



# > MORE THAN MINING

Condensed Consolidated  
Interim Results  
for the six months ended  
30 June 2016

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OUTLOOK



A large-scale industrial construction site under a bright blue sky with scattered white clouds. The scene is dominated by a complex network of grey metal scaffolding, walkways, and structural beams. In the foreground, several workers in safety gear are visible. One worker in a purple uniform and yellow hard hat stands on a concrete base, looking at a set of plans. Other workers in blue and yellow uniforms are positioned at various levels of the structure, some appearing to be working on the machinery. Two large, green industrial motors are mounted on a platform. The background shows more of the industrial facility, including a curved walkway and a green building. The overall atmosphere is one of active industrial development.

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# Overview

# A safer and profitable start to the year

## SAFETY

- > Continued focus on ongoing implementation of revised safety strategy and initiatives
- > TIFR and LTIFR reduced by 27% and 37% year-on-year
- > Safety-related stoppages – lost ounces reduced by 73%
- > Regrettably, one fatality

## OPERATIONAL HIGHLIGHTS

- > Tonnes milled increased by 17% to 1 292kt
- > 4E ounce and platinum production increased by 16%
- > Cash operating costs increased by 8%



## MARKETS

- > No significant improvement in the PGM market in the first six months of 2016
  - PGM pricing remained weak in dollar terms

## FINANCIAL HIGHLIGHTS

- > Ongoing focus on cash preservation aided by improved rand basket price and lower than planned expenditure at Styldrift I
- > Net revenue increased by 15.8%
- > HEPS increased by 229% to 77.8 cents per share
- > Cash on hand of R1 billion





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## Market Review

# Lower platinum group metals supply expected in 2016

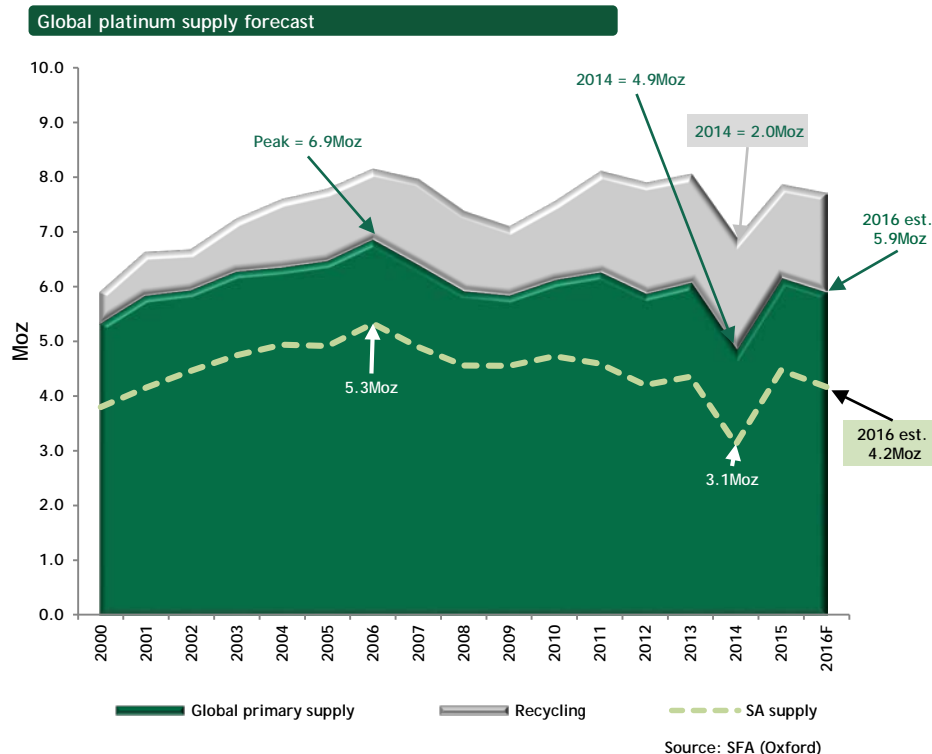
**Total platinum supply (incl. recycling) is forecast to decrease by 2% to 7.7Moz in 2016**

- > Global platinum production from mines could decrease by 4% year-on-year to 5.9Moz
- > South African mine output is forecast to decline by around 300koz (6%)
- > Platinum recycling is projected to recover by 6% to 1.8Moz

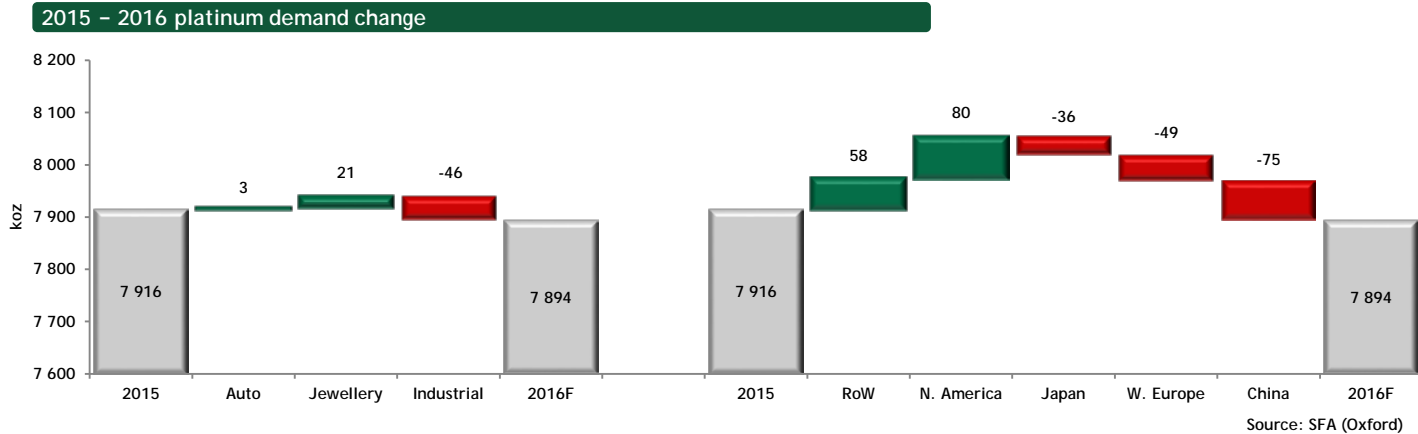
**Total palladium supply forecast to decrease by 3% to 8.7Moz in 2016**

- > Global palladium production from mines is forecast to decrease by 5% to 6.6Moz

**Total rhodium supply is expected to be 3% lower at 1.00Moz in 2016**



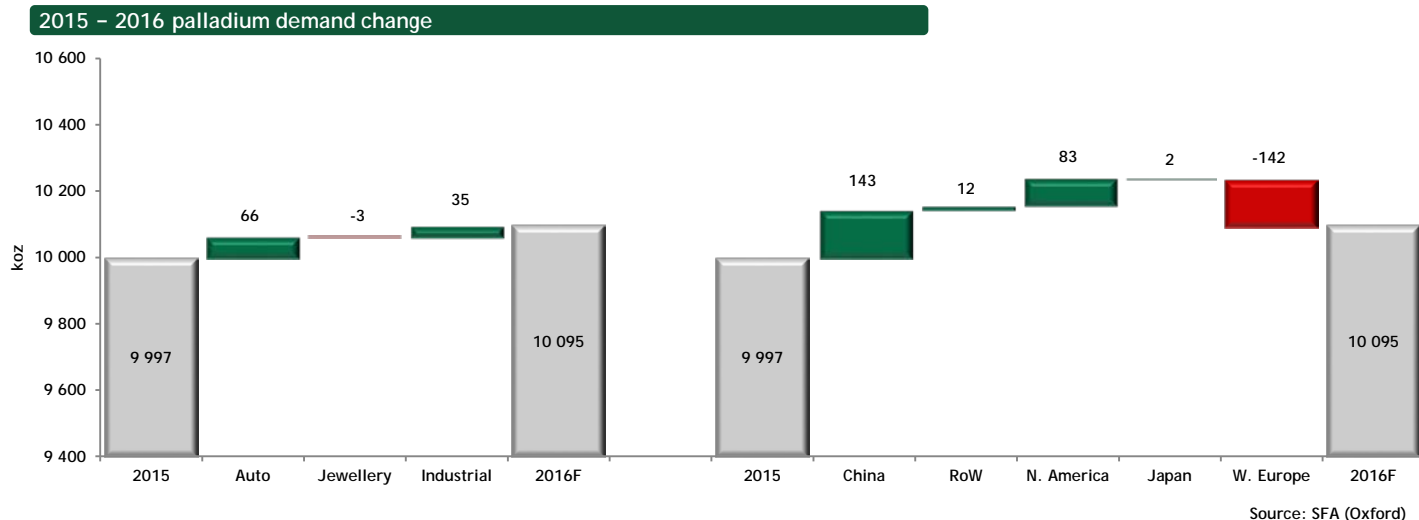
# Platinum demand forecast to be almost flat in 2016



- > Autocatalyst demand remains almost flat (+0.1%)
- > Jewellery demand is expected to grow, albeit modestly
  - No growth in China expected – jewellery industry purchases were down 7% in the first six months
  - Demand in India is expected to continue to grow strongly in 2016
- > Industrial demand is set to decline by 2.7% year-on-year
- > Platinum ETF holdings fell c40koz during the first six months of 2016
- > Market deficit widens due to lower production outlook from disruptions



# Palladium's deficit set to widen to over 1Moz in 2016



- > China and the auto sector continue to dominate demand growth
  - Light vehicle sales in China are expected to grow by over 5% in 2016
  - 2016 US light vehicle sales are forecast to remain above 17 million units
- > Palladium ETF holdings fell by c125koz during the first six months of 2016
- > Palladium's fundamental deficit looks set to widen in 2016 to over 1Moz due to a reduction in supply
- > Relatively strong Chinese auto sales growth has helped the palladium price to recover to over \$650/oz

A photograph of an underground mine. Two workers wearing hard hats and safety gear are operating a large red vehicle. The vehicle is equipped with a large orange hydraulic excavator arm. The mine environment is dark and rocky, with a green laser line visible in the background. The workers are focused on their tasks, and the overall scene depicts a busy mining operation.

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## Operational Review

# Focus on our strategies continues to drive performance

Improved safety, continued operational flexibility, healthy labour relations and organic growth underpin a sound performance and sets a solid base for future progress

## Towards operational excellence

- > Provide a safe working environment
- > Strong labour and stakeholder relations
- > Effective cost management
- > Maintain Merensky bias and maximise volumes

## Build flexibility

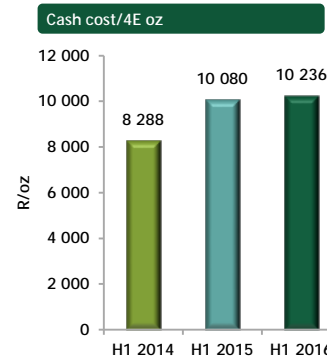
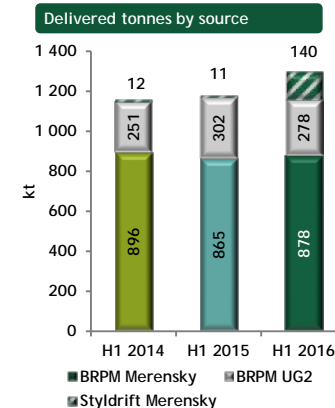
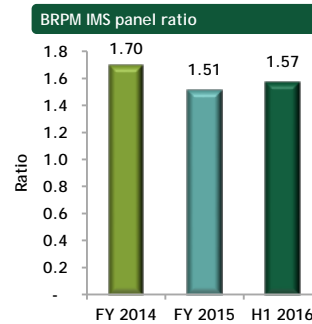
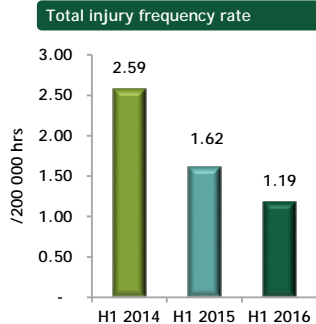
- > Optimise stopable reserves
- > UG2 mining
- > BRPM Phase III Merensky replacement project
- > Processing capacity and flexibility

## Grow organically

- > Styldrift I project execution

## Pursue value enhancing opportunities

- > Continual assessment of value enhancing opportunities



- Overall improvement in safety performance
- Closed shop agreement secured with NUM
- Water treatment plant yielding a meaningful reduction in potable water
- 10% increase in tonnes delivered
- Unit cash cost increases below inflation
- 55% reduction in capital expenditure in line with cash preservation strategy
- IMS panel ratio remains above target of 1.5
- BRPM Phase III replacement project – remains ahead of schedule and below budget. All capital lateral development completed
- Styldrift development and construction progressing steadily – 140kt ROM delivered
- BRPM 250ktpm in-plant upgrade completed
- Royalty agreements with Impala



# Safety remains our key challenge

Description	Unit	H1 2015	H1 2016	Var %
Fatal injuries	No.	2	1	-
LTIFR	Rate	0.51	0.32	37
SIFR	Rate	0.14	0.17	(21)
TIFR	Rate	1.62	1.19	27
Safety stoppages	No.	9	6	33
Production shifts affected	No.	33	16	52
Milled tonnes lost	kt	119	32	73
4E Ounces lost	koz	14.3	3.8	73

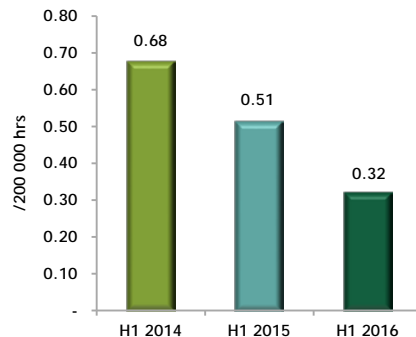
## Safety

- > One fatality at our North shaft operation
- > 37% improvement in LTIFR
- > 27% improvement in TIFR
- > 21% increase in our SIFR

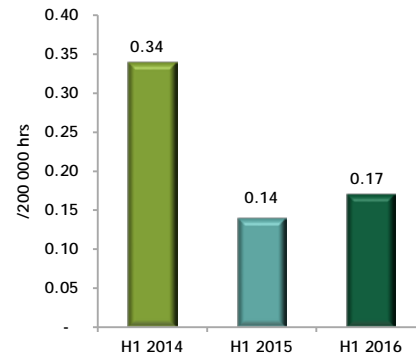
## Health and environment

- > Introduction of customised personalised hearing protection
- > TB screening intensified at our operations and extended into surrounding communities
- > Water treatment plant operating well

Lost time injury frequency rate



Serious injury frequency rate



## Key initiatives to progress to resilience

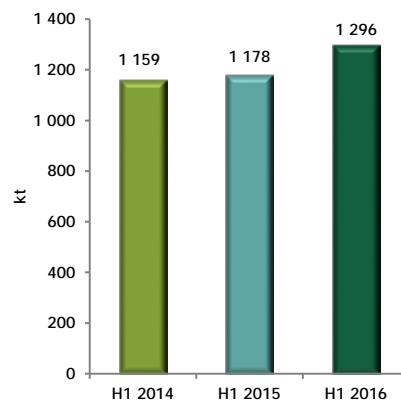
- Leadership training programmes well advanced
- Culture based behavioural safety – 4th Wave programme progressing well
- Safety incentive system
- Established a best practice and mentoring team
- SILO risk management system roll-out completed
- In-stope bolting introduced at South shaft

# BRPM flexibility and Styldrift lay foundation for strong performance

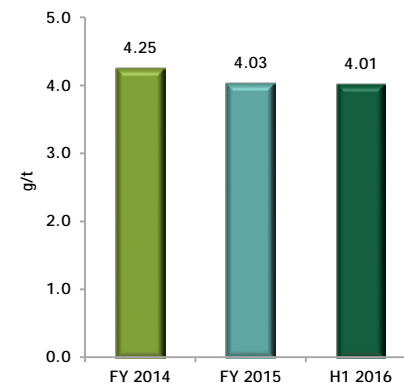
Description	Unit	H1 2015	H1 2016	Var %
Total development	km	17.4	17.6	1
Working cost development	km	15.7	15.2	(3)
Capital development	km	1.7	2.4	41
IMS panel ratio	Ratio	1.67	1.57	(6)
Total tonnes delivered	kt	1 178	1 296	10
BRPM	kt	1 167	1 156	(1)
Styldrift	kt	11	140	1 173
Merensky	kt	876	1 018	16
UG2	kt	302	278	(8)
UG2 %	%	26	21	(19)
Built-up headgrade (4E)	g/t	4.03	4.01	(0)
Merensky	g/t	4.14	4.08	(1)
UG2	g/t	3.72	3.75	1

- > Total development ▲ 1%
  - Increase in Styldrift capital development
  - Reduction in working cost development in line with deferral of South shaft UG2 development
  
- > Tonnes delivered ▲ 10%
  - Merensky ▲ 16% – increased Styldrift contribution
  - UG2 ▼ 8% – lower South shaft UG2 volumes

Tonnes delivered



Built-up head grade (4E)

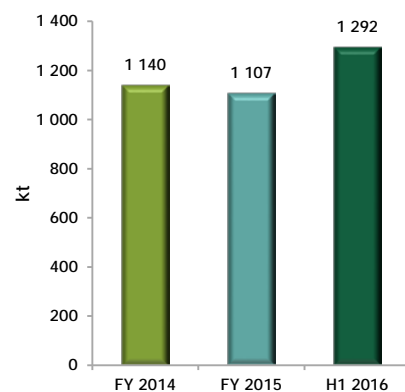


- > Built-up head grade of 4.01g/t (4E) in line with expectations
  - Increase in Styldrift on-reef Merensky development
  - BRPM Phase III on-reef Merensky development

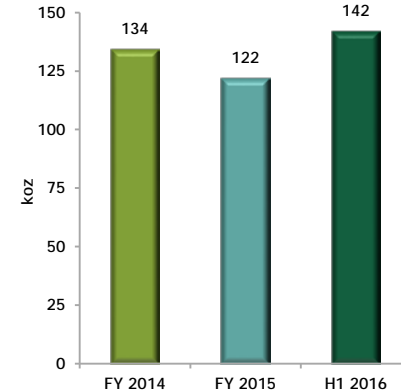
# Higher mining volumes and improved mill availabilities yield increased metal output

Description	Unit	H1 2015	H1 2016	Var %
Total tonnes milled	kt	1 107	1 292	17
BRPM	kt	1 097	1 150	5
Stylldrift	kt	10	142	1 374
Merensky	kt	810	1 015	25
UG2	kt	297	277	(7)
UG2% milled	%	27	21	(22)
Tonnes milled – BRPM concentrator	kt	889	1 135	28
Merensky	kt	810	1 015	25
UG2	kt	79	120	52
UG2% milled	%	9	11	22
Tonnes milled – UG2 toll	kt	217	158	(27)
Combined built-up head grade (4E)	g/t	4.03	4.01	(0)
Merensky	g/t	4.14	4.08	(1)
UG2	g/t	3.72	3.75	1
Recovery – 4E total concentrating	%	85.1	85.3	0
Recovery – 4E BRPM concentrator	%	86.2	86.0	(0)
4E metals in concentrate	koz	122.0	142.0	16
Pt metal in concentrate	koz	78.8	91.6	16
Stockpile	kt	95	26	(73)

Tonnes milled



Metals in concentrate – 4E



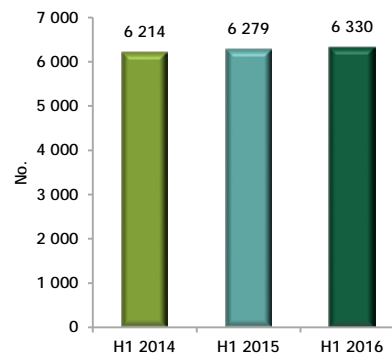
- > Tonnes milled **↑17%**
  - Increased mining volumes
  - Improved mill availabilities
  - Reduced stockpile
- > Merensky tonnes milled **↑25%**
- > UG2 tonnes milled **↓7%**
- > UG2 21% of total tonnes milled
- > Metals in concentrate **↑16%**
- > Recoveries in line with expectation



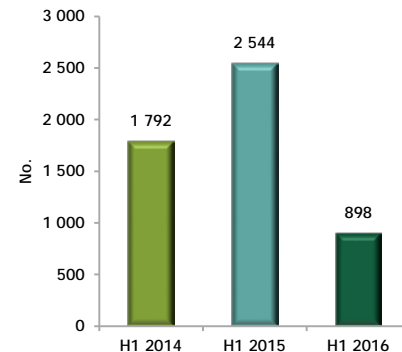
# Labour aligned with capital deferment and operational requirements

Description	Unit	H1 2015	H1 2016	Var %
Total labour	No.	8 823	7 228	18
BRPM	No.	6 809	6 595	3
Working cost labour	No.	6 279	6 330	(1)
Capital labour	No.	530	265	50
Styldrift – capital	No.	2 014	633	69
Milled tonnes/TEC	t/TEC	29.40	30.27	3

Working cost labour

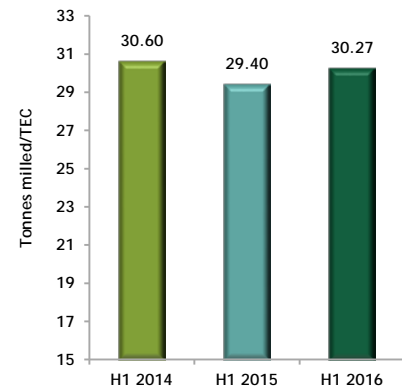


Capital labour



- > Stable year-on-year working cost labour
- > Capital labour reduced in line with revised project construction activities
  - Styldrift mining and underground construction
  - 250ktpm concentrator upgrade
  - Deferment of overland belt construction
  - Deferment of Phase III 14 and 15 level construction

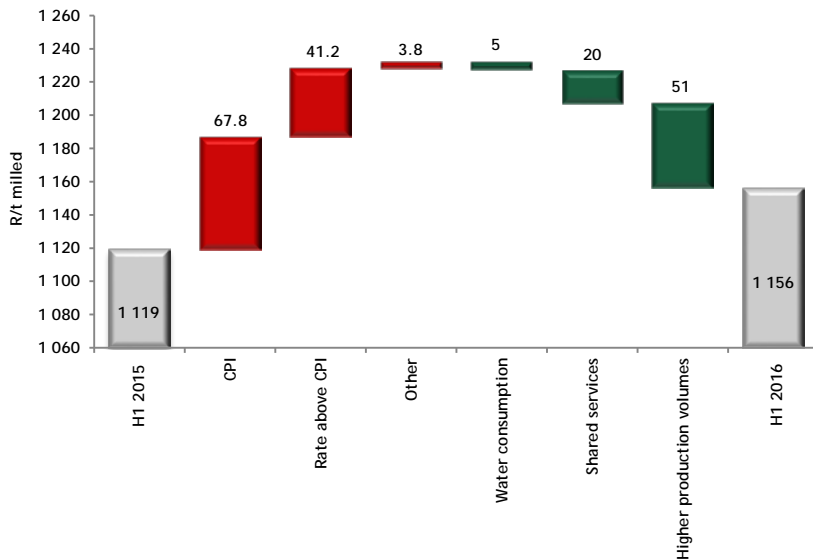
Tonnes milled/TEC



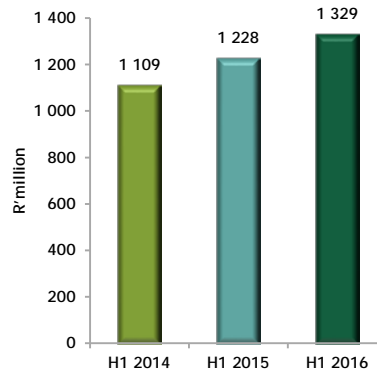
# Increased volumes lead to lower unit cost increases

Description	Unit	H1 2015	H1 2016	Var %
Cash operating cost	R'm	1 228	1 329	(8)
Cash operating cost/t	R/t	1 119	1 156	(3)
Cash operating cost/4E oz	R/oz	10 080	10 236	(1.5)
Cash operating cost/Pt oz	R/oz	15 615	15 882	(1.7)

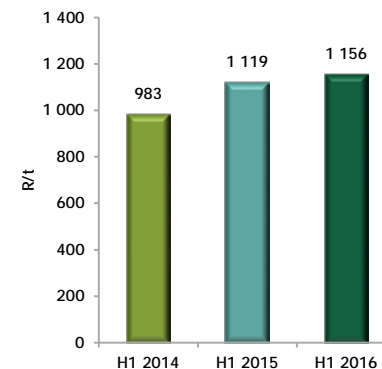
BRPM JV – R/tonne milled (H1 2015 vs H1 2016)



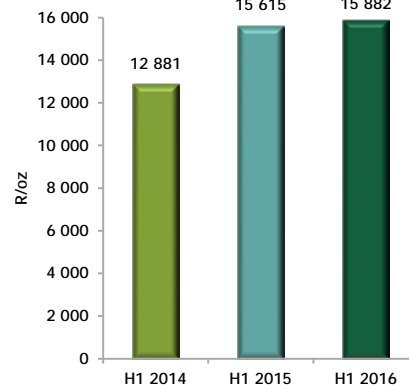
Cash operating cost



Unit cost – R/t milled



Unit cost – R/Pt oz

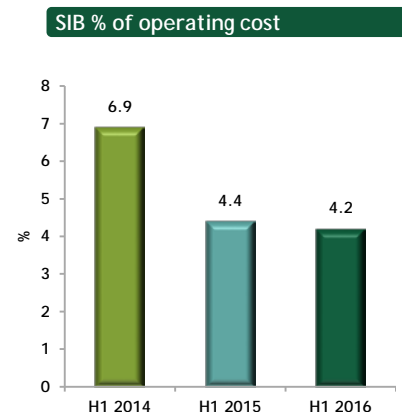
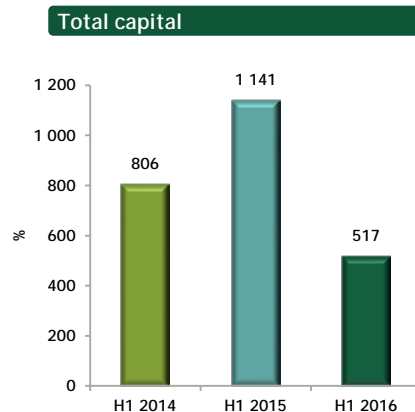


## Key drivers

- > Inflation at 6.35%
- > Above inflation increases
  - Utilities (3.2%)
  - Contractor labour (8.4%)
  - Enrolled labour (5.3%)
- > Increase in volumes

# Capital expenditure 55% lower, in line with cash preservation strategy and project progress

Description	Unit	H1 2015	H1 2016	Var %
Stay-in-business capital (SIB)	R'm	54	56	(4)
SIB % of operating cost	%	4.4	4.2	5
Replacement capital	R'm	92	43	53
Phase III	R'm	90	43	52
BRPM optimisation	R'm	2	-	100
Expansion capital	R'm	995	418	58
Styl drift I	R'm	980	414	58
Styl drift II	R'm	10	3	70
Exploration drilling	R'm	5	1	80
<b>Total capital expenditure</b>	<b>R'm</b>	<b>1 141</b>	<b>517</b>	<b>55</b>



## Stay-in-business capital

### SIB expenditure 4.2% of operating cost

- > Expenditure remains aligned with our cash preservation strategy and business requirements
- > No negative impact on the business in the short to medium term

## Replacement capital

### R43 million for H1 2016 – 53% reduction

- > Phase III expenditure in line with project progress and deferral of construction activities on 14 and 15 level
- > All lateral development completed

## Expansion capital

### R418 million – 58% reduction

- > Styl drift I, Styl drift II, exploration drilling and BRPM concentrator expenditure in line with project slow down and current progress

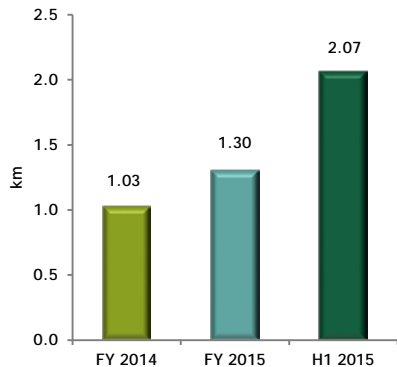


# Styldrift I progress

Progress remains aligned with revised construction strategy subsequent to the slow down in Aug 2015

Capital expenditure	:	H1 2016	-> R414 million
	:	PTD	-> R5.89 billion
Development completed	:	H1 2016	-> 2.1 km
	:	PTD	-> 8.2 km
On-reef development tonnes delivered	:	H1 2016	-> 140kt @ 3.23 g/t (4E)

## Styldrift infrastructure development



# Styldrift I project progress...de-risking future performance

Currently there are 16 crews operational on site to support development and construction activities:

- 6 trackless crews on 600 level: On-reef infrastructure and decline development
- 2 trackless crews on 642 level: Waste development for ore handling infrastructure and declines
- 1 trackless crew on 708 level: Waste development related to pumping and ore handling infrastructure
- 3 mining construction crews: Support mining construction requirements
- 4 infrastructure construction crews: Trackless workshop, silo and settler construction and services shaft equipping



**Leverage Styldrift flexibility by optimally aligning resource allocation to improving market conditions**

A photograph of a worker in a mine tunnel. The worker is wearing a white shirt, dark pants, and a hard hat, and is positioned in the center of the frame, facing away from the camera. They are surrounded by industrial equipment, including a large red machine with the number '30' on it. The tunnel walls are rough and uneven, and the scene is illuminated by several bright, rectangular lights. A green laser line is visible on the floor in the foreground. The overall atmosphere is industrial and dimly lit.

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## Financial Review

## 9% increase in Rand basket price resulting in improved gross profit margin

Description	Unit	6 months ended 30 June 2016	6 months ended 30 June 2015	% Change	Year ended 31 December 2015
Average rand basket price*	R/Pt oz	19 680	18 062	9.0	17 256
Average Rand:US\$ received	R/US\$	15.41	11.92	29.3	12.78
Revenue	R'm	1 646.9	1 422.6	15.8	3 044.7
Cost of sales	R'm	(1 458.9)	(1 414.3)	(3.2)	(3 084.5)
Gross profit/(loss)	R'm	188.0	8.3	2 165.1	(39.8)
Administration costs and other income	R'm	(35.1)	(53.0)	33.8	(95.4)
Impairment of non-financial assets	R'm	(2.1)	-	(100.0)	(4 466.2)
Net finance income	R'm	41.8	55.5	(24.7)	81.1
Profit/(loss) before tax	R'm	192.6	10.8	1 683.3	(4 520.3)
Operating profit/(loss)	R'm	153.0	(44.7)	442.3	(135.2)
EBITDA	R'm	305.3	158.5	92.6	297.9

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



## 21% increase in cash generated by operations

Description	Unit	6 months ended 30 June 2016	6 months ended 30 June 2015	% Change	Year ended 31 December 2015
Cash generated by operating activities	R'm	382.2	315.7	21.1	619.2
Cash and cash equivalents	R'm	1 033.2	1 312.2	(21.3)	917.6
Cash and cash equivalents – 100% BRPM	R'm	434.7	302.8	43.6	326.1
Cash and cash equivalents – RBPlat corporate office	R'm	560.8	967.0	(42.0)	531.0
Cash and cash equivalents – RBRP (housing project ring-fenced cash)	R'm	37.7	42.4	(11.1)	60.5
Capital expenditure*	R'm	508.1	1 122.2	54.7	2 018.4
Gross profit/(loss) margin	%	11.4	0.6	1 800	(1.3)
EBITDA margin	%	18.5	11.1	66.7	9.8
Net Asset Value (NAV)	R/share	57.7	72.1	(20.0)	57.0

\*BRPM JV capex

R517.4 million

Less: Elimination of inter-group charges and Styldrifft SBP expense

(R11.2) million

Other Group capex

R1.9 million

RBPlat Group capex

R508.1 million



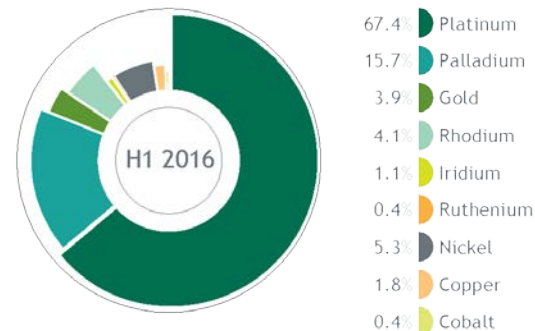
# Decrease in most metal prices

Description	Unit	6 months ended 30 June 2016		6 months ended 30 June 2015		% Change
		Volume*	US\$	Volume	US\$	
Platinum	oz	83 686	969/oz	78 760	1 141/oz	(15)
Palladium	oz	34 657	546/oz	32 267	765/oz	(29)
Gold	oz	3 809	1 235/oz	3 475	1 222/oz	1
Rhodium	oz	7 650	644/oz	7 510	1 034/oz	(38)
Iridium	oz	2 572	497/oz	2 553	570/oz	(13)
Ruthenium	oz	12 974	38/oz	12 780	47/oz	(19)
Nickel	tonne	744	3.89/lb	734	6.01/lb	(35)
Copper	tonne	483	1.99/lb	466	2.70/lb	(26)

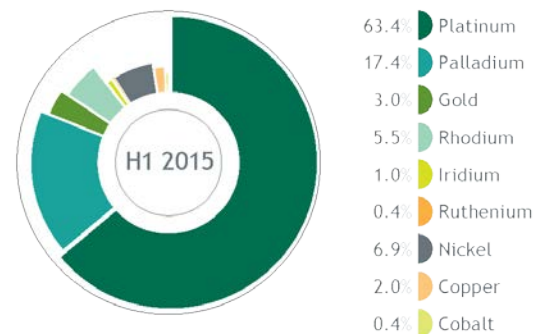
\* Volumes exclude Styldrift I on-reef development ounces.

The table above illustrates the average price received by BRPM JV in terms of the disposal of concentrate agreement (excluding the pipeline revaluation) grossed up to 100%.

Revenue contribution



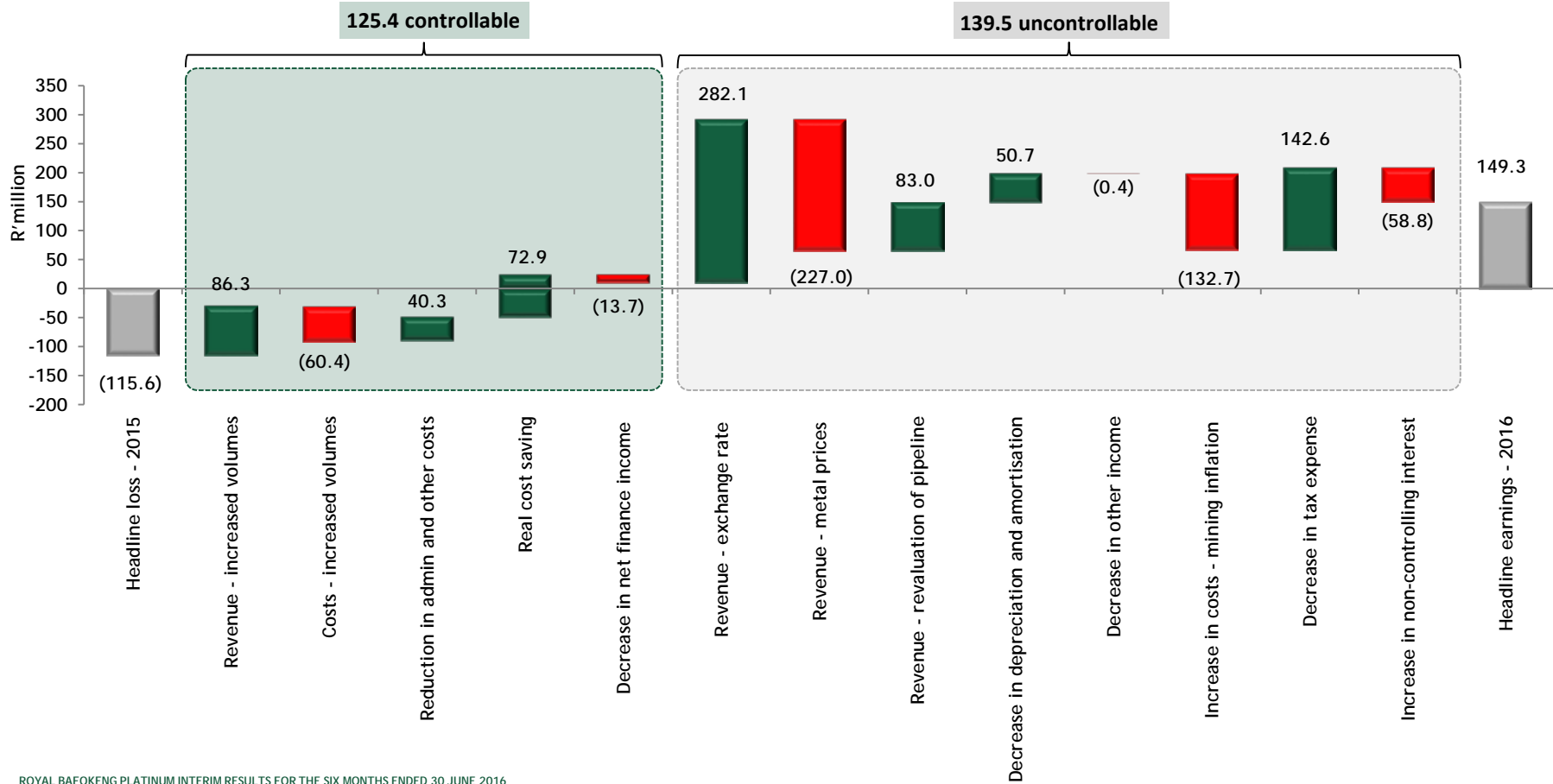
Revenue contribution



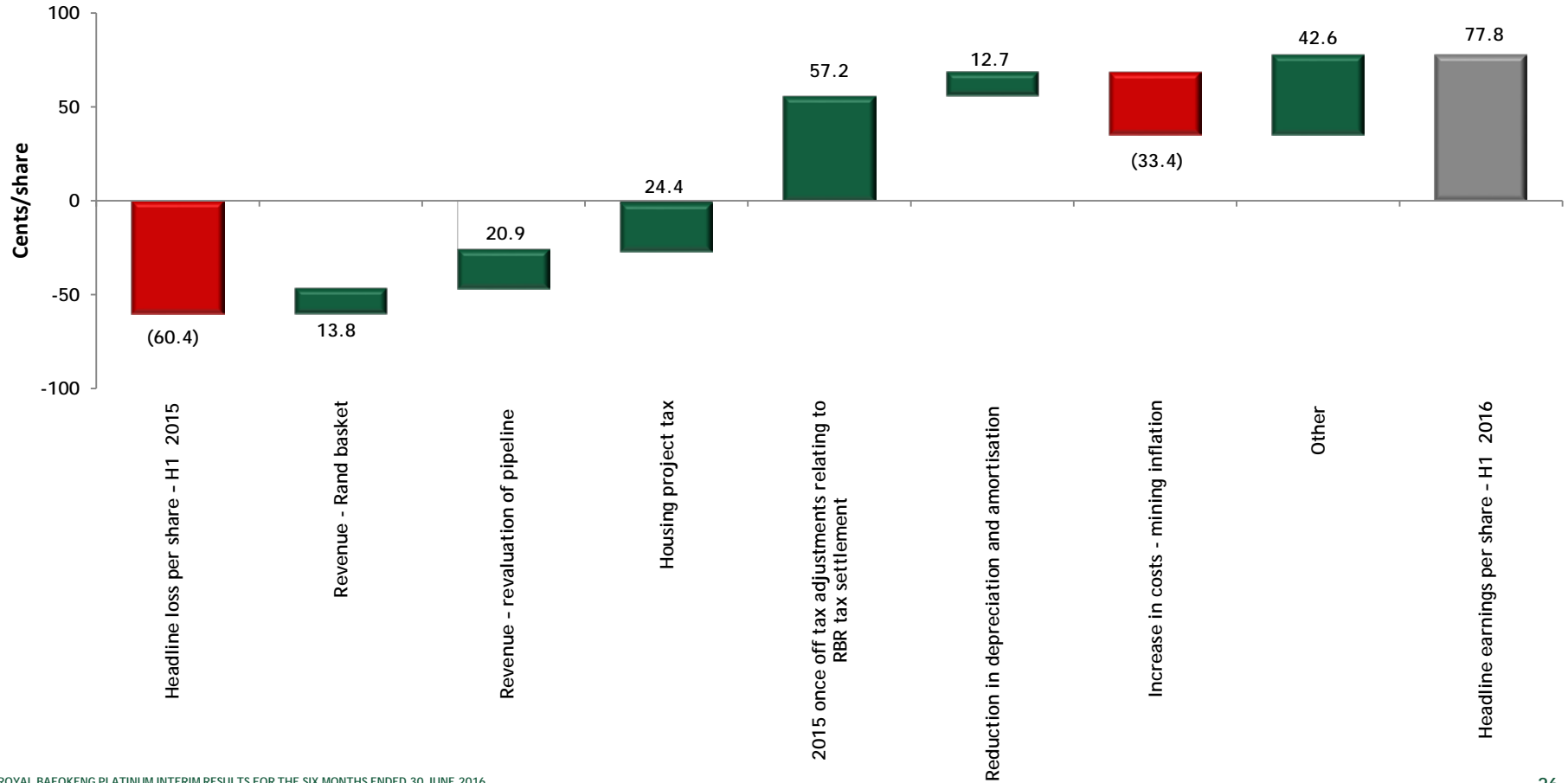
## 7.9% increase in cash cost of sales driven by contractor and labour costs

Description	6 months ended 30 June 2016 R million	6 months ended 30 June 2016 % of Total	% Change	6 months ended 30 June 2015 R million	6 months ended 30 June 2015 % of Total
Labour	512.5	39.2%	(13.7)	450.9	37.2%
Utilities	114.3	8.7%	(9.6)	104.3	8.6%
Contractor costs	334.6	25.6%	(14.5)	292.1	24.1%
Materials and other mining costs	367.7	28.1%	3.4	380.5	31.3%
<b>Total cash costs</b>	<b>1 329.1</b>	<b>101.6%</b>	<b>(8.3)</b>	<b>1 227.8</b>	<b>101.2%</b>
Movements in inventories	(27.1)	(2.1%)	(34.7)	(41.5)	(3.4%)
Elimination of intergroup charge	(29.3)	(2.2%)	3.9	(28.2)	(2.3%)
Social and labour plan expense	13.8	1.1%	56.3	31.6	2.6%
Other costs	22.2	1.6%	6.3	23.7	1.9%
<b>Cost of sales (excluding depreciation and amortisation)</b>	<b>1 308.7</b>	<b>100.0%</b>	<b>(7.9)</b>	<b>1 213.4</b>	<b>100.0%</b>

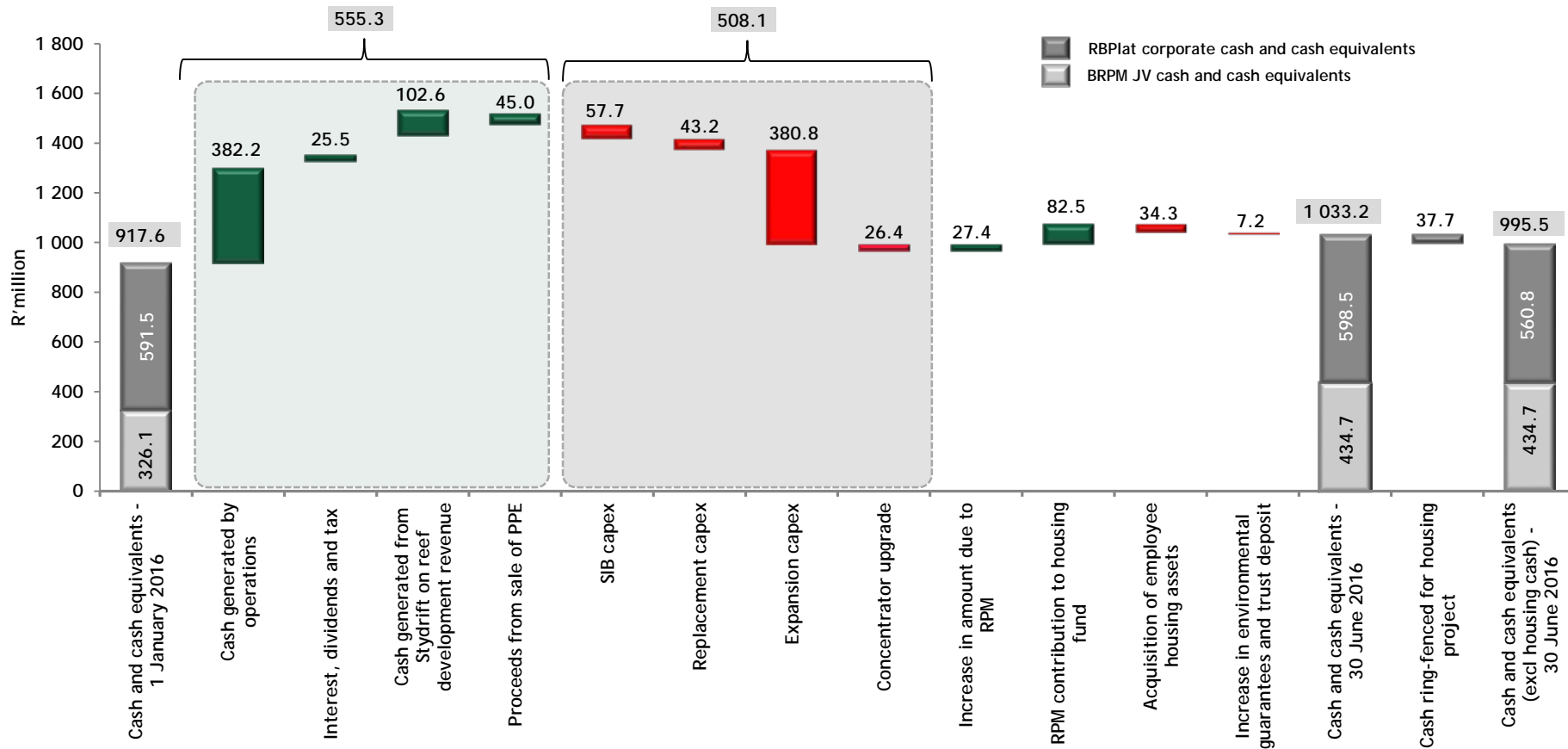
# Higher earnings primarily due to higher Rand basket price....



# ...resulting in a 229% increase in headline earnings per share



# Cash generated by operating activities fully funds capital expenditure





## Reviewing our H1 2016

- > Lower metal prices offset by a 29% weaker ZAR:US\$ resulted in a 9% increase in our average rand basket price
- > ... contributing to a 66.7% increase in our EBITDA margin to 18.5%
- > ... generating cash from operating activities sufficient to fund net capital expenditure
- > ... resulting in a strong cash and funding position
  - R1 033.2 million cash on hand for the Group
    - RBPlat corporate R560.8 million
    - RBRP housing R37.7 million
    - BRPM JV R434.7 million of which R291.2 million (67%) is attributable to RBPlat
  - R500 million revolving credit facility (RCF) and R458 million general banking facilities (GBF)
    - R500 million of RCF unutilised to date
    - R158.9 million of GBF utilised for Eskom, rehab and rental guarantees
    - R299.1 million of GBF unutilised

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Outlook



## Operational stability and flexibility is key to achieving our goals in H2 2016

- > Objective of zero harm remains a major focus
  - maintaining improvement in our LTIFR and reversing the deterioration in our SIFR by year end
- > A key priority is meeting our goals on production volumes, grade and cost reduction to maximise cashflow:
  - consolidating operational flexibility and efficiency improvements made at BRPM in H1 2016
  - ensuring optimal resources at Styldrift I to meet development and construction targets and ensure successful execution
  - maintaining strict operational and capital cost control and management
  - maintaining operational stability through ongoing meaningful dialogue with organised labour and communities
- > JV production guidance for FY 2016 of 2.75Mt to 2.90Mt at a 4E built-up head grade of between 3.95 and 4.05g/t unchanged
- > Total JV capex for FY 2016 estimated at R1.3 billion, mainly driven by Styldrift I construction programme – estimated at R1 billion
- > SIB expenditure forecast to remain between 4 and 5% of operating expenditure for the remainder of the year
- > Unit cash cost increases forecast to be contained below CPI – key challenge





THANK YOU



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