LIBERTY

Liberty Holdings Limited

Annual financial results 2011

For the year ended 31 December

Highlights

return on group equity value
15,3%

BEE normalised group equity value
up 10%

long-term insurance indexed new business
up 19%

value of long-term insurance new business
up 57%

STANLIB headline earnings
up 15%

BEE normalised headline earnings
R2 663 million

long-term insurance cash inflows
R4,2 billion

Liberty Group Limited CAR cover
2,9 times

Contents

Financial performance indicators

for the year ended 31 December 2011

	2011	% change	2010
Liberty Holdings Limited			
Earnings			
Basic earnings per share (cents)	**997,6**	8,6	918,6
BEE normalised headline earnings per share (cents)	**930,8**	2,6	907,6
Adjusted core operating earnings	**2 636**	15,5	2 283
BEE normalised return on equity (%)	**19,6**	(7,5)	21,2
Group equity value			
BEE normalised group equity value per share (R)	**100,15**	10,0	91,01
BEE normalised return on group equity value (%)	**15,3**	14,2	13,4
Distributions per share (cents)	**259**[(1)]	n/a[(1)]	455
Interim capital reduction	**182**	11,0	164
Part final dividend (2010: full final dividend)	**77**[(1)]	n/a[(1)]	291
Total assets under management (Rbn)	**455**	2,9	442
Long-term insurance operations			
Indexed new business (excluding contractual increases) (Rm)	**5 152**	19,1	4 327
New business margin (%)	**1,4**	16,7	1,2
Net customer cash inflows/(outflows) (Rm)	**4 230**	>100	(287)
Capital adequacy cover of Liberty Group Limited (times covered)	**2,89**	8,2	2,67
Asset management – STANLIB and Liberty Africa			
Assets under management (Rbn)	**380**	(1,0)	384
Net cash (outflows)/inflows including money market (Rm)	**(91)**	(>100)	22 179
Retail and institutional net cash inflows excluding money market (Rm)	**13 598**	>100	1 323
Money market net cash (outflows)/inflows (Rm)	**(13 689)**	(>100)	20 856

(1) *Comparison to 2010 is not applicable as the full final distribution is not yet determined.*

Preparation and supervision:

This announcement on Liberty Holdings Limited's annual results for the year ended 31 December 2011 has been prepared and supervised by JC Hubbard (Group Chief Financial Officer) BCom CA(SA) and CG Troskie (Group Financial Director) BCom (Hons) CA(SA).

Commentary on results

for the year ended 31 December 2011

Overview

In 2011 the group produced a return on equity of 20%, supported by strong operational earnings, offset by lower returns on available capital invested in the market. In addition, we delivered substantial improvement in persistency, sales and investment performance. A very pleasing aspect of this year's results is the contribution to earnings achieved by management's successful implementation of operational strategy in the core South African insurance and asset management businesses.

A key positive feature has been the resolution of the policyholder persistency issue in Retail SA and the substantial improvement in the value of in-force contracts. New long-term insurance business sales were very pleasing across all the operations with indexed new business up 19%. Long-term insurance client net cash flows were positive R4 billion, which is an excellent result considering the current consumer environment.

Our market leading balance sheet management capability continues to ensure shareholder exposures to asset/liability mismatching are well within risk parameters. Fund performance at STANLIB has continued to improve and we are proud of the 6 Raging Bull awards recently received. STANLIB headline earnings improved by 15% over 2010. Our property division produced another solid result and was widely acclaimed on the successful completion of various development projects, including the extension to the premier African Sandton City shopping complex. For a variety of reasons the Growth Initiatives have not performed as well as we would have liked but a number of legacy issues were resolved.

Investment markets extended their volatility largely due to the debt crisis in Europe. However, a strong final quarter local equity performance supported a gross return of 8,1% on the shareholder investment portfolio. This was, however, lower than the 11% achieved in 2010 and largely offset the increase in operational earnings. Group BEE normalised headline earnings ended at R2 663 million, 3% higher than 2010. This converts to a BEE normalised headline earnings per ordinary share of R9,31 (2010: R9,08). Through this result, combined with the effective risk management of the balance sheet, the group has enhanced its capital position with its main life licence entity, Liberty Group Limited, further strengthening its capital adequacy cover ratio. BEE normalised equity value has improved by 10% to more than R100 per share and return on group equity value was 15,3%, which is at the higher end of our stated target range.

Update on strategy

Our focus remains on managing the core South African insurance operations within acceptable sustainable long-term assumption sets, whilst profitably capturing greater shares of both the existing and developing markets. The ability of the business to manage within board approved risk appetite limits continues to be enhanced and tightly monitored. The steps taken to improve asset management capability leveraging off the strong property, fixed income and money market franchises are starting to gain traction, with the objective being to capture a larger share of the retail and institutional fund flows. We remain committed to diversifying our earnings stream through achieving the business cases of the recent investments in Growth Initiatives.

We have made good progress towards readiness for the proposed new long-term insurance solvency regime (Solvency Assessment and Management (SAM)) and we have set aside a R165 million reserve for associated project costs. Preliminary assessments through participation in the first South African SAM quantitative impact study indicate that Liberty has a surplus capital position over expected future minimum requirements.

Business unit financial review

Contributions to earnings by business unit	2011 Rm	% change	2010 Rm
South African long-term insurance			
Retail SA	**1 314**	46,2	899
Corporate	**36**	(65,0)	103
LibFin	**1 124**	(22,1)	1 443
Asset management			
STANLIB	**414**	14,7	361
Liberty Properties	**96**	–	96
Growth initiatives			
Liberty Africa	**21**	>100	10
Liberty Health	**(65)**	(51,2)	(43)
Frank	**(47)**	(6,8)	(44)
Central overheads and sundry income	**(296)**	2,3	(303)
Headline earnings	**2 597**	3,0	2 522
BEE preference share adjustment	**66**	(12,0)	75
BEE normalised headline earnings	**2 663**	2,5	2 597

South African long-term insurance

Retail SA

Headline earnings for the year were R1 314 million, up 46% compared to 2010, reflecting our considerable achievement in improving policyholder persistency. Besides the positive impact of persistency assumption changes, other assumption changes included the positive impact of an improved estimate of the illiquidity premium used in liability valuations, offset by strengthening mortality assumptions on certain annuity books and increased expense reserving to maintain the in-force book. The total impact of all assumption changes was a positive contribution to earnings of R292 million.

The implementation of a new value proposition for financial advisers, which recognises the important balance between persistency, book size and quality of new business has been well received and is producing the ideal balance of selling quality new business and enhancing the value of the existing client base. Various significant developments in the products and distribution area occurred, including the May and October 2011 launches of a revised set of risk products. In addition, Liberty was voted best risk product provider by the Financial Intermediaries Association of Southern Africa in May 2011.

Indexed new business sales (excluding contractual increases) of R4,4 billion have improved by 18% over 2010 (R3,7 billion) despite significantly lower emerging consumer market sales as a consequence of the remedial action taken to remove unprofitable business. Increases in our flagship investment products and the credit life sales under the bancassurance agreement with Standard Bank are particularly pleasing. The new business margin of 1,6% is a good improvement from the 1,3% achieved last year. Acquisition overhead cost efficiency remains a challenge and further improvements to margin through increased volume of quality sales and better cost efficiency are our top priorities.

Net cash flows into our Retail SA insurance operations were excellent at R4,8 billion supported by strong contributions from our sales of single premium investment products and good extensions of maturing policies.

Policy service costs remain well within actuarial assumptions. Certain retention and project capacity costs, which were previously excluded from the maintenance cost assumption, have now been fully capitalised as recurring costs as they are now integrated into operational processes.

Corporate

The past practice of selling employee retirement fund solutions to small and medium enterprises has unfortunately increasingly led to an inefficient business model after the recent introduction of substantial regulatory compliance requirements. Liberty Corporate is effectively in a process of transition, migrating its client base to more cost efficient umbrella funds whilst establishing a service capability to larger corporates and retirement funds.

Corporate headline earnings at R36 million have been impacted by an increase to the retirement fund administration project provision of R60 million. This was due to a scope increase of the project following the adopted strategy of converting small retirement schemes to more efficient umbrella structures. Normalising for the additional provision, earnings at R96 million are marginally lower than the R103 million in 2010. An 18% increase in indexed new business was achieved, including higher enhancement sales to existing umbrella clients.

The business unit still has negative net cash outflows of R661 million for the year, however, these are improved from the equivalent 2010 net outflow of R1 517 million.

LibFin

Over the period under review, our low risk balanced shareholder investment portfolio returned 8,1% pre taxation in line with benchmark reflecting the investment return environment.

LibFin Markets continued to manage market risk exposures within a narrow range. Headline earnings of R155 million flowed mainly from improving credit margins on assets backing annuities and guaranteed capital bonds and included certain one off positive items. We continue to seek acceptable illiquidity premium assets using the advantage of our ability to hold longer term assets, with the key objectives of steadily increasing net earnings and improving the competitiveness of our policyholder investment product proposition.

In line with the capacity created by LibFin, several portfolios backing policyholder annuity and guaranteed capital investment products have been moved from STANLIB fund management to LibFin. LibFin now directly manages R25 billion of asset portfolios at 31 December 2011.

Asset management

STANLIB

Following a sustained period of inflows, STANLIB, as expected due to the increasing risk appetite of investors, experienced net outflows of R13 billion from its money market funds. However, higher margin retail inflows were strong at R10 billion. Total assets under management are R341 billion (2010: R355 billion).

The multi-specialist franchise operating model has now been implemented. The majority of previously underperforming funds under management are now reflecting significantly improved investment performance. STANLIB's performance in the Alexander Forbes Global Best Investment View Survey for global balanced funds has placed STANLIB in the 1st quartile over 1 and 2 years and 2nd quartile over 3 years.

STANLIB's 15% increase in headline earnings to R414 million (2010: R361 million) reflects higher performance fees and a higher weighting to higher margin retail average assets under management. STANLIB will continue to embed investment processes and disciplines to ensure short-term improvements are sustained over the longer term.

Liberty Properties

Liberty Properties continues to return excellent investment performance on the policyholder property portfolio, as evidenced by 28 consecutive years of double digit returns.

Liberty Properties' earnings after taxation of R96 million remained at 2010 levels with development capacity build costs offsetting the improved property portfolio management fees. Liberty Properties successfully completed extensions to the Sandton City complex, as well as the development of a third party property in Zambia. The focus in 2012 is to increase our third party development mandates in the key African market.

Growth initiatives

Liberty Africa

The purchase of a 57% interest in CfC Insurance Holdings Limited (CfC) for R199 million effective 1 April 2011, provides us with significant growth opportunities in the East African region. CfC, which is listed on the Nairobi Stock Exchange, is a leading Kenyan life, health and general insurance group. The deterioration of the Kenyan economic environment in the second half of 2011 has negatively impacted the nine month result, however the medium term prospects in this region remain encouraging.

Liberty Africa's asset management operations continued to attract very good positive net cash inflows of R5,4 billion for the period (2010: R6,5 billion) bringing assets under management to R38,7 billion. Attributable headline earnings of R21 million are substantially up on 2010, reflecting the CfC contribution as well as a pleasing improvement in earnings from asset management.

Liberty Health

A number of one off costs associated with past operational issues have affected the earnings performance in 2011. Liberty Health has in past reporting periods experienced a loss of customer contracts within the information technology services area. However, the rate of loss has slowed and towards the end of the year a significant client returned, which resulted in an increase of 22 000 lives over the year. Sales of health risk products in the rest of Africa continue to grow, increasing our in-force book to 68 000 lives (December 2010: 33 000). Underwriting losses are being experienced on this book, however remedial action on pricing and risk management has been taken.

The new management team is now able to focus its efforts on sustainability and growth opportunities including achieving acceptable margins on our flagship medical expense risk products.

Direct Financial Services (incorporating Frank)

The direct IT platform capability is now being leveraged to support a broader direct strategy, which will be housed under a Direct Financial Services business unit. Besides Frank, this initially includes supporting the transactional opportunity under the Standard Bank bancassurance agreement.

After commencing business in November 2010, Frank, which currently provides simple life cover products through an alternative direct distribution channel, has achieved pleasing brand presence, however, conversion of leads and persistency of business needs to be improved.

Bancassurance

The recently agreed revised terms of the commercial bancassurance joint venture relationship with Standard Bank, which broaden the available distribution channels, product sets and geographies are already starting to bear fruit. Sales on an indexed basis of insurance products from bancassurance channels were 19% higher than 2010. Earnings from credit life were R111 million (2010: R97 million) and STANLIB received net asset management fees of R357 million (2010: R333 million) related to assets acquired by Standard Bank distribution. The total embedded value of in-force contracts sold under the agreement, attributable to Liberty, has grown 11% to R1,1 billion.

Capital adequacy cover

The capital adequacy cover of Liberty Group Limited is strong at 2,89 times the statutory requirement (2010: 2,67 times). All the other group subsidiary life licences are well capitalised.

Part final dividend for the year ended 31 December 2011

Due to the changes relating to dividend taxation, the board has decided to declare a part final dividend of 77 cents per ordinary share representing the equivalent value of available STC credits. The board intends to supplement this with a further distribution as soon as possible after 1 April 2012 and shareholders will be advised accordingly, in due course. These combined distributions, along with the previously declared interim capital reduction, will be in accordance with the stated dividend policy. The board will not be adjusting the level of the dividend for the changes in the dividend taxation.

The directors have approved a part final dividend of 77 cents per ordinary share.

The important dates pertaining to the part final dividend are as follows:

Last date to trade *cum* dividend on the JSE	Thursday, 15 March 2012
First trading day *ex* dividend on the JSE	Friday, 16 March 2012
Record date	Friday, 23 March 2012
Payment date	Monday, 26 March 2012

Share certificates may not be de-materialised or re-materialised between Friday, 16 March 2012 and Friday, 23 March 2012, both days inclusive. Where applicable, in terms of instructions received by the company from certificated shareholders, the payment of the dividend will be made electronically to shareholders' bank accounts on payment date. In the absence of specific mandates, cheques will be posted to shareholders. Shareholders who have de-materialised their shares will have their accounts with their CSDP or broker credited on Monday, 26 March 2012.

Events after the reporting period

The South African Minister of Finance has announced as part of the Budget 2012 tax proposals that the effective capital gains tax rates will increase for all disposals of qualifying assets from 1 March 2012. The inclusion rate for individuals and special trusts will increase to 33,3% (previously 25%). In the context of a long-term insurer it means that the effective capital gains tax rate applicable to the individual policyholder fund will increase to 10% (previously 7,5%). The inclusion rate for other entities, which includes the company policyholder fund of a long-term insurer, will increase to 66,6% (previously 50%), raising the effective rate for companies to 18,6% (previously 14%).

The unrealised capital gains tax provision as at 31 December 2011 would have increased by R418 million to R1 669 million, had the group applied the new increased inclusion rates. This increase in taxation liability will largely be absorbed by the group's policyholders in terms of the provisions of their respective policies and therefore the group's liability to policyholders at 31 December 2011 would be reduced. The net exposure to shareholders is likely to be less than R100 million in both earnings and shareholders' funds.

Prospects

The significant operating improvements in our core insurance and asset management businesses position the group well to manage volatility in investment markets and the anticipated decline in consumer disposable income. The group has a good base off which to drive growth in its traditional markets while leveraging the investments it has made in new markets.

Bruce Hemphill
Chief Executive

Saki Macozoma
Chairman

1 March 2012

Liberty Holdings Limited

Incorporated in the Republic of South Africa
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JSE code: LBH
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Transfer Secretaries

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Sponsor

Merrill Lynch
A subsidiary of Bank of America Corporation

These results are available at www.liberty.co.za

Accounting policies

The 2011 consolidated financial statements have been prepared in accordance with and containing information required by International Financial Reporting Standards (IFRS) including full compliance with IAS 34 Interim Financial Reporting as well as the AC 500 standards as issued by the Accounting Practices Board or its successor. They are also in compliance with the Listings Requirements of the JSE Limited and the South African Companies Act No. 71 of 2008.

The accounting policies adopted in the preparation of the consolidated financial statements are in terms of IFRS and are consistent with those adopted in the previous year except for the following:

The group has adopted for the first time, effective 1 January 2011, an accounting policy for cash flow hedge accounting. Cash flow hedges are hedges of highly probable future cash flows attributable to a recognised asset or liability or a forecast transaction. The group applies cash flow hedge accounting to match the profit or loss emergence of the hedge instrument and hedged item in respect of changes in future cash flows resulting from the conversion to rand of contracted foreign currency denominated cash flows associated with financial instrument assets.

Several other amendments to IFRS standards or interpretations were made by the International Accounting Standards Board, which are effective for the period under review. These amendments or interpretations are either not significant or not applicable to the 2011 results of the group.

Audit opinion

The company's auditors, PricewaterhouseCoopers Inc., have issued their opinion on the consolidated financial statements and the group equity value report for the year ended 31 December 2011. They have issued unmodified audit opinions. Copies of their audit reports are available for inspection at the company's registered office.

Definitions

BEE normalised: headline earnings per share, return on equity, group equity value per share and return on group equity value

These measures reflect the economic reality of the Black Economic Empowerment (BEE) transaction as opposed to the required technical accounting treatment that reflects the BEE transaction as a share buy-back. Dividends received on the group's BEE preference shares (which are recognised as an asset for this purpose) are included in income. Shares in issue relating to the transaction are reinstated.

Adjusted core operating earnings

This represents the group's BEE normalised headline earnings adjusted for the expected long-term rate of return on the shareholder investment portfolio and excludes LibFin Markets portfolio performance.

Capital adequacy requirement (CAR)

The capital adequacy requirement is the minimum amount by which the Financial Services Board requires an insurer's assets to exceed its liabilities. The assets, liabilities and capital adequacy requirement must be calculated using a method which meets the Financial Services Board's requirements. Capital adequacy cover refers to the amount of capital the insurer has as a multiple of the minimum requirement.

Health lives under administration

This reflects the number of natural persons covered for medical risk insurance (either through medical aids or directly), for which Liberty Health provides administration services.

Long-term insurance operations – Indexed new business

This is a measure of new business which is calculated as the sum of twelve months premiums on new recurring premium policies and one tenth of single premium sales.

Long-term insurance operations – New business margin

This is the value of new business as defined below, expressed as a percentage of the present value of future expected premiums at the point of sale.

Long-term insurance operations – Value of new business

The present value, at point of sale, of the projected stream of after tax profits for new business issued, net of the cost of required capital. The present value is calculated using a risk adjusted discount rate.

FCTR: Foreign Currency Translation Reserve

Statement of financial position

as at 31 December 2011

Audited	2011 Rm	2010 Rm
Assets		
Equipment and owner-occupied properties under development	897	957
Owner-occupied properties	1 598	1 513
Investment properties	23 470	21 521
Intangible assets	933	1 046
Defined benefit pension fund employer surplus	199	202
Deferred acquisition costs	403	364
Interests in joint ventures	626	605
Reinsurance assets	1 104	847
– long-term	902	847
– short-term	202	
Operating leases – accrued income	1 085	1 107
Derivative assets	3 790	2 659
Interests in associates – mutual funds	11 697	5 814
Financial investments	197 959	192 317
Deferred taxation	183	147
Prepayments, insurance and other receivables	2 620	2 884
Cash and cash equivalents	6 664	5 858
Total assets	**253 228**	237 841
Liabilities		
Long-term policyholder liabilities	208 565	197 878
Insurance contracts	145 558	138 873
Investment contracts with discretionary participation features	3 447	2 634
Financial liabilities under investment contracts	59 560	56 371
Short-term insurance liabilities	466	
Financial liabilities at amortised cost	2 195	2 143
Third party financial liabilities arising on consolidation of mutual funds	11 164	11 000
Employee benefits	1 082	830
Deferred revenue	159	139
Deferred taxation	2 819	2 437
Provisions	371	172
Operating leases – accrued expense	93	144
Derivative liabilities	3 113	1 909
Insurance and other payables	6 304	6 070
Current taxation	614	740
Total liabilities	**236 945**	223 462
Equity		
Ordinary shareholders' interests	13 211	11 716
Share capital	26	26
Share premium	6 133	6 654
Retained surplus	7 683	5 842
Other reserves	(631)	(806)
Non-controlling interests	3 072	2 663
Total equity	**16 283**	14 379
Total equity and liabilities	**253 228**	237 841

Statement of comprehensive income

for the year ended 31 December 2011

Audited	2011 Rm	2010 Rm
Revenue		
Insurance premiums	27 302	22 812
Reinsurance premiums	(909)	(699)
Net insurance premiums	26 393	22 113
Service fee income from policyholder investment contracts	863	868
Investment income	11 079	10 910
Hotel operations sales	679	687
Investment gains	8 148	15 290
Fee revenue and reinsurance commission	1 560	1 487
Adjustment to defined benefit pension fund employer surplus	(4)	11
Total revenue	48 718	51 366
Claims and policyholder benefits under insurance contracts	(22 897)	(22 096)
Insurance claims recovered from reinsurers	627	558
Change in long-term policyholder liabilities	(6 210)	(8 991)
Insurance contracts	(6 336)	(9 108)
Investment contracts with discretionary participation features	73	58
Applicable to reinsurers	53	59
Fair value adjustment to policyholder liabilities under investment contracts	(4 089)	(6 257)
Fair value adjustment on third party mutual fund interests	(1 230)	(549)
Acquisition costs	(3 268)	(2 906)
General marketing and administration expenses	(6 498)	(5 931)
Finance costs	(271)	(265)
Profit share allocations under bancassurance and other agreements	(628)	(504)
Goodwill impairment		(114)
Equity accounted earnings from joint ventures	9	45
Profit before taxation	4 263	4 356
Taxation	(1 383)	(1 717)
Total earnings	2 880	2 639
Other comprehensive income/(loss)	158	(96)
Owner-occupied properties – fair value adjustment	115	(99)
Net change in fair value on cash flow hedges	14	
Foreign currency translation	74	(28)
Income and capital gains tax relating to:		
– owner-occupied properties fair value adjustment	(41)	31
– net change in fair value on cash flow hedges	(4)	
Total comprehensive income	3 038	2 543
Total earnings attributable to:		
Liberty shareholders' interests	2 599	2 393
Non-controlling interests	281	246
	2 880	2 639
Total comprehensive income attributable to:		
Liberty shareholders' interests	2 736	2 302
Non-controlling interests	302	241
	3 038	2 543
	Cents	Cents
Basic earnings per share	997,6	918,6
Fully diluted basic earnings per share	954,3	883,3

Headline earnings and earnings per share

for the year ended 31 December 2011

Audited	2011 Rm	2010 Rm
Reconciliation of total earnings to headline earnings attributable to equity holders		
Total earnings attributable to equity holders	**2 599**	2 393
Adjustments		
Preference share dividend	**(2)**	(2)
Basic earnings attributable to ordinary shareholders	**2 597**	2 391
Goodwill and intangible assets impairments		96
Impairment of investment in joint venture		14
FCTR recycled through profit or loss		21
Headline earnings attributable to ordinary shareholders	**2 597**	2 522
Net income earned on BEE preference shares	**66**	75
BEE normalised headline earnings attributable to ordinary shareholders	**2 663**	2 597
Weighted average number of shares in issue ('000)	**260 306**	260 196
BEE normalised weighted average number of shares in issue ('000)	**286 102**	285 992
Fully diluted weighted average number of shares in issue ('000)	**272 113**	270 589
	Cents	Cents
Earnings per share attributable to ordinary shareholders		
Basic	**997,6**	918,6
Headline	**997,6**	968,8
BEE normalised headline	**930,8**	907,6
Fully diluted earnings per share attributable to ordinary equity holders		
Basic	**954,3**	883,3
Headline	**954,3**	931,6

Condensed statement of changes in shareholders' funds

for the year ended 31 December 2011

Audited	2011 Rm	2010 Rm
Balance of ordinary shareholders' funds at 1 January	**11 716**	10 515
Dividend/capital reduction[(1)]	**(1 353)**	(1 301)
Total comprehensive income	**2 736**	2 302
Share buy-back	**(40)**	(30)
Subscription for shares	**21**	20
Black Economic Empowerment transaction	**112**	117
Share-based payments	**55**	60
Payment on settlement of share options/rights	**(2)**	(2)
Acquisition of additional interests in subsidiaries	**(3)**	(2)
Preference dividend	**(2)**	(2)
FCTR recycled through profit or loss		21
Profit on partial disposal of a subsidiary	**8**	18
Acquisition of CfC Insurance Holdings Limited	**(37)**	
Ordinary shareholders' funds	**13 211**	11 716
Balance on non-controlling interests at 1 January	**2 663**	2 420
Total comprehensive income	**302**	241
Unincorporated property partnerships	**4**	(1)
Non-controlling share of subsidiary dividend	**(13)**	(3)
Acquisition of additional interests in subsidiaries	**(24)**	(16)
Issue of shares in subsidiary		40
Profit on partial disposal of a subsidiary	**10**	(18)
Acquisition of CfC Insurance Holdings Limited	**130**	
Non-controlling interests	**3 072**	2 663
Total shareholders' funds	**16 283**	14 379

(1) 31 December 2011: 2010 final dividend of 291 cents per share and 2011 interim capital reduction of 182 cents per share, 31 December 2010: interim and final capital reduction of 455 cents per share.

Condensed statement of cash flows

for the year ended 31 December 2011

Audited	2011 Rm	2010 Rm
Operating activities	**5 469**	1 632
Investing activities	**(5 008)**	(6 480)
Financing activities	**148**	67
Net increase/(decrease) in cash and cash equivalents	**609**	(4 781)
Cash and cash equivalents at the beginning of the year	**5 858**	10 637
Foreign currency translation	**29**	
Cash and cash equivalents acquired through business acquisition	**168**	2
Cash and cash equivalents at the end of the period	**6 664**	5 858

Condensed segment information

for the year ended 31 December 2011

Audited 2011 Rm	Long-term insurance		Short-term insurance	Asset management	Health services	Other	Total	Reporting adjustments[1]	IFRS reported
	Retail	Corporate							
Total revenue	41 649	10 836	319	2 064	279	1 174	56 321	(7 603)	48 718
Profit/(loss) before taxation	3 050	77	(88)	751	(117)	292	3 965	298	4 263
Taxation	(1 269)	19	(7)	(209)	7	76	(1 383)		(1 383)
Total earnings/(loss)	1 781	96	(95)	542	(110)	368	2 582	298	2 880
Other comprehensive income	106	6	15	8	1	22	158		158
Total comprehensive income/(loss)	1 887	102	(80)	550	(109)	390	2 740	298	3 038
Attributable to:									
Non-controlling interests	(31)	(19)	26	(16)	36		(4)	(298)	(302)
Equity holders	1 856	83	(54)	534	(73)	390	2 736	–	2 736
Reconciliation of total earnings/(loss) to headline earnings/(loss) attributable to equity holders									
Total earnings/(loss)	1 781	96	(95)	542	(110)	368	2 582	298	2 880
Attributable (to)/from non-controlling interests	(23)	(14)	33	(15)	36		17	(298)	(281)
Preference dividend						(2)	(2)		(2)
Headline earnings/(loss)	1 758	82	(62)	527	(74)	366	2 597	–	2 597
Net income earned on BEE preference shares						66	66		66
BEE normalised headline earnings/(loss)	1 758	82	(62)	527	(74)	432	2 663	–	2 663

[1] *Reporting adjustments include the consolidation of unincorporated property partnerships, the consolidation of third party mutual fund liabilities, the classification of long-term insurance into defined IFRS 'investment' and 'insurance' products, and the elimination of inter-group transactions.*

Condensed segment information (continued)

for the year ended 31 December 2011

Audited 2010 Rm	Long-term insurance Retail	Long-term insurance Corporate	Asset management	Health services	Other	Total	Reporting adjustments[1]	IFRS reported
Total revenue	43 419	11 853	1 834	353	1 194	58 653	(7 287)	51 366
Profit/(loss) before taxation	2 913	240	680	(232)	469	4 070	286	4 356
Taxation	(1 380)	(61)	(187)	10	(99)	(1 717)		(1 717)
Total earnings/(loss)	1 533	179	493	(222)	370	2 353	286	2 639
Other comprehensive loss	(66)	(7)	(7)		(16)	(96)		(96)
Total comprehensive income/(loss)	1 467	172	486	(222)	354	2 257	286	2 543
Attributable (to)/from non-controlling interests	5		(10)	51	(1)	45	(286)	(241)
Equity holders	1 472	172	476	(171)	353	2 302	–	2 302
Reconciliation of total earnings/(loss) to headline earnings/(loss) attributable to equity holders								
Total earnings/(loss)	1 533	179	493	(222)	370	2 353	286	2 639
Attributable (to)/from non-controlling interests	2		(13)	52	(1)	40	(286)	(246)
Preference share dividend					(2)	(2)		(2)
Goodwill and intangible assets impairments				96		96		96
Impairment of investment in joint venture					14	14		14
FCTR recycled through profit or loss					21	21		21
Headline earnings/(loss)	1 535	179	480	(74)	402	2 522	–	2 522
Net income earned on BEE preference shares					75	75		75
BEE normalised headline earnings/(loss)	1 535	179	480	(74)	477	2 597	–	2 597

[1] *Reporting adjustments include the consolidation of unincorporated property partnerships, the consolidation of third party mutual fund liabilities, the classification of long-term insurance into defined IFRS 'investment' and 'insurance' products, and the elimination of inter-group transactions.*

Group equity value report

1. Introduction

Liberty presents a “group equity value” report to reflect the combined value of the various components of Liberty’s businesses.

Sections 2 and 3 below describe the valuation bases used for each reported component. It should be noted the group equity value is presented to provide additional information to shareholders to assess performance of the group. The total equity value is not intended to be a fair value calculation of the group but should provide indicative information of the inherent value of the component parts.

2. Component parts of the group equity value and valuation techniques used

Group equity value has been calculated as the sum of the various component parts:

2.1 South African covered business:

The wholly owned subsidiary, Liberty Group Limited, comprises the cluster of South African long-term insurance entities and related asset holding entities. The embedded value methodology in terms of Professional Guidance Note 107 issued by the Actuarial Society of South Africa continues to be used to derive the value of this business cluster described as “South African covered business”. The embedded value report of the South African covered business has been reviewed by the group’s statutory actuary and audited by PricewaterhouseCoopers Inc. The full embedded value report is included in the supplementary information section.

2.2 Other businesses:

STANLIB: Valued using a 10 times (2010: 10 times) multiple of estimated sustainable earnings.

Liberty Properties: Valued using a 10 times (2010: 10 times) multiple of estimated sustainable earnings.

Fountainhead: Fountainhead has been valued on an earnings yield basis.

Liberty Health: As Liberty Health has yet to establish a history to support a sustainable earnings calculation, IFRS net asset value is applied.

Liberty Africa: Liberty Africa is an emerging cluster of wealth businesses located outside South Africa. A combination of valuation techniques including embedded value, discounted cash flow and earnings multiples have been applied to value these businesses. The combined value of this cluster is not material relative to the other components of group equity value and therefore a detailed analysis of this valuation has not been presented.

2.3 Other adjustments:

These comprise the net market value of assets and liabilities held by the Liberty Holdings Limited company excluding investments in subsidiaries valued separately, the fair value of share options/rights allocated to staff not employed by the South African covered businesses and allowance for certain shareholder recurring costs incurred in Liberty Holdings Limited capitalised at a multiple of 9 times (2010: 6 times).

Group equity value report (continued)

3. BEE normalised group equity value

3.1 Analysis of BEE normalised group equity value

Audited 31 December 2011 (Rm)	SA covered business	Other busi-nesses	Group funds invested	Adjust-ments	Net worth[1]	Value of in-force: SA covered business	Total
SA insurance operations (excluding Frank)	7 227		7 227	(3 857)	3 370	17 789	21 159
Retail SA						16 175	
Corporate						1 614	
Frank	116		116	(14)	102	38	140
Value of in-force acquired	325		325	(325)			
Working capital	3 994		3 994	(291)	3 703		3 703
South African insurance operations	11 662		11 662	(4 487)	7 175	17 827	25 002
Other group businesses:							
STANLIB		234	234	3 566	3 800		3 800
Properties (including Fountainhead)		270	270	684	954		954
Liberty Health (including Total Health Trust)	81	97	178		178		178
Liberty Africa	31	354	385		385	33	418
Liberty Holdings		482	482	54	536		536
Cost of capital						(1 167)	(1 167)
Net equity as reported under IFRS	11 774	1 437	13 211	(183)	13 028	16 693	29 721
BEE preference funding	1 075		1 075		1 075		1 075
Allowance for future shareholders costs		(145)	(145)		(145)	(1 690)	(1 835)
Allowance for employee share options/rights	(180)	(142)	(322)		(322)		(322)
BEE normalised equity value	12 669	1 150	13 819	(183)	13 636	15 003	28 639
Summary of adjustments:							
Negative rand reserves	(3 857)		(3 857)				
Deferred acquisition costs	(389)		(389)				
Deferred revenue liability	152		152				
Internally generated software	(54)	54					
Frank allowance for future expenses	(14)		(14)				
Carrying value of in-force business acquired	(325)		(325)				
Fair value adjustment of non SA covered business		4 250	4 250				
	(4 487)	4 304	(183)				

[1] Reconciliation to SA covered business net worth	
Net equity of SA covered business as reported under IFRS	*11 774*
Adjustments as above	*(4 487)*
Allowance for employee share options/rights	*(180)*
BEE preference share funding	*1 075*
Net worth as reported in supplementary information	*8 182*

3. BEE normalised group equity value (continued)

3.1 Analysis of BEE normalised group equity value (continued)

Audited 31 December 2010 (Rm)	SA covered business	Other busi-nesses	Group funds invested	Adjust-ments	Net worth[1]	Value of in-force: SA covered business	Total
SA insurance operations (excluding Frank)	7 043		7 043	(3 125)	3 918	16 522	20 440
Retail SA						14 807	
Corporate						1 715	
Frank	99		99	(42)	57		57
Value of in-force acquired	440		440	(440)			
Working capital	2 827		2 827	(244)	2 583		2 583
South African insurance operations	10 409		10 409	(3 851)	6 558	16 522	23 080
Other group businesses:							
STANLIB		230	230	3 370	3 600		3 600
Properties (including Fountainhead)	152	121	273	671	944		944
Liberty Health (including Total Health Trust)	267		267		267		267
Liberty Africa	42	110	152	22	174	21	195
Liberty Holdings		385	385	50	435		435
Cost of capital						(1 433)	(1 433)
Net equity as reported under IFRS	10 870	846	11 716	262	11 978	15 110	27 088
BEE preference funding	1 119		1 119		1 119		1 119
Allowance for future shareholders costs		(101)	(101)		(101)	(1 561)	(1 662)
Allowance for STC		(257)	(257)		(257)		(257)
Allowance for employee share options/rights	(183)	(75)	(258)		(258)		(258)
BEE normalised equity value	11 806	413	12 219	262	12 481	13 549	26 030
Summary of adjustments:							
Negative rand reserves	(3 125)		(3 125)				
Deferred acquisition costs	(364)		(364)				
Deferred revenue liability	139		139				
Internally generated software	(50)	50					
Frank allowance for future expenses	(42)		(42)				
Carrying value of in-force business acquired	(440)		(440)				
Fair value adjustment of non SA covered business		4 063	4 063				
Other	31		31				
	(3 851)	4 113	262				

[1] Reconciliation to SA covered business net worth	
Net equity of SA covered business as reported under IFRS	*10 870*
Adjustments as above	*(3 851)*
Allowance for employee share options/rights	*(183)*
BEE preference share funding	*1 119*
Net worth as reported in supplementary information	*7 955*

Group equity value report (continued)

3. BEE normalised group equity value (continued)

3.2 BEE normalised group equity value earnings and value per share

Audited	31 December 2011 SA covered business Rm	31 December 2011 Other businesses Rm	31 December 2011 Total Rm	31 December 2010 SA covered business Rm	31 December 2010 Other businesses Rm	31 December 2010 Total Rm
BEE normalised equity value at end of the year	23 185	5 454	28 639	21 504	4 526	26 030
BEE preference shares	1 075		1 075	1 119		1 119
Equity value at the end of the year	22 110	5 454	27 564	20 385	4 526	24 911
Adjustments from group restructure	15	(15)		3 979	(3 979)	
Capital transactions		19	19		10	10
Intergroup dividends	1 283	(1 283)		1 092	(1 092)	
Dividends paid		1 353	1 353		1 301	1 301
BEE normalised equity value at beginning of the year	(21 504)	(4 526)	(26 030)	(24 051)	(67)	(24 118)
Equity value at beginning of the year	(20 385)	(4 526)	(24 911)	(22 892)	(67)	(22 959)
BEE preference shares	(1 119)		(1 119)	(1 159)		(1 159)
BEE normalised equity value earnings	2 979	1 002	3 981	2 524	699	3 223
BEE normalised return on group equity value	13,9%	22,1%	15,3%	12,6%	17,3%	13,4%
BEE normalised number of shares (000's)			285 961			286 022
Number of shares in issue (000's)			260 165			260 226
Adjustment for BEE ordinary shares (000's)			25 796			25 796
BEE normalised group equity value per share (Rand)			100,15			91,01

3.3 Sources of BEE normalised group equity value earnings

Audited	31 December 2011 SA covered business Rm	31 December 2011 Other businesses Rm	31 December 2011 Total Rm	31 December 2010 SA covered business Rm	31 December 2010 Other businesses Rm	31 December 2010 Total Rm
Value of new business	389	21	410	252	9	261
Expected return on value of in-force	1 640		1 640	1 619		1 619
Operating assumptions	949	(55)	894	116	(101)	15
Operating experience variances	286	(11)	275	399		399
Operating assumption changes	273	(44)	229	(390)	(101)	(491)
Changes in modelling methodology	390		390	107		107
Headline earnings of other businesses	(108)	527	419	(74)	454	380
Operational equity value profits	2 870	493	3 363	1 913	362	2 275
Non headline loss of other businesses				(110)		(110)
Development costs	(61)		(61)	(72)		(72)
Investment return on net worth	458	174	632	573	146	719
Investment variances	(279)		(279)	(41)		(41)
Changes in economic assumptions	(12)		(12)	331		331
Increase in fair value adjustments on value of other businesses		145	145	(42)	225	183
Change in allowance for share options/rights	3	(67)	(64)	(28)	(2)	(30)
Change in STC allowance		257	257		(32)	(32)
Group equity value earnings	2 979	1 002	3 981	2 524	699	3 223

3. BEE normalised group equity value (continued)

3.4 Analysis of value of long-term insurance, new business and margin

Audited Rm	31 Dec 2011	31 Dec 2010
South African covered business:		
Retail SA		
– Traditional Life	**793**	663
– Emerging Consumer Markets	**111**	87
– Credit Life	**86**	65
Liberty Corporate	**95**	86
Frank	**51**	
Gross value of new business	**1 136**	901
Overhead acquisition costs impact on value of new business	**(687)**	(616)
Cost of required capital	**(60)**	(33)
Net value of South African covered new business	**389**	252
Present value of future expected premiums	**28 329**	22 498
Margin	**1,4%**	1,1%
Liberty Africa:		
Net value of new business	**21**	9
Present value of future expected premiums	**229**	173
Margin	**9,2%**	5,2%
Total group net value of new business	**410**	261
Total group margin	**1,4%**	1,2%

3.5 Notes and definitions

BEE normalised:

These measures reflect the economic reality of the Black Economic Empowerment (BEE) transaction as opposed to the required technical accounting treatment that reflects the BEE transaction as a share buy-back.

Value of new business and margin

Value of new business is the present value, at point of sale, of the projected stream of after tax profits for new business issued, net of the cost of required capital. The present value is calculated using a risk adjusted discount rate. Margin is calculated using the value of new business divided by the present value of future modelled premiums.

Development costs

Represents project costs incurred on developing or enhancing future revenue opportunities.

Negative rand reserves

A portion of expected future management and administration fees are present valued at and recognised at point of sale. Prospective measurement takes place at each valuation date until received.

Long-term insurance new business

for the year ended 31 December 2011

Unaudited	2011 Rm	2010 Rm
Retail SA	**16 229**	12 672
Single	**13 171**	9 950
Recurring	**3 058**	2 722
Corporate	**1 586**	1 488
Single	**1 053**	1 051
Recurring	**533**	437
Liberty Africa[(1)]	**140**	220
Single	**32**	169
Recurring	**108**	51
Frank	**28**	
Recurring	**28**	
Total new business	**17 983**	14 380
Single	**14 256**	11 170
Recurring	**3 727**	3 210
Sources of insurance operations total new business by customer segment:		
Retail	**16 367**	12 722
Single	**13 198**	9 966
Recurring	**3 169**	2 756
Corporate	**1 616**	1 658
Single	**1 058**	1 204
Recurring	**558**	454
Total new business	**17 983**	14 380
Indexed new business	**5 152**	4 327

[(1)] *Liberty group owns less than 100% of the various entities that make up Liberty Africa. The information is recorded at 100% and is not adjusted for proportional legal ownership.*

Assets under management[1]

for the year ended 31 December 2011

Unaudited	2011 Rbn	2010 Rbn
Managed by group business units	**432**	419
STANLIB	**341**	355
Liberty Africa[2]	**39**	29
Liberty Properties	**27**	25
LibFin	**25**	10
Externally managed	**23**	23
Total assets under management	**455**	442

[1] *Includes funds under administration.*

[2] *Liberty group owns less than 100% of the various entities that make up Liberty Africa. The information is recorded at 100% and is not adjusted for proportional legal ownership.*

Long-term insurance net cash flows

for the year ended 31 December 2011

Audited	2011 Rm	2010 Rm
Premiums		
Recurring	**20 853**	19 473
Retail	**14 817**	13 719
Corporate	**6 036**	5 754
Single	**14 858**	11 382
Retail	**8 561**	6 098
Corporate	**1 629**	1 376
Immediate annuities	**4 668**	3 908
Net premium income from insurance contracts and inflows from investment contracts	**35 711**	30 855
Claims and policyholders benefits		
Retail	**(23 086)**	(22 666)
Death and disability claims	**(4 199)**	(4 043)
Policy maturity claims	**(4 717)**	(4 373)
Policy surrender claims	**(10 754)**	(11 054)
Annuity payments	**(3 416)**	(3 196)
Corporate	**(8 395)**	(8 476)
Death and disability claims	**(1 745)**	(1 718)
Scheme terminations and member withdrawals	**(6 349)**	(6 478)
Annuity payments	**(301)**	(280)
Net claims and policyholders benefits	**(31 481)**	(31 142)
Long-term insurance net cash flows	**4 230**	(287)
Sources of insurance operations cash flows by business unit:		
Retail SA	**4 767**	990
Corporate	**(661)**	(1 517)
STANLIB Multi-manager	**(109)**	(19)
Frank	**17**	
Liberty Africa[1]	**216**	259

[1] *Liberty group owns less than 100% of the various entities that make up Liberty Africa. The information is recorded at 100% and is not adjusted for proportional legal ownership.*

Short-term insurance net cash flows

for the year ended 31 December 2011

Audited	2011 Rm	2010 Rm
Premiums	**343**	77
Liberty Health – medical risk	**162**	77
Liberty Africa – motor, property and other	**179**	
– medical risk	**2**	
Claims	**(235)**	(63)
Liberty Health – medical risk	**(144)**	(63)
Liberty Africa – motor, property and other	**(85)**	
– medical risk	**(6)**	
Net cash inflows from short-term insurance	**108**	14

Asset management net cash flows – STANLIB and Liberty Africa

for the year ended 31 December 2011

Unaudited	2011 Rm	2010 Rm
STANLIB before money market	**7 919**	(3 431)
Retail	**10 004**	5 908
Institutional	**(2 085)**	(9 339)
Money market	**(13 407)**	19 130
Retail	**1 027**	4 840
Institutional	**(14 434)**	14 290
Net STANLIB cash (outflows)/inflows[(1)]	**(5 488)**	15 699
Liberty Africa before money market	**5 679**	4 754
Retail	**295**	318
Institutional	**5 384**	4 436
Money market	**(282)**	1 726
Net Liberty Africa cash inflows[(2)]	**5 397**	6 480
Net cash (outflows)/inflows from asset management	**(91)**	22 179

[(1)] *STANLIB cash flows exclude intergroup life funds.*

[(2)] *Liberty group owns less than 100% of the various entities that make up Liberty Africa. The information is recorded at 100% and is not adjusted for proportional legal ownership.*

Capital commitments

as at 31 December 2011

Audited	2011 Rm	2010 Rm
Business acquisitions[1]	**57**	143
Equipment	**300**	236
Investment and owner-occupied property	**1 486**	1 654
Total capital commitments	**1 843**	2 033
Under contracts	**646**	458
Authorised by the directors but not contracted	**1 182**	1 445
Under agreement with material conditions outstanding	**15**	130

[1] *The board has approved an allocated amount towards possible business acquisitions.*

The group's share of commitments of joint ventures amounts to R12 million (2010: R7 million) and is to be financed by the existing facilities in the joint venture operations.

The above 2011 capital commitments will be financed by available bank facilities, existing cash resources, internally generated funds and R122 million (2010: R313 million) from non-controlling interests in unincorporated property partnerships.

Retirement benefit obligations

as at 31 December 2011

Audited

Post-retirement medical benefit

The group operates an unfunded post-retirement medical aid benefit for permanent employees who joined the group prior to 1 February 1999 and agency staff who joined prior to 1 March 2005.

As at 31 December 2011, the Liberty post-retirement medical aid benefit liability was R459 million (2010: R400 million).

Defined benefit retirement funds

The group operates a number of defined benefit pension schemes on behalf of employees. All these funds are closed to new membership and are well funded with no deficits reported.

Related parties

as at 31 December 2011

Audited

The following selected significant related party transactions have occurred in the 31 December 2011 financial period:

1) **Summary of movement in investment in ordinary shares held by the group in the group's holding company is as follows:**

	Number '000	Fair value Rm	Ownership %
Standard Bank Group Limited			
Balance at 1 January 2011	17 364	1 868	1,10
Purchases	2 500	252	
Sales	(7 708)	(768)	
Fair value adjustments		(151)	
Balance at 31 December 2011	12 156	1 201	0,77

2) **Bancassurance**

Liberty has entered into joint venture bancassurance agreements with the Standard Bank group for the manufacture, sale and promotion of insurance, investment and health products through Standard Bank's African distribution capability. New business insurance premium income in respect of this business in 2011 amounted to R5 404 million (2010 full year: R4 407 million). In terms of the agreements, Liberty's subsidiaries pay joint venture profit shares to various Standard Bank operations. The amounts to be paid are in most cases dependent on source and type of business and are paid along geographical lines. The total net profit share calculated as payable to the Standard Bank group for 2011 is R608 million (2010: R463 million).

During 2010 Liberty and Standard Bank conducted a detailed review of the existing bancassurance agreement and agreed with effect, from 1 January 2011, to expand the scope thereof to include asset management, investment and health products in addition to the insurance products. The agreements are evergreen agreements with a 24-month notice period for termination, but neither party may give notice of termination until February 2013. As the joint venture bancassurance relationship provides commercial benefits to both Liberty and Standard Bank, a governance framework is in place to protect the interests of minority shareholders.

In order to provide enhanced transparency and further detail in respect of Liberty's joint venture bancassurance arrangements with Standard Bank, a summary document has been published on the investor relations page of Liberty's website (www.liberty.co.za).

3) **Acquisition of CfC Insurance Holdings Limited (CfC)**

To continue the execution of the group's strategy to extend its market share of the wealth management business in African countries outside of South Africa, Liberty has acquired a 56,8% controlling stake in CfC. The effective date of the transaction was 1 April 2011.

CfC is a leading Kenyan life, health and general insurance group consisting of CfC Life Assurance and The Heritage Insurance Company in Kenya and Tanzania.

Previously CfC was a directly owned subsidiary of the Standard Bank Group and the transaction is therefore defined as a common control transaction. In terms of the group's accounting policies Liberty accounts for the respective assets and liabilities acquired at the Standard Bank Group Limited carrying values at the date of the transaction. The excess paid over the net carrying value is accounted for directly in equity.

The purchase price is R199 million consisting of R84 million of new equity capital, a R108 million payment to Standard Bank and an expected additional amount of US$1 million (rand equivalent of R7 million) relating to an earn out based on an asset base improvement impact on net value. The maximum possible amount of the earn out is US$4 million and the latest possible settlement date for the earn out is 31 March 2013.

Related parties

as at 31 December 2011

3) Acquisition of CfC Insurance Holdings Limited (CfC) (continued)

The assets and liabilities arising from the acquisition are as follows:

	2011 Rm
Equipment and owner-occupied properties under development	55
Owner-occupied properties	51
Investment properties	43
Goodwill	26
Intangible assets	51
Deferred acquisition costs	13
Deferred taxation asset	5
Reinsurance assets	111
Financial investments	1 340
Prepayments, insurance and other receivables	109
Long-term policyholder liabilities	(1 070)
Short-term insurance liabilities	(339)
Financial liabilities at amortised cost	(41)
Employee benefits	(1)
Deferred revenue	(7)
Deferred taxation liability	(59)
Insurance and other payables	(160)
Current taxation	(3)
Net assets and liabilities assumed	124
Cash acquired	168
Non-controlling interests[(1)]	(130)
Net asset value attributable to ordinary shareholders	162
Acquisition price	199
Capital contribution	84
Cash paid to Standard Bank	108
Contingent consideration	7
Excess purchase price accounted for directly in equity	(37)

[(1)] Non controlling interests represent their proportionate share of the assets and liabilities assumed from the Standard Bank Group.

Subsequent to the 30 June 2011 interim disclosures, these items were adjusted to reflect corrections arising from a review of the 31 March 2011 management accounts:

	Revised Rm	As reported at 30 June 2011 Rm	Difference Rm
Cash acquired	168	210	(42)
Deferred taxation liability	(59)	(71)	12
Non-controlling interests	(130)	(142)	12
Total	(21)	(3)	(18)

Since acquisition date, CfC has contributed R325 million to the group's total revenue and R9 million to the group's total earnings (of which R5 million was Liberty's share) for the year ended 31 December 2011.

LIBERTY

Liberty Holdings Limited

Supplementary information 2011

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Analysis of ordinary shareholders' funds invested

for the year ended 31 December 2011

	Group funds invested		Contribution to earnings	
	2011 Rm	2010 Rm	**2011 Rm**	2010 Rm
South African insurance operations	**11 546**	10 310	**2 443**	2 478
Insurance operating surplus			**1 876**	1 826
Secondary tax on companies – bancassurance dividends			**(57)**	(42)
Present value of in-force business	**325**	440	**(115)**	(115)
Investment portfolios	**9 227**	9 043	**615**	698
LibFin allocated expenses			**(32)**	
Fixed assets and working capital[1]	**3 994**	2 827	**335**	290
Callable capital bonds	**(2 000)**	(2 000)	**(179)**	(179)
Asset management operations	**504**	503	**510**	457
STANLIB	**234**	230	**414**	361
Liberty Properties	**66**	79	**85**	86
Fountainhead	**204**	194	**11**	10
Business development initiatives	**679**	518	**(91)**	(77)
Liberty Africa	**385**	152	**19**	9
Total Health Trust	**30**	21	**2**	1
Liberty Health	**148**	246	**(65)**	(43)
Frank Financial Services	**116**	99	**(47)**	(44)
Shareholder expenses and sundry income			**(263)**	(334)
Liberty Holdings	482	385		
Preference share dividend			(2)	(2)
Headline earnings			2 597	2 522
Preference share dividend			2	2
Goodwill and intangible assets impairments				(96)
Impairment of investment in joint venture				(14)
FCTR recycled through profit or loss				(21)
Liberty Holdings shareholders' funds/total earnings	13 211	11 716	2 599	2 393
BEE normalised:				
Liberty Holdings shareholders' funds/headline earnings	**13 211**	11 716	**2 597**	2 522
BEE preference shares	**1 075**	1 119	**66**	75
BEE normalised shareholders' funds/headline earnings	**14 286**	12 835	**2 663**	2 597

[1] *With effect from 1 July 2005 Liberty Group Limited established a working capital funding loan between insurance operations and shareholder assets, subsequently supported by the callable capital bonds issue. Inter-divisional interest is charged at 8,77% nacm which is equivalent to the callable capital bond's interest rate.*

Analysis of group earnings – core earnings

31 December	2011 Rm	2010 Rm
Retail SA planned margin release including annual contribution increases	1 451	1 379
Expected long-term rate of return on shareholder investment portfolio	1 097	1 129
BEE preference share income	66	75
Other businesses headline earnings and shareholder net expenses	219	180
Corporate	96	103
STANLIB	414	361
Liberty Properties	96	96
Liberty Africa	21	10
Liberty Health	(65)	(43)
Frank	(47)	(44)
Other	(296)	(303)
Core operating earnings	2 833	2 763
Corporate retirement fund administration project	(60)	
Retail SA new business strain	(342)	(333)
Retail SA operating variances and assumption changes	205	(147)
Adjusted core operating earnings	2 636	2 283
LibFin Markets portfolio performance	155	269
Variance to long-term rate of return on shareholder investment portfolio	(128)	45
BEE normalised headline earnings	2 663	2 597

Reconciliation of business unit earnings to segment result as at 31 December 2011

	Segment report						
Business unit	Retail Rm	Corporate Rm	Short-term Rm	Asset management Rm	Health services Rm	Other Rm	Total Rm
Retail SA	1 369					(55)	1 314
Corporate		36					36
LibFin	363	24				737	1 124
STANLIB				414			414
Liberty Properties				96			96
Liberty Africa	41	22	(36)	35	2	(43)	21
Liberty Health			(17)		(48)		(65)
Frank	16					(63)	(47)
Central overheads and sundry income	(31)		(9)	(18)	(28)	(208)	(294)
Total earnings attributable to equity holders	1 758	82	(62)	527	(74)	368	2 599
Preference share dividend						(2)	(2)
Net income earned on BEE preference shares						66	66
BEE normalised headline earnings	1 758	82	(62)	527	(74)	432	2 663

South African covered business embedded value

for the year ended 31 December 2011

1. Description of embedded value of South African covered business

The current version of Professional Guidance Note (PGN)107 came into force for all financial years ending on or after 31 December 2008. PGN 107 governs the way in which embedded values of life assurance companies are reported.

The embedded value consists of:

- The net worth; plus
- The value of in-force covered business; less
- The cost of required capital.

The net worth represents the excess of assets over liabilities on the statutory valuation method, adjusted for the elimination of the carrying value of covered business acquired and for the fair value of share options/rights granted to Liberty Group Limited employees.

The value of in-force covered business is the discounted value of the projected stream of after tax shareholder profits arising from existing in-force covered business. These shareholder profits arise from the release of margins under the statutory basis of valuing liabilities, which differs from the release of profits on the published accounting basis. This value is reduced by the present value of after tax future shareholder recurring and non-recurring expenses. Covered business is defined as business regulated by the FSB as long-term insurance business written in Liberty Group Limited or its subsidiary life companies.

For reversionary and smoothed bonus business, the value of in-force covered business has been calculated assuming that bonuses are changed over time so that the full amount of the bonus stabilisation reserves is distributed to policyholders over the lifetime of the in-force policies.

The required capital is defined as the level of capital that is restricted for distribution to shareholders. This comprises the statutory CAR calculated in accordance with PGN 104 plus any additional capital considered appropriate by the Board given the risks in the business. For Liberty Group Limited, required capital has been calculated at 1,7 x CAR. For subsidiary life companies a multiple of 1,5 x CAR has been used. The cost of required capital is the present value, at the risk discount rate, of the projected release of the required capital allowing for investment returns on the assets supporting the projected required capital.

The value of new business written is the present value at the point of sale of the projected stream of after tax profits from that business, reduced by the cost of required capital. New business is defined as covered business arising from the sale of new policies and once off premium increases in respect of in-force covered business during the reporting period. Risk policies with an inception date prior to the reporting date where no premium has been received are included in the embedded value and value of new business. The contractual terms of these policies state that Liberty Group Limited is on risk from the inception date, even though a premium may not have been received. This definition is consistent with that used in the financial statements.

The value of new business has been calculated on the closing assumptions. Investment yields at the point of sale have been used for new fixed annuities and Guaranteed Capital Bonds; for all other business the investment yields at the date of reporting have been used.

No adjustment has been made for the discounting of tax provisions in the embedded value.

South African covered business embedded value (continued)

for the year ended 31 December 2011

2. BEE normalised embedded value

	2011 Rm	2010 Rm
Risk discount rate[(a)]	**10,95%**	11,07%
Net worth	**8 182**	7 955
Ordinary shareholders' funds on published basis	**12 849**	11 989
Adjustment of ordinary shareholders' funds from published basis[(b)]	**(4 162)**	(3 411)
Adjustment for carrying value of in-force business acquired[(c)]	**(325)**	(440)
Allowance for fair value of share options	**(180)**	(183)
Net value of life business in-force	**15 003**	13 549
Value of life business in-force	**16 170**	14 982
Cost of required capital	**(1 167)**	(1 433)
BEE normalised embedded value	**23 185**	21 504

3. BEE normalised embedded value earnings

	2011 Rm	2010 Rm
Embedded value at the end of the period	**23 185**	21 504
Adjustments arising from the group restructure	**15**	3 979
Intergroup dividends	**1 283**	1 092
Less embedded value at the beginning of the period	**(21 504)**	(24 051)
Embedded value earnings	**2 979**	2 524
Return on embedded value	**13,9%**	12,6%

4. Sensitivity to risk discount rate and other assumptions

In order to indicate sensitivity to varying assumptions, the value of the in-force life business less cost of required capital and the value of the new business written for Liberty Group Limited are shown below for various changes in assumptions. Each value is shown with only the indicated parameter being changed.

	Value of in-force life business less cost of required capital at 31 December 2011 Rm	Value of new business written in 2011 Rm	Value of in-force life business less cost of required capital at 31 December 2010 Rm	Value of new business written in 2010 Rm
Base value	**15 003**	**389**	13 549	252
Value of in-force/new business	16 170	449	14 982	285
Cost of required capital	(1 167)	(60)	(1 433)	(33)
100 basis point increase in risk discount rate	**13 698**	**298**	12 367	180
Value of in-force/new business	15 256	376	14 182	231
Cost of required capital	(1 558)	(78)	(1 815)	(51)
100 basis point decrease in interest rate environment	**14 988**	**450**	13 524	298
Value of in-force/new business	16 262	512	14 991	331
Cost of required capital	(1 274)	(62)	(1 467)	(33)
10% fall in equity and property market values	**14 555**		13 105	
Value of in-force	15 722		14 538	
Cost of required capital	(1 167)		(1 433)	
100 basis point increase in equity and property returns	**15 971**	**400**	14 564	259
Value of in-force/new business	17 012	457	15 868	289
Cost of required capital	(1 041)	(57)	(1 304)	(30)
10% decrease in maintenance expenses	**15 662**	**433**	14 157	289
Value of in-force/new business	16 829	493	15 590	322
Cost of required capital	(1 167)	(60)	(1 433)	(33)
10% decrease in new business acquisition expenses (other than commissions)		**459**		309
Value of new business		519		342
Cost of required capital		(60)		(33)
10% decrease in withdrawal rates	**16 048**	**510**	14 548	354
Value of in-force/new business	17 215	570	16 015	387
Cost of required capital	(1 167)	(60)	(1 467)	(33)
5% improvement in mortality and morbidity for assurances	**15 843**	**499**	14 306	338
Value of in-force/new business	17 010	559	15 742	371
Cost of required capital	(1 167)	(60)	(1 436)	(33)
5% improvement in mortality for annuities	**14 865**	**386**	13 413	250
Value of in-force/new business	16 032	446	14 846	283
Cost of required capital	(1 167)	(60)	(1 433)	(33)

South African covered business embedded value (continued)

for the year ended 31 December 2011

5. Analysis of BEE normalised embedded value earnings

	Net worth	Value of inforce covered business	Cost of required capital	Embedded value	Net worth	Value of inforce covered business	Cost of required capital	Embedded value
	2011				2010			
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Embedded value at the end of the period	8 182	16 170	(1 167)	23 185	7 955	14 982	(1 433)	21 504
Plus dividends paid	1 283			1 283	1 092			1 092
Adjustments arising from group restructure	8	7		15	4 074	(93)	(2)	3 979
Embedded value at the beginning of the period	(7 955)	(14 982)	1 433	(21 504)	(11 504)	(13 957)	1 410	(24 051)
Embedded value earnings	1 518	1 195	266	2 979	1 617	932	(25)	2 524
Components of embedded value earnings								
Value of new business written in the period	(894)	1 343	(60)	389	(936)	1 221	(33)	252
Expected return on value of life business[(d)]		1 623	17	1 640		1 611	8	1 619
Expected net of tax profit transfer to net worth	2 324	(2 324)			2 371	(2 371)		
Operating experience variances[(g)]	99	252	73	424	64	270	(7)	327
Development expenses	(61)			(61)				
Incentive outperformance	(138)			(138)				
Operating assumption changes[(h)]	(275)	548		273	(163)	(249)	22	(390)
Embedded value earnings from operations	1 055	1 442	30	2 527	1 336	482	(10)	1 808
Investment return on net worth	350			350	347			347
Investment variances	(96)	(183)		(279)	(125)	84		(41)
Changes in economic assumptions[(i)]	14	(5)	(21)	(12)	121	225	(15)	331
Changes in modelling methodology[(j)]	192	(59)	257	390	(34)	141		107
Change in allowance for fair value of share options/rights[(k)]	3			3	(28)			(28)
BEE normalised embedded value earnings	1 518	1 195	266	2 979	1 617	932	(25)	2 524

6. Notes to embedded value

a) Future investment returns on major asset classes and other economic assumptions have been set with reference to the market yield on medium-term South African government stock.

	Investment return p.a.	
	2011 %	2010 %
Government stock	**8,15**	8,27
Equities	**11,65**	11,77
Property	**9,15**	9,27
Cash	**6,65**	6,77
The risk discount rate has been set equal to the risk free rate plus 80% of the equity risk premium	**10,95**	11,07
Maintenance expense inflation rate	**5,15**	5,27

b) ***Adjustment of ordinary shareholders' funds from the published basis***

The amounts represent the change in the amount of shareholder funds as a result of moving from a published valuation basis to the statutory valuation basis. This is largely due to the elimination of certain negative rand reserves on the statutory valuation basis. The reduction in net worth results in a corresponding increase in the value of in-force.

c) ***Adjustment for carrying value of in-force business acquired***

The carrying value of business acquired by Liberty has been deducted from shareholders' funds in order to avoid double counting. For embedded value purposes, the value in respect of this acquired business is included in the value of life business in-force.

	2011 Rm	2010 Rm
Investec Employee Benefits (IEB)	**(14)**	(25)
Capital Alliance Holdings Limited (CAHL)	**(294)**	(393)
Business previously acquired by CAHL	**(17)**	(22)
	(325)	(440)

d) The expected return on the value of life business is obtained by applying the previous year's risk discount rate to the value of life business in force at the beginning of the period and the current year's risk discount rate for half a year to the value of new business.

e) Taxation has been allowed for at rates and on bases applicable to Section 29A of the Income Tax Act. Full taxation relief on expenses to the extent permitted was assumed. Capital gains taxation has been taken into account in the embedded value. No allowance has been made for the taxation changes announced in the budget on 22 February 2012.

f) Other bases, bonus rates and assumptions

Parameters reflect best estimates of future experience, consistent with the valuation bases used by the statutory actuaries, excluding any compulsory or discretionary margins. However, in contrast to the assumptions in the valuation basis, the embedded value makes allowance for automatic premium and benefit increases.

6. Notes to embedded value (continued)

g) Operating experience variances consist of the combined effect on net worth and value of in-force of operating experience being different to that anticipated at the prior year end.

The net 31 December 2011 operating experience variance of R424 million comprised:

Operating experience variances	Net worth Rm	Value of in-force covered business Rm	Cost of required capital Rm	Embedded value Rm
Expenses	(114)			(114)
Mortality and morbidity	6	46		52
Persistency	70	223		293
Tax rebates	150	(83)		67
Other	(13)	66	73	126
Total	99	252	73	424

h) The amount of R273 million operating assumption changes comprises:

Operating assumption changes	Net worth Rm	Value of in-force covered business Rm	Cost of required capital Rm	Embedded value Rm
Expenses	(28)	(312)		(340)
Retail SA	(28)	(31)		(59)
Corporate		(61)		(61)
Shareholder		(220)		(220)
Mortality and morbidity	(83)	(18)		(101)
Annuitant mortality	(313)	12		(301)
Persistency	72	940		1 012
Other	77	(74)		3
Total	(275)	548		273

Other comprises a large number of minor adjustments to assumptions.

i) The amount of negative R12 million (2010: R331 million) relates to changes in economic assumptions as described in note a.

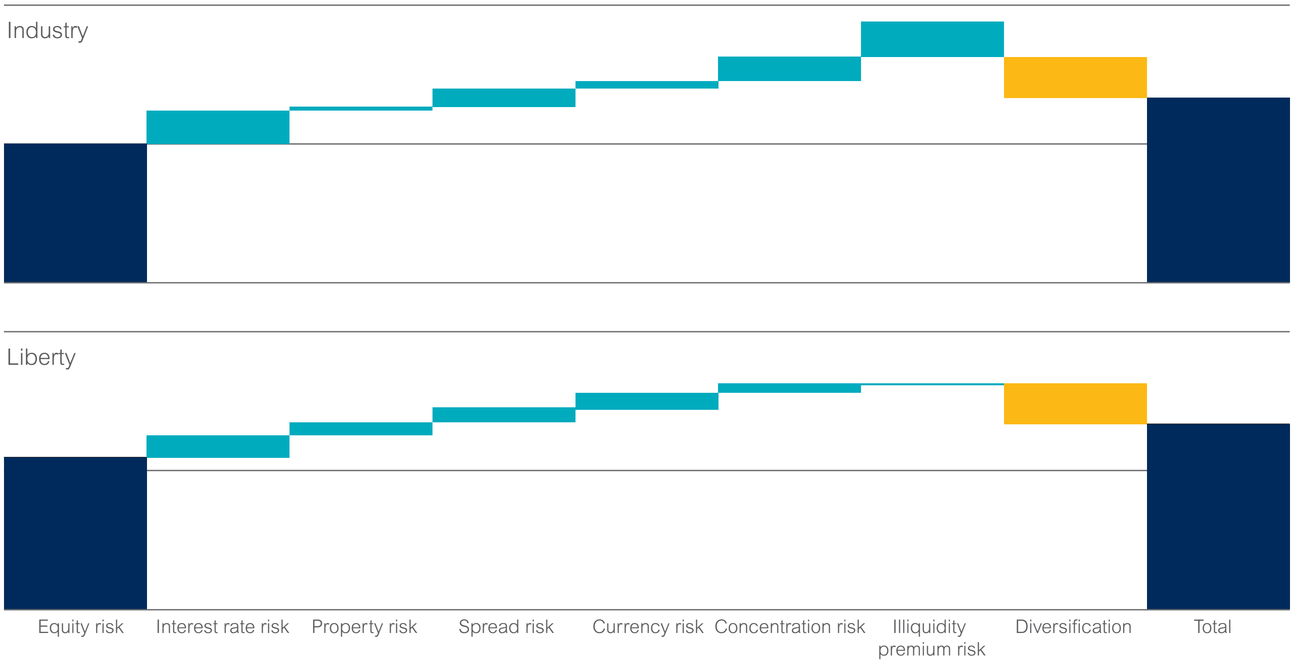
j) The amount of R257 million for cost of required capital represents a refinement to the modelling methodology used.

k) The amount of R3 million (2010: negative R28 million) in respect of the change in the fair value of share options/rights arises from the change in the number of shares under option/share rights for staff employed by Liberty Group Limited and the increase in the market value of Liberty Holdings Limited share price over the reporting period.

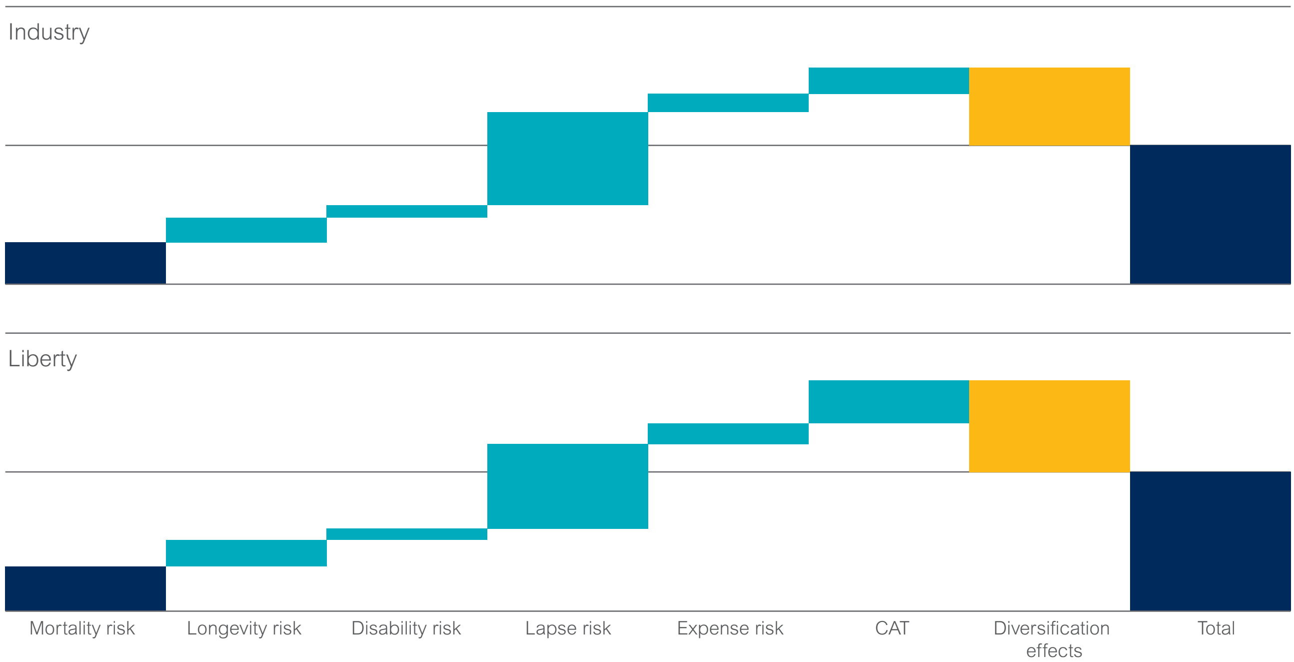
l) The assets backing the required capital are consistent with the long-term strategic mix of shareholder funds approved by the Liberty Holdings Board in November 2009.

SAM QIS1 results

Comparison of individual market risk categories to overall market risk



Comparison of individual insurance risks to overall insurance risk requirement



Long-term insurance – New business by distribution channel[1]

31 December Rm	Recurring premiums		Single premiums		Indexed premiums		Total premiums	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
Retail	**4 201**	3 770	**13 198**	9 960	**5 521**	4 766	**17 399**	13 730
Broker	**1 119**	1 043	**4 864**	3 185	**1 605**	1 362	**5 983**	4 228
Bancassurance	**1 650**	1 421	**3 748**	2 836	**2 025**	1 705	**5 398**	4 257
Tied channels[2]	**1 211**	991	**4 339**	3 780	**1 645**	1 369	**5 550**	4 771
Other	**221**	315	**247**	159	**246**	331	**468**	474
Corporate	**558**	458	**1 058**	1 209	**664**	579	**1 616**	1 667
Broker	**317**	160	**552**	543	**372**	214	**869**	703
Bancassurance	**8**	13			**8**	13	**8**	13
Tied channels[2]	**89**	110	**281**	288	**117**	139	**370**	398
Other	**144**	175	**225**	378	**167**	213	**369**	553
Total new business	**4 759**	4 228	**14 256**	11 169	**6 185**	5 345	**19 015**	15 397

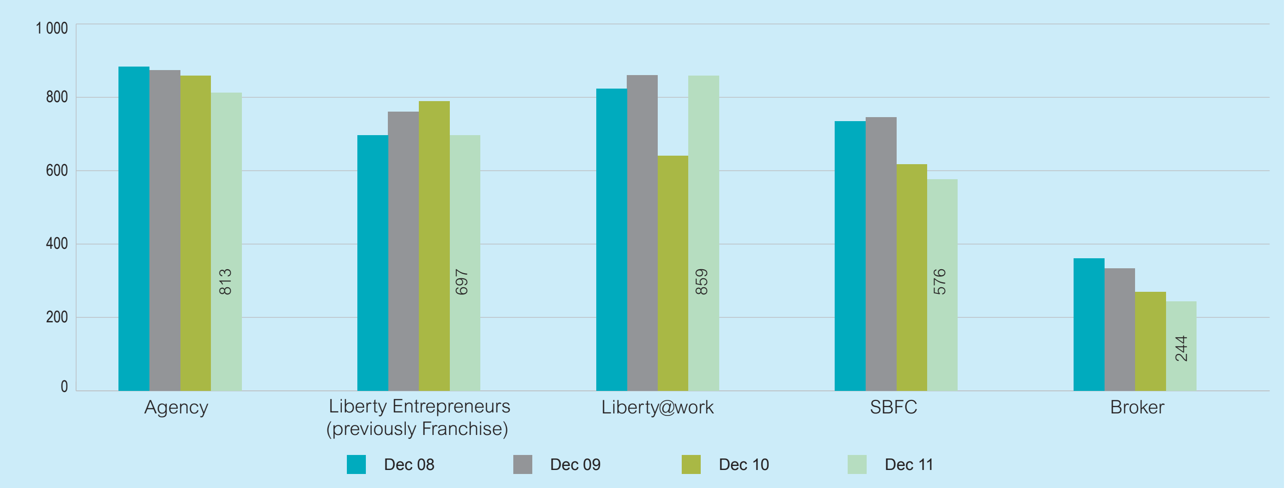
[1] *Includes premium escalation for Retail SA; excludes STANLIB multi-manager.*
[2] *Tied channels include Agency, Franchise and Liberty@work.*

Total long-term insurance premiums[1]

31 December	Recurring premiums 2011	Recurring premiums 2010	Single premiums 2011	Single premiums 2010	Total premiums 2011	Total premiums 2010
Retail SA	**14 540**	13 638	**13 209**	9 994	**27 749**	23 632
Corporate	**5 956**	5 695	**1 541**	1 088	**7 497**	6 783
Liberty Africa	**349**	139	**70**	170	**419**	309
Total premiums	**20 845**	19 472	**14 820**	11 252	**35 665**	30 724
% change Retail SA	**7**		**32**		**17**	
% change Corporate	**5**		**42**		**11**	
% change Liberty Africa	**151**		**(59)**		**36**	
Indexed premiums					**22 327**	20 598
Retail SA					**15 861**	14 638
Corporate					**6 110**	5 804
Liberty Africa					**356**	156

[1] *Excludes STANLIB multi-manager and Frank.*

South African insurance distribution headcount



Maintenance costs per policy – Retail SA

31 December	2011	2010
Valuation basis – R		
Complex	**400**	363
Simplex	**200**	182
Annuities	**200**	182
Complex including project capacity	**416**	

Negative rand reserves[1] – Retail SA

31 December	2011 Rm	2010 Rm
Published IFRS basis	**15 756**	14 880
Statutory basis	**10 336**	10 511

[1] *Gross of taxation.*

LibFin – Shareholders investment portfolio percentage allocation

	31 December 2011				31 December 2010			
	Assets backing capital	Assets backing life funds	90:10 exposure	Total	Assets backing capital	Assets backing life funds	90:10 exposure	Total
Local equities	**2**	**4**	**9**	**15**	10	1	12	23
Local bonds, cash and property	**29**	**26**	**5**	**60**	22	25	6	53
Local preference shares	**7**			**7**	9			9
Foreign assets	**7**	**6**	**5**	**18**	11		4	15
Total	**45**	**36**	**19**	**100%**	52	26	22	100%

Taxation note:
The taxation treatment of income derived from assets backing capital is the normal taxation rules applicable to life investment portfolios. The taxation applicable to income derived from assets backing life funds and the 90:10 exposure is determined by the tax rates pertaining to each life tax fund to which the assets are allocated (I-E tax). In addition there is transfer tax at 28% on the net surplus, after the applicable I-E tax.

Long-term policyholder liabilities IFRS reconciliation

31 December	2011 Rm	2010 Rm
Policyholder liabilities at beginning of the year net of reinsurance[1]	**197 031**	183 512
Additions through business acquisitions	**1 068**	3
Transfers to policyholder liabilities	**9 399**	13 519
Net premium income from insurance contracts	**26 050**	22 113
Net inflows from investment contracts	**9 661**	8 819
Net premium income and inflows from investment contracts	**35 711**	30 932
Investment returns	**16 781**	24 384
Claims, policyholder benefits and payments	**(31 721)**	(31 205)
Acquisition costs	**(2 902)**	(2 665)
Management expenses and finance costs	**(5 343)**	(4 774)
Taxation	**(1 250)**	(1 441)
Operating profit from insurance operations	**(1 877)**	(1 712)
Foreign currency translation reserve	**165**	(3)
Policyholder liabilities at end of period net of reinsurance	**207 663**	197 031
Reinsurance assets	**902**	847
Policyholders liabilities at end of period as published	**208 565**	197 878

[1] *2010 opening balance restated for R756 million deferred tax resulting from the adoption of the IAS 12 Amendment.*

STANLIB net cash flows and AUM by asset category

31 December	Net cash flows 2011 Rm	Net cash flows 2010 Rm	AUM 2011 Rm	AUM 2010 Rm
Retail	**11 031**	10 748	**156 199**	146 618
Fixed interest	**6 593**	2 850	**26 339**	20 578
Equity	**(692)**	(236)	**11 407**	10 632
Property	**197**	1 264	**8 163**	4 392
Money Market	**1 027**	4 840	**40 204**	42 544
Other	**3 906**	2 030	**70 086**	68 472
Institutional	**(16 519)**	4 951	**82 230**	86 076
Fixed interest	**970**	(813)	**9 064**	5 335
Equity	**(902)**	(9 679)	**7 571**	8 511
Property	**(1 749)**	(16)	**5 707**	7 784
Money Market	**(14 434)**	14 290	**35 972**	45 121
Other	**(404)**	1 169	**23 916**	19 325
Liberty – intergroup	**(18 386)**	(4 884)	**102 610**	122 478
Total	**(23 874)**	10 815	**341 039**	355 172

Note: Certain portfolios have been reclassified between institutional and retail effective 1 January 2011.

STANLIB AUM breakdown by source and asset type

Rm	Money market (incl cash)	Fixed interest	Equity	Property	Other	Absolute return	Balanced	Inter-national	Struc-tured	Retail life	LISP	Total
December 2011												
Retail												
Collective Investments		25 583	9 576	4 974		1 350	8 217	3 930				53 630
Linked Investment and Structured Products											53 486	53 486
Money market	40 204											40 204
Multi-manager Collective Investments		756	1 831	3 189		1 200	1 903					8 879
Institutional												
Segregated funds	279	9 064	7 571	5 707	156	239	7 274	1 360				31 650
Multi-manager funds										14 608		14 608
Money market	35 972											35 972
Liberty – intergroup	6 672	21 953	40 095	1 355	695	7 032	8 295	15 002	1 511			102 610
STANLIB total	83 127	57 356	59 073	15 225	851	9 821	25 689	20 292	1 511	14 608	53 486	341 039
December 2010												
Retail												
Collective Investments		20 577	10 632	4 392		1 816	4 951	4 738				47 106
Linked Investment and Structured Products											47 935	47 935
Money market	42 545											42 545
Multi-manager Collective Investments		422	2 036	3 084		717	1 949	824				9 032
Institutional												
Segregated funds		4 913	6 475	4 700	1 186	46	7 222	2 845				27 387
Multi-manager funds										13 568		13 568
Money market	45 121											45 121
Liberty – intergroup	5 839	26 153	45 170	1 325	484	12 889	8 529	11 337	10 752			122 478
STANLIB total	93 505	52 065	64 313	13 501	1 670	15 468	22 651	19 744	10 752	13 568	47 935	355 172

STANLIB retail investment performance

STANLIB core retail range ranking per quartile[1]	Rolling period 31 December 2011			
Fund name	6 Month	12 Month	3 Year	5 Year
STANLIB SA Equity	2	1	3	4
STANLIB Equity	1	1	2	4
STANLIB Growth	1	2	4	4
STANLIB Value	1	2	3	2
STANLIB Balanced	3	1	1	2
STANLIB Balanced Cautious	2	1	1	–
STANLIB Managed Flexible	2	3	4	4
STANLIB Inflation Plus 3%	1	2	4	3
STANLIB Bond	1	1	2	2
STANLIB Income	1	2	1	1
Standard Bank Money Market	3	3	2	3
STANLIB Flexible Income	2	1	2	1
STANLIB Property Income	1	2	1	1
STANLIB Dynamic Return	2	2	2	2
STANLIB Aggressive Income	1	1	1	1

[1] *Source Morningstar*

STANLIB institutional investment performance

STANLIB survey funds ranking per quartile[1]	Rolling period 31 December 2011			
	3 Month	12 Month	3 Year	5 Year
Large Manager – Global	2	2	2	3
Full Global Mandate	2	1	2	4
Large Manager – Domestic	2	1	2	3
Domestic Only Mandate	3	2	2	4
Money Market	3	3	1	–
STANLIB Core Bond	1	1	2	2
STANLIB Institutional Property	1	1	1	1
Absolute Return	2	4	4	4
Domestic Absolute Returns	1	4	4	4
STANLIB Core Equity	4	1	1	2
STANLIB Growth Equity	1	1	4	–
STANLIB Enhanced Index	1	4	4	2
STANLIB Research	1	3	3	2
STANLIB Value	2	2	1	1

[1] *Source Alexander Forbes*

Liberty Africa – AUM

31 December	**2011 Rm**	2010 Rm
Opening market value	**29 005**	22 347
Net inflows	**5 397**	6 480
Capital appreciation	**4 340**	178
Closing market value	**38 742**	29 005
Segregated funds	**27 813**	18 409
Unit trusts	**1 638**	1 295
Money market	**9 291**	9 301
Total AUM	**38 742**	29 005

Liberty Africa – AUM by geographical location

31 December	2011 Rm	2010 Rm
Southern Region[1]	**19 024**	18 338
Cash	**8 908**	8 905
Equity	**936**	893
Income	**517**	222
Property	**175**	160
Segregated	**8 488**	8 158
Eastern Region[2]	**19 718**	10 667
Cash	**383**	396
Equity	**10**	20
Segregated	**19 325**	10 251
Total AUM	**38 742**	29 005
Combined		
Cash	**9 291**	9 301
Equity	**946**	913
Income	**517**	222
Property	**175**	160
Segregated	**27 813**	18 409
	38 742	29 005

(1) *Southern region = Botswana, Swaziland, Lesotho and Namibia.*
(2) *Eastern region = Kenya, Tanzania and Uganda.*