |                                          | Wins op Euro                                      |                                                                |                                          |
|                                         |                                                                |                                          | Wins op VS Dollar                                 |                                                                |                                          |
|                                         |                                                                |                                          | Rand – verswak                                    |                                                                |                                          |
|                                         |                                                                |                                          | Verlies op Euro                                   |                                                                |                                          |
|                                         |                                                                |                                          | Verlies op VS Dollar                              |                                                                |                                          |
|                                         |                                                                |                                          | Buitelandse filiale – ekwiteit                    |                                                                |                                          |
|                                         |                                                                |                                          | Rand – versterk                                   |                                                                |                                          |
|                                         |                                                                |                                          | Wins op Pulas                                     |                                                                |                                          |
|                                         |                                                                |                                          | Rand – verswak                                    |                                                                |                                          |
|                                         |                                                                |                                          | Verlies op Pula's                                 |                                                                |                                          |

## for the year ended/vir die jaar geëindig 30.6.2012

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing loans and borrowings with fixed and variable rates. The risk is managed by maintaining an appropriate mix of fixed and floating rates.

Die Groep is blootgestel aan rentekoersrisiko as gevolg van die veranderinge van rentekoerse in die mark wat 'n direkte impak het op die rentedraende lenings wat teen sowel vaste as veranderlike koerse geleen word. Die risiko word bestuur deur 'n toepaslike mengsel van vaste en veranderlike koerse te handhaaf.

---

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

|                                                                                                                                                                                                                                                    | Group/Groep   |               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                                                                                                                                                                    | 2012<br>R'000 | 2011<br>R'000 |
| <b>Diesel zero cost collar sensitivity</b>                                                                                                                                                                                                         |               |               |
| An increase/decrease of 10 percent (2011: 10 percent) in the diesel price at the reporting date would have affected profit before taxation, by the amounts shown below. This analysis assumes that all other variables remain constant.            |               |               |
| <b>Increase of 10 percent in diesel price</b>                                                                                                                                                                                                      |               |               |
| Increase in profit before tax                                                                                                                                                                                                                      | 550           |               |
| <b>Decrease of 10 percent in diesel price</b>                                                                                                                                                                                                      |               |               |
| Decrease in profit before tax                                                                                                                                                                                                                      | (940)         |               |
| <b>Diesel Nulcoste Beperkte Speling-sensitiwiteit</b>                                                                                                                                                                                              |               |               |
| n Toename/afname van 10 persent (2011: 10 persent) in die dieselprys soos op verslaggewingsdatum, sal die wins voor belasting as volg raak, met die bedrae soos onder aangetoon. Die ontleding neem aan dat alle ander veranderlikes konstant bly. |               |               |
| <b>Toename van 10 persent in dieselprys</b>                                                                                                                                                                                                        |               |               |
| – Toename in wins voor belasting                                                                                                                                                                                                                   |               |               |
| <b>Afname van 10 persent in dieselprys</b>                                                                                                                                                                                                         |               |               |
| – Afname in wins voor belasting                                                                                                                                                                                                                    |               |               |

### 30.2 Capital management

Capital consists of ordinary and preference share capital, as well as ordinary and preference share premium.

A combination of retained earnings, senior debt, preference shares, term asset finance, commodity finance and general banking facilities are used to fund the business. The bulk of the Group's debtors forms part of a securitisation programme. This programme came into effect during 2001. Senior debt raised by the programme currently amounts to R150 million (2011: R305 million). The securitisation provides access to senior debt equal to 74,5% (2011: 74,5%) of the debtors' book.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings. The Group's target is to achieve a return on shareholders' equity of at least 20% in the medium to long term. A return of 11,3% (2011: 12,9%) was achieved. In comparison the weighted average interest expense on interest-bearing borrowings was 9,99% (2011: 9,8%).

### 30.2 Kapitaalbestuur

Kapitaal bestaan uit gewone – en voorkeuraandelekapitaal, asook gewone – en voorkeuraandelepremie.

'n Kombinasie van behoue winste, senior skuld, voorkeuraandele, termynbatesfinansiering, kommoditeitfinansiering en algemene bankfasiliteite word gebruik om die besigheid te finansier. Die grootste gedeelte van die Groep se debiteure vorm deel van die versekeringsprogram. Hierdie program het in werking getree gedurende 2001. Die senior skuld wat deur middel van die versekeringsprogram bekom is, staan tans op R150 miljoen (2011: R305 miljoen). Die versekeringsprogram voorsien toegang tot senior skuld gelykstaande aan 74,5% (2011: 74,5%) van die debiteureboek.

Die Direksie poog om 'n balans te handhaaf tussen die hoër opbrengste wat moontlik kan wees met hoër vlakke van lenings en die voordele en sekuriteit wat 'n gesonde kapitaalposisie bied. Die Groep se teiken is om 'n opbrengs op aandeelhouersekuriteit van ten minste 20% op die medium – tot langtermyn te behaal. 'n Opbrengs van 11,3% (2011: 12,9%) is behaal. In vergelyking was die geweegde gemiddelde rente-uitgawe op rentedraende lenings 9,99% (2011: 9,8%).



# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                                                                                                                                                                                                                   |                               | Company/Maatskappy                                                                                                                                                                                                                                                |                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Carrying amount/<br>Drawaarde                                                                                                                                                                                                                                 | Fair value/<br>Billike waarde | Carrying amount/<br>Drawaarde                                                                                                                                                                                                                                     | Fair value/<br>Billike waarde |
| 2012<br>R'000                                                                                                                                                                                                                                                 | 2012<br>R'000                 | 2012<br>R'000                                                                                                                                                                                                                                                     | 2012<br>R'000                 |
| <b>30.3 Fair value</b>                                                                                                                                                                                                                                        |                               | <b>30.3 Billike waarde</b>                                                                                                                                                                                                                                        |                               |
| The fair value of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:                                                                                                                            |                               | Die billike waarde van finansiële bates en laste, saam met die drawaardes in die balansstaat getoon, is soos volg:                                                                                                                                                |                               |
| <b>Financial assets</b>                                                                                                                                                                                                                                       |                               | <b>Finansiële bates</b>                                                                                                                                                                                                                                           |                               |
| 1 022 626                                                                                                                                                                                                                                                     | 1 022 626                     | 640 859                                                                                                                                                                                                                                                           | 640 859                       |
| 173                                                                                                                                                                                                                                                           | 173                           | –                                                                                                                                                                                                                                                                 | –                             |
| 711 470                                                                                                                                                                                                                                                       | 711 470                       | 42 955                                                                                                                                                                                                                                                            | 42 955                        |
| 1 734 269                                                                                                                                                                                                                                                     | 1 734 269                     | 683 814                                                                                                                                                                                                                                                           | 683 814                       |
| <b>Total financial assets</b>                                                                                                                                                                                                                                 |                               | <b>Totale finansiële bates</b>                                                                                                                                                                                                                                    |                               |
| <b>Financial liabilities</b>                                                                                                                                                                                                                                  |                               | <b>Finansiële laste</b>                                                                                                                                                                                                                                           |                               |
| 1 766 761                                                                                                                                                                                                                                                     | 1 766 760                     | 271 806                                                                                                                                                                                                                                                           | 271 806                       |
| 4 308                                                                                                                                                                                                                                                         | –                             | –                                                                                                                                                                                                                                                                 | –                             |
| 1 771 069                                                                                                                                                                                                                                                     | 1 766 760                     | 271 806                                                                                                                                                                                                                                                           | 271 806                       |
| <b>Total financial liabilities</b>                                                                                                                                                                                                                            |                               | <b>Totale finansiële laste</b>                                                                                                                                                                                                                                    |                               |
| <b>2011</b>                                                                                                                                                                                                                                                   |                               | <b>2011</b>                                                                                                                                                                                                                                                       |                               |
| <b>Financial assets</b>                                                                                                                                                                                                                                       |                               | <b>Finansiële bates</b>                                                                                                                                                                                                                                           |                               |
| 894 725                                                                                                                                                                                                                                                       | 894 725                       | 538 993                                                                                                                                                                                                                                                           | 538 993                       |
| 750                                                                                                                                                                                                                                                           | 750                           | –                                                                                                                                                                                                                                                                 | –                             |
| 824 212                                                                                                                                                                                                                                                       | 824 212                       | 2 232                                                                                                                                                                                                                                                             | 2 232                         |
| 1 719 687                                                                                                                                                                                                                                                     | 1 719 687                     | 541 225                                                                                                                                                                                                                                                           | 541 225                       |
| <b>Total financial assets</b>                                                                                                                                                                                                                                 |                               | <b>Totale finansiële bates</b>                                                                                                                                                                                                                                    |                               |
| <b>Financial liabilities</b>                                                                                                                                                                                                                                  |                               | <b>Finansiële laste</b>                                                                                                                                                                                                                                           |                               |
| 1 688 853                                                                                                                                                                                                                                                     | 1 688 853                     | 266 224                                                                                                                                                                                                                                                           | 266 224                       |
| 1 688 853                                                                                                                                                                                                                                                     | 1 688 853                     | 266 224                                                                                                                                                                                                                                                           | 266 224                       |
| <b>Total financial liabilities</b>                                                                                                                                                                                                                            |                               | <b>Totale finansiële laste</b>                                                                                                                                                                                                                                    |                               |
| The carrying amount of these financial assets and liabilities is a reasonable approximation of fair value.                                                                                                                                                    |                               | Die drawaarde van hierdie finansiële bates en laste is 'n redelike skatting van die billike waarde.                                                                                                                                                               |                               |
| Long-term fixed-rate variable-rate borrowings are evaluated by the Group based on parameters such as interest rates and repayment periods as at year-end, the carrying amounts of the borrowings are not materially different from the calculated fair value. |                               | Langtermyn vaste-koers veranderlike-koers lenings word deur die Groep geëvalueer op grond van parameters soos rentekoerse en terugbetalingstydperke soos teen jaareinde, die drabedrag van die lenings verskil nie wesenlik van die berekende billike waarde nie. |                               |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep<br>2012   |                        |                    |                    |                  |                  |                                                                                           |                                                                                               |
|-----------------------|------------------------|--------------------|--------------------|------------------|------------------|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| 0-6 months/<br>maande | 6-12 months/<br>maande | 1-2 years/<br>jaar | 2-5 years/<br>jaar | 5 years/<br>jaar | Total/<br>Totaal |                                                                                           |                                                                                               |
| R'000                 | R'000                  | R'000              | R'000              | R'000            | R'000            |                                                                                           |                                                                                               |
|                       |                        |                    |                    |                  |                  | <b>30.4 Liquidity risk</b>                                                                | <b>30.4 Likiditeitsrisiko</b>                                                                 |
|                       |                        |                    |                    |                  |                  | Maturity profile of financial instruments                                                 | Termynverloopprofiel van finansiële instrumente                                               |
|                       |                        |                    |                    |                  |                  | The maturity profile of the financial instruments is summarised as follows for the Group: | Die termynverloopprofiel van finansiële instrumente kan soos volg opgesom word vir die Groep: |
|                       |                        |                    |                    |                  |                  | <b>Financial liabilities</b>                                                              | <b>Finansiële laste</b>                                                                       |
| 4 459                 | 4 464                  | 11 293             | 7 557              | 2 836            | 30 609           | Secured loans                                                                             | Versekerde verpligtinge                                                                       |
| -                     | 150 000                | -                  | -                  | -                | 150 000          | Secured by securitisation of trade debtors                                                | Verseker deur die versekering van handelsdebiteure                                            |
| -                     | 259 382                | -                  | -                  | -                | 259 382          | Unsecured loans                                                                           | Onversekerde verpligtinge                                                                     |
| 3 072                 | -                      | -                  | -                  | -                | 3 072            | Bank overdrafts                                                                           | Bankoortrekking                                                                               |
| 1 290 331             | 26 463                 | 4 603              | 2 301              | -                | 1 323 698        | Trade and other payables                                                                  | Handels – en ander krediteure                                                                 |
| 1 297 862             | 440 309                | 15 896             | 9 858              | 2 836            | 1 766 761        | <b>Total financial liabilities</b>                                                        | <b>Totale finansiële laste</b>                                                                |
| 2011                  |                        |                    |                    |                  |                  |                                                                                           |                                                                                               |
|                       |                        |                    |                    |                  |                  | <b>Financial liabilities</b>                                                              | <b>Finansiële laste</b>                                                                       |
| 3 783                 | 3 772                  | 7 895              | 15 557             | -                | 31 007           | Secured loans                                                                             | Versekerde verpligtinge                                                                       |
| 155 000               | -                      | 150 000            | -                  | -                | 305 000          | Secured by securitisation of trade debtors                                                | Verseker deur die versekering van handelsdebiteure                                            |
| -                     | -                      | 259 382            | -                  | -                | 259 382          | Unsecured loans                                                                           | Onversekerde verpligtinge                                                                     |
| 11 273                | -                      | -                  | -                  | -                | 11 273           | Bank overdrafts                                                                           | Bankoortrekking                                                                               |
| 1 053 605             | 15 232                 | 8 622              | 4 735              | -                | 1 082 194        | Trade and other payables                                                                  | Handels – en ander krediteure                                                                 |
| 1 223 661             | 19 004                 | 425 899            | 20 292             | -                | 1 688 856        | <b>Total financial liabilities</b>                                                        | <b>Totale finansiële laste</b>                                                                |

## for the year ended/vir die jaar geëindig 30.6.2012



## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                                                                      |                              | Company/Maatskappy                                                                                                                               |                                          |
|------------------------------------------------------------------------------------------------------------------|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| Carrying value/<br>Drawaarde                                                                                     | Carrying value/<br>Drawaarde | Carrying value/<br>Drawaarde                                                                                                                     | Carrying value/<br>Drawaarde             |
| 2012<br>R'000                                                                                                    | 2011<br>R'000                | 2012<br>R'000                                                                                                                                    | 2011<br>R'000                            |
| <b>30.5 Credit risk</b>                                                                                          |                              | <b>30.5 Kredietrisiko</b>                                                                                                                        |                                          |
| <b>Exposure to credit risk</b>                                                                                   |                              | <b>Blootstelling aan kredietrisiko</b>                                                                                                           |                                          |
| The carrying amount of financial assets represents the maximum exposure to credit risk.                          |                              | Die drawaarde van finansiële bates verteenwoordig die maksimum blootstelling aan kredietrisiko.                                                  |                                          |
| <b>Financial assets per class</b>                                                                                |                              | <b>Finansiële bates per kategorie</b>                                                                                                            |                                          |
| <b>874 476</b>                                                                                                   | 754 049                      | Trade receivables                                                                                                                                | Handelsdebiteure                         |
| <b>128 580</b>                                                                                                   | 141 426                      | Other receivables                                                                                                                                | Ander debiteure                          |
| <b>711 470</b>                                                                                                   | 824 212                      | Cash and short-term deposits                                                                                                                     | Kontant – en korttermyndeposito's        |
| <b>1 714 526</b>                                                                                                 | 1 719 687                    | <b>Total financial assets</b>                                                                                                                    | <b>Totale finansiële bates</b>           |
|                                                                                                                  |                              |                                                                                                                                                  |                                          |
| <b>Group/Groep</b>                                                                                               |                              | <b>Company/Maatskappy</b>                                                                                                                        |                                          |
| <b>Carrying value/Drawaarde</b>                                                                                  |                              | <b>Carrying value/Drawaarde</b>                                                                                                                  |                                          |
| <b>2012</b>                                                                                                      | <b>2011</b>                  | <b>2012</b>                                                                                                                                      | <b>2011</b>                              |
| <b>R'000</b>                                                                                                     | <b>R'000</b>                 | <b>R'000</b>                                                                                                                                     | <b>R'000</b>                             |
| <b>Trade receivables</b>                                                                                         |                              | <b>Handelsdebiteure</b>                                                                                                                          |                                          |
| The maximum exposure to credit risk for trade receivables at the reporting date by customer type was as follows: |                              | Die maksimum blootstelling aan krediet – risiko van handelsdebiteure soos op die verslagdoeningsdatum per kliëntesoort is soos volg uiteengesit: |                                          |
| <b>624 604</b>                                                                                                   | 506 201                      | Retail chain stores Wholesale                                                                                                                    | Kettingwinkels                           |
| <b>88 123</b>                                                                                                    | 90 880                       | Chain stores                                                                                                                                     | Groothandelaars                          |
| <b>161 749</b>                                                                                                   | 156 968                      | Industrial/Catering/General trade                                                                                                                | Industrieel/Spyseniering/Algemene handel |
| <b>874 476</b>                                                                                                   | 754 049                      | <b>Total</b>                                                                                                                                     | <b>Totaal</b>                            |

## for the year ended/vir die jaar geëindig 30.6.2012

186 – Clover Integrated Annual Report 2012



# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep   |                                             | Company/Maatskappy |                                 |
|---------------|---------------------------------------------|--------------------|---------------------------------|
| 2012<br>R'000 | 2011<br>R'000                               | 2012<br>R'000      | 2011<br>R'000                   |
|               | <b>31. Investment in Subsidiary</b>         |                    | <b>31. Belegging in filiaal</b> |
|               | Investment in subsidiary company            |                    | Belegging in filiaalmaatskappy  |
|               | Clover SA                                   | <b>326 735</b>     | 326 735                         |
|               | Share-based payment investment in Clover SA | <b>23 315</b>      | 11 924                          |
|               | <b>Total investment in subsidiary</b>       | <b>350 050</b>     | 338 659                         |

| Subsidiary and joint venture/Filiaalmaatskappye en gesamentlike onderneming |                                                      |                                                                              |                                                                               | Effective interest in capital/<br>Effektiewe belang in kapitaal |      | Investment in subsidiaries<br>and joint ventures/<br>Belegging in filiale en<br>gesamentlike ondernemings |         | Profit/(loss) after taxation/<br>Wins/(verlies) na belasting |         |
|-----------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------|------|-----------------------------------------------------------------------------------------------------------|---------|--------------------------------------------------------------|---------|
|                                                                             |                                                      |                                                                              |                                                                               | 2012                                                            | 2011 | 2012                                                                                                      | 2011    | 2012                                                         | 2011    |
| Name of company/ Naam<br>van maatskappy                                     | Country of incorporation/<br>Land waar geïnkorporeer | Nature of business                                                           | Aard van besigheid                                                            | %                                                               | %    | R'000                                                                                                     | R'000   | R'000                                                        | R'000   |
| Clover SA                                                                   | South Africa/Suid-Afrika                             | Dairy manufacturing, distribution, sales                                     | Suiwelvervaardiging, -verspreiding en -verkope                                | 100                                                             | 100  | 326 735                                                                                                   | 326 735 | 169 298                                                      | 449 654 |
| Clover Beverages®                                                           | South Africa/Suid-Afrika                             | Marketing of non-alcoholic beverage products                                 | Bemarking van nie- alkoholiese drankies                                       | 100                                                             | 100  | –                                                                                                         | –       | –                                                            | 88 909  |
| Clover Botswana                                                             | Botswana                                             | Dairy manufacturing, distribution, sales                                     | Suiwelvervaardiging, -verspreiding en -verkope                                | 100                                                             | 70   | 23 111                                                                                                    | 3 893   | 21 202                                                       | 3 159   |
| Clover Manhattan*                                                           | South Africa/Suid-Afrika                             | Distribution and sales of ice tea                                            | Verspreiding en verkope van ystee                                             | 50,1                                                            | 50,1 | 3 034                                                                                                     | 3 034   | 1 120                                                        | 1 229   |
| Clover Swaziland                                                            | Swaziland                                            | Distribution and sales of dairy products in Swaziland                        | Suiwelverspreiding en -verkope in Swaziland                                   | 100                                                             | 100  | 1                                                                                                         | 1       | (77)                                                         | 2 483   |
| Lactolab                                                                    | South Africa/Suid-Afrika                             | Testing of dairy products                                                    | Toets van suiwelprodukte                                                      | 52                                                              | 52   | –                                                                                                         | –       | 2 087                                                        | 1 239   |
| Clover Capital                                                              | South Africa/Suid-Afrika                             | Finance                                                                      | Finansiering                                                                  | 100                                                             | 100  | 91 000                                                                                                    | 91 000  | –                                                            | –       |
| Clover Fonterra*                                                            | South Africa/Suid-Afrika                             | Marketing, selling and distribution of dairy and related ingredient products | Bemarking, verkope en verspreiding van suiwel- en verwante ingrediëntprodukte | 51                                                              | 51   | 3 060                                                                                                     | 3 060   | 12 297                                                       | 6 593   |
| Clover West Africa                                                          | Nigeria/Nigerië                                      | Marketing of non-alcoholic beverage products                                 | Bemarking van nie-alkoholiese drankies                                        | 100                                                             | 55   | 468                                                                                                       | 243     | (10 539)                                                     | (6 239) |
| Clover Namibia                                                              | Namibia                                              | Distribution and sales of dairy products in Namibia                          | Suiwelverspreiding en verkope in Namibië                                      | 100                                                             | 100  | –                                                                                                         | –       | (2 752)                                                      | (664)   |

\* Joint venture/Gesamentlike onderneming.

® In the process of deregistration/In die proses van deregistrasie.

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |               | Company/Maatskappy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 2012<br>R'000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2011<br>R'000 | 2012<br>R'000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2011<br>R'000 |
| <b>32. Share based payments</b><br><b>32.1 Equity-settled share appreciation rights scheme</b><br>– Clover Share Appreciation Rights Plan (2010) (Ordinary shares in CIL)<br><p>On 31 May 2010 the ordinary and preference shareholders approved the Clover Share Appreciation Rights Plan (2010) as well as the placement of 16 million (after the 2 for 1 split) unissued ordinary shares under the control of the Directors to fulfil the company's potential future obligations in terms of the plan. The salient features of the scheme are as follows:</p> <p>The Company's obligations in terms of this plan can at the election of the Remuneration Committee be settled in cash or by the issue of ordinary shares.</p> <p>New SAR may be encashed at the election of the participants at any time after they have vested, provided that the participant concerned is still in the employ of Clover. An encashment employee will be paid an amount equal to the difference between the fair market value of ordinary shares on the date of issue of the new SAR in question and the fair market value of the ordinary shares on the date of encashment. Further details on the scheme are available in the detailed circular issued to shareholders on 7 May 2010.</p> <p>The SAR granted are expensed over their vesting period in terms of IFRS 2. The estimated fair value of these SAR was calculated using the Hull-White Trinomial Lattice valuation model. The following inputs were used for the calculation of the fair value:</p> <p>Initial allocation - Expected volatility of 30,3%, risk free rate of 8,90% and a dividend yield of 2,34%.</p> <p>Second allocation - Expected volatility of 14,9%, risk free rate of 8,90% and a dividend yield of 2,34%.</p> <p>Third allocation - Expected volatility of 19,9%, risk free rate of 8,55% and a dividend yield of 3,33%.</p> <p>Allocation to new Executive Committee member – Expected volatility of 17,4%, risk free rate of 7,94% and a dividend yield of 2,00%.</p> |               | <b>32. Aandeelgebaseerde betalings</b><br><b>32.1 Ekwiteitsvereffende aandele groei regteskema</b><br>– Clover Share Appreciation Rights Plan (2010) (Gewone aandele in CIL)<br><p>Op 31 Mei 2010 het die houe van gewone- en voorkeuraandele die Clover Share Appreciation Rights Plan (2010) asook die plasing van 16 miljoen (na die 2 vir 1 verdeling) onuitgereikte gewone aandele onder die beheer van die Direkteure goedgekeur om aan die maatskappy se toekomstige verpligtinge ten opsigte van die plan uitvoering te gee. Die hoofeienskappe van die skema is soos volg:</p> <p>Die Maatskappy se verpligtinge ten opsigte van hierdie plan kan volgens die Vergoedingskomitee se voorkeur in kontant of met die uitreiking van gewone aandele afgehandel word.</p> <p>Nuwe SAR mag in kontant omskep word volgens die keuse van die deelnemers te eniger tyd nadat hulle gevestig het, met dien verstande dat die betrokke deelnemer steeds in Clover se diens is. 'n Verkontant-werknemer sal 'n bedrag betaal word wat gelyk is aan die verskil tussen die billike markwaarde van gewone aandele op die uitreikingsdatum van die tersaaklike nuwe SAR en die billike markwaarde van die gewone aandele op die verkontantdatum. Nadere besonderhede oor die skema is beskikbaar in die gedetailleerde omsendbrief wat op 7 Mei 2010 aan aandeelhouders uitgereik is.</p> <p>Die AGR wat toegestaan is word in terme van IFRS 2 oor die vestigingstydperk in uitgawes erken. Die beraamde billike waarde van hierdie AGR is met behulp van die Hull- White Trinomial Lattice-waardasie-model bereken. Die volgende insette is vir die berekening van die billike waarde gebruik:</p> <p>Aanvanklike toewysing – Verwagte ongestadigheid van 30,3%, risikovrye koers van 8,90% en 'n dividendopbrengs van 2,34%.</p> <p>Tweede toewysing – Verwagte ongestadigheid van 14,9%, risikovrye koers van 8,90% en 'n dividendopbrengs van 2,34%.</p> <p>Derde toekenning – Verwagte ongestadigheid van 19,9%, risikovrye koers van 8,55% en 'n dividendopbrengs van 3,33%.</p> <p>Toekenning aan nuwe lid van Uitvoerende Komitee - Verwagte ongestadigheid van 17,4%, risikovrye koers van 7,94% en 'n dividendopbrengs van 2,00%.</p> |               |

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Share appreciation rights/Aandeelgroeiregte                                                                                                                  |                                      |                                                                                                                             |                                                  |                                                                     |                                                                                                           |                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Description/<br>Beskrywing                                                                                                                                   | Grant date/<br>Toekennings-<br>datum | Weighted average remaining<br>contractual life (years)/<br>Geweegde gemiddelde<br>oorblywende kontraktuele<br>termyn (jare) | Grant price (Rand)/<br>Toekenningsprys<br>(Rand) | SAR granted not yet<br>exercised/AGR toegeken<br>nog nie uitgeoefen | Weighted average fair<br>value per right (cents)/<br>Geweegde gemiddelde<br>billike waarde per reg (sent) | Vesting period/ Vestigingstydperk                                                                                                                                                                 |
| Clover's Share Appreciation Rights Plan (2010) – Initial allocation/Clover se Aandeelgroeiregteplan (2010) – Aanvanklike toewysing                           | 31 May 2010 /<br>31 Mei 2010         | * Till employment terminates/Tot diens beëindig word                                                                        | R4,67                                            | 15 500 000<br>(2011: 15 500 000)                                    | R2,11                                                                                                     | One third on 31 May 2013, a further third on 31 May 2014 and a final third on 31 May 2015/<br>Een derde op 31 Mei 2013, 'n verdere derde op 31 Mei 2014 en 'n finale derde op 31 Mei 2015         |
| Clover's Share Appreciation Rights Plan (2010) – Second allocation/Clover se Aandeelgroeiregteplan (2010) – Tweede toewysing                                 | 18 August 2010 /<br>18 Augustus 2010 | * Till employment terminates/Tot diens beëindig word                                                                        | R0,00                                            | 1 466 667<br>(2011: 2 000 000)                                      | R4,31                                                                                                     | One third on 18 August 2011, a third on 18 August 2012 and final third on 18 August 2013/<br>Een derde op 18 Augustus 2011, 'n derde op 18 Augustus 2012, en 'n finale derde op 18 Augustus 2013. |
| Clover's Share Appreciation Rights Plan (2010) – Third allocation/Clover se Aandeelgroeiregteplan (2010) – Derde toewysing                                   | 1 July 2011 /<br>1 Julie 2011        | Six years/Ses jaar                                                                                                          | R11,00                                           | 2 093 918<br>(2011: Nil)                                            | R3,11                                                                                                     | All on 1 July 2014/Alles op 1 Julie 2014                                                                                                                                                          |
| Clover's Share Appreciation Rights – Allocation to new Executive Committee member/Clover se Aandeelgroeiregte – Toewysing aan nuwe Uitvoerende Kommittee lid | 1 June 2012 /<br>1 Junie 2012        | Seven years/Sewe jaar                                                                                                       | R13,50                                           | 953 620<br>(2011: Nil)                                              | R4,03                                                                                                     | One third on 1 June 2015, a third on 1 June 2016 and final third on 1 June 2017/<br>Een derde op 1 Junie 2015, 'n derde op 1 Junie 2016, en 'n finale derde op 1 Junie 2017.                      |

|                                 | Group/Groep   |               | Company/Maatskappy |                                    |
|---------------------------------|---------------|---------------|--------------------|------------------------------------|
|                                 | 2012<br>R'000 | 2011<br>R'000 | 2012<br>R'000      | 2011<br>R'000                      |
| <b>Provision against income</b> |               |               |                    | <b>Voorsiening teen inkomste</b>   |
| Share-based payment reserve     | <b>13 115</b> | 11 192        |                    | Aandeelgebaseerde betalingsreserwe |



## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

### 33. Directors' remuneration and interests/Direksie se vergoeding en belange

#### 33.1 Directors' remuneration/Direksie se vergoeding

|                                                                                                    | 2012                             |                                                                              |                                           |                                                                          |                                               |                                                         |                                           |                  |                                                                                       |
|----------------------------------------------------------------------------------------------------|----------------------------------|------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------|---------------------------------------------------------|-------------------------------------------|------------------|---------------------------------------------------------------------------------------|
|                                                                                                    | Basic salary/<br>Basiese salaris | Fees for<br>services as<br>Director/<br>Fooie vir<br>dienste as<br>Direkteur | Car<br>allowance/<br>Voertuigtoe-<br>laag | Individual<br>performance<br>bonus/<br>Individuele<br>prestasie<br>bonus | Profit share<br>bonus/<br>Winsdeling<br>bonus | Retirement<br>contri-<br>butions/<br>Aftrede<br>bydraes | Other<br>benefits*/<br>Ander<br>voordele* | Total/<br>Totaal | Share<br>appreciation<br>rights<br>exercised/<br>Aandeelgroei-<br>regte<br>uitgeoefen |
|                                                                                                    | R' 000                           | R' 000                                                                       | R' 000                                    | R' 000                                                                   |                                               | R' 000                                                  | R' 000                                    | R' 000           | R' 000                                                                                |
| Executive Directors/Uitvoerende Direkteure                                                         |                                  |                                                                              |                                           |                                                                          |                                               |                                                         |                                           |                  |                                                                                       |
| JH Vorster                                                                                         | 3 498                            |                                                                              | 979                                       | 2 243                                                                    | 2 020                                         | 673                                                     | 60                                        | 9 473            | –                                                                                     |
| HB Roode                                                                                           | 2 651                            |                                                                              | 754                                       | 1 482                                                                    | 1 334                                         | 462                                                     | 75                                        | 6 758            | 1 468                                                                                 |
| LJ Botha                                                                                           | 2 395                            |                                                                              | 672                                       | 1 339                                                                    | 1 206                                         | 391                                                     | 48                                        | 6 051            | 1 504                                                                                 |
| CP Lerm(Dr)                                                                                        | 1 989                            |                                                                              | 581                                       | 1 111                                                                    | 1 002                                         | 355                                                     | 198                                       | 5 236            | 489                                                                                   |
| Total remuneration of Executive Directors/<br>Totale vergoeding van Uitvoerende Direkteure         | 10 533                           | –                                                                            | 2 986                                     | 6 175                                                                    | 5 562                                         | 1 881                                                   | 381                                       | 27 518           | 3 461                                                                                 |
| Non-executive Directors/Nie-uitvoerende Direkteure                                                 |                                  |                                                                              |                                           |                                                                          |                                               |                                                         |                                           |                  |                                                                                       |
| JAH Bredin                                                                                         |                                  | 907                                                                          |                                           |                                                                          |                                               |                                                         | 20                                        | 927              |                                                                                       |
| HPF du Preez                                                                                       |                                  | 252                                                                          |                                           |                                                                          |                                               |                                                         | 3                                         | 255              |                                                                                       |
| WI Büchner                                                                                         |                                  | 417                                                                          |                                           |                                                                          |                                               |                                                         | -                                         | 417              |                                                                                       |
| MG Elliot                                                                                          |                                  | 252                                                                          |                                           |                                                                          |                                               |                                                         | 31                                        | 283              |                                                                                       |
| JC Hendriks (Dr)                                                                                   |                                  | 329                                                                          |                                           |                                                                          |                                               |                                                         | 27                                        | 356              |                                                                                       |
| TA Wixley                                                                                          |                                  | 684                                                                          |                                           |                                                                          |                                               |                                                         | -                                         | 684              |                                                                                       |
| SF Booysen (Dr)                                                                                    |                                  | 437                                                                          |                                           |                                                                          |                                               |                                                         | 6                                         | 443              |                                                                                       |
| NP Mageza                                                                                          |                                  | 354                                                                          |                                           |                                                                          |                                               |                                                         | -                                         | 354              |                                                                                       |
| JNS Du Plessis (Adv)                                                                               |                                  | 431                                                                          |                                           |                                                                          |                                               |                                                         | 43                                        | 474              |                                                                                       |
| NA Smith                                                                                           |                                  | 252                                                                          |                                           |                                                                          |                                               |                                                         | 14                                        | 266              |                                                                                       |
| Total remuneration of Non-executive Directors/<br>Totale vergoeding van Nie-uitvoerende Direkteure | –                                | 4 315                                                                        | –                                         | –                                                                        | –                                             | –                                                       | 144                                       | 4 459            | –                                                                                     |
| Total Directors' remuneration/Totale vergoeding van Direksie                                       | 10 533                           | 4 315                                                                        | 2 986                                     | 6 175                                                                    | 5 562                                         | 1 881                                                   | 525                                       | 31 977           | 3 461                                                                                 |
| Other Executives (prescribed officers)/<br>Ander Uitvoerende Bestuurslede (voorgeskrewe beamptes)  |                                  |                                                                              |                                           |                                                                          |                                               |                                                         |                                           |                  |                                                                                       |
| H Lubbe                                                                                            | 1 882                            |                                                                              | 537                                       | 1 052                                                                    | 947                                           | 299                                                     | 52                                        | 4 769            | 489                                                                                   |
| JHF Botes (Dr)                                                                                     | 1 879                            |                                                                              | 536                                       | 1 051                                                                    | 946                                           | 300                                                     | 39                                        | 4 751            | 489                                                                                   |
| E Bosch (Appointed 1 June 2012/Aangestel 1 Junie 2012)                                             | 190                              |                                                                              | 52                                        |                                                                          |                                               | 17                                                      | 6                                         | 265              |                                                                                       |
| Total remuneration of other Executives/<br>Totale vergoeding van ander Uitvoerende Bestuurslede    | 3 951                            | –                                                                            | 1 125                                     | 2 103                                                                    | 1 893                                         | 616                                                     | 97                                        | 9 785            | 978                                                                                   |

\* Medical contributions, travel and accommodation expenses, fees paid for directorships held in subsidiaries /\*Mediese fonds bydrae, reis- en verblyfkostes, fooie betaal vir direkteurskappe in filiaalmaatskappye beklee.

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

|                                                                                                            | 2011                                       |                                                                            |                                             |                                                                        |                                         |                                                        |                                               | Share appreciation rights exercised/Aandeelgroei-regte uitgeoefen |
|------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------------------------------------|---------------------------------------------|------------------------------------------------------------------------|-----------------------------------------|--------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------------------|
|                                                                                                            | Basic salary/<br>Basiese salaris<br>R' 000 | Fees for services as Director/<br>Fooie vir dienste as Direkteur<br>R' 000 | Car allowance/<br>Voertuigtoelaag<br>R' 000 | Individual performance bonus/<br>Individuele prestasie bonus<br>R' 000 | Profit share bonus/<br>Winsdeling bonus | Retirement contributions/<br>Aftrede bydraes<br>R' 000 | Other benefits*/<br>Ander voordele*<br>R' 000 | Total/<br>Totaal<br>R' 000                                        |
| <b>Executive Directors/Uitvoerende Direkteure</b>                                                          |                                            |                                                                            |                                             |                                                                        |                                         |                                                        |                                               |                                                                   |
| JH Vorster                                                                                                 | 3 100                                      |                                                                            | 864                                         | 2 080                                                                  | 3 068                                   | 800                                                    |                                               | 9 912                                                             |
| HB Roode                                                                                                   | 2 358                                      |                                                                            | 655                                         | 1 319                                                                  | 1 945                                   | 582                                                    |                                               | 6 859                                                             |
| LJ Botha                                                                                                   | 1 850                                      |                                                                            | 536                                         | 1 035                                                                  | 1 526                                   | 449                                                    |                                               | 5 396                                                             |
| CP Lerm (Dr)                                                                                               | 1 840                                      |                                                                            | 533                                         | 1 029                                                                  | 1 517                                   | 460                                                    |                                               | 5 379                                                             |
| <b>Total remuneration of Executive Directors/<br/>Totale vergoeding van Uitvoerende Direkteure</b>         | 9 148                                      | –                                                                          | 2 588                                       | 5 463                                                                  | 8 056                                   | 2 291                                                  | –                                             | 27 546                                                            |
| <b>Non-executive Directors/Nie-uitvoerende Direkteure</b>                                                  |                                            |                                                                            |                                             |                                                                        |                                         |                                                        |                                               |                                                                   |
| JAH Bredin                                                                                                 |                                            | 1 084                                                                      |                                             |                                                                        |                                         |                                                        | 112                                           | 1 196                                                             |
| HPF du Preez                                                                                               |                                            | 466                                                                        |                                             |                                                                        |                                         |                                                        | 77                                            | 543                                                               |
| WI Büchner                                                                                                 |                                            | 187                                                                        |                                             |                                                                        |                                         |                                                        | 55                                            | 242                                                               |
| MG Elliot                                                                                                  |                                            | 176                                                                        |                                             |                                                                        |                                         |                                                        | 109                                           | 285                                                               |
| JC Hendriks (Dr)                                                                                           |                                            | 186                                                                        |                                             |                                                                        |                                         |                                                        | 66                                            | 252                                                               |
| VP Turner                                                                                                  |                                            | 137                                                                        |                                             |                                                                        |                                         |                                                        | 67                                            | 204                                                               |
| TA Wixley                                                                                                  |                                            | 475                                                                        |                                             |                                                                        |                                         |                                                        | 3                                             | 478                                                               |
| JW Lotz                                                                                                    |                                            | 88                                                                         |                                             |                                                                        |                                         |                                                        | 13                                            | 101                                                               |
| MG Mackenzie                                                                                               |                                            | 78                                                                         |                                             |                                                                        |                                         |                                                        | 14                                            | 92                                                                |
| FG Meyer                                                                                                   |                                            | 88                                                                         |                                             |                                                                        |                                         |                                                        | 31                                            | 119                                                               |
| DK Smith                                                                                                   |                                            | 339                                                                        |                                             |                                                                        |                                         |                                                        | 70                                            | 409                                                               |
| SF Booysen (Dr)                                                                                            |                                            | 170                                                                        |                                             |                                                                        |                                         |                                                        | 2                                             | 172                                                               |
| NP Mageza                                                                                                  |                                            | 132                                                                        |                                             |                                                                        |                                         |                                                        | 2                                             | 134                                                               |
| JNS Du Plessis (Adv)                                                                                       |                                            | 140                                                                        |                                             |                                                                        |                                         |                                                        | 31                                            | 171                                                               |
| NA Smith                                                                                                   |                                            | 39                                                                         |                                             |                                                                        |                                         |                                                        | 8                                             | 47                                                                |
| <b>Total remuneration of Non-executive Directors/<br/>Totale vergoeding van Nie-uitvoerende Direkteure</b> | –                                          | 3 785                                                                      | –                                           | –                                                                      | –                                       | –                                                      | 660                                           | 4 445                                                             |
| <b>Total Directors' remuneration/Totale vergoeding van Direksie</b>                                        | 9 148                                      | 3 785                                                                      | 2 588                                       | 5 463                                                                  | 8 056                                   | 2 291                                                  | 660                                           | 31 991                                                            |
| <b>Other Executives (prescribed officers)/<br/>Ander Uitvoerende Bestuurslede (voorgeskrewe beamptes)</b>  |                                            |                                                                            |                                             |                                                                        |                                         |                                                        |                                               |                                                                   |
| H Lubbe                                                                                                    | 1 370                                      |                                                                            | 410                                         | 766                                                                    | 1 130                                   | 348                                                    |                                               | 4 024                                                             |
| JHF Botes (Dr)                                                                                             | 1 370                                      |                                                                            | 410                                         | 766                                                                    | 1 130                                   | 190                                                    |                                               | 3 866                                                             |
| A Schoeman (Retired 31 December 2010/Afgetree 31 Desember 2010)                                            | 693                                        |                                                                            | 203                                         | 426                                                                    | 426                                     | 105                                                    |                                               | 1 853                                                             |
| <b>Total remuneration of other Executives/<br/>Totale vergoeding van ander Uitvoerende Bestuurslede</b>    | 3 433                                      | –                                                                          | 1 023                                       | 1 958                                                                  | 2 686                                   | 643                                                    | –                                             | 9 743                                                             |



## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

### 33.2 Interest of Directors and other Executives in share appreciation rights/Belang van Direkteure en ander Uitvoerende Bestuurslede in aandeelgroei regte

The interest of executive and non-executive directors in the shares of the company provided for in the form of share appreciation rights are set out in the table below

|                                                                | Number of rights<br>as at 30 June<br>2011/Aandeelregte<br>soos op 30 Junie<br>2011 | Share appreciation<br>rights granted<br>during the year/<br>Aandeelgroei regte<br>toegeken<br>gedurende die jaar | Number of<br>right exercised/<br>cancelled during<br>the year/Aandeel<br>regte uitgeoefen/<br>gekanselleer<br>gedurende die jaar | Number of rights<br>as at 30 June<br>2012/Aandeelregte<br>soos op 30 Junie<br>2012 | Share price on date<br>exercised/<br>Aandeelprys<br>op datum van<br>uitoefening | Grant price/<br>Toekenningsprys | Date from which exercisable/<br>Datum van wanneer uitoefenbaar                                                                                                                                |
|----------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| JH Vorster                                                     | 4 587 200                                                                          |                                                                                                                  |                                                                                                                                  | <b>4 587 200</b>                                                                   |                                                                                 | R4,67                           | One third on 31 May 2013, a further third on 31 May 2014 and a final third on 31 May 2015/Een derde op 31 Mei 2013, 'n verdere derde op 31 Mei 2014 en 'n finale derde op 31 Mei 2015.        |
|                                                                | 800 000                                                                            |                                                                                                                  |                                                                                                                                  | <b>800 000</b>                                                                     |                                                                                 | R0,00                           | One third on 18 August 2011, a third on 18 August 2012 and final third on 18 August 2013/Een derde op 18 Augustus 2011, 'n derde op 18 Augustus 2012, en 'n finale derde op 18 Augustus 2013. |
|                                                                |                                                                                    | 821 256                                                                                                          |                                                                                                                                  | <b>821 256</b>                                                                     |                                                                                 | R11,00                          | All on 1 July 2014/Alles op 1 Julie 2014.                                                                                                                                                     |
| HB Roode                                                       | 2 616 762                                                                          |                                                                                                                  |                                                                                                                                  | <b>2 616 762</b>                                                                   |                                                                                 | R4,67                           | One third on 31 May 2013, a further third on 31 May 2014 and a final third on 31 May 2015/Een derde op 31 Mei 2013, 'n verdere derde op 31 Mei 2014 en 'n finale derde op 31 Mei 2015.        |
|                                                                | 400 000                                                                            |                                                                                                                  | 133 333                                                                                                                          | <b>266 667</b>                                                                     | 11,01                                                                           | R0 ,00                          | One third on 18 August 2011, a third on 18 August 2012 and final third on 18 August 2013/Een derde op 18 Augustus 2011, 'n derde op 18 Augustus 2012, en 'n finale derde op 18 Augustus 2013. |
|                                                                |                                                                                    | 478 979                                                                                                          |                                                                                                                                  | <b>478 979</b>                                                                     |                                                                                 | R11,00                          | All on 1 July 2014/Alles op 1 Julie 2014.                                                                                                                                                     |
| CP Lerm (Dr)                                                   | 2 454 758                                                                          |                                                                                                                  |                                                                                                                                  | <b>2 454 758</b>                                                                   |                                                                                 | R4,67                           | One third on 31 May 2013, a further third on 31 May 2014 and a final third on 31 May 2015/Een derde op 31 Mei 2013, 'n verdere derde op 31 Mei 2014 en 'n finale derde op 31 Mei 2015.        |
|                                                                | 133 336                                                                            |                                                                                                                  | 44 446                                                                                                                           | <b>88 890</b>                                                                      | 11,01                                                                           | R0,00                           | One third on 18 August 2011, a third on 18 August 2012 and final third on 18 August 2013/Een derde op 18 Augustus 2011, 'n derde op 18 Augustus 2012, en 'n finale derde op 18 Augustus 2013. |
|                                                                |                                                                                    | 1 119                                                                                                            |                                                                                                                                  | <b>1 119</b>                                                                       |                                                                                 | R11,00                          | All on 1 July 2014/Alles op 1 Julie 2014.                                                                                                                                                     |
| LJ Botha                                                       | 2 443 140                                                                          |                                                                                                                  |                                                                                                                                  | <b>2 443 140</b>                                                                   |                                                                                 | R4,67                           | One third on 31 May 2013, a further third on 31 May 2014 and a final third on 31 May 2015/Een derde op 31 Mei 2013, 'n verdere derde op 31 Mei 2014 en 'n finale derde op 31 Mei 2015.        |
|                                                                | 400 000                                                                            |                                                                                                                  | 133 333                                                                                                                          | <b>266 667</b>                                                                     | 11,28                                                                           | R0,00                           | One third on 18 August 2011, a third on 18 August 2012 and final third on 18 August 2013/Een derde op 18 Augustus 2011, 'n derde op 18 Augustus 2012, en 'n finale derde op 18 Augustus 2013. |
|                                                                |                                                                                    | 404 063                                                                                                          |                                                                                                                                  | <b>404 063</b>                                                                     |                                                                                 | R11,00                          | All on 1 July 2014/Alles op 1 Julie 2014.                                                                                                                                                     |
| <b>Total Executive Directors/Totaal Uitvoerende Direkteure</b> | 13 835 196                                                                         | 1 705 417                                                                                                        | 311 112                                                                                                                          | <b>15 229 501</b>                                                                  |                                                                                 |                                 |                                                                                                                                                                                               |

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

|                                                                                                      | Number of rights<br>as at 30 June<br>2011/Aandeelregte<br>soos op 30 Junie<br>2011 | Share appreciation<br>rights granted<br>during the year/<br>Aandeelgroei regte<br>toegeken gedurende<br>die jaar | Number of<br>right exercised/<br>cancelled during<br>the year/Aandeel<br>regte uitgeoefen/<br>gekanselleer<br>gedurende die jaar | Number of rights<br>as at 30 June<br>2012/Aandeelregte<br>soos op 30 Junie<br>2012 | Share price on date<br>exercised/<br>Aandeelprys<br>op datum van<br>uitoefening | Grant price/<br>Toekenningsprys | Date from which exercisable/<br>Datum van wanneer uitoefenbaar                                                                                                                                |
|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Other Executives (prescribed officers)/Ander Uitvoerende Bestuurslede (voorgeskrewe beamptes)</b> |                                                                                    |                                                                                                                  |                                                                                                                                  |                                                                                    |                                                                                 |                                 |                                                                                                                                                                                               |
| H Lubbe                                                                                              | 2 027 236                                                                          |                                                                                                                  |                                                                                                                                  | <b>2 027 236</b>                                                                   |                                                                                 | R4.67                           | One third on 31 May 2013, a further third on 31 May 2014 and a final third on 31 May 2015/Een derde op 31 Mei 2013, 'n verdere derde op 31 Mei 2014 en 'n finale derde op 31 Mei 2015.        |
|                                                                                                      | 133 332                                                                            |                                                                                                                  | 44 444                                                                                                                           | <b>88 888</b>                                                                      | 11.01                                                                           | R0,00                           | One third on 18 August 2011, a third on 18 August 2012 and final third on 18 August 2013/Een derde op 18 Augustus 2011, 'n derde op 18 Augustus 2012, en 'n finale derde op 18 Augustus 2013. |
|                                                                                                      |                                                                                    | 57 778                                                                                                           |                                                                                                                                  | <b>57 778</b>                                                                      |                                                                                 | R11,00                          | All on 1 July 2014/Alles op 1 Julie 2014.                                                                                                                                                     |
| JHF Botes (Dr)                                                                                       | 1 370 904                                                                          |                                                                                                                  |                                                                                                                                  | <b>1 370 904</b>                                                                   |                                                                                 | R4.67                           | One third on 31 May 2013, a further third on 31 May 2014 and a final third on 31 May 2015/Een derde op 31 Mei 2013, 'n verdere derde op 31 Mei 2014 en 'n finale derde op 31 Mei 2015.        |
|                                                                                                      | 133 332                                                                            |                                                                                                                  | 44 444                                                                                                                           | <b>88 888</b>                                                                      | 11.00                                                                           | R0,00                           | One third on 18 August 2011, a third on 18 August 2012 and final third on 18 August 2013/Een derde op 18 Augustus 2011, 'n derde op 18 Augustus 2012, en 'n finale derde op 18 Augustus 2013. |
|                                                                                                      |                                                                                    | 330 723                                                                                                          |                                                                                                                                  | <b>330 723</b>                                                                     |                                                                                 | R11,00                          | All on 1 July 2014/Alles op 1 Julie 2014.                                                                                                                                                     |
| ER Bosch                                                                                             |                                                                                    | 953 620                                                                                                          |                                                                                                                                  | <b>953 620</b>                                                                     |                                                                                 | R13.50                          | One third on 1 June 2015, a third on 1 June 2016 and final third on 1 June 2017/Een derde op 1 Junie 2015, 'n derde op 1 Junie 2016, en 'n finale derde op 1 Junie 2017.                      |
| <b>Total other Executives/Totaal ander Uitvoerende Bestuurslede</b>                                  | 3 664 804                                                                          | 1 342 121                                                                                                        | 88 888                                                                                                                           | <b>4 918 037</b>                                                                   |                                                                                 |                                 |                                                                                                                                                                                               |
| <b>Total/Totaal</b>                                                                                  | 17 500 000                                                                         | 3 047 538                                                                                                        | 400 000                                                                                                                          | <b>20 147 538</b>                                                                  |                                                                                 |                                 |                                                                                                                                                                                               |

## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

### 33.3 Interest of Directors and other Executives of the Company in ordinary share capital/Belang van Direkteure en ander Uitvoerende Bestuurslede van die Maatskappy in gewone aandeelkapitaal

| Number of shares at 30 June/Aantal aandeel soos op 30 Junie                                                                                                                                                                                                                             |                              |                               |              |                              |                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------------------|--------------|------------------------------|-------------------------------|
| Direct/Direk                                                                                                                                                                                                                                                                            | 2012<br>Indirect/<br>Indirek | Associates/<br>Geassosieerdes | Direct/Direk | 2011<br>Indirect/<br>Indirek | Associates/<br>Geassosieerdes |
| <b>Executive Directors/Uitvoerende Direkteure</b>                                                                                                                                                                                                                                       |                              |                               |              |                              |                               |
| 7 505 496                                                                                                                                                                                                                                                                               | –                            | 398 315                       | 7 505 496    | –                            | 352 215                       |
| 5 388 276                                                                                                                                                                                                                                                                               | –                            | –                             | 5 388 276    | –                            | –                             |
| 3 309 341                                                                                                                                                                                                                                                                               | –                            | –                             | 3 309 341    | –                            | –                             |
| 2 542 049                                                                                                                                                                                                                                                                               | –                            | –                             | 2 542 049    | –                            | –                             |
| 18 745 162                                                                                                                                                                                                                                                                              | –                            | 398 315                       | 18 745 162   | –                            | 352 215                       |
| <b>Non-executive Directors/Nie-uitvoerende Direkteure</b>                                                                                                                                                                                                                               |                              |                               |              |                              |                               |
| 411 265                                                                                                                                                                                                                                                                                 | –                            | –                             | 411 265      | –                            | –                             |
| 64 634                                                                                                                                                                                                                                                                                  | –                            | –                             | 364 634      | –                            | –                             |
| –                                                                                                                                                                                                                                                                                       | 480 400                      | –                             | –            | 480 400                      | 1 461 564                     |
| 241 689                                                                                                                                                                                                                                                                                 | –                            | –                             | 241 689      | –                            | –                             |
| 1 112 892                                                                                                                                                                                                                                                                               | –                            | –                             | 1 242 892    | –                            | –                             |
| 47 619                                                                                                                                                                                                                                                                                  | –                            | –                             | 47 619       | –                            | –                             |
| –                                                                                                                                                                                                                                                                                       | 1 306 586                    | –                             | –            | 1 306 586                    | –                             |
| 1 878 099                                                                                                                                                                                                                                                                               | 1 786 986                    | –                             | 2 308 099    | 1 786 986                    | 1 461 564                     |
| 20 623 261                                                                                                                                                                                                                                                                              | 1 786 986                    | 398 315                       | 21 053 261   | 1 786 986                    | 1 813 779                     |
| <b>Total Directors' interest in ordinary share capital/Totale Direkteursbelange in gewone aandeelkapitaal</b>                                                                                                                                                                           |                              |                               |              |                              |                               |
| <b>Other Executives (prescribed officers)/Ander Uitvoerende Bestuurslede (voorgeskrewe beamptes)</b>                                                                                                                                                                                    |                              |                               |              |                              |                               |
| 523 810                                                                                                                                                                                                                                                                                 | –                            | –                             | 523 810      | –                            | –                             |
| 547 619                                                                                                                                                                                                                                                                                 | –                            | –                             | 547 619      | –                            | –                             |
| 1 071 429                                                                                                                                                                                                                                                                               | –                            | –                             | 1 071 429    | –                            | –                             |
| <b>Total interest of other Executives in ordinary share capital/Totale belange van ander Uitvoerende Bestuurslede in gewone aandeelkapitaal</b>                                                                                                                                         |                              |                               |              |                              |                               |
| * These Directors are trustees of the Clover Milk Producer Trust that holds 21 530 353 (2011: 20 996 284) ordinary shares in the Company./**Hierdie Direkteure is trustees van die Clover Milk Producer Trust wat 21 530 353 (2011: 20 996 284) gewone aandeel in die Maatskappy besit. |                              |                               |              |                              |                               |



## Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

### 33.4 Interest of Directors and other Executives of the company in preference share capital/Belang van Direkteure en ander Uitvoerende Bestuurslede van die maatskappy in voorkeuraandelekapitaal

| Number of shares at 30 June/Aantal aandele soos op 30 Junie |                  |                           |              |                  |                           |                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------|------------------|---------------------------|--------------|------------------|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2012                                                        |                  |                           | 2011         |                  |                           |                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                    |
| Direct/Direk                                                | Indirect/Indirek | Associates/Geassosieerdes | Direct/Direk | Indirect/Indirek | Associates/Geassosieerdes |                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                    |
| <b>3 696 232</b>                                            | –                | –                         | 3 696 232    | –                | –                         | <b>Executive Directors</b>                                                                                                                                                                                                     | <b>Uitvoerende Direkteure</b>                                                                                                                                                                                                                      |
| <b>1 996 097</b>                                            | –                | –                         | 4 341 514    | –                | –                         | JH Vorster                                                                                                                                                                                                                     | JH Vorster                                                                                                                                                                                                                                         |
| <b>1 650 385</b>                                            | –                | –                         | 1 650 385    | –                | –                         | HB Roode                                                                                                                                                                                                                       | HB Roode                                                                                                                                                                                                                                           |
| –                                                           | –                | –                         | –            | –                | –                         | CP Lerm (Dr)                                                                                                                                                                                                                   | CP Lerm (Dr)                                                                                                                                                                                                                                       |
|                                                             |                  |                           |              |                  |                           | LJ Botha                                                                                                                                                                                                                       | LJ Botha                                                                                                                                                                                                                                           |
| <b>7 342 714</b>                                            | –                | –                         | 9 688 131    | –                | –                         |                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                    |
| –                                                           | –                | –                         | –            | –                | 40 000                    | <b>Non-executive Directors</b>                                                                                                                                                                                                 | <b>Nie-uitvoerende Direkteure</b>                                                                                                                                                                                                                  |
| –                                                           | –                | –                         | 90 609       | –                | –                         | JAH Bredin                                                                                                                                                                                                                     | JAH Bredin                                                                                                                                                                                                                                         |
| <b>88 065</b>                                               | –                | –                         | 88 065       | –                | –                         | WI Büchner                                                                                                                                                                                                                     | WI Büchner                                                                                                                                                                                                                                         |
| –                                                           | <b>229 885</b>   | –                         | –            | 361 625          | –                         | MG Elliot                                                                                                                                                                                                                      | MG Elliot                                                                                                                                                                                                                                          |
| –                                                           | –                | –                         | –            | 358 562          | –                         | JC Hendriks (Dr)                                                                                                                                                                                                               | JC Hendriks (Dr)                                                                                                                                                                                                                                   |
|                                                             |                  |                           |              |                  |                           | NA Smith (appointed 10 March 2011)                                                                                                                                                                                             | NA Smith (aangestel 10 Maart 2011)                                                                                                                                                                                                                 |
| <b>88 065</b>                                               | <b>229 885</b>   | –                         | 178 674      | 720 187          | 40 000                    |                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                    |
| <b>7 430 779</b>                                            | <b>229 885</b>   | –                         | 9 866 805    | 720 187          | 40 000                    | <b>Total Directors' interest in preference share capital</b>                                                                                                                                                                   | <b>Totale Direkteursbelange in voorkeuraandelekapitaal</b>                                                                                                                                                                                         |
|                                                             |                  |                           |              |                  |                           | There was no change in the shareholding of Directors in the ordinary and preference shares of the Company, between the end of the financial year and the approval of the financial statement by the Board on 6 September 2012. | Daar was geen verandering in die aandeelhouding van Direkteure in die gewone en voorkeuraandele van die Maatskappy tussen die einde van die finansiële jaar en die goedkeuring van die finansiële state deur die Direksie op 6 September 2012 nie. |

# Notes to the consolidated financial statements/Aantekeninge tot die gekonsolideerde finansiële state

for the year ended/vir die jaar geëindig 30.6.2012

| Group/Groep                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |        | Company/Maatskappy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2011   | 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2011  |
| R'000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | R'000  | R'000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | R'000 |
| <b>34. Long-service bonus</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |        | <b>34. Langdiensbonus</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |
| <b>34.1 Introduction</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |        | <b>34.1 Inleiding</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |       |
| The Group rewards employees with long service by remunerating them with a lump sum after a specific number of service years. Assumptions and valuation methods are as follows:                                                                                                                                                                                                                                                                                                                                                                                                                                      |        | Die Groep vergoed werknemers vir lang diens deur hulle te beloon met 'n enkelbedrag na 'n spesifieke aantal jare diens. Die aannames en waardasiemetodes is soos volg:                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |       |
| <b>34.2 Background</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |        | <b>34.2 Agtergrond</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |       |
| The long-service bonuses which employees receive differ between employees whose employment date was before 1 January 2001 and employees whose employment date was after 1 January 2001. The benefit is as follows:                                                                                                                                                                                                                                                                                                                                                                                                  |        | Die langdiensbonusse wat werknemers ontvang, verskil tussen werknemers wie se indiensnemingsdatum voor 1 Januarie 2001 en werknemers wie se indiensnemingsdatum na 1 Januarie 2001 is. Die voordele is soos volg:                                                                                                                                                                                                                                                                                                                                                                                                                      |       |
| <b>Employees with an employment date before 1 January 2001</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |        | <b>Werknemers met 'n indiensnemingsdatum voor 1 Januarie 2001</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |       |
| Employees receive a bonus of three times their monthly basic salary after 15 years service and one time their monthly basic salary every five years thereafter.                                                                                                                                                                                                                                                                                                                                                                                                                                                     |        | Werknemers ontvang 'n bonus gelykstaande aan drie keer hul maandelikse salaris vir elke 15 jaar diens en een keer hul maand se salaris vir elke vyf jaar daarna.                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |       |
| <b>Employees with an employment date after 1 January 2001</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |        | <b>Werknemers met 'n indiensnemingsdatum na 1 Januarie 2001</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |       |
| Employees receive a bonus of 10% of their monthly basic salary after 10 years' service, 15% after 15 years' service, 20% after 20 years' service, 25% after 25 years' service, etc.                                                                                                                                                                                                                                                                                                                                                                                                                                 |        | Werknemers ontvang 'n bonus van 10% van hul maandelikse salaris na 10 jaar diens, 15% na 15 jaar diens, 20% na 20 jaar diens, 25% na 25 jaar diens, ens.                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |       |
| <b>34.3 Valuation method</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |        | <b>34.3 Waardasiemetode</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |
| The projected unit credit method is used in the calculations. The values of the past service liabilities and the future service liabilities are given separately. The past service liability is the value of the accumulated liability as at the calculation date in respect of service already rendered. The future service liability is the value of the liability from service after the calculation date until the next date the employee is entitled to receive a bonus payment. The total liability is evenly distributed over the period since service inception until the date when the benefit is payable. |        | Die geprojekteerde eenheid-kredietmetode word gebruik in die berekening. Die waardes van die opgelope diensverpligting en die toekomstige diensverpligting word apart getoon. Die opgelope diensverpligting is die waarde van die opgelope verpligting soos op die berekeningsdatum in verband met dienste alreeds gelewer. Die toekomstige diensverpligting is die waarde van die verpligting van die diens na die berekening tot die volgende datum waarop die werknemer geregtig raak op 'n bonus. Die totale verpligting word eweredig versprei oor die tydperk van indiensneming tot die datum waarop die voordeel betaalbaar is. |       |
| <b>34.4 Valuation results</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |        | <b>34.4 Waardasieresultate</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |       |
| <b>Past service liability</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |        | <b>Gevestigde diensverpligting</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |       |
| The total past service liability in respect of long-service bonuses is set out as follows:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |        | Die totale gevestigde diensverpligting met betrekking tot langdiensbonusse word hieronder uiteengesit:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |       |
| Employees with employment date before 01/01/2001                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |        | Werknemers met 'n indiensnemingsdatum voor 01/01/2001                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |       |
| Employees with employment date after 01/01/2001                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |        | Werknemers met 'n indiensnemingsdatum na 01/01/2001                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |       |
| <b>30 175</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 31 340 | <b>Totale gevestigde diensverpligting</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |
| <b>983</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 873    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |       |
| <b>31 158</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 32 213 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |       |
| <b>Total past service liability</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |       |

## for the year ended/vir die jaar geëindig 30.6.2012

### 35. Events after the reporting period

Other than the above, no significant events occurred subsequent to the year-end.

Die Mededingingskommissie het op 28 Augustus 2012 Clover SA se verkryging van die Real Juice Co. Holdings (Edms) Bpk van AVI Bpk voorwaardelik goedgekeur. Clover SA het die voorwaardes wat gestel is aanvaar en die effektiewe datum van die transaksie sal 1 Oktober 2012 wees.

Behoudens die bogemelde het geen wesenlike gebeure na die jaareinde plaasgevind nie.

## CLOVER INDUSTRIES LIMITED

(Registration number 2003/030429/06)  
(Incorporated in the Republic of South Africa)  
(Ordinary share code code: CLR)  
(ISIN code: ZAE000152377)  
(Preference share code: CLRP)  
(ISIN code: ZAE000152385)  
("the Company")

### A. Notice

Notice is hereby given of the annual general meeting (the "Annual General Meeting ") of Clover Industries Limited to be held at 200 Constantia Drive, Constantia Kloof on Friday, 30 November 2012, at 09h00 or any adjournment/postponement thereof.

Shareholders or their proxies may participate in the Annual General Meeting by way of a teleconference call and, if they wish to do so:

- must contact the Company Secretary (by email at the address manie.roode@clover.co.za) no later than 12h00 on Tuesday, 27 November 2012, in order to obtain a pin number and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the Annual General Meeting.

### B. Who may attend and vote

The board of directors of the Company has determined that the record date for the purpose of determining which shareholders of the Company are entitled to receive notice of the Annual General Meeting is Friday, 14 September 2012 and the record date for purposes of determining which shareholders of the Company are entitled to vote at the Annual General Meeting is Friday, 23 November 2012. Accordingly, only shareholders who have traded by the last trading day, being Friday, 16 November 2012, and are registered in the securities register of the Company on Friday, 23 November 2012, will be entitled to participate in and vote at the Annual General Meeting.

Holders of ordinary shares will be entitled to vote on all of the resolutions put to shareholders at the Annual General Meeting. Holders of preference shares, to which this notice of Annual General Meeting is addressed, are entitled to attend the Annual General Meeting, but not to vote on any resolution put to ordinary shareholders at the Annual General Meeting.

If you hold dematerialised shares which are registered in your name or if you are the registered holder of certificated shares:

- you may attend the Annual General Meeting in person; or

- alternatively, you may appoint a proxy (who need not be a shareholder of the Company) to represent you at the Annual General Meeting by completing the attached form of proxy in accordance with the instructions it contains and returning it to the transfer secretaries to be received by not later than 09h00 on Thursday, 29 November 2012.

If you hold dematerialised shares which are not registered in your name:

- and wish to attend the Annual General Meeting, you must obtain the necessary letter of authority from your CSDP or broker;
- and do not wish to attend the Annual General Meeting but would like your vote to be recorded at the Annual General Meeting, you should contact your CSDP or broker and furnish them with your voting instructions; and
- you must not complete the attached form of proxy.

All meeting participants will be required to provide reasonably satisfactory identification to the Chairman of the Annual General Meeting.

### C. Purpose of the meeting

The purpose of the Annual General Meeting is to conduct the following business:

- the adoption of a new memorandum of incorporation for the Company in substitution for its existing memorandum and articles of association;
- to present and note:
  - the annual financial statements of the Company for the year ended 30 June 2012, which annual financial statements are attached to the notice of the Annual General Meeting ("Annual Financial Statements");
  - the director's report on the Annual Financial Statements;
  - the audit and risk committee's report relating to the Annual Financial Statements;
- to note the retirement of certain directors, in terms of the Company's existing memorandum of incorporation, and to present and vote on the re election of those same directors;
- to present and vote on:
  - the re-appointment of the Independent External Auditors for the year ending 30 July 2013;
  - the election of an independent Audit and Risk Committee;
- to provide the Chairman of the Social and Ethics Committee with an opportunity to report back to the shareholders as provided for in regulation 43 of the Companies Act; and
- to consider and, if deemed fit, pass, with or without modification, all resolutions set out below.

# Notice of Annual General Meeting

## A. Normal business

### 1. Ordinary resolution number 1: Adoption of Annual Financial Statements

#### 1.1 Resolution

To receive, consider and adopt the Company's audited annual financial statements and Group audited annual financial statements, including the director's report, auditor's report, report by the Audit and Risk Committee and the report by the Social and Ethics Committee for the year ended 30 June 2012.

#### 1.2 Approval

In order for this ordinary resolution to be adopted, the support of a majority of votes cast by shareholders present or represented by proxy at this meeting is required.

### 2. Ordinary resolution number 2: Re-election of Directors who have Retired by Rotation

#### 2.1 Resolution

Each of the following directors (who are retiring, but are eligible for and have offered their services for re-election) are re-elected, in terms of articles 29.5 of the Company's articles of association (henceforth known as the Memorandum of Incorporation, in terms of the Companies Act), namely:

- (a) WI Büchner as a Non-executive Director of the Company; and
- (b) Dr JC Hendriks as a Non-executive Director of the Company.

#### 2.2 Approval

Each of these resolutions will be considered by way of a separate vote and in order for each ordinary resolution to be adopted, the support of a majority of votes cast by shareholders present or represented by proxy at this meeting is required.

#### 2.3 A brief biography of each of WI Büchner and Dr JC Hendriks is set out below:

- 2.3.1 WI Büchner obtained a Bachelor of Engineering in 1989. He is a milk producer who has been farming in the Eastern Cape since 1994. Prior to 1994, he was First Engineer at Eloptro (Denel) for a period of five years.
- 2.3.2 Dr JC Hendriks is a farmer in the Heilbron area. He obtained a Bachelor of Science in 1971 and practised as a veterinarian for 13 years before becoming a full-time farmer.

### 3. Ordinary resolution number 3: Re-appointment of Independent External Auditors

#### 3.1 Resolution

Ernst & Young Inc. is reappointed, upon the recommendation of the current Audit and Risk Committee, as the independent registered auditor of the Company, and to note that the individual registered auditor who will undertake the audit during the ensuing financial year ending 30 June 2013 will be Mr FF Scheepers.

#### 3.2 Approval

In order for this ordinary resolution to be adopted, the support of a majority of votes cast by shareholders present or represented by proxy at this meeting is required.

### 4. Ordinary resolution number 5: Approval of the Group Remuneration Policy

#### 4.1 Resolution

The Company's Group Remuneration Policy, as described In the Remuneration Report on pages 74 and 83 of the Integrated Annual Report of which this notice forms part, is endorsed by way of a non-binding advisory vote as recommended in the King Code of Corporate Governance for South Africa 2009.

#### 4.2 Approval

In order for this ordinary resolution to be adopted, the support of a majority of votes cast by shareholders present or represented by proxy at this meeting is required.

### 5. Ordinary resolution number 6: Election of Independent Audit and Risk Committee

#### 5.1 Resolution

To elect, as separate resolutions:

- (i) Dr SF Booysen;
- (ii) JNS Du Plessis;
- (iii) NP Mageza; and
- (iv) TA Wixley;

who are independent Non-executive Directors of the Company, as the members of the Company's Audit and Risk Committee for the ensuing year. As is evident from the biographies (which appear below) of these Directors, they have the required qualification and/or experience to fulfil their duties as committee members.

#### 5.2 A brief biography of each of Dr Booysen and Messrs Du Plessis, Mageza and Wixley is set out below.

- 5.2.1 Dr SF Booysen obtained a doctorate degree in commerce from the University of Pretoria and is a qualified Chartered Accountant. He was the Group Chief Executive Officer of Absa Bank from 2004 to 2009.
- 5.2.2 Adv JNS du Plessis obtained a BCom LLB degree from the University of Stellenbosch. He was admitted to as counsel during 1974 and took silk in 1989. He has occasionally acted as an acting judge of the High Court. He has been a non-executive director of the Steinhoff Group Services Team and as an alternate executive director with effect from 1 March 2008.
- 5.2.3 NP Mageza is a fellow of the Association of Chartered Certified Accountants. He is the former chief operations officer and executive director of Absa Bank Ltd. He worked as an

audit manager within Transnet Limited's group internal audit service before becoming chief executive officer of Autonet – the road passenger and freight logistics division of Transnet

- 5.2.4 TA Wixley was appointed as the Company's Lead Independent director by the Board. He obtained a bachelor of Commerce from the University of Cape Town in 1959 and is a Chartered Accountant (South Africa). He was with Ernst & Young and its predecessor firms for 41 years – 31 as a partner and as Chairman last 10. He is a member of SAICAs committee on corporate law, the Actuarial Governance Board and the King III sub-committee on directors and boards. He has been a Director of the Company since 2007.

### 5.3 Approval

Each of these resolutions will be considered by way of a separate vote and in order for these ordinary resolutions to be adopted, the support of a majority of votes cast by shareholders present or represented by proxy at this meeting is required.

## B. Special business

### 1. Special resolution number 1: General Authority to Repurchase Shares

#### 1.1 Resolution

The Company and/or any of its subsidiaries be and is hereby authorised by way of a general authority to acquire, from time to time, ordinary shares issued by the Company, on such terms and conditions as the directors may deem fit, and in terms of the Company's Memorandum of Incorporation,, section 48 of the Companies Act and the JSE Listings Requirements, provided that:

- 1.1.1 such acquisitions shall be implemented through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter party (reported trades are prohibited);
- 1.1.2 such general authority shall be valid only until the next Annual General Meeting of the Company or the variation or revocation of such general authority by special resolution at any subsequent general meeting of the Company, provided that it shall not extend beyond 15 months from the date of passing of this resolution;
- 1.1.3 such acquisitions may not be made at a price greater than 10% (ten percent) above the weighted average of the market value for the shares for the five business days immediately preceding the date on which the acquisition is effected;
- 1.1.4 when the Company has cumulatively repurchased 3% (three percent) of the initial number (the number of that class of shares in issue at the time that general authority from shareholders is granted) of the relevant class of shares, and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter, an announcement must be made giving the details required in terms of the JSE Listings Requirements in respect of such acquisitions;
- 1.1.5 the Company has been given authority by its Memorandum of Incorporation;

- 1.1.6 no repurchases of shares shall be effected during a prohibited period as contemplated in the JSE Listings Requirements, unless a repurchase programme is in place, where dates and quantities of shares to be traded during the prohibited period are fixed and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period;
- 1.1.7 the Company only appoints one agent to effect any repurchase(s) on its behalf;
- 1.1.8 the aggregate of such acquisitions may not, in any one financial year, exceed 20% (twenty percent) of the Company's issued share capital of that class as at the beginning of the financial year;
- 1.1.9 a resolution has been passed by the Board of Directors confirming that the Board has authorised the general repurchase, that the Company passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the Company and Group;
- 1.1.10 the Company undertaking that it will not enter the market to acquire the Company's shares until the Company's sponsor has provided written confirmation to the JSE regarding the adequacy of the Company's working capital in accordance with Schedule 25 of the JSE Listings Requirement;
- 1.1.11 any such general repurchases are subject to exchange control regulations and approval at that point in time; and
- 1.1.12 the aggregate of such acquisitions held by subsidiaries of the Company may not exceed 10% (ten percent) of the Company's issued share capital at any one time.

#### 1.2 Explanation

The reason for and effect of this special resolution is to authorise the Company and/or any of its subsidiaries by way of a general authority, in terms of section 48 of the Companies Act, to acquire the shares issued by it on such terms as the directors may deem fit. Any shares acquired as aforesaid by the Company (as opposed to its subsidiaries) shall be cancelled and restored to the status of authorised but unissued shares in the capital of the Company.

#### Statement of Board's intention

The directors of the Company have no specific intention to give effect to the provisions of special resolution number 1, but will, however, continually review the Company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect the provisions of special resolution number 1.

#### 1.3 Approval

In order for this special resolution to be adopted, the support of at least 75% of the total number of votes, which the shareholders present or represented by proxy at this meeting are entitled to cast, is required.

## Notice of Annual General Meeting

### 2. Special resolution number 2: Remuneration of Non-executive Directors

#### 2.1 Resolution

To approve the Non-executive Directors' remuneration commencing with effect from 1 July 2012 and as indicated below:

|       |                              | Informal<br>responsi-<br>bilities | Retainer<br>and<br>meeting | Services<br>rendered<br>which fall<br>outside<br>scope of<br>services | Total<br>fees |
|-------|------------------------------|-----------------------------------|----------------------------|-----------------------------------------------------------------------|---------------|
| 2.1.1 | <b>Board</b>                 |                                   |                            |                                                                       |               |
| 2.1.2 | Chairman                     | 21 600                            | 957 960                    | 1 650                                                                 | 979 560       |
|       |                              |                                   |                            | per hour                                                              |               |
| 2.1.3 | Lead Independent<br>Director | 21 600                            | 717 120                    | 1 650                                                                 | 738 720       |
|       |                              |                                   |                            | per hour                                                              |               |
| 2.1.4 | Vice-Chairman                | 21 600                            | 304 560                    | 1 650                                                                 | 326 160       |
|       |                              |                                   |                            | per hour                                                              |               |
| 2.1.5 | Board members                | 21 600                            | 250 560                    | 1 650                                                                 | 272 160       |
|       |                              |                                   |                            | per hour                                                              |               |

2.1.6 The Chairman and Lead Independent Director's fees include the board and all committee membership.

#### 2.2 Committees

|       |                          | Attendance fee |
|-------|--------------------------|----------------|
| 2.2.1 | Audit and Risk Committee |                |
|       | (a) Chairman             | 41 375         |
|       | (b) Member               | 27 585         |
| 2.2.2 | Remuneration Committee   |                |
|       | (a) Chairman             | 38 800         |
|       | (b) Member               | 17 620         |
| 2.2.3 | Sustainability Committee |                |
|       | (a) Chairman             | 38 800         |
|       | (b) Member               | 17 620         |
| 2.2.4 | Nomination Committee     |                |
|       | (a) Chairman             | 20 682         |
|       | (b) Member               | 13 780         |
| 2.2.5 | Other Sub-Committees     |                |
|       | (a) Chairman             | 20 682         |
|       | (b) Member               | 13 780         |

#### 2.3 Explanation

The reason for and the effect of this special resolution is to grant the Company authority to pay remuneration to its Non-Executive Directors for their services as directors of the Company with effect from 1 July 2012.

#### 2.4 Approval

In order for this special resolution to be adopted, the support of at least 75% of the total number of votes which the shareholders present or represented by proxy at this meeting are entitled to cast is required.

### 3. Special resolution number 3: Adoption of New Memorandum of Incorporation

#### 3.1 Resolution

To adopt a new memorandum of incorporation of the Company, in substantially the same form as the one attached to this notice of Annual General Meeting, in substitution for its existing memorandum and articles of association in order to align the Company's constitutional documents with the Companies Act.

#### 3.2 Explanation

In order for this special resolution to be adopted, the support of at least 75% of the total number of votes which the shareholders present or represented by proxy at this meeting are entitled to cast is required.

### C. Other business

1. To transact such other business as may be transacted at an Annual General Meeting.

## Disclosure required in terms of the JSE Listings Requirements relating to Special Resolution Number 1

### Solvency and Liquidity Statement

The board of directors of the Company confirm that the Company will not commence a general repurchase of shares in respect of special resolution number 1 unless, for a period of 12 months after the date of the general repurchase/distribution as contemplated in special resolution 1:

- the Company and the Group's assets will be in excess of the liabilities of the Company and the Group. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Companies Act;
- the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes;
- the working capital available to the Company and the Group will be adequate for the ordinary business purposes; and
- the Company and the Group will be able to pay their debts as they become due in the ordinary course of business.

### Director's responsibility statement

The Directors, whose names are given on pages 13 and 15 of the Integrated Annual Report for 2012, collectively and individually accept full responsibility for the accuracy of the information given in special resolution number 1 and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this resolution contains all information required by law and the JSE Listings Requirements.

### General information

- Information relating to the Directors and management of the Company can be found on pages 13 of the Integrated Annual Report for 2012.
- Information relating to the major shareholders of the Company can be found on page 10 of the Integrated Annual Report for 2012.
- Information relating to the directors' interests in the Company can be found on page 194 of the Integrated Annual Report for 2012.
- Information relating to the share capital of the Company can be found on page 162 of the Integrated Annual Report for 2012.
- There are no legal or arbitration proceedings which may have, or have had in the recent past, being the twelve months preceding the date of this notice, a material effect on the financial position of the Company and the Company is not aware of any such pending or threatened proceedings.
- There have been no material changes in the financial or trading position of the Company and the Group since the date of the audit report and the signature of this notice.

### Proxy appointments

Any shareholder who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend, speak and, on a poll or by show of hands, vote in his or her stead. A proxy need not be a shareholder of the Company. Forms of proxy must be received by the transfer secretaries, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), telefacsimile number (011) 688-5238, by not later than 09h00 on Thursday, 29 November 2012. Any form of proxy not received by this time must be handed to the Chairperson of the Annual General Meeting immediately prior to the Annual General Meeting.

### Interpretation of this notice

- All references in this notice of Annual General Meeting to the "JSE Listings Requirements" mean the Listings Requirements of the JSE Limited, as amended from time to time and as interpreted and applied by the JSE Limited.
- All references in this notice of annual general meeting to the "Companies Act" mean the "Companies Act No 71 of 2008, as amended".

By order of the Board



**HB Roode**  
**Director and Secretary**

Date: 21 September 2012



**CLOVER INDUSTRIES LIMITED**

(Registration number 2003/030429/06)  
 (Incorporated in the Republic of South Africa)  
 (Ordinary share code code: CLR)  
 (ISIN code: ZAE000152377)  
 (Preference share code: CLRP)  
 (ISIN code: ZAE000152385)  
 ("the Company")

Holders of ordinary shares will be entitled to vote on all of the resolutions put to shareholders at the Annual General Meeting. Holders of preference shares are entitled to attend the Annual General Meeting, but not to vote. This proxy form is for use by ordinary certificated shareholders and dematerialised shareholders whose shares are registered in their own names on Friday, 23 November 2012 ("Record Date"), being the Record Date for the Annual General Meeting to be held at 200 Constantia Drive, Constantia Kloof, Roodepoort on Friday, 30 November 2012 at 09:00 (see note 1 and 2).

For instructions on the use of this proxy form and a summary of the rights of the shareholder's to be represented by proxy and the proxy, please see the instructions and notes at the end of this form.

I/We (full names in BLOCK LETTERS please)

of (address)

Telephone (work) (home)

being the holder of ( ) ordinary share (s), hereby appoint (see note 1)

1. or failing him/her,

2. or failing him/her,

3. the Chairman of the Annual General Meeting

as my/our proxy to participate in, and speak and vote at, for me/us on my/our behalf at, the Annual General Meeting which will be held for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions to be proposed and considered at the Annual General Meeting, and at each adjournment of the Annual General Meeting, and to vote for or against the said resolutions or to abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 4 and 6).

| Number of votes |                                                                                     | Ordinary shares |          |          |
|-----------------|-------------------------------------------------------------------------------------|-----------------|----------|----------|
|                 |                                                                                     | *In favour of   | *Against | *Abstain |
| <b>A.</b>       | <b>Normal business</b>                                                              |                 |          |          |
| 1.              | Ordinary resolution number 1: Adoption of Annual Financial Statements               |                 |          |          |
| 2.              | Ordinary resolution number 2: Re-election of Directors who have retired by rotation |                 |          |          |
|                 | To be inserted WI Büchner                                                           |                 |          |          |
|                 | To be inserted Dr J C Hendriks                                                      |                 |          |          |
| 3.              | Ordinary resolution number 4: Re-appointment of Independent External Auditors       |                 |          |          |
| 4.              | Ordinary resolution number 5: Approval of the Group Remuneration Policy             |                 |          |          |
| 5.              | Ordinary resolution number 6: Election of Independent Audit and Risk Committee      |                 |          |          |
|                 | (a) S F Booysen as a member of the Audit and Risk Committee                         |                 |          |          |
|                 | (b) Dr J N S Du Plessis as a member of the Audit and Risk Committee                 |                 |          |          |
|                 | (c) N P Mageza as a member of the Audit and Risk Committee                          |                 |          |          |
|                 | (d) T A Wixley as a member of the Audit and Risk Committee                          |                 |          |          |
| <b>B.</b>       | <b>Special business</b>                                                             |                 |          |          |
| 1.              | Special resolution number 1: General Authority to Repurchase Shares                 |                 |          |          |
| 2.              | Special resolution number 2: Approval of Non-Executive Directors' Remuneration      |                 |          |          |
| 3.              | Special resolution number 3: Adoption of the Memorandum of Incorporation            |                 |          |          |

\* Insert an "X" in the relevant space above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of less than your entire holding of ordinary shares in the Company, insert the number of ordinary shares in respect of which you desire to vote (see note 5).

Signature:

Signed at:

on 2012.

Assisted by me (where applicable):

## Form of proxy

### Summary of rights contained in section 58 of the Companies Act

In terms of section 58 of the Companies Act:

- A shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, the Annual General Meeting on behalf of such shareholder.
- A proxy may delegate her or his authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing such proxy.
- Irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any such shareholder's rights as a shareholder.
- Any appointment by the shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise.
- Any appointment remains valid until the end of the Annual General Meeting (or any adjournment thereof), unless it is revoked in the manner contemplated herein.
- If an appointment of a proxy is revocable, the shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy and to the Company.
- A proxy appointed by the shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the memorandum of incorporation of the Company, or the instrument appointing the proxy, provides otherwise.

### Instructions and notes to this form of proxy

1. This form of proxy should only be used by shareholders whose shares are registered in their own names on the Record Date and who wish to appoint another person to represent them at the Annual General Meeting. If duly authorised, companies and other corporate bodies who are shareholders of the Company having shares registered in their own names may, instead of completing this proxy form, appoint a representative to represent them and exercise all of their rights at the Annual General Meeting by giving written notice of the appointment of that representative. Other shareholders should not use this form of proxy.
2. All beneficial holders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker, and do not have their shares registered in their own name, must provide the CSDP or broker with their voting instructions. Alternatively, if they wish to attend the Annual General Meeting in person, they should request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between the beneficial owner and the CSDP or broker.
3. This proxy form will not be effective at the Annual General Meeting unless received at the Company's transfer office, Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (P.O. Box 61051, Marshalltown, 2107), telefacsimile number (011) 688-5238, by not later than 09:00 on Thursday, 29 November 2012. If a shareholder does not wish to deliver this form of proxy to that address, it may also be posted, at the risk of the shareholder, to P.O. Box 6161, Weltevredenpark, 1715. Any forms of proxy not received by this time must be handed to the Chairman of the Annual General Meeting immediately prior to the Annual General Meeting.
4. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, which proxy need not be a shareholder of the Company, with or without deleting "the Chairman of the Annual General Meeting", but any such deletion must be signed in full by the shareholder; provided that:
  - 4.1 If more than one name is inserted, the person whose name stands first on this form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
  - 4.2 If the name of the proxy is not inserted, the Chairman of the Annual General Meeting will be appointed as proxy.
  - 4.3 The proxy appointed in this proxy form may delegate the authority given to him in this proxy form by delivering to the Company, in the manner required by these instructions, a further form of proxy which has been completed in a manner consistent with the authority given to the proxy in this form of proxy.

- 4.4 Unless revoked, the appointment of proxy in terms of this form of proxy remains valid until the end of the Annual General Meeting even if the Annual General Meeting or a part thereof is postponed or adjourned.
5. Shareholders are to insert an "X" in the space provided according to how they wish their votes to be cast. However, if a shareholder wishes to cast its votes in respect of a lesser number of shares than it owns in the Company, it is to insert the number of shares held in respect of which it wishes to vote. Where there are joint holders of any shares, only that holder whose name appears first in the register of shareholders of the Company in respect of such shares needs to sign this form of proxy.
6. The form of proxy shall, in addition to the authority granted under the Companies Act, be deemed to confer the power generally to act at the Annual General Meeting, subject to the specific direction as to the manner of voting in this form of proxy or on separate written instructions which accompany this form of proxy. A proxy is therefore entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the voting instructions are indicated on the form of proxy or on separate written instructions which accompany this form of proxy. Without derogating from the foregoing, none of the following circumstances will qualify, or be construed as, or deemed to be, a qualification of, the powers of the proxy referred to above:
  - 6.1 The shareholder does not indicate on this instrument that the proxy is to vote in favour of, or against, or to abstain from voting on, any resolution.
  - 6.2 The shareholder gives contradictory instructions in relation to any matter.
  - 6.3 Any additional resolution/s are properly put before the Annual General Meeting.
  - 6.4 Any resolution listed in the form of proxy is modified or amended.
7. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by proxy, but the total of the votes cast in respect of which abstention is recorded may not exceed the total number of the votes exercisable by the shareholder or by proxy.
8. If this form of proxy is signed by a person (signatory) on behalf of the shareholder, whether in terms of a power of attorney or otherwise, then this proxy form will not be effective unless (i) it is accompanied by a certified copy of the authority given by the shareholder to the signatory; or (ii) the Company has already received a certified copy of that authority.
9. Any alterations or corrections to this form of proxy must be signed in full and not initialled. If this form of proxy is signed under a power of attorney or other form of authority, then such power of attorney or other form of authority, or a notarially certified copy thereof, must be sent with this form of proxy for noting (unless it has already been noted by the transfer secretaries). A minor must be assisted by his or her parent or guardian unless the relevant documents establishing his or her legal capacity are produced or have been registered by the transfer secretaries.
10. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person at the Annual General Meeting to the exclusion of any proxy appointed in terms of this form of proxy.
11. This form of proxy is revoked if the shareholder who granted the proxy:
  - 11.1 Gives written notice of cancellation of the appointment of proxy to the Company, so that it is received by hand by the Company by not later than 09:00 on Thursday, 29 November 2012 at 200 Constantia Drive, Constantia Kloof, Roodepoort, 1709.
  - 11.2 Appoints another proxy for the Annual General Meeting.
  - 11.3 Attends the Annual General Meeting himself in person.
12. The Chairman of the Annual General Meeting may accept any form of proxy which is completed, other than in accordance with these notes, if the Chairman is satisfied as to the manner in which the shareholder wishes to vote.
13. All notices which a shareholder is entitled to receive in relation to the Company shall continue to be sent to that shareholder and shall not be sent to the proxy.
14. Additional forms of proxy are available from the transfer secretaries on request.

## Administration

### Registered office

200 Constantia Drive, Constantia Kloof, 1709

### Postal address

PO Box 6161, Weltevredenpark, 1715

### Telephone

(011) 471 1400

### Telefax

(011) 471 1504

### Internet address

[www.clover.co.za](http://www.clover.co.za)

### External auditors

Ernst & Young Incorporated Johannesburg

### Bankers

The Absa Group  
First National Bank  
Investec Bank

### Company registration number

2003/030429/06

### Attorneys

Werksmans  
Roestoff, Venter and Kruse  
Kocks and Dreyer  
Adams & Adams

## Administrasie

### Geregistreeerde kantoor

Constantiarylaan 200, Constantia Kloof, 1709

### Posadres

Posbus 6161, Weltevredenpark, 1715

### Telefoon

(011) 471 1400

### Telefaks

(011) 471 1504

### Internetadres

[www.clover.co.za](http://www.clover.co.za)

### Eksterne ouditeure

Ernst & Young Incorporated Johannesburg

### Bankiers

Die Absa Groep  
Eerste Nasionale Bank  
Investec Bank

### Maatskappyregistrasienommer

2003/030429/06

### Regsadviseurs

Werksmans  
Roestoff, Venter en Kruse  
Kocks en Dreyer  
Adams & Adams