ROYAL BAFOKENG PLATINUM

MORE THAN MINING

Audited Annual Results
for the year ended
31 December 2015

>MORE THAN MINING

POSITIONED FOR SUSTAINABLE LONG-TERM GROWTH

Royal Bafokeng Platinum

> SHALLOW LONG-LIFE MERENSKY ASSETS
> OPERATIONAL FLEXIBILITY
> LABOUR STABILITY
> PRUDENT FINANCIAL AND RISK MANAGEMENT
> DECISIVE, EXPERIENCED MANAGEMENT TEAM
> BLACK OWNED AND CONTROLLED
> TOP 30 PERFORMER ON FTSE/JSE RESPONSIBLE INVESTMENT INDEX

A simple, effective and achievable strategy

that drives efficiencies and creates stakeholder value

The four pillars of our strategy are designed to deliver earnings and growth for all our stakeholders through responsible safe mining. We measure our progress against these pillars by continually monitoring our performance against our key financial and non-financial performance indicators.

OUR VISION AND MISSION

To seek and deliver the good from mining

To leave a lasting legacy of sustainable benefits for our stakeholders

OUR PURPOSE

To create economic value for all our stakeholders

OUR VALUES

Safety and people first
Mining is a high-risk business and cannot succeed without total trust, respect, teamwork and an uncompromising commitment to safety and people first

Promises delivered
We do what we say we will do

Mutual interests and mutual rewards
We have mutual goals and mutual interests and we depend on each other to realise our vision and mission. We operate in good faith, openly and transparently

OUR PEOPLE

RBPlat employs around 7 000 people (permanent employees and contractors)

- R431.4 million invested in training and development of our employees and our communities over the past six years
- R487.9 million invested in our social and labour plan (SLP) over the past six years
- 422 three-bedroomed homes have been built for our employees
- 417 employees have purchased homes and are living in them with their families

Positioned for long-term growth

- Low-risk growth: ± 70% increase in production by 2020
- ± 280koz (4E) increasing to 470koz (4E) with ramp-up of Styldrift I
- Shallow long-life Merensky producer

Operational flexibility

- Merensky-biased with UG2 mining platform
- IMS panel ratio of 1.5
- Toll treatment facility for UG2 ore
- Modular approach to processing our PGMs

Strong stakeholder relations

- Labour stability
- Good relationships with communities

Prudent financial management

- Cash preservation strategy
- Deferral of capex in response to current market conditions
- Commitment to cost management
- Strong balance sheet

Decisive, experienced management team

- Rapid response to changes in market conditions including rescheduling and restructuring mining operations

Strong corporate governance and risk management

- Complies with and exceeds Mining Charter requirements
- Complies with JSE Listings Requirements
- Applies principles of King III
- Enterprise risk management framework applied across our business

OUR STRATEGY IS UNDERPINNED BY OUR ASPIRATION OF ACHIEVING MORE THAN MINING

OUR CHALLENGES

- Preventing fatal accidents in our operations (five fatalities in our operations this year)
- Improving the safety maturity level of our operations
- Maintaining production volumes
- Reducing costs
- Market conditions impacting our ability to achieve organic growth
- Attracting and retaining critical skills
- Sustainability of our SLP projects
- Climate change management

MAINTAINING THE SUSTAINABILITY OF OUR BUSINESS

Our approach to managing sustainability in RBPlat is integrated with and aligned to the four pillars of our business strategy. It is based on our commitment to achieving sustainability by balancing our aspirations for a prosperous mining business with responsibility and accountability for our impact on the natural environment, society (including the communities in which we operate) and the broader economic environment.

R918 million cash on hand at year-end

247% increase in expansion capital over the past six years

Six-year financial summary

	Unit	2015	2014	2013	2012	2011	2010
Financial statistics							
Revenue	R (million)	**3 044.7**	3 767.5	3 251.1	2 865.3	2 974.9	2 106.8
Cash operating cost	R (million)	**2 548**	2 361	2 093	2 051	1 802	1 700
EBITDA*	R (million)	**297.9**	1 189.4	1 008.0	633.8	1 035.5	815.3
(Loss)/profit attributable to owners of the Company	R (million)	**(3 044.8)**	440.9	284.2	170.3	273.4	3 164.8
Headline (loss)/earnings	R (million)	**(159.6)**	440.9	283.9	170.3	273.7	290.2
Headline (loss)/earnings per share	cents	**(83.2)**	239	173	104	167	191
Normalised headline earnings**	R (million)	**16.4**	506.9	348.4	233.2	350.2	399.3
Normalised headline earnings per share**	cents	**8.7**	274	212	142	214	283
Weighted average number of ordinary shares in issue for earnings per share	number	**191 592 060**	184 797 002	164 319 791	163 960 709	163 677 799	141 132 832
Average rand basket price***	R/Pt oz	**17 256**	19 842	17 927	16 404	16 282	15 555
Gross (loss)/profit margin	%	**(1.3)**	23.0	18.5	11.9	19.0	23.7
EBITDA margin*	%	**9.8**	31.6	31.0	22.1	34.8	38.7
Number of shares issued outside the Group at year-end	number	**191 743 614**	191 130 657	164 459 662	164 150 804	163 677 799	163 677 799
Cash on hand at year-end	R (million)	**917.6**	1 864.2	772.9	649.9	1 099.2	899.4
Borrowings	R (million)	**366.9**	6.6	–	–	–	–
R:US$ exchange rate							
Average annual R:US$ exchange rate	R:US$	**12.78**	10.85	9.65	8.21	7.26	7.30
Year-end R:US$ exchange rate	R:US$	**15.50**	11.57	10.47	8.47	8.09	6.62
RBPlat share price performance on the JSE (ordinary shares)							
High	cents/share	**5 996**	7 690	6 499	6 749	7 001	7 100
Low	cents/share	**2 261**	4 740	4 201	4 374	5 261	6 050
Year-end	cents/share	**2 665**	5 271	5 900	5 750	5 500	6 675
Volume of shares traded	number	**70 395 450**	45 595 706	37 834 520	24 529 533	33 584 214	23 296 886
Net cash generated by operating activities	R (million)	**619.2**	1 426.5	907.8	732.6	1 025.1	1 785.3
Net asset value (NAV) per share	cents	**57.0**	72.8	72.2	70.2	68.9	66.9
Capital expenditure							
Expansion capital	R (million)	**1 692**	1 365.0	737.0	646.0	635.7	487.9
Replacement capital	R (million)	**205**	204.1	184.0	307.7	376.0	363.4
Stay-in-business (SIB) capital	R (million)	**112**	154.4	137.8	238.3	146.1	97.0
SIB % of operating costs	%	**4.4**	7	7	12	6	6

* *The Company utilises certain non-IFRS performance measures and ratios (i.e. EBITDA) in managing the business and may provide users of the financial information with additional meaningful comparisons between current results and results in the prior periods. Non-IFRS financial measures should be viewed in addition to and not as an alternative for the reported operating results or cash flow from operations or any other measure of performance prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly titled measures used by other companies*

** *Normalised headline earnings are based on headline earnings adjusted for fair value depreciation, amortisation and tax thereon*

*** *Net proceeds from total concentrate sales including revaluation of pipeline divided by total platinum ounces produced*

75% improvement in SIFR over the past six years

59% improvement in LTIFR over the past six years

11% increase in tonnes milled per employee over the past six years

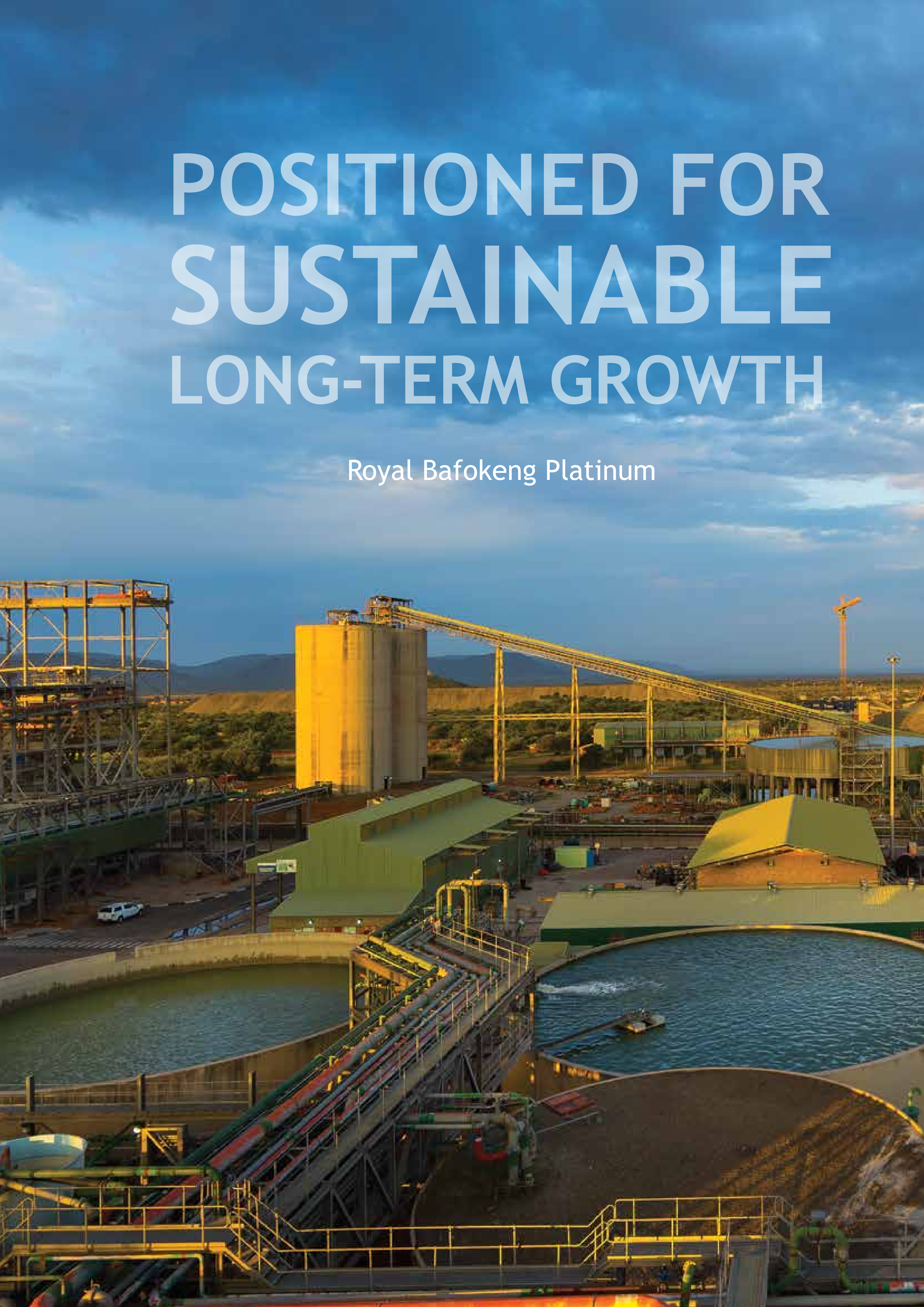
Six-year operational summary

	Unit	2015	2014	2013	2012	2011	2010
Safety							
Fatal injuries	number	**5**	2	2	1	0	3
LTIFR	/200 000 hours	**0.409**	0.533	0.614	0.676	0.897	1.001
SIFR	/200 000 hours	**0.133**	0.289	0.265	0.421	0.467	0.531
Section 54 stoppages	number	**16**	10	11	12	12	7
Safety stoppage losses	kt	**275**	79	89	117	92	68
Mining production							
Total tonnes delivered	kt	**2 456**	2 471	2 310	2 384	2 284	2 366
Merensky delivered	kt	**1 872**	1 908	1 895	1 959	2 026	2 288
UG2 delivered – BRPM	kt	**585**	563	415	425	258	78
Total development	km	**35.5**	39.4	36.5	39.4	30.2	33.4
Stoping to development replacement rate	m^2/m	**31.9**	28.7	32.4	27.1	32.2	35.0
IMS panel ratio – BRPM	ratio	**1.51**	1.70	1.52	1.48	1.01	1.12
Concentrator production							
Total tonnes milled	kt	**2 461**	2 479	2 301	2 375	2 305	2 407
Tonnes milled at BRPM	kt	**2 044**	2 112	2 010	2 214	2 162	2 380
Tonnes milled at Waterval	kt	**417**	367	291	160	142	27
Built-up head grade (4E)	g/t	**4.11**	4.29	4.38	4.07	4.35	4.31
Merensky built-up head grade	g/t	**4.20**	4.45	4.51	4.22	4.44	4.32
UG2 built-up head grade	g/t	**3.79**	3.74	3.76	3.36	3.60	3.83
Total recovery	%	**85.68**	86.05	86.37	86.71	87.47	86.43
4E metals in concentrate	koz	**278**	294	280	269	282	288
Pt metal in concentrate	koz	**180**	190	181	174	183	187
Labour							
Working cost labour	number	**6 256**	6 272	6 180	6 057	6 553++	6 793++
Capital labour	number	**999**	2 601	1 727	1 686	1 389	877
Stoping crew efficiencies	m^2/crew	**321**	336	320	307	308	343
Tonnes milled per total employee costed	t/emp	**32.8**	33.1	31.6	29.8	29.3	29.5
Operating costs							
Cash operating costs	R (million)	**2 548**	2 361	2 093	2 051	1 802	1 700
Cash operating cost per tonne milled	R/t	**1 066**	957	920	864	782	707
Cash operating cost per 4E ounce	R/4E oz	**9 359**	8 040	7 519	7 616	6 399	5 902
Cash operating cost per platinum ounce	R/Pt oz	**14 504**	12 463	11 592	11 775	9 863	9 076

++ *2010 and 2011 numbers are averaged for the year, thereafter year-end numbers are provided*

POSITIONED FOR SUSTAINABLE LONG-TERM GROWTH

Royal Bafokeng Platinum



ACHIEVEMENTS

- **Successful** commissioning of Styldrift I Main shaft
- Rapid response to changing market conditions
- Net cash flow generated by operating activities of **R619** million
- **R918** million cash on hand at year-end

IMPROVEMENTS

- **54%** improvement in serious injury frequency rate (SIFR) year-on-year
- **23%** improvement in lost time injury frequency rate (LTIFR) year-on-year

CHALLENGES

- The impact of the sustained **depressed** PGM market on our ability to ramp up Styldrift I by 2020
- **16%** increase in cash operating cost per platinum ounce year-on-year
- Oversupplied platinum market

DISAPPOINTMENTS

- **Five** fatal accidents at our operations in 2015
- **US$** PGM price performance
- Rand basket price performance
- Scaling down of activities at Styldrift I

Commentary

Overview

During an extremely challenging year we had to respond rapidly to preserve cash and protect our balance sheet in a depressed PGM market. This involved a material reduction in construction activities and the related capital expenditure at our Styldrift I project and an increased focus on mining and processing the Merensky Reef at our Bafokeng Rasimone Platinum Mine (BRPM). Styldrift I remains our core platform for organic growth. However, it is not deemed appropriate to ramp up our platinum ounces from the high-quality Merensky Reef into a currently depressed market and it is also not prudent to burden our balance sheet by raising debt under the prevailing market conditions.

Human capital

Safety, health and wellness

The five fatal accidents that occurred in our operations during 2015 are of great concern to us. The RBPlat Board of directors (the Board) and management extend their condolences to the families, friends and colleagues of Mr Paquete, Mr Muchanga, Mr Sidumo, Mr Bendzane and Mr Seoehla. The safety, health and wellness of our employees is paramount to RBPlat achieving its goal of operational excellence. We have done well in terms of reducing our lost time injury frequency rate (LTIFR), which improved 22.8% year-on-year and has reduced by 59% since we took operational control of the BRPM Joint Venture in January 2010, and our serious injury frequency rate (SIFR) which improved 54.1% year-on-year and has reduced 75% over the past six years.

We commissioned investigations by an independent safety specialist to establish the reasons behind the serious deterioration in fatal accidents during 2015 when we are achieving a steady, and clearly sustainable improvement in our injury frequency rates. The investigations identified that leadership, behavioural maturity and contractor management needed addressing. We have revised our safety management strategy and introduced several additional safety initiatives to address these areas more effectively. These initiatives include:

- behaviour-based leadership programmes
- establishment of a best practice and mentoring team
- additional occupation technical training programmes
- reviewing and aligning our volume contractor safety management strategies with RBPlat requirements
- review and revise safety incentive systems.

Notwithstanding the fatal accidents we have suffered this year, RBPlat remains resolute in its drive to achieve zero harm through our uncompromising commitment to the safety of our employees and our objective of zero harm will be a major focus in our operations during 2016.

Noise-induced hearing loss (NIHL) is the most prevalent occupational health issue in our operations and we are encouraged by the 50% decrease in the number of cases diagnosed with NIHL exceeding 10% year-on-year.

We also achieved our commitment to ensure that all the employees of our contractors are members of a medical aid scheme.

Labour stability

Labour stability continued to play an important role in our performance in 2015. Our management, the union representatives and our workforce all continue to invest time and effort in maintaining a partnership based on trust, mutual respect, transparency and fairness. The commitment of all parties to constructive engagement plays a key role in our labour stability.

During 2015 we started work on Phase 2 of our employee home ownership scheme and 417 employees purchased homes in Phase 1 of the scheme.

Social and relationship capital

Our purpose is to create economic value that we can share with all our stakeholders. The communities in which we operate are key stakeholders of RBPlat. Our close-out report for our social and labour plan (SLP) projects for the period 2010 to 2014 was submitted to the Department: Mineral Resources (DMR) in November 2015. It is often extremely challenging to ensure the sustainability of community projects, however, we are proud of what we have achieved through our investment of R487.9 million in our SLP since we took over operational control of the BRPM Joint Venture in 2010.

We took the decision that the main focus of our SLP for 2016 will be human resource development and education support. Our investment in education support, which was designed to address maths and science learning, governance, school management skills at all levels including school governing bodies, infrastructure, safety and security has made good progress. We will continue to focus on improving maths and science learning, governance and school management skills in 2016.

Manufactured capital

Our ability to meet production targets, keep costs below mining inflation and deliver against our organic growth strategy was impacted by:

- an increase in safety stoppages due to the fatal accidents suffered
- weak PGM market conditions
- Eskom power supply constraints
- industry inflationary pressures.

The operational flexibility we have developed however, made it possible for us to minimise the impact of disruptions to production and respond effectively to current market conditions. These measures included:

- maintaining our immediately stopable reserves at optimal levels
- establishing the UG2 mining platform
- ensuring our Phase III Merensky replacement project remained ahead of schedule
- our modular approach to our processing requirements.

In response to the prevailing market conditions our focus during the second half of the year was on managing our operations through a depressed market cycle and reducing non-critical expenditure. This required several cost management initiatives and structural changes to the business at both an operational and project level. These included:

- scaling down of mining and construction activities at Styldrift I
- deferring the 250ktpm BRPM concentrator upgrade
- deferring the 100ktpm concentrator module construction
- deferring the construction of Phase III 14 and 15 levels planned for 2016 into 2017
- deferring the Styldrift II feasibility study and exploration drilling
- suspending UG2 development at South shaft into 2017, as current reserves are sufficient for mining requirements during 2016
- reducing the number of UG2 trial mining stoping teams at South shaft and transferring them to higher grade Merensky Reef panels
- reducing stay-in-business capital expenditure to between 4 and 5% of operating costs
- aligning our employees with revised project and operational requirements
- transferring experienced development resources from Phase III to Styldrift to assist with early development of key infrastructure.

Overall, our tonnes delivered decreased by 1% or 15kt to 2 456kt from 2 471kt in 2014. Our Merensky tonnes delivered reduced by 2% to 1 872kt with UG2 tonnes delivered increasing by 4% to 585kt, compared to 2014. The reduction in Merensky tonnes is directly attributable to the increase in safety-related stoppages.

Total development reduced by 11% or 4.4km to 35.5km when compared to 2014. This reduction was due to the increase in safety stoppages and the deferment of South shaft UG2 footwall development, as part of our cash preservation strategy. Despite this reduction development remains aligned with stoping depletion rates, with our IMS panel ratio of 1.51 being in line with our target of 1.5.

Our power management strategy, which involves reducing our overall load by restricting crushing operations at the plant proved effective in minimising the direct impacts of stage 1 and 2 curtailments on production, enabling our underground operations to continue unaffected. Stage 3 load curtailments however, resulted in several unscheduled stoppages negatively impacting on our milling volumes and recoveries.

During 2015 an estimated 275kt of milling production was lost due to safety stoppages compared to 79kt for the comparative 2014 period. The majority of the stoppages were directly related to the five fatalities and were necessary to address statutory requirements and correct specific operational deficiencies. The stoppages affected mainly Merensky production sections with Merensky related losses estimated at 227kt.

Our 4E built-up head grade reduced by 4% from 4.29g/t in 2014 to 4.11g/t in 2015. The reduction in grade was due to the increased contribution of UG2, on-reef development tonnes from the BRPM Phase III and Styldrift I projects and higher than planned North shaft on-reef stoping dilution as a result of the introduction of in-stope bolting. Our strategy remains to preferentially mine and treat Merensky, with UG2 being used to supplement production volumes.

Commentary continued

Total tonnes milled reduced by 1% to 2 461kt. Merensky tonnes milled reduced by 2% to 1 874kt, while UG2 tonnes milled increased by 4% to 587kt. This resulted in the percentage of UG2 tonnes milled increasing marginally to 24% from 23% in 2014. The reduction in total milled volumes and the increase in UG2 contribution were directly related to mining volumes. The recoveries from the BRPM concentrator were in line with expectations, given the reduction in head grade.

The 1% reduction in milled volumes and 4% reduction in built-up head grade yielded a 5% reduction in 4E and platinum ounce production, with 278koz (4E) and 180koz platinum metals being produced in concentrate.

Operating costs

Our cash operating costs increased by 8% to R2 548 million and, combined with the 1% reduction in milled volumes, resulted in the unit cost per tonne milled increasing by 11% to R1 066. The 4% reduction in built-up head grade and marginally lower associated recovery resulted in the unit operating costs per 4E and platinum ounce increasing by 16% to R9 359 and R14 504, respectively.

Capital expenditure

Stay-in-business (SIB) capital expenditure decreased by 28% in 2015 compared to 2014 and equated to 4.4% of operating expenditure. The decrease in SIB, which was as a consequence of our current cash preservation strategy, will not have a negative impact on operational sustainability in the short to medium term. We expect our SIB expenditure to remain between 4 and 5% in 2016.

Replacement and expansion capital expenditure is in line with project construction progress for the year.

The increase in our total capital expenditure for 2015 of R285 million, or 17% to R2 009 million, is attributable to Styldrift I construction-related expenditure preceding the scaling down of construction activities during the second half of the year.

Projects

Styldrift I expansion project

On 4 August 2015 the Board implemented a strategic decision to materially reduce construction activities and the related capital expenditure on the Styldrift I project. The material reduction in PGM prices experienced during the first half of the year and the view that the PGM market is likely to remain depressed in the medium term influenced this decision. This resulted in:

- suspension of all major contracts, notably the mining contract with Aveng, contracts involved with the overland conveyor belt construction and deferral of all major contracts relating to the supply of mining equipment, fleet and infrastructure
- the transfer of RBPlat’s experienced development resources from Phase III at BRPM to Styldrift I to assist with the early development of key infrastructure.

In order to better align the timing of the ramp up of Styldrift I to the prevailing market conditions, the start of ramp up has currently been delayed by 12 months, which will result in steady state production of 230ktpm being achieved in the first quarter of 2020.

Our revised mining and construction plan is based on a self-funding strategy with the majority of the work being funded from surplus BRPM cash flows and revenues generated from on-reef development at Styldrift I. The plan focuses on developing key infrastructure and establishing sufficient stoping face length to enable us to sustainably deliver 50kt per month to the concentrator and position Styldrift I favourably to initiate an aggressive ramp up when market conditions permit.

We completed 1.6km of development in 2015, delivered 65kt of on-reef development ore to the concentrator, completed the support and lining of Silo 2 and commissioned Ventilation shaft 1. Project expenditure for the year was R1 659 million, which brought the cumulative expenditure to R5 477 million project to date.

Our revised project scope requires a total of 7.8km of development to be completed by the end of 2016 with 1.0km completed in 2015 and 6.8km planned for completion in 2016. This will result in:

- four pre-established stoping sections equating to approximately 800m of face length
- four equipped workshops and 32 pre-developed workshops
- 900m of footwall development including associated ore-passes on 642 level
- reaming and lining of Silo 4 and sliping of Settler 1 to establish the necessary ore handling and pumping infrastructure on 708 level.

This will position us well to commence with ramp up during 2017, market conditions permitting.

The completion of the 250ktpm upgrade of the BRPM concentrator, originally scheduled for 2015, was affected by our cash preservation strategy. As a result, its completion was deferred to the first quarter of 2016.

BRPM Phase III replacement project

The North shaft Phase III replacement project involves the extension of the North shaft Merensky decline system and associated infrastructure from 10 level down to the mining boundary at 15 level. The project was 88% complete against a plan of 81%, with development 1 158m, or 10 months, ahead of schedule at year-end. This allowed us to divert some of our most experienced development resources to the Styldrift I development programme and defer the construction of the last two levels (14 and 15) to 2017, which will reduce capital expenditure in 2016. This deferment will have no impact on the handover dates for those levels or the mine extraction plan as project completion remains set for 2017, as per the project schedule.

The project remains below budget, with expenditure for 2015 amounting to R203 million and a cumulative amount of R992 million for the project to date.

Financial capital

Our focus on cash preservation to maintain a strong balance sheet and our decision to slow down Styldrift I has positioned the Group favourably to benefit from stronger PGM prices when the PGM price environment improves.

RBPlat's results reflect the impact of low growth in demand for PGMs, an average US$ platinum price received that was 28% lower than in 2014 and lower grades and throughput.

Our revenue of R3 044.7 million for 2015 is down 19% year-on-year due to a 13% lower realised average rand basket price and 5% lower PGM production and sales compared to 2014.

While we had grade and throughput challenges throughout the year we were able to achieve a significant improvement in our cash operating cost in the second half of the year. We closed the year with an average cost per platinum ounce of R14 504, which was a 7% improvement on our cash operating cost for the first half of the year. The cash unit cost per platinum ounce increased by 16% from R12 463 to R14 504 due to a 5% decrease in platinum ounce production, the front-end loading of the wage increases in terms of our five-year wage agreement and above inflation utility increases.

The 19% decrease in our revenue and 6% increase in our cost of sales resulted in a significant reduction in our gross profit margin from 23% in 2014 to a gross loss margin of 1% in 2015.

Given the decrease in PGM prices and the reduction in the market value of the company, the components of the BRPM JV (BRPM, Styldrift I and Styldrift II), and goodwill allocated to each of these components, were assessed for impairment resulting in an impairment charge of R4 466.2 million (attributable after tax R2 886.2 million).

Our loss before tax which includes the abovementioned impairment charge is R4 520.3 million for 2015 compared to a profit of R844.5 million in 2014.

Total SLP expenditure for 2015 amounted to R74.5 million of which R63.8 million was expensed and R10.8 million was capitalised to the Styldrift I project.

Other income increased by 172% from R25.2 million in 2014 to R68.7 million in 2015. This increase is due to higher royalty income from Implats and a gain of R21.4 million on the fair value of forward exchange contracts (FECs) (ZAR:US$ and euro FECs) and call options entered into in 2015. We entered into the euro FECs to hedge our euro exposure resulting from the acquisition of equipment for our Styldrift I project from Europe. In 2014 our royalty income from Implats was negatively impacted by the lengthy industrial action during the first five months of the year.

Our administration costs increased by 20% from R137.3 million in 2014 to R164.1 million in 2015, mainly due to a R22.7 million increase in costs relating to the RBPlat home ownership scheme.

Finance income increased by 10% from R96.4 million in 2014 to R106.2 million in 2015 largely due to the treasury management system that we implemented during 2015 which resulted in a 3% improvement (R21 million) in our return on cash investments and cash balances.

Commentary continued

Finance costs increased from R5.1 million in 2014 to R25.1 million in 2015, mainly due to a R18.8 million interest expense incurred on the PIC housing facility put in place in 2015.

The income tax charge increased to R76.9 million in 2015 mainly as a result of a R50 million once-off charge relating to RBR's 2008, 2009 and 2010 tax settlement. Deferred tax decreased from an expense of R222.0 million for the 12 months ended 31 December 2014 to a credit of R830.2 million for 2015. The deferred tax credit relates mainly to the impairment charge (R855 million credit) and mining losses (R23 million credit) offset against a R60 million deferred tax charge relating to the RBR tax settlement mentioned earlier.

RBPlat made a headline loss of 83 cents per share for the year ended 31 December 2015 compared to headline earnings of 239 cents per share for the year ended 31 December 2014. The main contributors to this negative movement of 322 cents per share were:

- 144.2 cents resulting from the 13% reduction in the average rand basket price of R17 256/Pt ounce
- total negative movement of 41.9 cents in 2015 due to the pipeline revaluation
- 57.5 cents attributable to the settlement of the tax dispute with SARS described previously (R50 million income tax and R60 million deferred tax)
- 90.6 cents attributable to mining inflation increase in cash costs
- positive 12.4 cents relating to other movements.

Natural capital

Addressing the causes and adapting to the impacts of climate change is core to our strategy, which seeks to deliver *More than mining* by creating economic value for all our stakeholders. During 2015, our new climate change policy and strategy was approved by the Board in line with our endorsement of the UN Caring for Climate initiative, which is the largest business movement to address climate change. We have participated in the Preparing Business for Paris Campaign (COP21) and have committed ourselves to:

- ensuring responsible corporate engagement in climate policy
- providing climate change information in mainstream corporate reports.

The Board approved the water and energy targets for the next ten years and also adopted detailed plans for achieving our energy targets following a detailed review of energy efficiencies in our operating businesses.

We have taken steps to reduce our dependence on Magalies Water by building a water treatment plant at BRPM which was commissioned during the year. It will provide us with four megalitres of treated industrial water for use in certain concentrator processes, which is expected to reduce our use of Magalies Water in 2016.

We are proud that RPBlat's latest CDP disclosure and performance score improved 10% in the year of COP21, from 87% C in 2014 to 96% B in 2015.

Market review

Platinum

The average dollar platinum price for 2015 was US$1 053/oz ending off the year at a reduced level of $868/oz with the macro-economic influences that were negative for commodities towards the end of 2014 continuing through 2015. South African platinum supply was at its highest level of 4.1Moz since 2013. Low prices led to a 1% drop in recycling volumes from autocatalysts and jewellery. Automotive demand rose by 4% to a seven-year high of 3.42Moz, largely due to higher diesel output and tighter EU emission limits. Jewellery demand fell 5% to 2.58Moz with the strong growth in India partly offsetting the weak Chinese market. The surge in Japanese investment as platinum fell below ¥4 000 per gram in July 2015 outweighed ETF selling in the USA and Europe.

Palladium

The palladium supply rose by 6% to 6.77Moz in 2015 as South African output recovered. Weak PGM prices have led to hoarding by scrap collectors, but autocatalyst recycling is still up 100koz. Gross palladium demand was up 195koz in 2015 to 10Moz. Autocatalyst consumption set a new record of 7.68Moz in 2015, but the growth rate will slow as the Chinese car market growth slows. Despite negative investment demand the palladium market remained in fundamental deficit of 865koz for 2015.

Rhodium

A rebound in the South African supply pushed rhodium nearer to balance, with a 25koz deficit in 2015. Primary supply rose by 20% to 701koz, partly offset by a 9% drop in autocatalyst recoveries of rhodium. Automotive demand rose slightly in 2015 to 858koz, as vehicle production rose, while industrial and other demand were stable.

Changes to the board of directors

Shareholders were advised during the year under review that Mr LM Ndala resigned and Mr V Nhlapo was appointed to the Board on 24 November 2015. Mr Ndala made a very valuable contribution to the Board during the nearly three years he has been a director of RBPlat. The Board welcomes Mr Nhlapo and looks forward to his contribution as an experienced miner who is familiar with RBPlat's operations.

Outlook

In 2016 we will continue to focus on achieving operational excellence, zero fatalities, maintaining the improvement in our LTIFR and SIFR, returning to the productivity levels of 2014 at BRPM and delivering 50kt per month from Styldrift I by end of 2016.

Our key operational challenges in 2016 will be to ensure operational stability, volume delivery, grade optimisation and cost containment in order to maximise our cash flow. Zero harm, astute cost control and maintaining stable labour and stakeholder relations will be critical success factors for 2016.

We anticipate that PGM prices will remain at their currently depressed levels at least for the next 12 months. Our business and operational planning for 2016 is based on an assumed average basket price of R17 500/Pt ounce (2015 real terms) with our SIB, BRPM Phase III replacement and Styldrift I expansion related capital expenditure being aligned accordingly.

Styldrift I remains a key component of our organic growth strategy and as such we will continue to develop, construct and equip long lead items and infrastructure required to support ramp up when market conditions improve. Prudent expenditure will however, be required in the medium term to ensure the Styldrift I project continues to progress without impacting the overall health of our business.

At our assumed revenue basket price for 2016, a total of R1 billion capital expenditure is scheduled at Styldrift I during 2016, of which we estimate approximately R600 to R700 million will be funded from cash flow generated by our BRPM operations and Styldrift on-reef development. We have the flexibility to pull back some of the infrastructure spend on the project should the average rand basket price reduce below our assumed level of R17 500/Pt ounce for a prolonged period.

Total joint venture capital expenditure for 2016, including escalation and contingencies, is forecast at around R1.3 billion, the key driver being the Styldrift I capital construction programme. SIB capital expenditure is forecast at between 4 and 5% of operating expenditure.

Joint venture production for 2016, subject to any unforeseen operational disruptions, is forecast to increase (in line with the revised Styldrift I construction schedule) to between 2.75 and 2.9Mt at a 4E built-up head grade of 3.95 to 4.05g/t. The reduction in built-up head grade is directly attributable to the high percentage of on-reef development at Styldrift I (related to workshop infrastructure in 2016), which Styldrift I will contribute to our overall production.

We will also continue to focus on maintaining optimal flexibility and actively pursue value enhancing opportunities which, if appropriate, will be put to our shareholders for their consideration.

We expect the Group after taking working capital requirements and the above assumptions into account, to end 2016 with a positive cash balance, with the likelihood that the R500 million revolving credit facility secured in January 2016 will remain unutilised by end of 2016.

Summary consolidated statement of financial position
as at 31 December 2015

		Group		
	Notes	2015 audited R (million)	2014 audited R (million)	% change
Assets				
Non-current assets		**17 148.8**	19 969.9	(14.1)
Property, plant and equipment		**10 129.7**	10 889.5	(7.0)
Mineral rights		**5 766.0**	6 518.4	(11.5)
Goodwill		**863.3**	2 275.1	(62.1)
Environmental trust deposits		**114.9**	113.6	1.1
Employee housing loan receivable	4	**157.7**	108.8	44.9
Employee housing benefit		**51.4**	36.9	39.3
Insurance investment	5	**31.0**	–	100.0
Deferred tax asset		**34.8**	27.6	26.1
Current assets		**2 610.5**	3 534.0	(26.1)
Employee housing benefit		**4.3**	3.0	43.3
Employee housing assets	6	**264.2**	54.8	382.1
Inventories		**55.1**	51.7	6.6
Trade and other receivables		**1 365.7**	1 558.0	(12.3)
Current tax receivable		**3.6**	2.3	56.5
Cash and cash equivalents	7	**917.6**	1 864.2	(50.8)
Total assets		**19 759.3**	23 503.9	(15.9)
Equity and liabilities				
Total equity		**14 484.3**	18 196.3	(20.4)
Share capital		**1.9**	1.9	–
Share premium		**9 366.1**	9 329.2	0.4
Retained earnings		**1 285.9**	4 330.7	(70.3)
Share-based payment reserve		**194.7**	176.6	10.2
Non-distributable reserve		**71.8**	71.8	0.0
Non-controlling interest		**3 563.9**	4 286.1	(16.8)
Non-current liabilities		**4 125.7**	4 574.9	(9.8)
Deferred tax liability		**3 663.7**	4 486.7	(18.3)
PIC housing facility	8	**366.9**	–	100.0
Restoration and rehabilitation provision		**95.1**	88.2	7.8
Current liabilities		**1 149.3**	732.7	56.9
Trade and other payables		**1 149.3**	726.1	58.3
Employee housing facility		**–**	6.6	(100.0)
Total equity and liabilities		**19 759.3**	23 503.9	(15.9)

The notes on pages 18 to 28 form an integral part of these summary consolidated annual financial statements.

Summary consolidated statement of comprehensive income
for the year ended 31 December 2015

		Group		
	Notes	2015 audited R (million)	2014 audited R (million)	% change
Revenue	11	**3 044.7**	3 767.5	(19.2)
Cost of sales	12	**(3 084.5)**	(2 902.2)	(6.3)
Cost of sales excluding depreciation, amortisation and movement in inventories		**(2 640.2)**	(2 477.5)	(6.6)
Depreciation and amortisation		**(429.2)**	(435.1)	1.4
(Decrease)/increase in inventories		**(15.1)**	10.4	(245.2)
Gross (loss)/profit		**(39.8)**	865.3	(104.6)
Other income		**68.7**	25.2	172.6
Administration expenses		**(164.1)**	(137.3)	(19.5)
Corporate office		**(126.3)**	(122.2)	(3.4)
Housing project		**(37.8)**	(15.1)	(150.3)
Impairment of non-financial assets	13	**(4 466.2)**	–	(100.0)
Finance income		**106.2**	96.4	10.2
Finance cost		**(25.1)**	(5.1)	(392.2)
(Loss)/profit before tax		**(4 520.3)**	844.5	(635.3)
Income tax credit/(expense)		**753.3**	(245.7)	406.6
Income tax		**(76.9)**	(23.7)	(224.5)
Deferred tax		**830.2**	(222.0)	474.0
Net (loss)/profit for the period		**(3 767.0)**	598.8	(729.1)
Other comprehensive income		**–**	–	–
Total comprehensive (loss)/income		**(3 767.0)**	598.8	(729.1)
Total comprehensive (loss)/income attributable to:				
Owners of the Company		**(3 044.8)**	440.9	(790.6)
Non-controlling interest		**(722.2)**	157.9	(557.4)
Basic (loss)/earnings per share (cents/share)	18	**(1 589.2)**	238.6	(766.1)
Diluted (loss)/earnings per share (cents/share)	18	**(1 589.0)**	238.0	(767.6)
Headline (loss)/earnings per share (cents/share)	18	**(83.2)**	238.6	(134.9)

The notes on pages 18 to 28 form an integral part of these summary consolidated annual financial statements.

Summary consolidated statement of changes in equity
for the year ended 31 December 2015

	Number of shares issued*	Ordinary shares R (million)	Share premium R (million)	Share-based payment reserve R (million)	Non-distributable reserves R (million)	Retained earnings R (million)	Attributable to owners of the Company R (million)	Non-controlling interest R (million)	Total R (million)
2015									
Balance at 31 December 2014	**191 130 657**	**1.9**	**9 329.2**	**176.6**	**71.8**	**4 330.7**	**13 910.2**	**4 286.1**	**18 196.3**
Share-based payment expense	**–**	**–**	**–**	**55.0**	**–**	**–**	**55.0**	**–**	**55.0**
Mahube ordinary shares vested 31 March 2015	**187 971**	**–**	**12.2**	**(12.2)**	**–**	**–**	**–**	**–**	**–**
2012 BSP shares vested in April 2015	**424 985**	**–**	**24.7**	**(24.7)**	**–**	**–**	**–**	**–**	**–**
Total comprehensive loss	**–**	**–**	**–**	**–**	**–**	**(3 044.8)**	**(3 044.8)**	**(722.2)**	**(3 767.0)**
Balance at 31 December 2015	**191 743 613**	**1.9**	**9 366.1**	**194.7**	**71.8**	**1 285.9**	**10 920.4**	**3 563.9**	**14 484.3**
2014									
Balance at 31 December 2013	164 459 662	1.7	7 808.9	157.7	–	3 889.8	11 858.1	4 128.2	15 986.3
Share-based payment expense	–	–	–	48.2	–	–	48.2	–	48.2
Mahube ordinary shares vested 31 March 2014	187 971	–	12.2	(12.2)	–	–	–	–	–
2011 BSP shares vested in March/April 2014	263 029	–	17.1	(17.1)	–	–	–	–	–
Issue of shares – bookbuild	11 290 323	0.1	699.9	–	–	–	700.0	–	700.0
Issue of shares – rights offer	14 545 455	0.1	799.9	–	–	–	800.0	–	800.0
Costs relating to issue of shares capitalised	–	–	(21.5)	–	–	–	(21.5)	–	(21.5)
Rights followed on treasury shares	–	–	(6.4)	–	–	–	(6.4)	–	(6.4)
Share options exercised	384 217	–	19.1	–	–	–	19.1	–	19.1
RPM contribution to housing fund	–	–	–	–	71.8	–	71.8	–	71.8
Total comprehensive income	–	–	–	–	–	440.9	440.9	157.9	598.8
Balance at 31 December 2014	**191 130 657**	**1.9**	**9 329.2**	**176.6**	**71.8**	**4 330.7**	**13 910.2**	**4 286.1**	**18 196.3**

** The number of shares is net of 1 982 760 (2014: 1 762 632) treasury shares relating to the Company's management share incentive scheme and the Mahube Employee Share Trust as shares held by these special purpose vehicles are eliminated on consolidation.*

The notes on pages 18 to 28 form an integral part of these summary consolidated annual financial statements.

Summary consolidated statement of cash flows
for the year ended 31 December 2015

	Group		
	2015 audited R (million)	2014 audited R (million)	% change
Cash flows from operating activities			
Cash generated by operations	**601.9**	1 358.5	(55.7)
Interest paid	**(0.6)**	(1.1)	45.5
Interest received	**86.4**	80.3	7.6
Dividend received	**9.7**	14.2	(31.7)
Tax refund	**0.4**	–	100.0
Tax paid	**(78.6)**	(25.4)	(209.4)
Net cash flow generated by operating activities	**619.2**	1 426.5	(56.6)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment	**0.4**	–	100.0
Acquisition of property, plant and equipment	**(2 018.4)**	(1 675.6)	(20.5)
Acquisition of employee housing assets	**(262.5)**	(138.2)	(89.9)
Acquisition of insurance investment	**(30.0)**	–	(100.0)
Increase in environmental trust deposits	**(2.8)**	(0.1)	(2 700.0)
Call option premiums paid	**(9.2)**	–	(100.0)
Net cash flow utilised by investing activities	**(2 322.5)**	(1 813.9)	(28.0)
Cash flows from financing activities			
Issue of ordinary shares net of cost	**–**	1 478.5	(100.0)
Costs relating to rights followed on treasury shares	**–**	(6.4)	100.0
Increase in amount owing to RPM	**436.4**	–	100.0
Drawdown of PIC housing facility	**326.9**	–	100.0
(Decrease)/increase in employee housing facility	**(6.6)**	6.6	(200.0)
Net cash flow generated by financing activities	**756.7**	1 478.7	(48.8)
Net (decrease)/increase in cash and cash equivalents	**(946.6)**	1 091.3	(186.7)
Cash and cash equivalents at beginning of the year	**1 864.2**	772.9	141.2
Cash and cash equivalents at end of the year	**917.6**	1 864.2	(50.8)

The notes on pages 18 to 28 form an integral part of these summary consolidated annual financial statements.

Notes to the summary consolidated annual financial statements
for the year ended 31 December 2015

1 Basis of preparation

The summary consolidated annual financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements (JSE Listings Requirements) for abridged reports, and the requirements of the Companies Act applicable to summary financial statements. The JSE Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated annual financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the previous consolidated annual financial statements.

The summary consolidated annual financial statements for the year ended 31 December 2015 were prepared under the supervision of the Financial Director, Martin Prinsloo CA(SA).

2 Accounting policies

The summary consolidated annual financial statements have been prepared under the historical cost convention. The principal accounting policies used by the Group are consistent with those of the previous period, except for the adoption of various revised and new standards. The adoption of these standards had no material impact on the financial results of this review period.

3 Audit opinion

These summary consolidated annual financial statements for the year ended 31 December 2015 have been audited by PricewaterhouseCoopers Inc., who expressed an unqualified opinion thereon. The auditor also expressed an unqualified opinion on the consolidated annual financial statements from which these summary consolidated annual financial statements were derived. A copy of the auditor's report on the summary consolidated annual financial statements and of the auditor's report on the annual consolidated financial statements are available for inspection at the registered office of Royal Bafokeng Platinum Limited, together with the annual financial statements identified in the respective auditor's report.

4 Employee housing loan receivable

	Group	
as at 31 December	2015 R (million)	2014 R (million)
Opening balance	**108.8**	–
Plus: Houses sold to employees during the year (inclusive of VAT)	**61.1**	148.0
Plus: Interest capitalised (including fair value interest adjustment)	**10.1**	1.8
Less: Settlement of housing loan and impairment	**(0.6)**	–
Less: Employee housing benefit reallocation	**(21.7)**	(41.0)
Closing balance	**157.7**	108.8

5 Insurance investment

An amount of R30 million was invested in an insurance investment relating to the RBPlat housing project. The fair value adjustment for the year was R1 million.

6 Employee housing assets

During the period under review, land to the value of R260.4 million was acquired for Phase 2 of the RBPlat housing project. Phase 2 of the RBPlat housing project is a five year project aimed to deliver a further 3 100 houses to RBPlat employees.

7 Available funds

RBPlat had cash and near cash investments on hand at 31 December 2015 of R917.6 million. Included in the R917.6 million cash balance is restricted cash of R60.5 million ring-fenced for the RBPlat housing project. The Group has an intra-month funding working capital requirement which is met through a R458 million working capital facility of which R158.9 million has been utilised for guarantees at 31 December 2015.

8 PIC housing facility

The PIC facility was used to fund the acquisition of land for Phase 2 of the RBPlat housing project as well as the insurance investment referred to in Notes 5 and 6. The PIC facility is a R2.2 billion facility accruing interest at CPI plus a margin of 1%. Security for the PIC facility is ring-fenced to the RBPlat housing project assets with no recourse to the BRPM JV business.

The Group recognises the difference between the fair value of the PIC housing facility at initial recognition and the transaction price as a fair value adjustment to the loan. The initial difference is annualised over the term of the PIC housing facility.

	Group	
as at 31 December	2015 R (million)	2014 R (million)
Opening balance	–	–
Plus: Drawdowns	**326.9**	–
Plus: Transaction costs capitalised to loan	**22.3**	–
Plus: Contractual interest charge capitalised to loan	**15.1**	–
Plus: Fair value interest charges capitalised to loan	**3.7**	–
Less: Amortisation of fair value adjustment to loan	**(1.1)**	–
Closing balance	**366.9**	–

9 Capital commitments

Capital commitments relate to the Styldrift I and BRPM Phase III projects.

	Group	
as at 31 December	2015 R (million)	2014 R (million)
Contracted commitments	**608.7**	887.4
Approved expenditure not yet contracted for	**4 523.0**	5 008.7
Total	**5 131.7**	5 896.1

The capital commitments reflect 100% of the BRPM JV project commitments. In terms of the BRPM JV Agreement, Royal Bafokeng Resources (Pty) Ltd must fund 67% thereof and Rustenburg Platinum Mines Ltd (RPM) the remaining 33%.

Should either party elect not to fund their share, their interest will be diluted according to the terms of the BRPM JV Agreement.

Notes to the summary consolidated annual financial statements
for the year ended 31 December 2015

10 Guarantees and contingencies

10.1 Guarantees

	Group	
as at 31 December	2015 R (million)	2014 R (million)
Royal Bafokeng Resources Proprietary Limited, a wholly-owned subsidiary of RBPlat, granted the following guarantees:		
Eskom to secure power supply for Styldrift I development	**17.1**	17.1
Eskom early termination guarantee for Styldrift I	**17.5**	17.5
Eskom connection charges guarantee for Styldrift I	**40.0**	40.0
Anglo American Platinum for rehabilitation of land disturbed by mining activities at the BRPM JV	**82.6**	77.5
Department: Mineral Resources for the rehabilitation of land disturbed by prospecting/mining	**1.3**	1.3
Employee housing guarantee	**–**	3.5
Royal Bafokeng Platinum Management Services Proprietary Limited, a wholly-owned subsidiary of RBPlat, granted the following guarantees:		
Tsogo Sun guarantees arising from lease agreements	**0.4**	0.4
Total guarantees issued at 31 December	**158.9**	157.3

10.2 Contingent liability

The BRPM JV may have a potential exposure to remediate groundwater and soil pollution that may exist where the JV operates. The operations continue to monitor and mitigate impacts if and when they arise. Numerous scientific, technical and legal studies still need to be embarked on to scientifically quantify the impact and the most appropriate remediation options. The ultimate outcome of the matter cannot presently be determined and no liability has been raised in the annual financial statements. BRPM constructed a water treatment plant in 2015 which will improve the effective use of water.

11 Revenue

	Group	
for the year ended 31 December	2015 R (million)	2014 R (million)
Concentrate sales – production from BRPM concentrator	**2 607.1**	3 339.6
UG2 toll concentrate sales	**437.6**	427.9
Total revenue	**3 044.7**	3 767.5

Revenue and concentrate trade debtors are fair valued every month following the month of delivery of the concentrate to RPM until the price is fixed in the third month following delivery.

The fair value adjustment is recognised in revenue.

12 Cost of sales

	Group	
for the year ended 31 December	2015 R (million)	2014 R (million)
Labour	**946.3**	883.8
Utilities	**233.5**	208.5
Contractor costs	**633.4**	541.9
Materials and other mining costs	**694.5**	692.5
Materials and other mining costs – BRPM JV	**734.7**	729.7
Elimination of intergroup charges	**(40.2)**	(37.2)
Movement in inventories	**15.1**	(10.4)
Depreciation – Property, plant and equipment	**366.9**	369.8
Amortisation – Mineral rights	**62.3**	65.3
Share-based payment expense	**29.5**	21.8
Social and labour plan expenditure	**63.8**	110.3
State royalties	**10.4**	12.6
Styldrift incidental expenses	**5.5**	3.8
Retrenchments	**20.5**	–
Other	**2.8**	2.3
Total cost of sales	**3 084.5**	2 902.2

Notes to the summary consolidated annual financial statements
for the year ended 31 December 2015

13 Impairment of non-financial assets

for the year ended 31 December	BRPM operations R (million)	Styldrift I R (million)	Housing assets R (million)	Group 2015 R (million)	Group 2014 R (million)
Impairment of property, plant and equipment	2 362.3	–	–	**2 362.3**	–
Impairment of mineral rights	690.1	–	–	**690.1**	–
Impairment of goodwill	134.6	1 277.2	–	**1 411.8**	–
Impairment of employee housing loan receivable and benefit	–	–	2.0	**2.0**	–
Impairment charge for the year	3 187.0	1 277.2	2.0	**4 466.2**	–
Less: Tax effect	(854.7)	–	–	**(854.7)**	–
Less: Non-controlling interest	(725.3)	–	–	**(725.3)**	–
Net impairment	1 607.0	1 277.2	2.0	**2 886.2**	–

With the listing of the Company in 2010 the property, plant and equipment and mineral rights were fair valued and goodwill was recognised for RBR's 67% interest in the BRPM JV. The goodwill was calculated as the difference between the purchase consideration for the 67% interest in the BRPM JV and the Group's share of net assets acquired for each of the cash-generating units (CGUs) within the BRPM JV being the BRPM operations, Styldrift I and Styldrift II. No goodwill was attributed to non-controlling interest.

Given the decrease in PGM prices and the reduction in the market value of the Company, the CGUs within the BRPM JV and the goodwill allocated to each CGU were assessed for impairment by comparing the respective recoverable amounts to the carrying amounts for each CGU. The fair value adjustment to property, plant and equipment and of the fair value adjustment to mineral rights as well as the goodwill allocated to BRPM operations were impaired. The recoverable amount for the BRPM operations is R4.6 billion. A portion of goodwill allocated to Styldrift I was impaired. The recoverable amount for Styldrift I is R6.0 billion. There was no impairment of goodwill allocated to Styldrift II. The recoverable amounts have been determined on a fair value less costs to sell basis using discounted cash flow models and attributable resource values. This is a fair value measurement classified as level 3. The impairment relating to the employee housing loan receivable and employee housing benefit is as a result of agreements being terminated due to dismissals, resignations or cancellations.

14 Related party transactions

The Group is controlled by Royal Bafokeng Platinum Holdings Proprietary Limited (incorporated in South Africa), which owns 52.31% of RBPlat's shares. RPM owns 11.57% of RBPlat's shares and the remaining 36.12% are widely held.

The Group's ultimate parent is Royal Bafokeng Platinum Holdings Proprietary Limited (RBH). RBH is an investment holding company with a large number of subsidiaries and associates and is incorporated in South Africa.

	Group	
for the year ended 31 December	2015 R (million)	2014 R (million)
BRPM Joint Venture balances at 31 December:		
Amount owing by RPM for concentrate sales	**1 181.5**	1 344.6
Amount owing to RPM for contribution to BRPM JV (working capital nature)	**839.7**	403.3
Amount owing by RPM for housing project costs	**71.8**	71.8
BRPM Joint Venture transactions:		
Concentrate sales to RPM	**3 099.3**	3 767.5
Associate of holding company balances at 31 December:		
Amount owing by Impala Platinum Limited for the fourth quarter royalty	**12.7**	10.8
Fellow subsidiaries and associates of holding company transactions:		
Transactions with Fraser Alexander for rental of mining equipment, maintenance of tailings dam and operation of sewage plant (a subsidiary of RBH)	**10.3**	7.2
Impala Platinum Limited for royalty income (an associate of RBH)	**46.7**	18.2
Geoserve Exploration Drilling Company for exploration drilling on Boschkoppie and Styldrift (a subsidiary of RBH)	**7.9**	17.0
Trident South Africa Proprietary Limited for steel supplies (a subsidiary of RBH)	**3.6**	1.6
Tarsus Technologies for electronic equipment purchases (a subsidiary of RBH)	**–**	1.6
Royal Bafokeng Administration for bulk water supply (a subsidiary of RBH)	**–**	5.1
Mtech Industrial for supply and installation of heat pumps (a subsidiary of RBH)	**1.3**	3.1
Royal Marang Hotel for accomodation and conferences (a subsidiary of RBH)	**0.4**	0.9
Fees paid to RBH in respect of rights offer	**–**	4.2
Fees paid to non-executive directors (RBH/Mogs)	**0.7**	0.6

15 Dividends

No dividends have been declared or proposed in the current period (2014: nil).

Notes to the summary consolidated annual financial statements
for the year ended 31 December 2015

16 Financial risk management

Financial risk factors: Fair value determination

The table below analyses financial instruments at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset and liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The following table presents the financial assets measured at fair value as well as the financial assets and financial liabilities measured at amortised cost but for which fair value disclosure are provided at 31 December.

	Level 1 R (million)	Level 2 R (million)	Level 3 R (million)
2015			
Financial assets at fair value through profit or loss			
Environmental trust deposits[1]	–	107.4	–
Insurance investment[2]	–	31.0	–
Forward exchange contracts and call options[3]	–	11.9	–
Loans and receivables			
Employee housing loan receivable[4]	–	–	157.7
Financial liabilities at amortised cost			
PIC housing facility[4]	–	–	366.9
2014			
Financial assets at fair value through profit or loss			
Environmental trust deposits[1]	–	108.9	–
Insurance investment[2]	–	–	–
Loans and receivables			
Employee housing loan receivable[4]	–	–	108.8
Financial liabilities at amortised cost	–	–	–
PIC housing facility[4]	–	–	–

1. *This was valued using the level 2 fair values which are directly derived from the Shareholders Weighted Top 40 Index (Swix 40) on the JSE and the Bettabeta CIS Bgreen portfolio exchange traded fund.*
2. *The fair values were determined using market prices for listed investments and discounted cash flow models for unlisted investments.*
3. *The fair values of the forward exchange contracts and call options are based on the mark to market values.*
4. *The fair values were determined using discounted cash flow models.*

17 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee of the Company, that makes strategic decisions.

The Group is currently operating one mine with two decline shafts and the Styldrift I project. These operations are located in the North West province of South Africa. BRPM and Styldrift I are shown as separate segments. In addition, due to the different nature and significance of the employee home ownership scheme, it was decided to show housing as a seperate segment. The Styldrift II pre-feasibility study has been completed. Once a feasibility study is completed, it will move into development phase and will then be reported on as a seperate segment.

The Executive Committee of the Company is regarded as the chief operating decision-maker.

17.1 Segmental statement of comprehensive income

	For the year ended 31 December 2015						For the year ended 31 December 2014					
	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	BRPM JV mining segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office and consolid-ation adjust-ment R (million)	Total R (million)	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	BRPM JV mining segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office and consolid-ation adjust-ment R (million)	Total R (million)
Concentrate sales	**3 034.0**	**10.7**	**3 044.7**	**–**	**–**	**3 044.7**	3 761.9	5.6	3 767.5	–	–	3 767.5
Cost of sales	**(2 933.8)**	**(6.1)**	**(2 939.9)**	**–**	**(144.6)**	**(3 084.5)**	(2 952.5)	(13.3)	(2 965.8)	–	63.6	(2 902.2)
Cash cost of sales excluding depreciation and amortisation	**(2 664.5)**	**(5.5)**	**(2 670.0)**	**–**	**29.8**	**(2 640.2)**	(2 704.1)	(13.3)	(2 717.4)	–	239.9	(2 477.5)
Depreciation	**(254.2)**	**(0.6)**	**(254.8)**	**–**	**–**	**(254.8)**	(258.8)	–	(258.8)	–	–	(258.8)
Additional depreciation and amortisation on purchase price allocation of mining assets	**–**	**–**	**–**	**–**	**(174.4)**	**(174.4)**	–	–	–	–	(176.3)	(176.3)
Movement in inventories	**(15.1)**	**–**	**(15.1)**	**–**	**–**	**(15.1)**	10.4	–	10.4	–	–	10.4
Gross profit/(loss) per segment and total	**100.2**	**4.6**	**104.8**	**–**	**(144.6)**	**(39.8)**	809.4	(7.7)	801.7	–	63.6	865.3
Other income	**67.1**	**(1.0)**	**66.1**	**2.8**	**(0.2)**	**68.7**	20.2	4.6	24.8	0.4	–	25.2
Total administration expenditure	**–**	**–**	**–**	**(37.8)**	**(126.3)**	**(164.1)**	–	–	–	(15.1)	(122.2)	(137.3)
Impairment of non-financial assets	**(3 052.4)**	**–**	**(3 052.4)**	**(2.0)**	**(1 411.8)**	**(4 466.2)**	–	–	–	–	–	–
Net finance income	**8.4**	**0.3**	**8.7**	**6.6**	**65.8**	**81.1**	7.2	0.7	7.9	(7.1)	90.5	91.3
(Loss)/profit before tax per segment and total	**(2 876.7)**	**3.9**	**(2 872.8)**	**(30.4)**	**(1 617.1)**	**(4 520.3)**	836.8	(2.4)	834.4	(21.8)	31.9	844.5
Taxation						**753.3**						(245.7)
(Loss)/profit after tax						**(3 767.0)**						598.8
Attributable to owners of the Company						**(3 044.8)**						440.9
Attributable to non-controlling interest						**(722.2)**						157.9

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17.2 Segmental statement of financial position

	For the year ended 31 December 2015						For the year ended 31 December 2014					
	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	BRPM JV mining segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office and consolidation adjustment R (million)	Total R (million)	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	BRPM JV mining segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office and consolidation adjustment R (million)	Total R (million)
Non-current assets	5 786.0	10 359.2*	16 145.2	240.6	763.0	17 148.8	6 031.0	9 131.7	15 162.7	145.7	4 661.5	19 969.9
Current assets	1 553.9	101.1	1 655.0	342.0	613.5	2 610.5	1 629.6	34.6	1 664.2	102.9	1 766.9	3 534.0
Employee housing current assets	–	–	–	268.5	–	268.5	–	–	–	57.8	–	57.8
Inventories	37.3	17.8	55.1	–	–	55.1	51.7	–	51.7	–	–	51.7
Trade and other receivables	1 190.5	83.3	1 273.8	13.0	78.9	1 365.7	1 166.5	34.6	1 201.1	42.2	314.7	1 558.0
Current tax receivable	–	–	–	–	3.6	3.6	–	–	–	–	2.3	2.3
Cash and cash equivalents	326.1	–	326.1	60.5	531.0	917.6	411.4	–	411.4	2.9	1 449.9	1 864.2
Total assets per statement of financial position	7 339.9	10 460.3	17 800.2	582.6	1 376.5	19 759.3	7 660.6	9 166.3	16 826.9	248.6	6 428.4	23 503.9
Non-current liabilities	82.0	13.1	95.1	366.9	3 663.7	4 125.7	77.8	10.4	88.2	–	4 486.7	4 574.9
Deferred tax liability	–	–	–	–	3 663.7	3 663.7	–	–	–	–	4 486.7	4 486.7
PIC facility	–	–	–	366.9	–	366.9	–	–	–	–	–	–
Restoration and rehabilitation provision	82.0	13.1	95.1	–	–	95.1	77.8	10.4	88.2	–	–	88.2
Current liabilities	3 148.4	108.1	3 256.5	259.5	(2 366.7)	1 149.3	1 693.9	2.3	1 696.2	270.6	(1 234.0)	732.8
Total liabilities per statement of financial position	3 230.4	121.2	3 351.6	626.4	1 297.0	5 275.0	1 771.7	12.7	1 784.4	270.6	3 252.7	5 307.7

*Includes Styldrift II mineral rights

17.3 Segmental statement of cash flows

	For the year ended 31 December 2015						For the year ended 31 December 2014					
	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	BRPM JV mining segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office and consolid-ation adjust-ment R (million)	Total R (million)	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	BRPM JV mining segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office and consolid-ation adjust-ment R (million)	Total R (million)
Net cash flow generated/(utilised) by operating activities	**622.5**	**44.9**	**667.4**	**(11.5)**	**(36.7)**	**619.2**	1 368.1	1.7	1 369.8	(73.8)	130.5	1 426.5
Cash flows from investing activities												
Proceeds on disposal of property, plant and equipment	**0.4**	**–**	**0.4**	**–**	**–**	**0.4**	–	–	–	–	–	–
Acquisition of property, plant and equipment	**(317.0)**	**(1 746.5)**	**(2 063.5)**	**–**	**45.1**	**(2 018.4)**	(389.3)	(1 327.3)	(1 716.6)	(0.4)	41.4	(1 675.6)
Acquisition of employee housing assets	**–**	**–**	**–**	**(262.5)**	**–**	**(262.5)**	–	–	–	(138.2)	–	(138.2)
Acquisition of insurance investment	**–**	**–**	**–**	**(30.0)**	**–**	**(30.0)**	–	–	–	–	–	–
Increase in environmental trust deposits	**(2.8)**	**–**	**(2.8)**	**–**	**–**	**(2.8)**	(0.1)	–	(0.1)	–	–	(0.1)
Call option premiums paid	**–**	**(9.2)**	**(9.2)**	**–**	**–**	**(9.2)**	–	–	–	–	–	–
Net cash flow (utilised)/generated by investing activities	**(319.4)**	**(1 755.7)**	**(2 075.1)**	**(292.5)**	**45.1**	**(2 322.5)**	(389.4)	(1 327.3)	(1 716.7)	(138.6)	41.4	(1 813.9)
Cash flows from financing activities												
Cash investments by/(distributions to) BRPM JV shareholders	**(388.4)**	**1 710.8**	**1 322.4**	**–**	**(886.0)**	**436.4**	(762.3)	1 325.6	563.3	–	(563.3)	–
Issue of ordinary shares net of cost	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	1 478.5	1 478.5
Costs relating to rights followed on treasury shares	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	(6.4)	(6.4)
Drawdowns in PIC housing facility	**–**	**–**	**–**	**326.9**	**–**	**326.9**	–	–	–	–	–	–
Increase in intercompany loans	**–**	**–**	**–**	**34.7**	**(34.7)**	**–**	–	–	–	215.3	(215.3)	–
(Decrease)/increase in employee housing facility	**–**	**–**	**–**	**–**	**(6.6)**	**(6.6)**	–	–	–	–	6.6	6.6
Net cash flow (utilised)/generated by financing activities	**(388.4)**	**1 710.8**	**1 322.4**	**361.6**	**(927.3)**	**756.7**	(762.3)	1 325.6	563.3	215.3	700.1	1 478.7
Net increase in cash and cash equivalents	**(85.3)**	**–**	**(85.3)**	**57.6**	**(918.9)**	**(946.6)**	216.4	–	216.4	2.9	872.0	1 091.3
Cash and cash equivalents at beginning of period	**411.4**	**–**	**411.4**	**2.9**	**1 449.9**	**1 864.2**	195.0	–	195.0	–	577.9	772.9
Cash and cash equivalents at end of period	**326.1**	**–**	**326.1**	**60.5**	**531.0**	**917.6**	411.4	–	411.4	2.9	1 449.9	1 864.2

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18 (Loss)/earnings per share

The weighted average number of ordinary shares in issue outside the Group for the purposes of basic (loss)/earnings per share and the weighted average number of ordinary shares for diluted (loss)/earnings per share are calculated as follows:

	Group	
for the year ended 31 December	2015 R (million)	2014 R (million)
Number of shares issued	**193 726 374**	167 737 114
Mahube Trust	**—**	(281 957)
Management incentive scheme	**(2 595 717)**	(2 995 495)
Number of shares issued outside the Group	**191 130 657**	164 459 662
Adjusted for weighted shares issued during the year	**461 403**	20 337 340
Weighted average number of ordinary shares in issue for earnings per share	**191 592 060**	184 797 002
Management incentive scheme	**25 136**	476 576
Weighted average number of ordinary shares in issue for diluted earnings per share	**191 617 196**	185 273 578
Basic (loss)/earnings — attributable to owners of the Company R (million)	**(3 044.8)**	440.9
Adjustments net of tax and non-controlling interest R (million)	**2 885.2**	—
Headline (loss)/earnings R (million)	**(159.6)**	440.9
Basic (loss)/earnings per share (cents/share)	**(1 589.2)**	238.6
Diluted (loss)/earnings per share (cents/share)	**(1 589.0)**	238.0
Headline (loss)/earnings per share (cents/share)	**(83.2)**	238.6
Diluted headline (loss)/earnings per share (cents/share)	**(83.2)**	238.0

Company information

Company registered office

Royal Bafokeng Platinum Limited
Registration number: 2008/015696/06
Share code: RBP
ISIN: ZAE000149936

The Pivot
No. 1 Monte Casino Boulevard
Block C
4th Floor
Fourways
Johannesburg
2021

PO Box 2283
Fourways
2055
South Africa

Executive directors

SD Phiri (Chief Executive Officer)
MJL Prinsloo (Chief Financial Officer)

Independent non-executive directors

Adv KD Moroka SC (Chairman)
Prof L de Beer
RG Mills
MJ Moffett
T Mokgosi-Mwantembe
MH Rogers
L Stephens

Non-executive directors

V Nhlapo
DR Wilson

Company Secretary

Lester Jooste (ACIS)
Email: lester@bafokengplatinum.co.za
Telephone: +27 10 590 4519
Telefax: +27 086 572 8047

Public Officer

Reginald Haman
Email: reginald@bafokengplatinum.co.za
Telephone: +27 10 590 4533
Telefax: +27 086 588 4568

Investor relations

Lindiwe Montshiwagae
Email: lindiwe@bafokengplatinum.co.za
Telephone: +27 10 590 4510
Telefax: +27 086 219 5131

Independent external auditors

PricewaterhouseCoopers Inc
2 Eglin Road
Sunninghill
Johannesburg
2157
South Africa

Transfer Secretaries

Computershare Investor Services
Proprietary Limited
70 Marshall Street
Johannesburg

PO Box 61051
Marshalltown
2107
South Africa
Telephone: +27 11 370 5000
Telefax: +27 11 688 5200

Sponsor

Merrill Lynch South Africa
Proprietary Limited
138 West street
Sandton
Johannesburg
2196
South Africa

ROYAL BAFOKENG PLATINUM
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