



**INTERIM RESULTS FOR THE SIX MONTHS ENDED  
30 June 2011**

JSE AUDITORIUM, JOHANNESBURG  
16 August 2011



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# Agenda

1. Overview : Steve Phiri, CEO
2. Operational Performance : Nico Muller, COO
3. Financial Performance : Martin Prinsloo, CFO
4. Market Review : Steve Phiri
5. Outlook : Steve Phiri





# Overview

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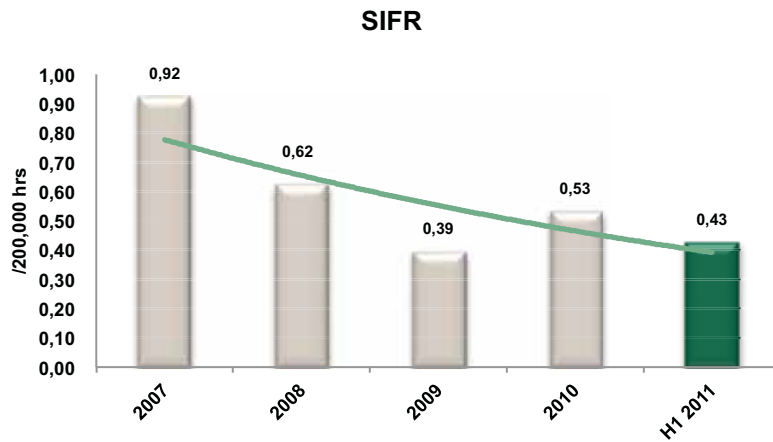
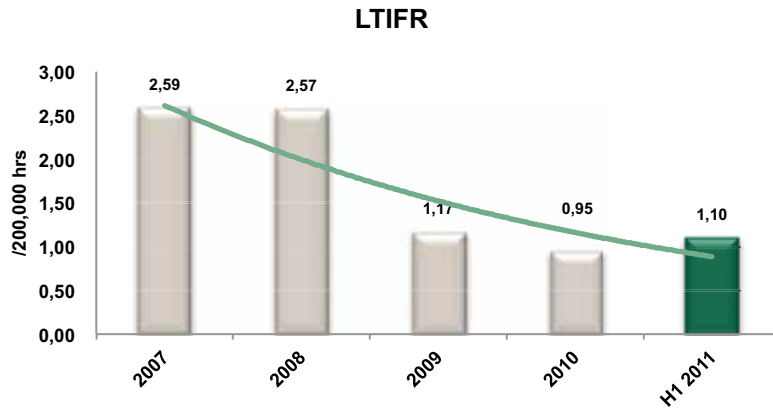


# Key features

- **One million** fatality-free shifts achieved by June 2011
- Conclusion of **three-year** wage agreement
- Production steady at **142,100 PGMs** (4E) despite challenging environment
- Concentrator recoveries improve by 1.6% to **87.27%**
- BRPM revenue up by 3% to **R1.5 billion**
- Cash operating cost per tonne milled increased by **14.8%** (9% on normalised basis)
- Settlement of intercompany balances result in **R325.8 million** cash inflow into BRPM
- Earnings per share of **105 cents**, down by 20% from 132 cents in H1 2010
- Balance sheet ungeared with healthy cash and near-cash position of **R1.29 billion**
- Accelerated capital expenditure of R592 million, **up by 63%**
- Styldrift I Project **on schedule**, **R233.4 million** declared savings to date



# Safety remains a focus



Description	Unit	H1 2010	H1 2011	Var %
LTIFR / 200 000 hours	rate	1.15	1.10	4%
SIFR / 200 000 hours	rate	0.63	0.43	32%

- Zero fatalities
- 1 million fatality-free shifts achieved 22<sup>nd</sup> June
- Improvements in LTIFR and SIFR
- Safety management strategy
  - › Regulatory compliance : Internal cross-audits
  - › Reduce severity rate: Focus on FOG, machinery, mobile equipment

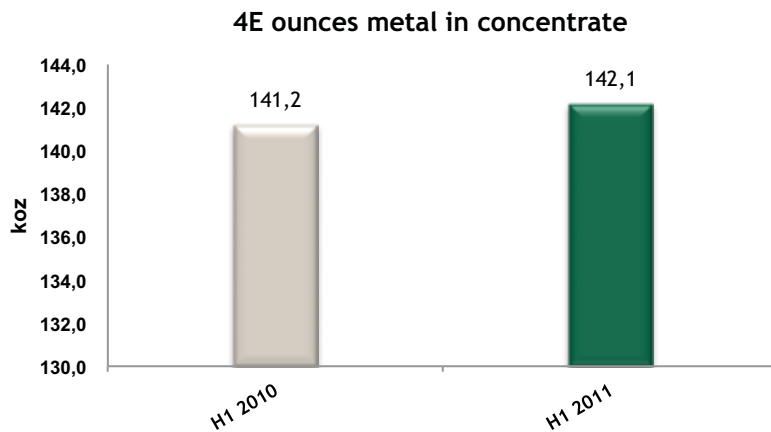
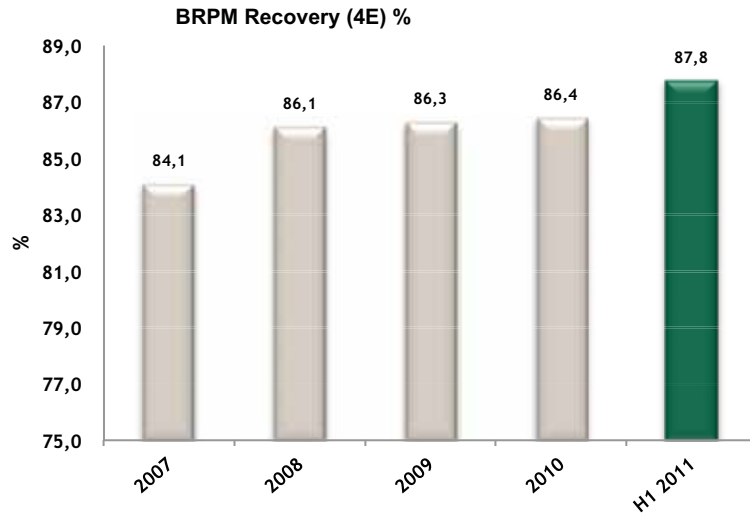


# Operational Performance

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# Production remains flat with improved recoveries

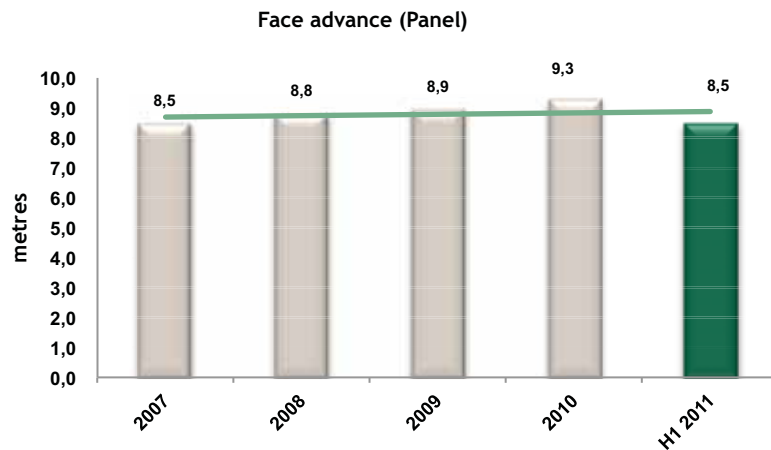


Description	Unit	H1 2010	H1 2011	Var %
Merensky tonnes milled	kt	1,169	1,037	-11%
Merensky headgrade (4E)	g/t	4.34	4.41	2%
UG2 tonnes milled	kt	9	135	1480%
UG2 headgrade (4E)	g/t	3.84	3.65	-5%
Total tonnes milled	kt	1,178	1,172	-1%
UG2 as a % of total tonnes milled	%	0.7%	11.5%	1488%
Combined headgrade (4E)	g/t	4.34	4.32	0%
BRPM concentrator recovery (4E)	%	85.9	87.8	2%
4E ounces metal in concentrate	koz	141.2	142.1	1%
Pt ounces metal in concentrate	koz	92.1	92.1	0%





# Key drivers to improve stope team efficiencies



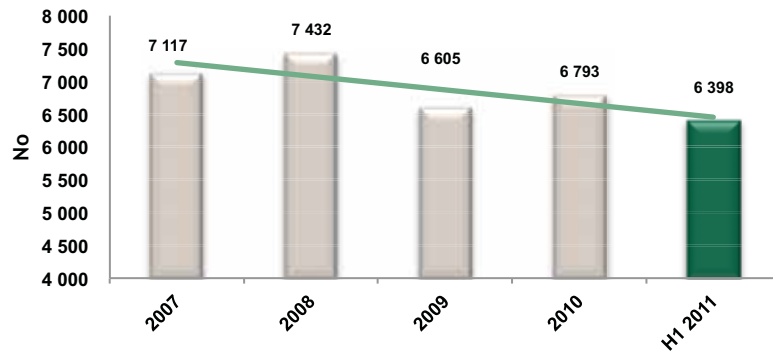
## Key drivers

- Regulatory compliance & safety performance
- Operational flexibility
  - › IMA/IMS
  - › Development
  - › UG2 expansion
  - › Phase II and III
- North Shaft Phase II conveyor belt
- Mining labour stability
  - › Neighbouring mines recruitment
- Efficiencies
  - › Face advance
  - › Stope team efficiency

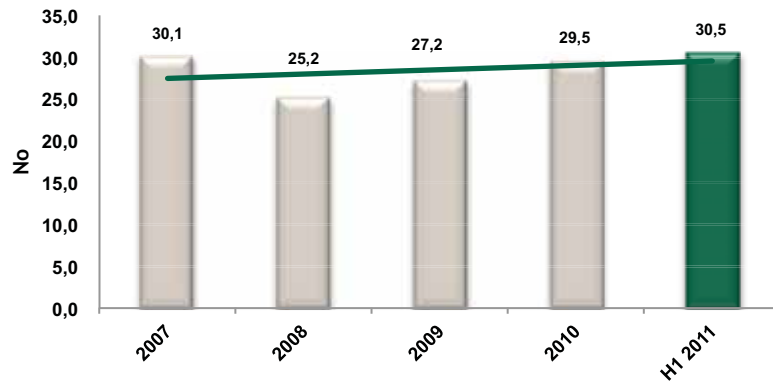


# Improvement in overall labour efficiency

Total operating labour



Milled tonnes /TEC



Description	Unit	H1 2010	H1 2011	Var %
Total labour	No	7,539	7,789	-3%
Operating labour	No	6,658	6,398	4%
Capital labour	No	881	1,391	-58%
Stoping crew efficiencies	m <sup>2</sup> /crew	350.8	315.2	-10%
Milled tonnes /TEC	t/emp	29.5	30.5	4%
Delivered tonnes/TEC	t/emp	28.8	30.4	6%

- Reduction in operating labour in line with revised labour strategy
- Increase in capital labour commensurate with growth in capital projects
- Stoping crew efficiency impacted adversely by challenging operating conditions in H1 2011
- Improvement in overall labour efficiency



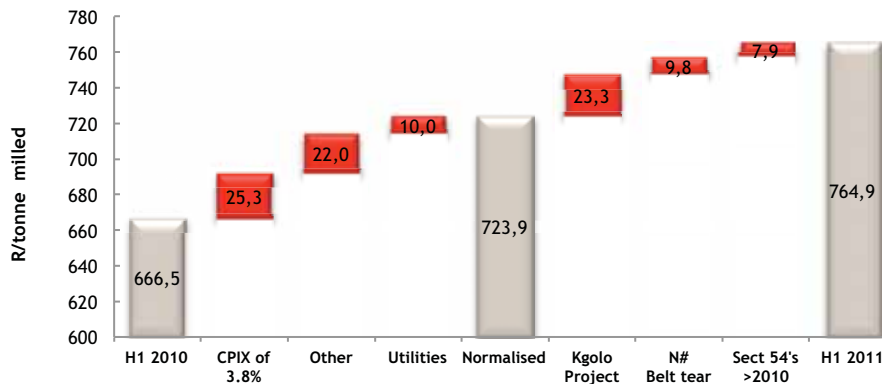
# Operating unit costs remain under pressure

Description	Unit	H1 2010	H1 2011	Var %
Total cash costs	Rm	785	896	-14%
Total cash cost / tonne milled	R/t	667	765	-15%
Total cash cost / 4E oz M&C	R/oz	5,561	6,306	-13%
Total cash cost / Pt oz M&C	R/oz	8,524	9,732	-14%

- Cash cost drivers H1 2011:

- › Challenging operating environment (lower efficiencies, additional shifts)
- › Rate increases above CPIX for labour, power and water
- › Business improvement project - costs incurred, no material benefit to business bottom line to date
- › Higher UG2 toll treatment costs (fee & transport)

Total BRPM - R/tonne milled



- Cost reduction strategy

- › Optimise operating conditions
- › Drive business improvement project initiatives through to fruition
- › Balance UG2 processing



# Accelerated capital expenditure

Description	Unit	H1 2010	H1 2011	Var %
Stay- in- business capital	Rm	41	52	27%
Replacement	Rm	170	169	-1%
Phase II	Rm	143	107	-25%
Phase III	Rm	26	59	127%
BRPM UG2	Rm	1	3	200%
Expansion	Rm	152	371	144%
Styl drift I	Rm	144	368	156%
BRPM concentrator	Rm	8	3	-63%
<b>Total capital</b>	<b>Rm</b>	<b>363</b>	<b>592</b>	<b>63%</b>

- Total capex increased by R229 million or 63%
  - › *SIB*: At 6% of Opex - in line with expectations
  - › *Phase II*: Construction programme decline with North Shaft approaching completion. Project estimate at completion in line with budget
  - › *Phase III*: Increased expenditure matches project construction programme. On budget and on schedule
  - › *BRPM UG2*: Refers to capital development from MER haulage to UG2 apex. Increase in line with strategy to expand UG2 mining platform
  - › *Styl drift I*: Increase in construction activity. On schedule with saving of R233.4 million
  - › *BRPM Concentrator*: Upgrade capital deferred to 2012 pending completion of UG2 Feasibility study





# Spending to maintain existing operations - Phase II and Phase III

## Phase II (commenced in 2005)

Description	Unit	Plan	Act	Var
N# % complete	%	100%	98%	-2%
S# % complete	%	87%	82%	-5%
N# completion date	month	May 11	Aug 11	-3
S# completion date	month	Jul 12	Jul 12	-
Expenditure to date	Rm	2,100	2,050	2%
Estimate at completion	Rm	2,430	2,400	1%

## • Phase II

- › North Shaft 10 level thrust fault impacted on development. Revised design and support strategy
- › North Shaft development completed, only construction remaining
- › South Shaft - development of remaining shaft bottom infrastructure and construction to be completed

## Phase III (commenced in January 2010)

Description	Unit	Plan	Act	Var
% Complete	%	11%	11%	0%
Completion date	month	Aug 17	Aug 17	-
Expenditure to date	Rm	163.3	110	33%
Estimate at completion	Rm	1,270	1,270	0

## • Phase III

- › Development at 14% i.e. 2% ahead of schedule
- › Waste loading on North Shaft conveyor belt - Sunday labour permission obtained
- › Procurement lagging 4% behind schedule, delivery schedules amended

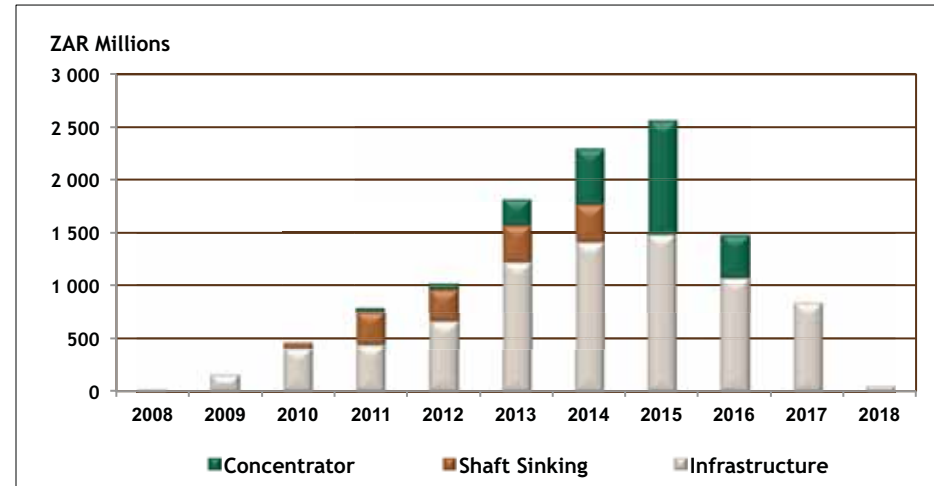


# Spending for growth - Styldrift I

## Capital budget - nominal

Description	Unit	Mining	Concentrator	Total
Authorised and Contingency	Rm	6,289	1,422	7,711
Escalation	Rm	3,153	938	4,091
Total Nominal	Rm	9,442	2,360	11,802
Latest Cost Forecast	Rm	9,209	2,360	11,569
Total Cost to Date	Rm	1,039	0	1,039

## Capital cash flow - nominal



May 2010 - Bulk earthworks complete



August 2010 - Bulk civils underway

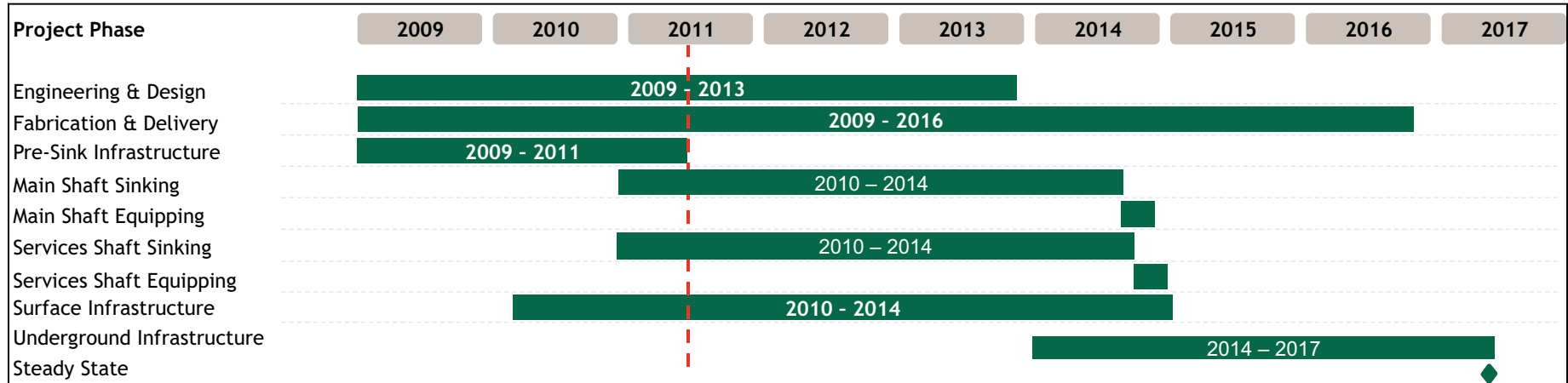


February 2011 - Headgears erected



# Styldrift I - H1 2011 Overview

## Timetable



## Progress to date



Northwestern aerial view



Main and services shaft headgears



Personnel and material winder



# Styl drift I - H1 2011 project overview

- H1 Project highlights:

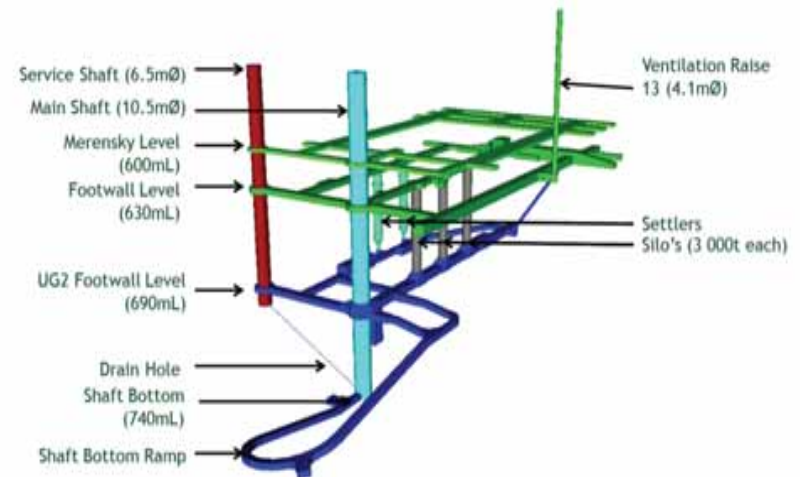
- › Personnel & material winder commissioned - March 2011
- › Pre-sink completed in April 2011
- › Main shaft - 64m
- › Services shaft - 63m
- › Main sink commenced in July 2011
- › Project ahead of schedule (21.44 % complete) and under budget
- › First operational appointment made June 2011



- Optimisation study initiated in January 2011

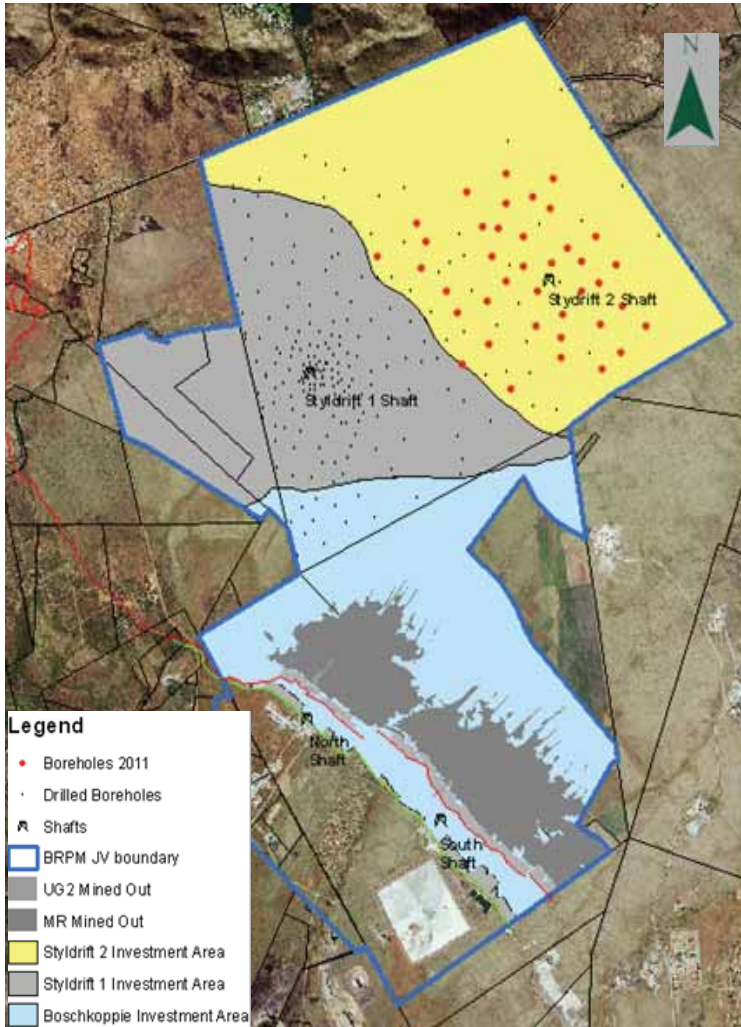
Key components being reviewed are:

- › Shaft bottom infrastructure layout
- › Room and pillar mine design
- › Strike ore handling methodology - truck vs conveyors
- › Pneumatic vs electric drilling
- › Access to the UG2 ore horizon and associated infrastructure requirements





# Further organic growth in Styldrift II



- Styldrift II project area
  - › Resource area ± 23 million m<sup>2</sup>
  - › Depth 900m - 1, 400m, average dip 9<sup>o</sup>.
  - › Average Merensky/UG2 middling 35m
- Potential size of investment similar to Styldrift I (± R10 billion)
- Opportunity will be evaluated through:
  - › Study consisting of a concept, pre-feasibility and feasibility study
  - › Exploration drilling programme which will develop the resource classification to support various study levels
- Concept study initiated
- Drilling programme initiated
  - › 52,000m of drilling planned in 2011, with 26,093m completed end of June
  - › Reef intersections to date are well defined and relatively undisturbed



# Financial Performance

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# Key financial performance indicators

	Unit	H1 2011	H1 2010	% Change	% Normalised change
Average basket price	R/Pt oz	15,730	14,898	5.6 ↑	5.6 ↑
Average ZAR:USD received	ZAR:USD	6.89	7.53	8.5 ↓	8.5 ↓
Revenue	Rm	1,510.4	988.4	52.8 ↑	3.0 ↑
Cost of sales	Rm	1,171.1	685.7	70.8 ↑	16.3 ↑
Gross profit	Rm	339.3	302.7	12.1 ↑	21.1 ↓
Operating profit	Rm	315.8	282.5	11.8 ↑	20.4 ↓
EBITDA	Rm	545.9	441.4	23.7 ↑	14.8 ↓



## Key Financial Performance Indicators (continued)

	Unit	H1 2011	H1 2010	% Change
Headline earnings	Rm	171.9	180.9	5.0 ↓
Weighted average shares outstanding	#m	163.7	137.0	19.4 ↑
HEPS	R/share	1.05	1.32	20.4 ↓
<i>FV depreciation and amortisation</i>	R/share	0.26	0.39	
<i>Optimisation project costs</i>	R/share	0.10	-	
<i>Income from I/Co balance settlement</i>	R/share	(0.17)	-	
<i>Tax impact of adjustments</i>	R/share	0.02	-	
Normalised HEPS	R/share	1.26	1.71	26.3 ↓
Dividend per share	R/share	-	-	





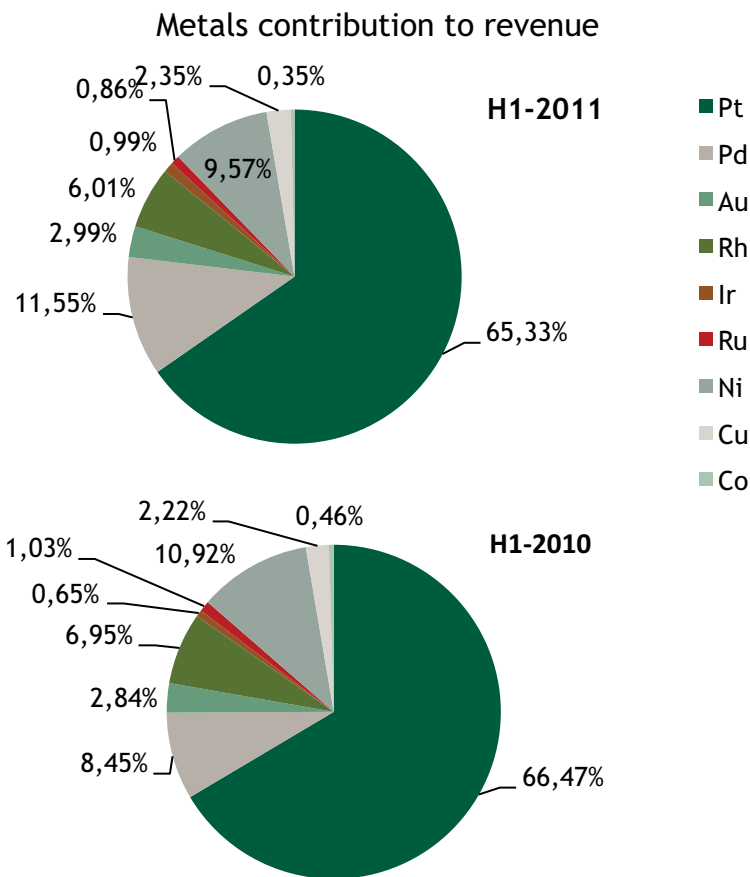
## Key financial performance indicators (continued)

	Unit	H1 2011	H1 2010	% Change
Cash generated by operations	Rm	390.2	264.2	47.7↑
Cash, net of debt (incl pref share investment)	Rm	1,289.8	67.4	1,813.6↑
Capex	Rm	592.4	363.0	63.1↑
Gross profit margin	%	22.5	30.6	26.5↓
EBITDA	%	36.1	44.7	19.2↓
Net Asset Value (NAV)	R/share	68.1	-	



# Platinum remains largest contributor to revenue

	H1 2011 Sales volume	Average price achieved* (\$)
Platinum (oz)	92,135	1,751/oz
Palladium (oz)	37,817	754/oz
Gold (oz)	4,940	1,497/oz
Rhodium (oz)	7,208	2,059/oz
Iridium (oz)	2,381	1,020/oz
Ruthenium (oz)	12,253	172/oz
Nickel (tonne)	1,032	10.38/lb
Copper (tonne)	658	4/lb



\* Grossed up to 100% from amount received in terms of disposal of concentrate agreement

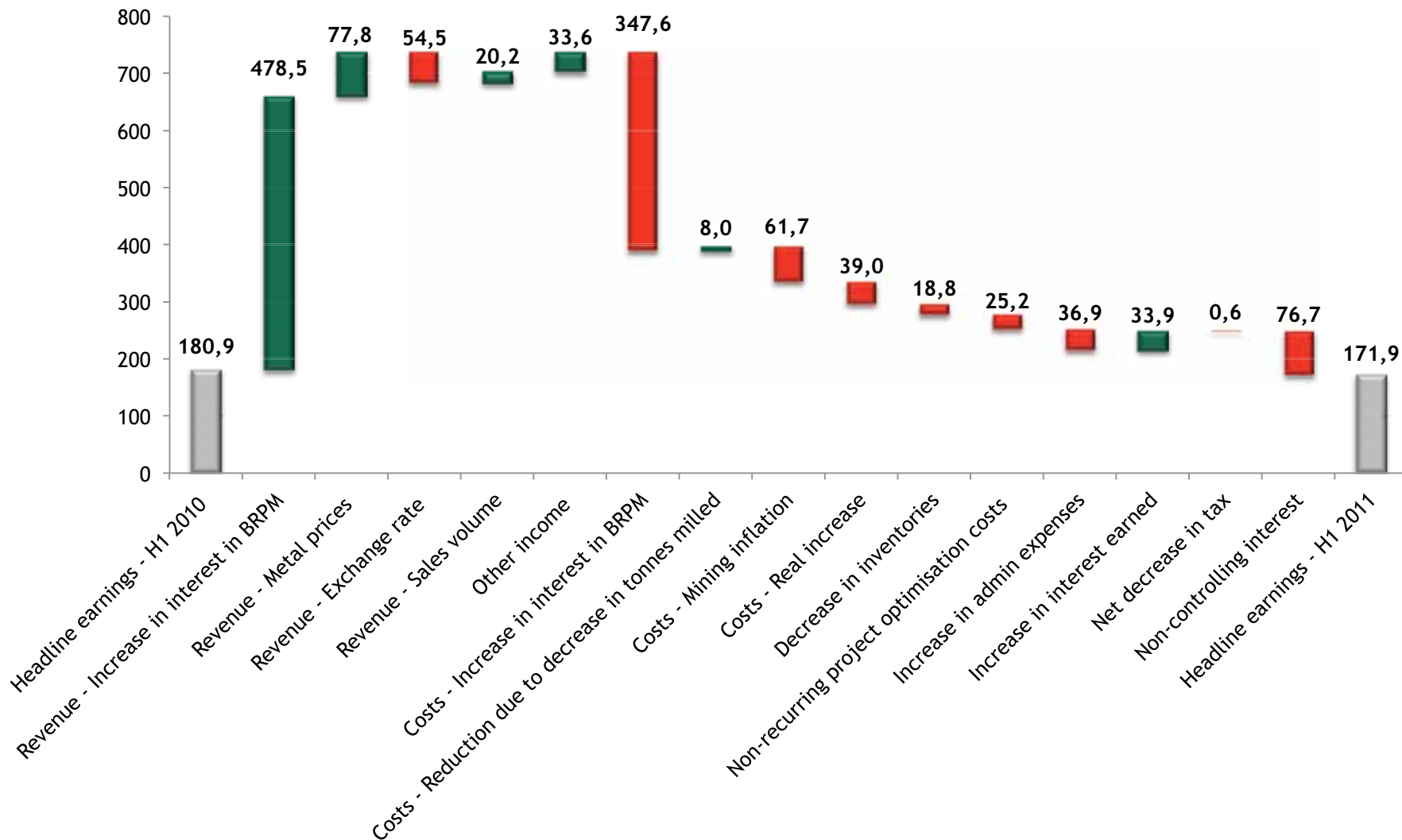


## Increase in cost of sales with labour accounting for just under 55%

	H1 2011	H1 2011	H1 2010	H1 2010
	R million	% of Total	R million	% of Total
Labour	330.6	35.1%	203.0	38.5%
Utilities	63.0	6.7%	35.4	6.7%
Contractor costs	179.6	19.1%	112.9	21.4%
Materials and other mining costs	297.9	31.6%	174.7	33.2%
<b>Total cash costs excl once-off costs</b>	<b>871.1</b>	<b>92.5%</b>	<b>526.0</b>	<b>99.8%</b>
Optimisation project costs (once-off)	25.2	2.7%	-	-
Movements in inventories	18.8	2.0%	-	-
Other costs	25.9	2.8%	0.8	0.2%
<b>Cost of sales (excluding depreciation and amortisation)</b>	<b>941.0</b>	<b>100.0%</b>	<b>526.8</b>	<b>100.0%</b>

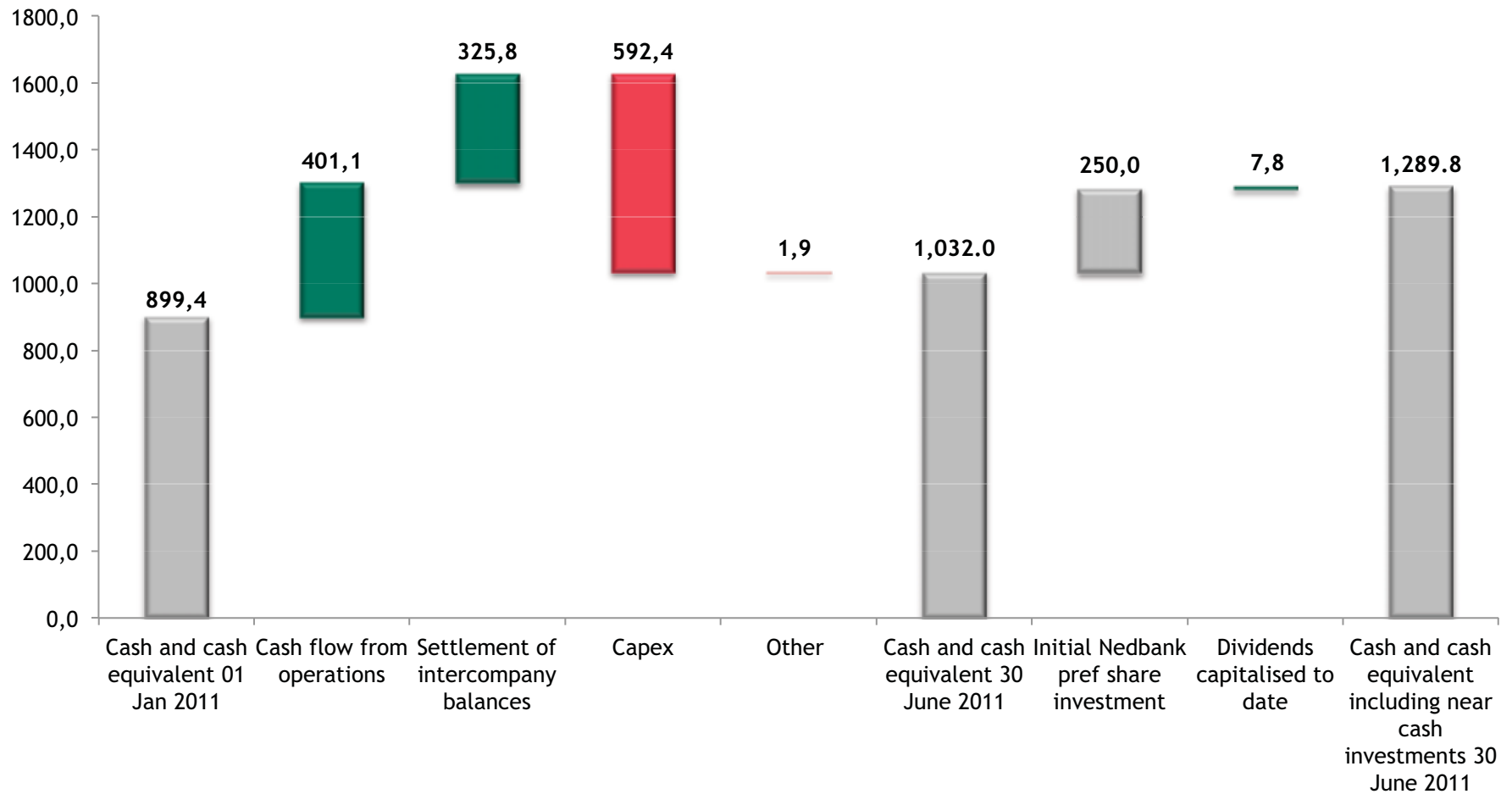


# Headline earnings reduces slightly, mainly due to increase in costs





# Healthy cash and near-cash position



# Market Review

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# RBPlat remains optimistic about the outlook for the PGM market

## Platinum

- Platinum market expected to be in balance for 2011
  - › market deficit anticipated for the next three years as the industry grapples to produce new ounces in the short to medium term
- Fundamental recovery in the platinum market expected in 2012 early 2013
  - › as buying of platinum auto catalyts recovers largely due to heavy duty vehicles
- Global vehicle production forecast to exceed 100 million units by 2014 from the current levels of around 80 million vehicles
  - › led by China in the light vehicles
- Platinum to palladium substitution in diesel passenger cars remains a risk
  - › demand for palladium in diesel passenger cars to account for 25% in next two years (compared to around 10% in 2008)



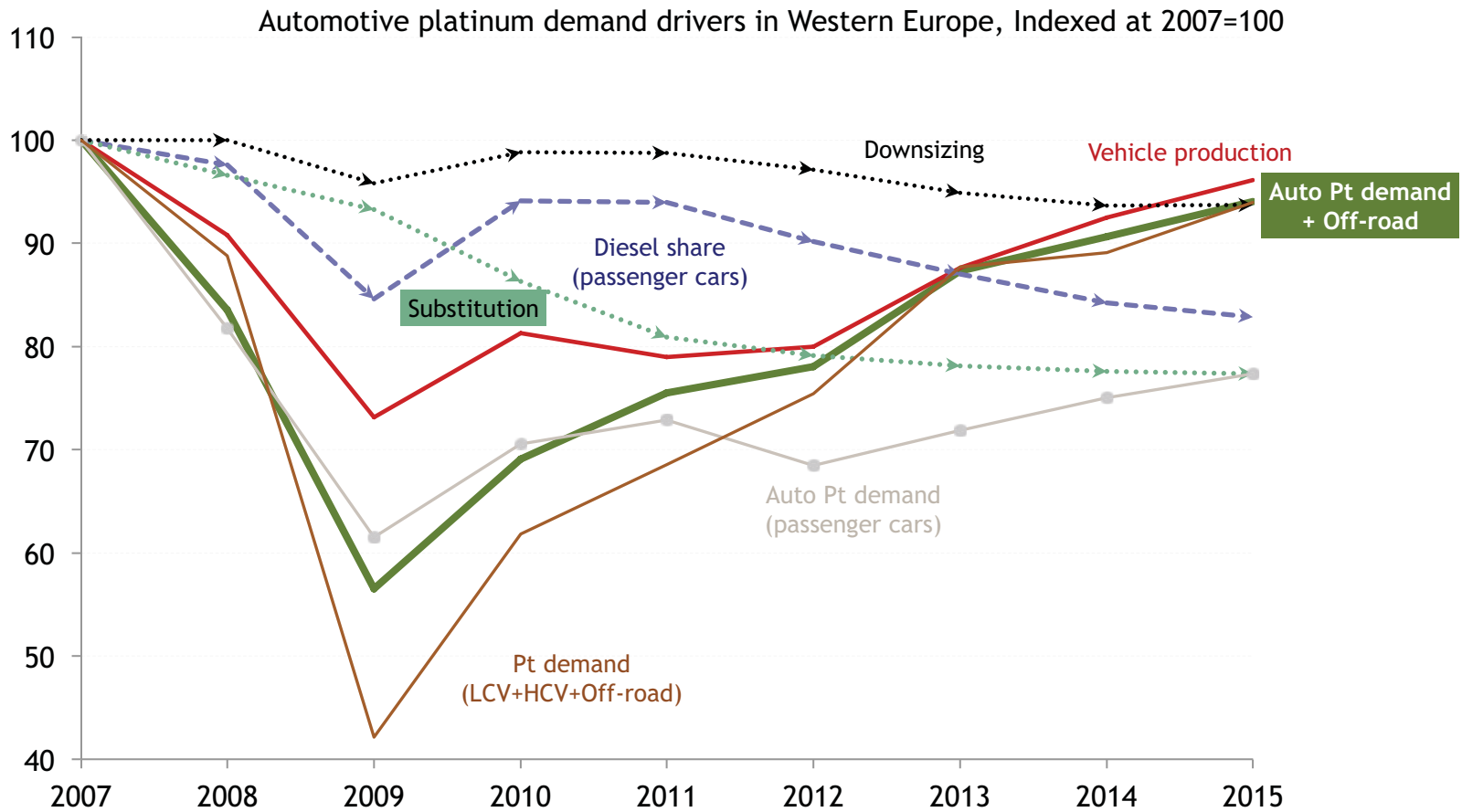
# RBPlat remains optimistic about the outlook for the PGM market (continued)

## Palladium

- Palladium market expected to be in deficit at least for next three years
  - › approximately 1 Moz forecast to be the shortfall in 2014
- Demand growth for platinum jewellery continues to be driven by the Chinese demographics and flat real platinum prices (in yuan)
  - › global usage forecast to reach almost 2 Moz in 2011
- Platinum ETF holdings more resilient, increased to around 1.4 Moz
  - › palladium ETF holdings remained around 2 Moz
- RBPlat achieved an average Rand platinum basket of R15,730 in H1 2011
  - › an increase of 5.6% from H1 2010



# Platinum automotive demand recovering, largely due to heavy duty vehicles



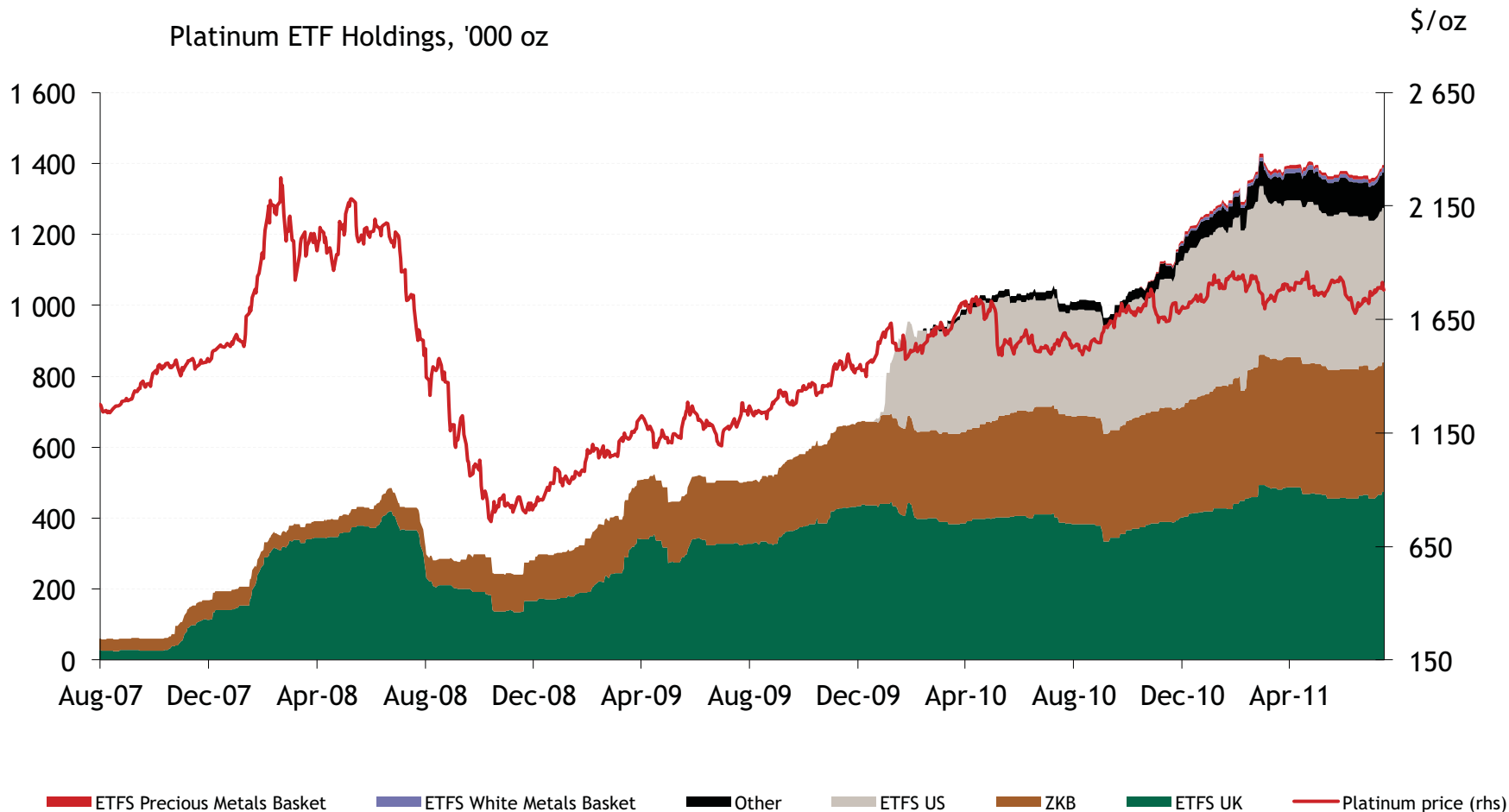
Source: SFA (Oxford)





# Platinum ETFs still look favourable over palladium ETFs

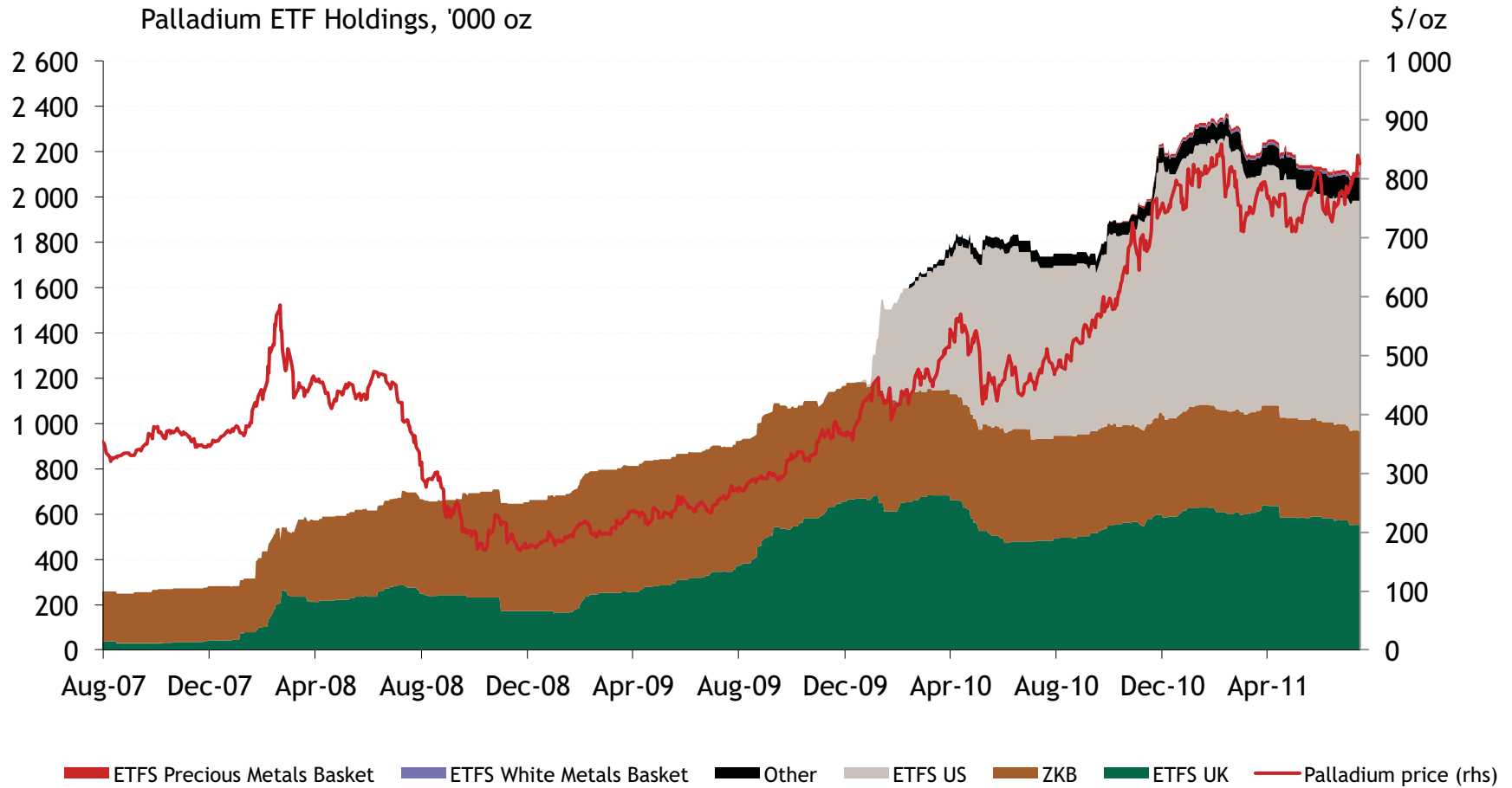
Platinum ETF Holdings, '000 oz



Source: SFA (Oxford)



# Platinum ETFs still look favourable over palladium ETFs (continued)



Source: SFA (Oxford)



# Outlook

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# Outlook for H2 2011 remains positive despite cost pressures and challenging operating environment

- 2011 production likely to be similar to that of 2010
  - › 85% Merensky:15% UG2 ratio to continue for foreseeable future
- Operating costs expected to rise ahead of inflation rate
  - › lower efficiencies
  - › rate increases above CPIX for labour, power and water
- Styldrift I Project progressing ahead of schedule with a cost saving for H1 2011 of R233.4 million
- Markets:
  - › Platinum supply/demand balance expected for rest of 2011
  - › Palladium demand expected to exceed pre-crisis levels



# Thank You

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