

Financial statements

Consolidated income statement

For the year ended 31 December 2009 (abridged)	31 December 2009 US\$m	31 December 2008 US\$m
Total sales (Note 1)	3,840	6,888
Less: cost of sales	3,513	5,525
Gross profit	327	1,363
Less: operating costs (Note 2)	402	817
Operating (loss) profit	(75)	546
Add:		
Trade investment income	298	583
Foreign exchange (losses) gains	95	(306)
Profit before finance charges and taxation	318	823
Less: net finance charges (Note 3)	225	240
Profit before taxation	93	583
Less: taxation	125	304
(Loss) Profit after taxation	(32)	279
Less: interests of outside shareholder in subsidiaries	(1)	55
Own (loss) earnings	(31)	224
Add: share of retained (loss) income of joint ventures	(6)	70
Net (loss) earnings before once-off items	(37)	294
Once-off items (Note 4)	(706)	(204)
Net earnings	(743)	90
Underlying (loss) earnings (Note 5)	(220)	515
EBITDA	654	1,222

Consolidated balance sheet

31 December 2009 (abridged)	31 December 2009 US\$m	31 December 2008 US\$m
Share capital and reserves	1,943	2,408
Interests of outside shareholders	229	220
Total shareholders' equity	2,172	2,628
Shareholders' loans	759	248
Other net interest bearing debt*	3,200	3,552
Other non-current liabilities	709	665
	6,840	7,093
Fixed assets	2,795	3,100
Other non-current assets and investments	2,927	2,933
Net current assets	1,118	1,060
	6,840	7,093

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

Summary of cash flows

For the year ended 31 December 2009 (abridged)	31 December 2009 US\$m	31 December 2008 US\$m
Cash available from operating activities	226	700
Less: investing activities		
Fixed assets – stay-in-business	150	204
– expansion	31	199
Investments	10	39
	191	442
Free cash flow	35	258
Less: financing activities		
Ordinary dividends (including payments to outside shareholders)	105	358
Cash flow	(70)	(100)
Add (Deduct):		
Shareholder advances	553	264
Non cash movements	(131)	341
Decrease in net interest bearing debt	352	505

Financial statements continued

Notes

	31 December 2009 US\$m	31 December 2008 US\$m
1. Total sales of natural rough diamonds (including joint ventures)	3,233	5,930
2. Operating costs include:		
– Exploration, research and development	93	232
– Sorting and marketing	131	266
– Group technical services and corporate overheads	178	319
	402	817
3. Net finance charges include preference dividends amounting to	11	16
4. Once-off items comprise:		
Costs in respect of a class action settlement agreement	1	7
Costs in respect of restructuring of debt	25	
Impairment in respect of Canadian mining assets	696	
Impairment in respect of goodwill attributable to the Element Six and DBDJ business		176
Net costs in respect of restructuring	(16)	21
	706	204
5. Underlying (loss) earnings* is calculated as follows:		
Net earnings before once-off items	(37)	294
Adjusted for special items and re-measurements:		
Asset disposals (net)	6	1
Re-measurement gains on financial instruments	(189)	220
Underlying (loss) earnings	(220)	515

*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 2009 US\$m	31 December 2008 US\$m
Exchange rates		
US\$/ZAR average	8.25	7.75
US\$/ZAR period end	7.43	9.28
US\$/C\$ average	1.15	1.08
US\$/C\$ period end	1.06	1.23
Ordinary dividends paid		
2008 – Interim		77
– Special interim		88
– Final		53

Production statistics

	December 2009 Tonnes '000	December 2008 Tonnes '000
Actual		
Total tonnes treated	35,109	84,610
South African Mines	11,321	21,832
Kimberley and Contractors	2,696	5,875
Finsch Mine	3,249	6,377
Namaqualand Mines and Contractors	138	1,509
Cullinan Diamond Mine	–	1,178
Venetia Mine	2,836	5,975
The Oaks Mine	–	149
Voorspoed	2,402	769
Namdeb	3,477	16,922
Land	3,477	16,922
Sea	–	–
Botswana	17,845	41,012
Orapa Mine	8,817	18,569
Letlhakane Mine	2,362	3,794
Damtshaa Mine	60	2,883
Jwaneng Mine	6,606	15,766
Williamson Diamonds Ltd	–	2,154
Canada Mines	2,466	2,690
Snap Lake	354	903
Victor	2,112	1,787

	31 December 2009 Carats '000	31 December 2008 Carats '000
Diamonds recovered	24,600	48,132
South African Mines	4,797	11,960
Kimberley and Contractors	397	913
Finsch Mine	1,426	2,317
Namaqualand Mines and Contractors	71	310
Cullinan Diamond Mine	–	540
Venetia Mine	2,204	7,500
The Oaks Mine	–	61
SASA	167	191
Voorspoed	532	128
Namdeb	929	2,122
Land	329	1,067
Sea	600	1,055
Botswana	17,734	32,276
Orapa Mine	7,575	16,869
Letlhakane Mine	1,066	1,200
Damtshaa Mine	54	533
Jwaneng Mine	9,039	13,674
Williamson Diamonds Ltd	–	134
Canada Mines	1,140	1,640
Snap Lake	444	926
Victor	696	714