

Financial statements

Consolidated income statement

For the year ended 31 December (abridged)	31 December 2010 US\$m	31 December 2009 US\$m
Total sales (Note 1)	5,877	3,840
Less: cost of sales	4,983	3,513
Gross profit	894	327
Less: operating costs (Note 2)	416	402
Operating profit (loss)	478	(75)
Add:		
Trade investment income	517	298
Foreign exchange gains	44	95
Profit before finance charges and taxation	1,039	318
Less: net interest charges (Note 3)	176	225
Profit before taxation	863	93
Less: taxation	225	125
Profit (loss) after taxation	638	(32)
Less: interests of outside shareholder in subsidiaries	34	(1)
Own earnings (loss)	604	(31)
Add: share of retained (loss) income of joint ventures	(6)	(6)
Net earnings (loss) before once-off items	598	(37)
Once-off items (Note 4)	(52)	(706)
Net earnings	546	(743)
Underlying earnings (loss) (Note 5)	598	(220)
EBITDA	1,428	654

Consolidated balance sheet

For the year ended 31 December (abridged)	31 December 2010 US\$m	31 December 2009 US\$m
Share capital and reserves	3,279	1,943
Interests of outside shareholders	144	229
Total shareholders' equity	3,423	2,172
Shareholders' loans	790	759
Other net interest bearing debt*	1,762	3,200
Other non-current liabilities	972	805
	6,947	6,936
Fixed assets	2,908	2,795
Other non-current assets and investments	3,012	3,023
Net current assets	1,027	1,118
	6,947	6,936

*Other net interest bearing debt includes short-term borrowings and is net of cash.

Financial statements *continued*

Summary of cash flows

For the year ended 31 December (abridged)	31 December 2010 US\$m	31 December 2009 US\$m
Cash available from operating activities	1,160	226
Less: investing activities		
Fixed assets – stay-in-business	204	150
– expansion		31
Investments	13	10
	217	191
Free cash flow	943	35
Less: financing activities		
Ordinary dividends (including payments to outside shareholders)	6	105
Cash flow	937	(70)
Add (Deduct):		
Shareholder equity subscription / advances	1,000	553
Redemption of preference shares	(107)	
Non cash movements in debt and movements attributed to charges in exchange rates	(392)	(131)
Decrease in other net interest bearing debt	1,438	352

Notes

	31 December 2010 US\$m	31 December 2009 US\$m
1. Total sales of natural rough diamonds (including joint ventures)	5,082	3,233
2. Operating costs include:		
– Exploration, research and development	96	93
– Sorting, selling and marketing	133	131
– Group technical services and corporate overheads	187	178
	416	402
3. Net interest charges include preference dividends amounting to:	11	11
4. Once-off items comprise:		
Costs in respect of a class action settlement agreement		1
Costs in respect of restructuring of debt	28	25
Impairment in respect of Canadian mining assets		696
Net costs in respect of restructuring	24	(16)
	52	706
5. Underlying (loss) earnings* is calculated as follows:		
Net earnings (loss) before once-off items	598	(37)
Adjusted for special items and re-measurements:		
Asset disposals (net)	(2)	6
Re-measurement gains on financial instruments (net)	2	(189)
Underlying (loss) earnings	598	(220)

*Underlying (loss) earnings comprise net earnings attributable to shareholders adjusted for the effect of any once-off or special items and re-measurements, less any tax and minority interests. Special items include closure costs, exceptional legal provisions and profits and losses on the disposal of or impairments of assets. Special items which are considered to be significant relative to the results are categorised as being once-off. Re-measurements are recorded in underlying earnings in the same period as the underlying transaction against which these instruments provide an economic, but not formally designated, hedge.

Other information

	31 December 2010 US\$m	31 December 2009 US\$m
Exchange rates		
US\$/ZAR average	7.37	8.25
US\$/ZAR period end	6.63	7.43
US\$/C\$ average	1.03	1.15
US\$/C\$ period end	1.01	1.06

Financial statements *continued*

Production statistics

<i>Actual</i>	31 December 2010 Tonnes '000	31 December 2009 Tonnes '000
Total tonnes treated	54,544	35,109
DBCM	17,069	11,321
- Kimberley mines & contractors	5,493	2,696
- Finsch	4,483	3,249
- Namaqualand mines & contractors	41	138
- Venetia	4,036	2,836
- Voorspoed	3,016	2,402
- SASA (m ² 000)	199	1,923
Namdeb	17,156	7,298
Land	9,434	3,477
Sea (m ² 000)	7,722	3,821
Debswana	24,439	17,845
Orapa	12,927	8,817
Letlhakane	3,307	2,362
Damtshaa	-	60
Jwaneng	8,204	6,606
De Beers Canada	3,602	2,466
Snap Lake	869	354
Victor	2,733	2,112

	31 December 2010 Carats '000	31 December 2009 Carats '000
Carats recovered	32,997	24,600
DBCM	7,556	4,797
- Kimberley mines & contractors	823	397
- Finsch	1,583	1,426
- Namaqualand mines & contractors	97	71
- Venetia	4,287	2,204
- Voorspoed	732	532
- SASA	33	167
Namdeb	1,472	929
Land	492	329
Sea	980	600
Debswana	22,218	17,734
Orapa	9,528	7,574
Letlhakane	1,221	1,066
Damtshaa	-	54
Jwaneng	11,470	9,039
De Beers Canada	1,751	1,140
Snap Lake	926	444
Victor	826	697