ABSA GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1986/003934/06)

ISIN: ZAE000067237

JSE share code: ASA

Issuer code: AMAGB

(Absa, Absa Group or the Group)

ABSA GROUP LIMITED: PROFIT AND DIVIDEND ANNOUNCEMENT

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

GROUP SALIENT FEATURES

	Year ended 31 December		
	2008	2007[1]	Change
	(Audited)	(Audited)	%
Income statement (Rm)			
Headline earnings[2]	**9 908**	9 413	5,3
Profit attributable to ordinary equity holders of the Group	**10 592**	9 595	10,4
Balance sheet (Rm)			
Total assets	**773 758**	640 909	20,7
Loans and advances to customers	**532 171**	455 958	16,7
Deposits due to customers	**382 281**	310 512	23,1
Financial performance (%)			
Return on average equity	**23.4**	27,2	
Return on average assets	**1,37**	1,68	
Operating performance (%)			
Net interest margin on average assets	**3,02**	3,37	
Net interest margin on average interest-bearing assets	**3,63**	3,83	
Impairment losses on loans and advances as % of average loans and advances to customers			
Group	**1,19**	0,58	
Retail banking	**1,68**	0,74	
Non-performing advances as % of loans and advances to customers	**3,5**	1,8	

	Year ended 31 December		
	2008	2007[1]	Change
	(Audited)	(Audited)	%
Non-interest income as % of total operating income	**49,2**	47,0	
Cost-to-income ratio	**49,4**	51,7	
Effective tax rate, excluding indirect taxation	**26,1**	28,8	
Share statistics (million)			
Number of shares in issue	**680,3**	678,6	
Weighted average number of shares	**675,7**	671,5	
Weighted average diluted number of shares	**702,8**	716,4	
Share statistics (cents)			
Earnings per share	**1 567,5**	1 428,9	9,7
Diluted earnings per share	**1 509,5**	1 341,4	12,5
Headline earnings per share	**1 466,2**	1 401,9	4,6
Diluted headline earnings per share	**1 412,1**	1 316,1	7,3
Dividends per ordinary share relating to income for the year	**595,0**	560,0	6,3
Dividend cover (times)	**2,5**	2,5	
Net asset value per share	**6 950**	5 537	25,5
Tangible net asset value per share	**6 809**	5 493	24,0
	(Unaudited)	(Unaudited)	
Capital adequacy (%)[3]			
Absa Bank	**14,0**	12,5	
Absa Group	**14,1**	13,1	

Notes

[1] Refer to the "reclassifications" section for the restatement of prior year figures.

[2] After allowing for R457 million (December 2007: R313 million) profit attributable to preference equity holders of the Group.

[3] December 2007 reflect Basel I numbers as previously published.

GROUP INCOME STATEMENT

		Year ended 31 December		
		2008	2007	
		(Audited)	(Audited)	Change
		Rm	Rm	%
Net interest income		**21 795**	18 890	15,4
Interest and similar income		**75 949**	55 123	37,8
Interest expense and similar charges		**(54 154)**	(36 233)	(49,5)
Impairment losses on loans and advances		**(5 839)**	(2 433)	>(100,0)
Net interest income after impairment losses on loans and advances		**15 956**	16 457	(3,0)
Net fee and commission income		**13 343**	11 600	15,0
Fee and commission income	**1.1**	**14 804**	12 873	15,0
Fee and commission expense		**(1 461)**	(1 273)	(14,8)
Net insurance premium income		**3 511**	3 192	10,0
Net insurance claims and benefits paid		**(1 890)**	(1 603)	(17,9)
Changes in investment and insurance liabilities		**(70)**	(489)	85,7
Gains and losses from banking and trading activities	**1.2**	**3 642**	1 650	>100,0
Gains and losses from investment activities	**1.3**	**1 064**	1 561	(31,8)
Other operating income		**1 515**	845	79,3
Operating income before operating expenses		**37 071**	33 213	11,6
Operating expenditure		**(21 935)**	(19 209)	(14,2)
Operating expenses	**2.1**	**(21 193)**	(18 442)	(14,9)
Other impairments	**2.2**	**(18)**	(58)	69,0
Indirect taxation		**(724)**	(709)	(2,1)
Share of retained earnings from associates and joint ventures		**73**	73	-
Operating profit before income tax		**15 209**	14 077	8,0
Taxation expense		**(3 966)**	(4 052)	2,1
Profit for the year		**11 243**	10 025	12,1
Attributable to:				
Ordinary equity holders of the Group		**10 592**	9 595	10,4

		Year ended 31 December		
		2008 (Audited) Rm	2007 (Audited) Rm	Change %
Minority interest – ordinary shares		**194**	117	65.8
Minority interest – preference shares		**457**	313	46.0
		11 243	10 025	12,1
Headline earnings	**3**	**9 908**	9 413	5,3

NOTES TO THE FINANCIAL RESULTS

1. NON-INTEREST INCOME

	Year ended 31 December		
	2008 (Audited) Rm	2007 (Audited) Rm	Change %
1.1 Fee and commission income			
Credit-related fees and commissions	**11 099**	9 611	15,5
Cheque accounts	**3 027**	2 575	17,6
Credit card accounts	**1 624**	1 551	4,7
Early redemption penalty income	**174**	196	(11,2)
Electronic banking	**3 021**	2 657	13,7
Foreign exchange fees and commissions	**316**	285	10,9
Savings accounts	**2 111**	1 801	17,2
Sundry commissions	**826**	546	51,3
Asset management and other related fees	**124**	123	0,8
Consulting and actuarial fees	**206**	162	27,2
External administration fees	**326**	217	50,2
Insurance commission received	**962**	877	9,7
Pension fund payment services	**526**	489	7,6
Portfolio and other management fees[1]	**238**	255	(6,7)
Project finance fees	**686**	513	33,7

	Year ended 31 December		
	2008	2007	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Trust and estate income[1]	**259**	228	13,6
Unit and property trust income[1]	**281**	310	(9,4)
Other	**97**	88	10.2
	14 804	12 873	15.0
Note [1] *Disclosed as part of trust and fiduciary activities.*			
1.2 Gains and losses from banking and trading activities			
Net gains on investments	**1 244**	875	42,2
Designated at fair value through profit or loss	**1 244**	873	42,5
Profit on disposal of and dividend income from associates and joint ventures	**-**	2	(100,0)
Net trading income	**2 111**	1 097	92,4
Economic hedges	**304**	(393)	>100,0
Other (including ineffective portions)	**(17)**	71	>(100,0)
	3 642	1 650	>100,0
1.3 Gains and losses from investment activities			
Designated at fair value through profit or loss	**1 045**	1 484	(29,6)
Net investment gains from insurance activities	**1 010**	1 393	(27,5)
Policyholder - investment contracts	**492**	579	(15,0)
Policyholder - insurance contracts	**113**	243	(53,5)
Shareholder funds	**405**	571	(29,1)
Other investment gains	**35**	91	(61,5)

	Year ended 31 December		
	2008	2007	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Profit on disposal of and dividend income from associates and joint ventures	**31**	41	(24,4)
(Loss)/profit on disposal of subsidiaries	**(12)**	36	>(100,0)
	1 064	1 561	(31,8)

2. OPERATING EXPENDITURE

	Year ended 31 December		
	2008	2007	
	(Audited)	(Audited)	Change
	Rm	Rm	%
2.1 Operating expenses			
Property and equipment-related			
Accommodation costs	**1 777**	1 416	(25,5)
Amortisation	**150**	85	(76,5)
Depreciation	**856**	780	(9,7)
Equipment rental and maintenance	**278**	295	5,8
Insurance premiums	**131**	239	45,2
Professional fees			
Auditors' remuneration	**89**	73	(21,9)
Other professional fees	**1 136**	1 254	9,4
Staff-related			
Staff costs	**9 907**	8 277	(19,7)
Incentive schemes and share-based payments	**1 697**	1 667	(1,8)
Other			
Cash transportation costs	**413**	347	(19,0)
Clearing and bank charges	**137**	152	9,9
Communication and printing	**1 100**	970	(13,4)
Frauds and losses	**290**	224	(29,5)
Information technology costs	**1 489**	1 185	(25,7)
Investment property charges	**7**	-	(100,0)
Marketing and advertising costs	**961**	931	(3,2)
Travelling and entertainment	**383**	333	(15,0)
Other operating expenses	**392**	214	(83,2)
	21 193	18 442	(14,9)
2.2 Other impairments			
Financial instruments	**30**	-	(100,0)

	Year ended 31 December		
	2008	2007	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Available-for-sale instruments	**1**	-	(100,0)
Other assets	**29**	-	(100,0)
Other	**(12)**	58	>100,0
Computer software development costs	**1**	21	95,2
Repossessed Properties	**(13)**	37	>100,0
	18	58	69,0

3. DETERMINATION OF HEADLINE EARNINGS

	Year ended 31 December		
	2008	2007	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Headline earnings[1] is determined as follows:			
Profit attributable to ordinary equity holders of the Group	**10 592**	9 595	10,4
Adjustments for:			
IAS 16 net profit on disposal of property and equipment	**(37)**	(57)	35,1
IAS 21 recycled foreign currency translation reserve, disposal of investment in foreign operations	**(38)**	(29)	(31,0)
IAS 27 net loss/(profit) on disposal of subsidiaries	**17**	(26)	>100,0
IAS 28 and 31 net profit on disposal of associates and joint ventures	**(29)**	(31)	6,5
IAS 28 headline earnings component of associates' and joint ventures' earnings	**(53)**	(45)	(17,8)
IAS 38 net profit on disposal of and impairment of intangible assets	**(636)**	(43)	>(100.0)
IAS 39 release of available-for-			

	Year ended		
	31 December		
	2008	2007	
	(Audited)	(Audited)	Change
	Rm	Rm	%
sale reserves	**91**	49	85,7
IAS 39 impairment of available-for-sale assets	**1**	-	100,0
Headline earnings	**9 908**	9 413	5,3

Note

[1] *The net amount is reflected after taxation and minority interest.*

GROUP BALANCE SHEET

	31 December		
	2008	2007	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Assets			
Cash, cash balances and balances with central banks	**24 847**	20 629	20,4
Statutory liquid asset portfolio	**33 043**	22 957	43,9
Loans and advances to banks	**44 662**	54 025	(17,3)
Trading portfolio assets	**78 879**	25 824	>100,0
Hedging portfolio assets	**3 139**	725	>100,0
Other assets	**16 397**	24 303	(32,5)
Current tax assets	**23**	185	(87,6)
Loans and advances to customers	**532 171**	455 958	16,7
Reinsurance assets	**903**	485	86,2
Investments	**26 980**	29 792	(9,4)
Investments in associates and joint ventures	**2 144**	1 004	>100,0
Intangible assets	**957**	301	>100,0
Investment property	**667**	-	100,0
Property and equipment	**6 208**	4 610	34,7
Deferred tax assets	**243**	111	>100,0
Non–current assets held-for-sale	**2 495**	-	100,0
Total assets	**773 758**	640 909	20,7
Liabilities			
Deposits from banks	**54 633**	58 033	(5,9)
Trading portfolio liabilities	**72 737**	34 919	>100,0
Hedging portfolio liabilities	**1 080**	2 226	(51,5)
Other liabilities and sundry provisions	**14 785**	12 301	20,2
Current tax liabilities	**385**	183	>100,0
Deposits due to customers	**382 281**	310 512	23,1
Debt securities in issue	**165 900**	156 424	6,1
Liabilities under investment contracts	**10 377**	7 908	31,2
Policyholder liabilities under insurance contracts	**3 076**	3 318	(7,3)

	31 December		
	2008	2007	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Borrowed funds **1**	**12 296**	9 949	23,6
Deferred tax liabilities	**2 834**	2 576	10,0
Non-current liabilities held-for-sale	**408**	-	100,0
Total liabilities	**720 792**	598 349	20,5
Equity			
Capital and reserves Attributable to ordinary equity holders of the Group:			
Share capital	**1 354**	1 350	0,3
Share premium	**2 251**	2 292	(1,8)
Other reserves	**3 010**	384	>100,0
Retained earnings	**40 665**	33 549	21,2
	47 280	37 575	25,8
Minority interest – ordinary shares	**1 042**	341	>100,0
Minority interest – preference shares	**4 644**	4 644	-
Total equity	**52 966**	42 560	24,5
Total equity and liabilities	**773 758**	640 909	20,7
Contingent liabilities – banking related	**59 727**	53 197	12,3

NOTES TO THE FINANCIAL RESULTS

1. BORROWED FUNDS

	Year ended		
	31 December		
	2008	2007	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Subordinated callable notes			
14,25% (AB02)	**3 100**	3 100	-
10,75% (AB03)	**1 100**	1 100	-
3-month JIBAR + 0,75% (AB04)	**400**	400	-
8,75% (AB05)	**1 500**	1 500	-
8,10%(AB06)	**2 000**	2 000	-
8,80% (AB07)	**1 725**	1 725	-
3-month JIBAR + 0,97% (3.97% Nacs)	**86**	-	100,0
3-month JIBAR + 0,97% (6.25% Nacs)	**994**	-	100,0
3-month JIBAR + 1,00% (6.25% Nacs)	**179**	-	100,0
3-month JIBAR + 1,09% (6.25% Nacs)	**361**	-	100,0
3-month JIBAR + 1.20% (6.25% Nacs)	**266**	-	100,0
Accrued interest	**379**	297	27,6
Fair value adjustment[1]	**54**	(326)	>100,0
Redeemable cumulative option-holding preference shares			
	152	153	(0,7)
Shares issued	**158**	158	**-**
Elimination of Absa Group Limited Employee Share Ownership Administrative (ESOP)Trust	**(4)**	(5)	20,0
Redemption of preference shares by Absa Group Limited Employee Share Ownership Administrative (ESOP) Trust	**(8)**	(7)	(14,3)
Accrued dividend	**6**	7	(14,3)
	12 296	9 949	23,6

Note

[1] The fair value adjustment relates to subordinated callable loans designated as hedged item in a hedging relationship.

GROUP STATEMENT OF CHANGES IN EQUITY

	Year ended 31 December		
	2008	2007	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Share capital	**1 354**	1 350	0.3
Opening balance	**1 350**	1 338	0.9
Shares issued	**3**	13	(76,9)
Transfer from share-based payment reserve	**-**	0	(100.0)
Share buy-back in respect of Absa Group Limited Share Incentive Trust	**(0)**	(0)	-
Elimination of treasury shares held by Absa Group Limited Share Incentive Trust	**1**	(0)	>100.0
Elimination of treasury shares held by Absa Life Limited and Absa Fund Managers Limited	**0**	(1)	>100.0
Elimination of treasury shares held by Absa Group Limited Employee Share Ownership Administrative (ESOP) Trust	**(0)**	(0)	-
Share premium	**2 251**	2 292	(1.8)
Opening balance	**2 292**	2 067	10.9
Shares issued	**72**	345	(79.1)
Transfer from share-based payment reserve	**41**	93	(55.9)
Share buy-back in respect of Absa Group Limited Share Incentive Trust	**(63)**	(130)	51.5
Elimination of treasury shares held by Absa Group Limited Share Incentive Trust	**7**	(5)	>100,0
Elimination of treasury shares held by Absa Life Limited and Absa Fund Managers Limited	**(6)**	(73)	91,8
Elimination of treasury shares held by Absa Group Limited Employee Share Ownership Administrative (ESOP) Trust	**5**	(5)	>100,0
Elimination of gains and losses from derivative instruments on own			

	Year ended 31 December		
	2008	2007	
	(Audited)	(Audited)	Change
	Rm	Rm	%
shares	**(97)**	-	(100,0)
Other reserves	**3 010**	384	>100,0
Opening balance	**384**	412	(6,8)
Reclassification of investments in associates and joint ventures to investments	**-**	(22)	100,0
Movement in foreign currency translation reserve	**248**	(60)	>100,0
Movement in regulatory general credit risk reserve	**(434)**	435	>(100,0)
Movement in available-for-sale reserve	**(89)**	60	>(100,0)
Movement in cash flow hedges reserve	**2 660**	(540)	>100.0
Movement in insurance contingency reserve	**22**	20	10,0
Movement in associates and joint ventures' retained earnings reserve	**73**	91	(19,8)
Disposal of associates and joint ventures – release of reserves	**(3)**	-	(100,0)
Share-based payments for the year	**193**	82	>100,0
Transfer from share-based payment reserve	**(44)**	(94)	53,2
Retained earnings	**40 665**	33 549	21,2
Opening balance	**33 549**	27 876	20,4
Reclassification of investments in associates and joint ventures to investments	**-**	22	(100,0)
Subsidiary step-up acquisition	**-**	2	(100,0)
Movement in regulatory general credit risk reserve	**434**	(435)	>100.0
Transfer to insurance contingency reserve	**(22)**	(20)	(10,0)
Transfer to associates and joint ventures' retained earnings reserve	**(73)**	(91)	19,8
Disposal of associates and joint ventures – release of reserves	**3**	-	100,0
Transfer from share-based payment reserve	**3**	1	>100,0

	Year ended 31 December		
	2008	2007	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Share buy-back in respect of Absa Group Limited Share Incentive Trust	**153**	-	100,0
Profit attributable to ordinary equity holders	**10 592**	9 595	10,4
Ordinary dividends paid during the year	**(3 974)**	(3 401)	(16,8)
	47 280	37 575	25,8
Minority interest – ordinary shares	**1 042**	341	>100,0
Opening balance	**341**	236	44,5
Acquisition/disposal) of subsidiaries	**548**	-	100,0
Other reserve movements	**(41)**	(12)	>(100,0)
Minority share of profit	**194**	117	65,8
Minority interest – preference shares	**4 644**	4 644	-
Opening balance	**4 644**	2 992	55,2
Shares issued	**-**	1 658	(100,0)
Costs incurred	**-**	(6)	100,0
Profit attributable to preference equity holders	**457**	313	46,0
Preference dividends paid during the year	**(457)**	(313)	(46,0)
Total equity	**52 966**	42 560	24,5

GROUP CASH FLOW STATEMENT

	Year ended		
	31 December		
	2008	2007	
	(Audited)	(Audited)	Change
	Rm	Rm	%
Net cash generated from operating activities	**3 236**	6 995	(53,7)
Net cash utilised from investing activities	**(1 737)**	(4 995)	65,2
Net cash utilised from financing activities	**(2 497)**	(193)	>(100,0)
Net (decrease)/increase in cash and cash equivalents	**(998)**	1 807	>(100,0)
Cash and cash equivalents at the beginning of the year **1**	**6 596**	4 787	37,8
Effect of exchange rate movements on cash and cash equivalents	**2**	2	-
Cash and cash equivalents at the end of the year 2	**5 600**	6 596	(15,1)
NOTES TO THE CASH FLOW STATEMENT			
1. Cash and cash equivalents at the beginning of the year			
Cash, cash balances and balances with central banks	**5 091**	3 936	29,3
Loans and advances to banks	**1 505**	851	76,9
	6 596	4 787	37,8
2. Cash and cash equivalents at the end of the year			
Cash, cash balances and balances with central banks	**4 726**	5 091	(7,2)
Loans and advances to banks	**874**	1 505	(41,9)
	5 600	6 596	(15,1)

PROFIT CONTRIBUTION BY BUSINESS AREA

		Year ended 31 December		
		2008	2007[4]	
		(Audited)	(Audited)	Change
		Rm	Rm	%
Banking operations				
Retail banking	**1**	**3 706**	4 943	(25,0)
Absa Wealth		**27**	46	(41,3)
Retail Bank		**2 635**	2 350	12,1
Absa Home Loans		**191**	1 296	(85,3)
Absa Card		**554**	706	(21,5)
Absa Vehicle and Asset Finance		**299**	545	(45,1)
Absa Corporate and Business Bank	**1**	**2 806**	2 167	29,5
Absa Capital	**1**	**2 249**	1 733	29,8
Corporate centre	**2**	**687**	(17)	>100,0
Capital and funding centre		**4**	59	(93,2)
Total banking		**9 452**	8 885	6,4
Bancassurance		**1 597**	1 502	6,3
Total earnings from business areas		**11 049**	10 387	6,4
Synergy costs (after tax)	**3**	**-**	(479)	100,0
Minority interest – preference shares		**(457)**	(313)	(46,0)
Profit attributable to ordinary equity holders		**10 592**	9 595	10,4
Headline earnings adjustments		**(684)**	(182)	>(100,0)
Total headline earnings		**9 908**	9 413	5,3

REVENUE CONTRIBUTION BY BUSINESS AREA

		Year ended 31 December		
		2008	2007[4]	
		(Audited)	(Audited)	Change
		Rm	Rm	%
Banking operations				
Retail banking	**1**	**24 909**	21 570	15,5
Absa Wealth		**309**	246	25,6
Retail Bank		**14 786**	12 607	17,3
Absa Home Loans		**4 179**	3 891	7,4
Absa Card		**3 057**	2 476	23,5
Absa Vehicle and Asset Finance		**2 578**	2 350	9,7
Absa Corporate and Business Bank	**1**	**8 700**	7 225	20,4
Absa Capital	**1**	**5 348**	3 869	38,2
Corporate centre	**2**	**393**	(323)	>100,0
Capital and funding centre	**3**	**(16)**	103	>(100,0)
Total banking		**39 334**	32 444	21,2
Bancassurance		**3 576**	3 202	11,7
Total revenue		**42 910**	35 646	20,4

Notes

1. African operations have been split between Retail banking, Absa Corporate and Business Bank and Absa Capital during the year under review.
2. In the current year Corporate centre includes the profit on VISA IPO shares and movement in provisions.
3. Synergies relate to the integration of Absa and Barclays following the acquisition by Barclays of a majority share in Absa. Synergy costs are once-off costs incurred in achieving synergy benefits.
4. The comparative period has been restated for:
   - Commercial Asset Finance was moved from Retail banking to Absa Corporate and Business Bank during the year under review.
   - Repossessed Properties was moved from Retail banking to Corporate centre during the year under review.
   - The African operations’ split is in line with the current business model.

RECLASSIFICATIONS

GROUP BALANCE SHEET – 31 DECEMBER 2007

Reclassification of investments in associates and joint ventures to investments

	(Audited)		(Audited)
	(As previously	Reclassi-	
Rm	reported)	fications	(Restated)
Assets			
Cash, cash balances and balances with central banks	20 629	-	20 629
Statutory liquid asset portfolio	22 957	-	22 957
Loans and advances to banks	54 025	-	54 025
Trading portfolio assets	25 824	-	25 824
Hedging portfolio assets	725	-	725
Other assets	24 303	-	24 303
Current tax assets	185	-	185
Loans and advances to customers	455 958	-	455 958
Reinsurance assets	485	-	485
Investments	29 327	465	29 792
Investments in associates and joint ventures	1 469	(465)	1 004
Intangible assets	301	-	301
Investment property	-	-	-
Property and equipment	4 610	-	4 610
Deferred tax assets	111	-	111
Non–current assets held-for-sale	-	-	-
Total assets	640 909	-	640 909
		-	
Liabilities			
Deposits from banks	58 033	-	58 033
Trading portfolio liabilities	34 919	-	34 919
Hedging portfolio liabilities	2 226	-	2 226
Other liabilities and sundry provisions	12 301	-	12 301
Current tax liabilities	183	-	183
Deposits due to customers	310 512	-	310 512
Debt securities in issue	156 424	-	156 424
Liabilities under investment			

Rm	(Audited) (As previously reported)	Reclassi- fications	(Audited) (Restated)
Assets			
contracts	7 908	-	7 908
Policyholder liabilities under insurance contracts	3 318	-	3 318
Borrowed funds	9 949	-	9 949
Deferred tax liabilities	2 576	-	2 576
Non-current liabilities held-for-sale	-	-	-
Total liabilities	598 349	-	598 349
Equity			
Capital and reserves Attributable to ordinary equity holders of the Group:			
Share capital	1 350	-	1 350
Share premium	2 292	-	2 292
Other reserves	406	(22)	384
Retained earnings	33 527	22	33 549
	37 575	-	37 575
Minority interest – ordinary shares	341	-	341
Minority interest – preference shares	4 644	-	4 644
Total equity	42 560	-	42 560
Total equity and liabilities	640 909	-	640 909

GROUP INCOME STATEMENT – YEAR ENDED 31 DECEMBER 2007

Reclassification of investments in associates and joint ventures to investments

	(Audited)		(Audited)
	(As previously	Reclassi-	
Rm	reported)	fications	(Restated)
Net interest income	18 890	-	18 890
Interest and similar income	55 123	-	55 123
Interest expense and similar charges	(36 233)	-	(36 233)
Impairment losses on loans and advances	(2 433)		(2 433)
Net interest income after impairment losses on loans and advances	16 457	-	16 457
Net fee and commission income	11 600	-	11 600
Fee and commission income	12 873	-	12 873
Fee and commission expense	(1 273)	-	(1 273)
Net insurance premium income	3 192		3 192
Net insurance claims and benefits paid	(1 603)	-	(1 603)
Changes in investment and insurance liabilities	(489)	-	(489)
Gains and losses from banking and trading activities	1 622	28	1 650
Gains and losses from investment activities	1 561	-	1 561
Other operating income	845	-	845
Operating income before operating expenses	33 185	28	33 213
Operating expenditure	(19 209)	-	(19 209)
Operating expenses	(18 442)	-	(18 442)
Other impairments	(58)	-	(58)
Indirect taxation	(709)	-	(709)
Share of retained earnings from associates and joint ventures	. 91	(18)	73
Operating profit before income tax	14 067	10	14 077
Taxation expense	(4 042)	(10)	(4 052)
Profit for the year	10 025	-	10 025
Attributable to:			
Ordinary equity holders of the Group	9 595	-	9 595

	(Audited)		(Audited)
	(As previously	Reclassi-	
Rm	reported)	fications	(Restated)
Minority interest – ordinary shares	117	-	117
Minority interest – preference shares	313	-	313
	10 025	-	10 025
		-	
Headline earnings	9 413	-	9 413

COMMENTARY ON THE CHANGE IN ACCOUNTING POLICY AND RECLASSIFICATIONS

Reclassifications

1. Commercial Property Fund investment in associates and joint ventures

During the 2007 financial year Absa Corporate and Business Bank launched the Commercial Property Finance (CPF) division. The CPF division's aim is to identify and invest in property developments by obtaining an equity investment in the identified company and/or provide financing. The investment portfolio was previously classified as investment in associates as the equity investment generally ranges between 20% and 50% of the company's issued equity.

During 2008 these investments were reclassified from investments in associates to unlisted investments being measured at fair value through profit or loss according to the scope exclusion for venture capital organisations in IAS 28, Investments in Associates.

The value of the investments reclassified from the investment in associates category to the unlisted investments category was R465 million.

PROFIT AND DIVIDEND ANNOUNCEMENT

Overview

Absa Group Limited recorded an increase of 10,4% in attributable earnings for the year ended 31 December 2008 from R9 595 million to R10 592 million. Headline earnings increased by 5,3% from R9 413 million to R9 908 million. Headline earnings per share (HEPS) increased by 4,6% to 1 466,2 cents per share and fully diluted HEPS[1] increased by 7,3% to 1 412,1 cents per share.

Key financial features include

- Revenue growth of 20,4% to R42 910 million.

[1] The dilution of headline earnings stems from the option rights to acquire shares issued to Absa's black economic empowerment partner Batho Bonke Capital (Proprietary) Limited (Batho Bonke) and to the Group's share incentive schemes.

- An 8,0% increase in profit before tax.
- An improvement in the cost-to-income ratio to 49,4%.
- A 6,3% increase in the full-year dividend to 595 cents per share.
- A return on average equity (RoE) of 23,4%.
- A 140,0% rise in the impairment charge to R5 839 million.

"Absa delivered a sound financial performance in a year characterised by significant global financial market turbulence and challenging macroeconomic conditions in South Africa. Proactive credit management, effective cost discipline and growth within the investment and commercial banking businesses underpinned the Group's performance. These results bear testimony to the successful implementation of our strategy to diversify earnings, maintain asset quality and to manage costs."
Group Chief Executive, Steve Booysen

The Group experienced difficult trading conditions during the year which adversely impacted the performance of the Retail Bank. Consumers in South Africa remained under pressure as the effect of higher inflation and interest rates resulted in slower business volume growth and an increasing number of accounts in arrears. As a result, the Retail Bank experienced an earnings decline of 25,0%.

The wholesale banking businesses, however, continued to produce robust operating performances with a contribution of 48,8% (2007: 37,7%) to the Group's overall earnings for the year, offsetting, to an extent, some of the decline in the retail business. Earnings growth of 29,5% was achieved in Absa Corporate and Business Bank (ACBB) and 29,8% in Absa Capital. The Bancassurance business recorded a 6,3% growth in earnings as the solid underlying operating performance of the cluster was adversely impacted by the significant market volatility on investment portfolios.

The focus on deposit growth resulted in retail and commercial deposits growing 32,4% and 29,0% respectively. Absa retains its number one market share position for individual deposits.[2]

The Group's capital position remained sound with a Tier 1 capital ratio of 11,6% and total capital ratio of 14,1% as at 31 December 2008.

A final dividend of 330 cents per share has been declared, taking the dividend growth for the full year to 6,3% with a dividend cover of 2,5 times.

The global operating environment

The year under review was marked by considerable turmoil in global financial markets. The international economy and banking sectors worldwide continue to suffer immense losses. Liquidity constraints, widening credit spreads and the ominous global recession constitute growing concerns for market participants worldwide as the economic and financial environment

[2] As per SA market share statistics BA 900 (November 2008)

continues to deteriorate. Co-ordinated action is being taken by governments and regulators to address these matters.

The domestic operating environment

Prudent fiscal policies, a firm monetary policy and a strong regulatory framework has meant that the ramifications of the global financial crisis have been limited in South Africa to date. Nevertheless the country has not been immune to the global fallout. The domestic equity market suffered losses in line with international markets and the currency experienced heightened volatility arising from the risk aversion associated with emerging markets. Net portfolio outflows of about R70 billion[3] in 2008, heightened concerns around the financing of South Africa's current account deficit which stood at 7,9% of gross domestic product (GDP) in the third quarter of 2008. This trend has continued into early 2009, with further net portfolio outflows of around R7,4 billion recorded in January. Global recessionary fears also led to a sharp drop in demand for commodities such as oil and a consequent fall in prices. The global financial crisis, along with a slowdown in domestic demand, resulted in economic activity slowing as GDP growth decelerated sharply to 0,2% in the third quarter of 2008 from an annualised 5,1% in the second quarter, thereby recoding the slowest quarterly growth since 1998.

A persistent rise in inflation for most of 2008, underpinned by rising food and fuel prices, prompted the South African Reserve Bank (SARB) to increase interest rates by a total of 100 basis points (bps) in 2008, representing a cumulative increase of 500 bps from June 2006 to June 2008. Consumer spending power was eroded by the high interest rates and rising prices, while household indebtedness rose to record levels during the year. The considerable pressure on household budgets is reflected in the decline in consumer credit quality and moderation in credit extension, as the appetite to take on additional debt eased. Private sector credit extension moderated to 14,0% year-on-year in December 2008 from 23,0% at the beginning of the year.

While most of 2008 was characterised by rising interest rates and inflation, rates were cut by 50 bps in December and a further 100 bps in February 2009 following a moderation in the fuel price and food price inflation. This trend is expected to continue, assisted by changes in the Consumer Price Index (CPI) calculation methodology. Moreover, the widening domestic output gap and decline in commodity prices are expected to exert further downward pressure on inflation. Notwithstanding indications of declining inflation and a further easing of interest rates, the domestic economy remains at risk. The possibility of a global recession, emerging market risk aversion, rand volatility and further job losses constitute a growing threat to economic recovery.

The Group, therefore, expects the economy to remain under pressure during 2009.

Group performance

Balance sheet

The Group's asset base as at 31 December 2008 increased by 20,7% to R773,8 billion, largely attributed to growth in loans and advances to customers (which constitute 68,8% of total assets), trading and derivative assets and statutory liquid assets.

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[3] The Bond Exchange of South Africa and the JSE Limited data

During the year under review, the Group focused on reducing its reliance on wholesale funding by growing deposits. An improvement in the liability gearing ratio was achieved as a result of a 23,1% year-on-year growth of total deposits.

Loans and advances to customers

Loans and advances to customers increased by 16,7% to R532,2 billion compared with R455,9 billion in December 2007, as a result of increasing retail and commercial business.

While the Group recorded an 11,3% increase in retail advances, there was a slowdown in the growth rate in line with the challenging macroeconomic environment and the tightening of credit criteria. Retail mortgages increased by 12,2%, while cheque account and retail instalment finance rose by 8,7% and 1,4% respectively. Credit card advances recorded a strong increase of 41,1%, due to the acquisition of the Woolworths Financial Services (Proprietary) Limited (WFS) book on 1 October 2008. However, credit card advances, excluding the WFS book, grew 8,6% year-on-year.

ACBB increased advances by 33,1%, following an improved performance within the Large and Medium Business lines. Strong growth in these segments was driven by sustained commercial credit demand and cross-selling to the existing customer base.

Net asset value

The Group’s net asset value increased by 25,5% to 6 950 cents per share year-on-year. The cash flow hedge reserve, which reflects interest rate hedging activity, increased from negative R893 million to positive R1 775 million, following the decline in the swap rates across the curve. This, together with the higher capital level of the Group, culminated in a lower RoE of 23,4% at 31 December 2008 compared to 27,2% in December 2007.

Capital to risk-weighted assets

Despite the difficult market conditions experienced during the period under review, the Group and Absa Bank Limited (Absa Bank) maintained sound capital adequacy levels throughout the year. At 31 December 2008, the capital levels of the Group were 11,6% (Basel I 31 December 2007: 10,1%) at Tier 1 level and total capital of 14,1% (Basel I 31 December 2007: 13,1%). At 31 December 2008, Absa Bank’s Tier 1 ratio stood at 11,0% and its total capital level at 14,0%.

While the Group remains well capitalised, the market demand for bank-issued capital instruments was limited by the deteriorating macroeconomic environment and the continuing effects of the international credit crisis. The cost of raising capital also increased substantially. The Group, therefore, focused on risk-weighted asset (RWA) demand management, free capital generation and the development of innovative capital instruments. In this regard:

- RWA growth was curtailed due to the slowdown in credit growth during the year, growing only 12,1% year-on-year. The Group placed a strong focus on RWA relief by tightening risk parameters and methodologies, and taking cognisance of the risk and reward profile associated with assets;

- the Group generated free capital of R1,8 billion, after provision for a dividend cover of 2,5 times headline earnings; and
- Absa Bank issued inflation-linked bonds valued at R1,9 billion during the period under review, at spreads of between 97 and 120 bps above the three-month JIBAR rate. These bonds qualify as Tier II capital.

Organic growth for the Group is not expected to be constrained by prevailing market conditions, as it currently generates sufficient capital from its operations to fund growth. In addition, the period during which the empowerment partners of the Group, the Batho Bonke consortium, may exercise their right to acquire 73 million ordinary shares expires in July 2009 and this may lead to a further inflow of capital.

Given the deterioration in the credit environment, the Group is cognisant of the effect of pro-cyclicality introduced by Basel II and will continue to focus on maintaining appropriate levels of capital. The Group has, therefore, increased the target capital adequacy ratios for 2009 to 10% (from 8,8%) for Tier I capital and 13% (from 12%) for the total capital adequacy ratio. These ratios have already been achieved.

Income statement

Net interest income

Net interest income increased by 15,4% to R21 795 million, mainly as a result of growth in total advances. The benefit received from the endowment effect on capital as a result of increasing rates was offset by the higher cost of wholesale funding and continued reliance on wholesale funding sources. As a result, the net interest margin on average interest-bearing assets declined by 20 bps year-on-year to 3,63%.

Pressure on margins is likely to continue in line with the expected higher cost of funding. The Group will also no longer benefit from the positive endowment effect on capital due to the expected declining interest rate cycle.

Non-interest income

Non-interest income increased by 26,0% to R21 115 million. Net fee and commission income, which constitutes approximately 63,2% of non-interest income, grew by 15,0% to R13 343 million. This resulted largely from increased transaction fees and volumes in the Retail Bank.

The Group’s trading income increased by 92,4% to R2 111 million, following strong growth in Secondary Markets activity within Absa Capital. Fee and other income declined as a result of a lower year-on-year contribution from Primary Markets as the proactive reduction of underwriting risk, widening of credit spreads, and reduced credit demand impacted the volume of corporate activity deal flow.

Gross premium volumes remained strong and short-term insurance premiums grew by 19,9%. Long-term insurance premiums remained flat year-on-year.

Investment markets remained under pressure during the year under review, adversely impacting the value of the listed commercial property portfolio within ACBB which declined by R166 million. This decline was offset by an increase in the valuation of the unlisted Commercial Property Fund (CPF) investments of R172 million.

Investment income on shareholders' funds of the Bancassurance business also decreased by 28,2% to R410 million (2007: R571 million).

Credit impairments

Credit impairments, as a percentage of average advances, increased to 1,19% from 0,58% in December 2007. The impairment charge to the income statement increased by 140,0% to R5 839 million.

Retail impairments increased sharply by 158,9% to R5 551 million, attributable to continued financial pressure on the consumer and declining asset values, particularly in the second half of the year.

While the credit quality of the corporate sector remained sound, with impairments decreasing marginally by 0,3% to R287 million, challenging global and local macroeconomic conditions began impacting some corporate and commercial sectors, particularly in the fourth quarter of the year. Currently, this risk is being addressed through strict credit risk criteria and a focus on debt recovery. The Group will remain vigilant and maintain its strong focus on the robust management of the credit risk processes in the year ahead.

Impairment charges relating to Absa Capital were negligible.

Operating expenses

The cost-to-income ratio improved to 49,4% as income growth exceeded cost growth.

Operating expenses increased by 14,9% to R21 193 million. This is attributed principally to the growth in staff costs in the credit and collection operations, investment in the growth of the non-retail clusters such as Absa Capital and ACBB as well as the acquisition of the WFS book.

During the course of the year, the Group implemented a range of efficiency initiatives and cost management measures. Considerable emphasis was placed on bringing staff costs in line with business volumes across the Group, which included the restructuring of the retail operations. Focus has also been placed on discretionary expenditure. These measures will continue into 2009.

Cluster performance

Retail Bank

Attributable earnings for the Retail Bank declined by 25,0% to R3 706 million (2007: R4 943 million). This decline resulted from the slowdown in consumer spending, reduced demand for lending products and rising impairments. The Retail Bank increased its top-line income by 15,5% and contained cost growth to 14,7%. The South African customer base continued to grow, increasing by 12,3% to over 10 million customers.

Advances growth of 11,3% was achieved across all categories, with unsecured lending products increasing by 26,2%. The growth in unsecured lending, along with the inclusion of the WFS book, resulted in a 1,5% change in the overall composition of advances with secured lending now comprising 85,8% (2007: 87,3%) of the total advances book.

Customer deposits grew a robust 32,4% during the year. Innovative product offerings, including initiatives such as the online opening of investment product accounts, coupled with competitive pricing, resulted in strong gains in market share. The Group currently has the largest share of the individual deposit and advances market in South Africa[4].

The overall interest margin on net assets showed a slight increase year-on-year, primarily due to the strong growth in retail deposits, resulting in a reduced dependence on wholesale funding.

Transaction volume growth across core products moderated during the year with volumes expanding by 5,2%. The Retail Bank's digital channels, however, recorded healthy transaction and customer growth. Internet and Cellphone Banking transaction volumes grew 25% and 74% respectively. The number of Internet Banking users increased by 14%, and Absa became the first South African bank to achieve one million Internet Banking users.

Consumer distress intensified during the year, following the prolonged higher interest rate cycle. In addition, collateral values in respect of vehicle and home loans were subjected to a considerable downward adjustment in the second half of the year as economic conditions deteriorated. The impairment charge consequently increased by 158,9% to R5 551 million. Accordingly, the impairment ratio rose from 0,74% in December 2007 to 1,68% for the full year 2008. This rise was largely due to higher impairments from Absa Home Loans and Absa Vehicle and Asset Finance, which increased 417,0% to R2 549 million and 109,8% to R1 177 million respectively.

During the year under review, the collections process and credit criteria were regularly reviewed. Stricter scorecard criteria, closer attention to affordability and the quality of bureau information, as well as stricter loan-to-value criteria on home loans and vehicle finance, constituted some of the actions taken to manage credit risk. The collections capacity was also enhanced by increasing the number of collectors during the year.

Rising impairments will remain a key risk to the Retail Bank in 2009. The focus will remain on cost control, the further tightening of credit criteria and maintaining strong credit quality at the right price.

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[4] SA market share statistics BA 900 (November 2008)

Absa Corporate and Business Bank (ACBB)

ACBB increased its attributable earnings for the year by 29,5 % to R2 806 million. Total advances increased by 33,1% as a result of continued credit demand in the Large and Medium Business lines. A strong sales focus aimed at growing deposits during the year resulted in a 29,0% increase in deposits. While impairments remained low, advance and deposit margins decreased due to the higher cost of funding experienced during the second half of the year. Equity market volatility, however, resulted in a decline of R166 million in the value of the listed commercial equity investments, thereby diluting, to an extent, the robust underlying performance of the cluster.

The impairment loss ratio decreased from 0,37% in December 2007 to 0,28% as a result of the material recovery of a bad debt in the second half of the year as well as the implementation of strict credit risk management processes.

Non-interest income increased by 10,5% as a result of a 10,0% growth in transaction volumes. Cash and electronic banking transactions increased 24,7% and 11,9% respectively. Customer numbers grew 2,70% during the year and transaction income on cheque and corporate overdraft accounts increased by 11,3%, representing 30,1% of fee income. Electronic banking fees grew by 15,4%, representing 18,6% of fee income.

ACBB will continue to provide innovative solutions and service to its customer base. The business is also positioned to leverage off Absa Capital’s expertise in structuring complex transactions, and its international syndication and distribution capabilities.

Absa Capital

Absa Capital increased attributable earnings by 29,8% to R2 249 million, from R1 733 million in 2007. This performance was driven by exceptional growth in the Secondary Markets and good growth in the Primary Markets business units. The key factors driving growth have been Absa Capital’s operating model and continuous improvement in the technology platform, products and distribution.

The Secondary Markets business continues to improve, leveraging off a strong working relationship with Barclays Capital. Revenue for this business unit grew by 109,9% and contributed 55,0% of Absa Capital’s revenue. The growth in revenue is attributable to more effective risk management as well as increased trading volumes from new and existing clients, broadening the product offering, market volatility and the increased demand from clients for risk management products.

The revenue of Primary Markets grew by 14,1% during the period and contributed 33,1% of Absa Capital’s revenue. Given the current market conditions the business unit proactively restricted the size of its underwriting positions, distributing more risk upfront. The global credit crisis and the equity market declines have negatively impacted local financing product deal flow. Primary Markets, however, continued to perform well due to the client-centric business model that delivers comprehensive international and local solutions by leveraging off Barclays Capital’s global expertise and capabilities.

The revenue of the Equity Investments and Investor Services business unit increased by 1,3% and contributed 11,9% of Absa Capital's revenue. Revenue in the Private Equity portfolio was positive in absolute terms, but declined relative to the corresponding period for 2007. This performance was driven by a combination of lower realisations, poor equity market conditions and higher funding costs.

Bancassurance

The Bancassurance cluster grew attributable earnings by 6,3% to R1 597 million for the year under review, despite a challenging operating environment. This growth was underpinned by 16,4% growth in operating earnings. Investment income on shareholders' funds however declined by 28,2% to R410 million. Capital to the value of R1,6 billion was returned to the Absa Group in 2008. This resulted from a focus on capital efficiency and a reduced risk profile on investments backing policyholders' liabilities and shareholder capital.

The Bancassurance cluster achieved an RoE of 39,5% (December 2007: 37,8%)

Distribution - The distribution capacity increased by 269 additional sales staff, comprising insurance and financial advisers, tied agents and call centre agents. The diversification and expansion of the distribution channels is intended to increase customer access to products and services.

Life assurance - Absa Life increased its operating earnings by 22,3% to R746 million. Gross premium income remained flat year-on-year despite lower credit-related business volumes. The embedded value of new business amounted to R331 million (December 2007: R213 million) driven by strong performances of mass market products and the introduction of '@ Ease', a standalone risk product range that was launched early in 2008. Embedded value earnings of R747 million (December 2007: R543 million,) represent a return of 35,7% (December 2007: 21,8%).

Short-term insurance -The short-term insurance industry was characterised by the hardening underwriting cycle. However, Absa Insurance increased underwriting profit to R263 million on the back of strong growth in gross written premiums which grew by 19,3%. Premium growth was driven by good growth in both the personal and commercial books, particularly in the agriculture business as well as the introduction of 'Absa idirect'. Claim levels remained challenging, rising by 23,0%. The higher claims arose from adverse weather conditions, increases in the incidence of motor accidents and the continuing escalation of repair costs.

Despite these factors, Absa short-term insurance achieved a sound underwriting margin of 10,2% (December 2007: 11,5%).

Investments - Absa Investments operating earnings declined by 3,7% to R289 million. Net inflows to mandates other than money market amounted to R9,4 billion for the period, while money market funds experienced net outflows of R2,4 billion. Assets under management declined marginally from R118 billion at the end of December 2007 to R117 billion. The strategic focus of the business is to grow the non-money market assets under management. Absa Investments continued to deliver an encouraging investment performance with a number of its unit trusts achieving top quartile performance over one-year and three-year periods.

Fiduciary services - Fiduciary operating earnings grew by 20,5% to R153 million. The acquisition of the Glenrand MIB employee benefits and healthcare businesses was finalised during the period under review, adding critical mass to the cluster's businesses. The acquired businesses were turned around to profitability.

The focus for the Bancassurance cluster in 2009 will be on the diversification of income streams and improvement of cross-sell ratios, customer retention, and growth in assets under management.

Basis of presentation and changes in accounting policy

The Absa Group's annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The Group has elected to early adopt IFRS 8 - Operating Segments, for the year ended 31 December 2008. The statement requires that an entity discloses information to enable users of its financial statements to evaluate the nature and financial effects of the types of business activities in which it engages and the economic environment within which it operates. This information should be disclosed in the same manner as presented to the entity's chief operating decision-maker(s). The adoption of the standard had no impact on the reported profits or financial position of the Group.

During the 2007 financial year, ACBB commenced with investments in unlisted CPF-related entities. The investment portfolio was classified as investment in associates as the equity investments generally ranged between 20% and 50% of the company's issued equity.

During 2008, these investment were reclassified from investments in associates to unlisted investments being measured at fair value through profit and loss according to the scope exclusion for venture capital organisations in IAS 28 - Investments in Associates.

The carrying value of the investments reclassified from the 'investment in associates' category to the 'unlisted investments' category was R465 million.

The Group's results for the year ended 31 December 2008 have been audited by the Group's auditors, PricewaterhouseCoopers Inc. and Ernst & Young Inc. Their audit report is available for inspection at the Group's registered address, 3rd floor, Absa Towers East, 170 Main Street, Johannesburg, 2001.

Prospects and strategic focus

Global recessionary conditions are expected to persist in the near term and heightened risk aversion and reduced capital flows to emerging markets are likely to continue in 2009. Conditions facing the South African consumer are expected to remain difficult despite the potential further easing of interest rates. Household spending is likely to remain under pressure should the employment market and consumer confidence levels remain depressed. Therefore, the Group expects business volumes, particularly in the Retail Bank, to decline and arrears and non-performing loans to increase. Margins are expected to remain under pressure due to the continued higher cost of funding. In addition, the Group will no longer benefit from the positive endowment effect on capital as the interest rate cycle eases.

In view of the challenging macroeconomic conditions anticipated during the year ahead, the strategic focus of the Group will remain on:

- protecting its position in the retail and commercial businesses through the disciplined management of book quality, maintenance of strict credit criteria, strengthening the collections capability and ensuring strong customer service and support;
- selectively growing market share by focusing on growth in deposits and customer numbers, maximising cross-selling opportunities as well as enhancing transaction volumes and asset pricing;
- maintaining an ongoing focus on cost reduction; and
- efficient management and allocation of capital.

Given the challenging conditions that lie ahead, Absa will continue to implement comprehensive measures to protect future earnings. The Group remains well capitalised and has a strong balance sheet enabling it to take advantage of growth opportunities as and when they arise.

The continuing efforts to diversify the Group's earnings base should underpin future financial performance. In particular, growth in the investment and commercial banking businesses should remain positive, thereby mitigating some of the slowdown in the retail business.

The Group remains committed to managing risk, preserving capital and maintaining current levels of profitability for the year ahead.

Declaration of final ordinary dividend number 45

Shareholders are advised that the final ordinary dividend of 330 cents per ordinary share was declared today, Monday, 9 February 2009, bringing the total dividend to the year to 595 cents per ordinary share. The final ordinary dividend is payable to shareholders recorded in the register of members of the Group at the close of business on Friday, 6 March 2009.

In compliance with the requirements of STRATE, the electronic settlement and custody system used by the JSE Limited, the following salient dates for the payment of the dividend are applicable:

Last day to trade cum dividend	Friday, 27 February 2009
Shares commence trading ex dividend	Monday, 2 March 2009
Record date	Friday, 6 March 2009
Payment date	Monday, 9 March 2009

Share certificates may not be dematerialised or rematerialised between Monday, 2 March 2009, and Friday, 6 March 2009, both dates inclusive.

On Monday, 9 March 2009, the dividend will be electronically transferred to the bank accounts of certificated shareholders who use this facility. In respect of those who do not, cheques dated 9 March 2009 will be posted on or about that date. The accounts of those shareholders that have dematerialised their shares (which are held at their participant or broker) will be credited on Monday, 9 March 2009.

On behalf of the board

S Martin
Group Secretary
Johannesburg
9 February 2009

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Sponsor

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