



REVIEWED INTERIM RESULTS for the six months ended 30 June 2012

Key features

- Lost Time Injury Frequency Rate reduced by 39%, regrettably one employee was fatally injured in a fall of ground incident
- 10 504 (4E) ounces lost due to safety related stoppages (2011: 4 317 (4E) ounces)
- Production down by 9% to 128 847 ounces of PGMs (4E)
- 6% reduction in built-up head grade to 4.04 g/t
- Revenue declined by 14% to R1.3 billion
- Cash operating cost per tonne milled increased by 11% whilst per platinum ounce rose by 19%
- Earnings per share of 43 cents (2011: 105 cents)
- Capital expenditure of R521 million (2011: R592 million)
- Significant progress at the Stydrift I Project with Main shaft at 514 metres and Services shaft at 408 metres below collar
- Balance sheet ungeared with a healthy cash and near-cash position of R1.16 billion (2011: R1.29 billion)

Consolidated statement of comprehensive income

For the period ended R (million)	30 June 2012 Reviewed	30 June 2011 Reviewed	% Change
Revenue	1 305.3	1 510.4	(13.6%)
Cost of sales	(1 142.3)	(1 171.1)	2.5%
Cost of sales excluding depreciation and amortisation	(1 032.5)	(922.2)	(12.0%)
Depreciation and amortisation	(139.9)	(230.1)	39.2%
Increase/(decrease) in inventories	30.1	(18.8)	260.2%
Gross profit	163.0	339.3	(52.0%)
Other income	21.2	34.0	(37.6%)
Administration expenses	(63.1)	(57.5)	(9.8%)
Finance income	34.6	29.9	15.9%
Finance cost	(1.7)	(0.4)	(324.1%)
Profit before tax	154.0	345.3	(55.4%)
Income tax expense	(34.9)	(96.6)	63.8%
Income tax	(7.8)	(10.7)	26.9%
Deferred tax	(27.1)	(85.9)	68.4%
Total comprehensive income	119.1	248.7	(52.1%)
Attributable to owners of the Company	70.6	172.0	(59.0%)
Attributable to non-controlling interest	48.5	76.7	(36.7%)
Basic EPS (cents/share)	43	105	(59.0%)
Diluted EPS (cents/share)	43	105	(59.0%)
HEPS (cents/share)	43	105	(59.0%)

Consolidated statement of changes in equity

	Number of shares	Ordinary shares R (million)	Share premium R (million)	Share-based payment reserve R (million)	Retained earnings R (million)	Attributable to owners of the Company R (million)	Non-controlling reserve R (million)	Total R (million)
Balance at 30 June 2010 (reviewed)	137 057 500	1.4	6 817.8	-	178.0	6 997.2	-	6 997.2
Transactions with shareholders								
Shares issued:								
Contingent consideration for the 17% interest in BRPM	10 000 000	0.1	(0.1)	-	-	-	-	-
Shares issued on listing of the Company	16 620 299	0.2	1 005.4	-	-	1 005.6	-	1 005.6
Capitalisation of listing transaction costs	-	-	(63.2)	-	-	(63.2)	-	(63.2)
IFRS 2 charge for the six months	-	-	-	18.8	-	18.8	-	18.8
Profit for the six months	-	-	-	-	2 985.4	2 985.4	1.9	2 987.3
Non-controlling interest on gaining control of BRPM	-	-	-	-	-	-	3 405.5	3 405.5
Purchase price adjustment	-	-	-	(1.5)	(1.5)	-	314.4	312.9
Balance at 31 December 2010 (restated)	163 677 799	1.7	7 759.9	18.8	3 161.9	10 942.3	3 721.8	14 664.1
IFRS 2 charge for the six months	-	-	-	30.6	-	30.6	-	30.6
Profit for the six months to 30 June 2011	-	-	-	-	172.0	172.0	76.7	248.7
Balance at 30 June 2011 (reviewed)	163 677 799	1.7	7 759.9	49.4	3 333.9	11 144.9	3 798.5	14 943.4
IFRS 2 charge for the six months	-	-	-	31.7	-	31.7	-	31.7
Profit for the six months to 31 December 2011	-	-	-	-	101.4	101.4	60.7	162.1
Balance at 31 December 2011 (audited)	163 677 799	1.7	7 759.9	81.1	3 435.3	11 278.0	3 859.2	15 137.2
IPO shares vested in May 2012	417 416	0.0	25.9	(25.9)	-	-	-	-
IFRS 2 charge for the six months	-	-	-	36.3	-	36.3	-	36.3
Profit for the six months to 30 June 2012	-	-	-	-	70.6	70.6	48.5	119.1
Balance at 30 June 2012 (reviewed)	164 095 215	1.7	7 785.8	91.5	3 505.9	11 384.9	3 907.7	15 292.6

Notes to the financial statements

1. Basis of preparation

The consolidated financial information has been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 and Interpretations of those standards (as adopted by the International Accounting Standards Board) and applicable legislation (requirements of the South African Companies Act and the regulations of the JSE Limited). The financial information is presented in South African Rands which is the Company's functional currency.

2. Accounting policies

The consolidated 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 for this review period.

3. Independent review by the auditors

The interim financial statements have been reviewed by PricewaterhouseCoopers Inc. whose unqualified review conclusion is available for inspection at the registered office of RBPlat.

4. Capital commitments

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

	Reviewed 30 June 2012	Reviewed 30 June 2011
For the period ended R (million)		
Contracted commitments	722.2	995.2
Approved expenditure not yet contracted for	8 522.6	8 738.8
	9 244.8	9 734.0

The capital commitments reflect 100% of the BRPM project commitments. Effectively RBPlat 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.

5. Contingencies - guarantees

	Reviewed 30 June 2012	Reviewed 30 June 2011
For the period ended R (million)		
Environmental rehabilitation guarantees provided by Royal Bafokeng Management Services (Pty) Ltd (RBMS)	-	47.5
Eskom guarantee to secure power supply for Stydrift I Project	17.1	17.1
Eskom early termination guarantee for Stydrift I Project	17.5	-
Eskom connection charges guarantee for Stydrift I Project	40.0	-
Anglo American Platinum guarantee for environmental rehabilitation liability	75.3	-
Rental guarantee	0.4	0.4
	150.3	65.0

Consolidated statement of financial position

As at R (million)	30 June 2012 Reviewed	30 June 2011 Reviewed	% Change
ASSETS			
Non-current assets	17 476.3	16 845.1	3.7%
Property, plant and equipment	8 406.6	7 728.1	8.8%
Mineral rights	6 673.6	6 728.6	(0.8%)
Goodwill	2 275.1	2 275.1	0.0%
Environmental trust deposit	96.4	91.3	5.5%
Deferred tax asset	24.6	22.0	11.8%
Current assets	2 263.3	2 413.9	(6.2%)
Inventories - Consumables	24.0	20.8	15.3%
Inventories - Stockpile	37.9	12.2	210.5%
Trade and other receivables	1 033.3	1 086.3	(4.9%)
Held to maturity investments	272.5	257.8	5.7%
Current tax receivable	0.3	4.8	(93.8%)
Cash and cash equivalents	895.3	1 032.0	(13.2%)
Total assets	19 739.6	19 259.0	2.5%
EQUITY AND LIABILITIES			
Share capital	1.7	1.7	0.0%
Share premium	7 785.8	7 759.9	0.3%
Retained earnings	3 505.9	3 333.9	5.2%
Other reserves	91.5	49.4	85.2%
Non-controlling interest	3 907.7	3 798.5	2.9%
Total equity	15 292.6	14 943.4	2.3%
Non-current liabilities	4 131.9	4 068.6	1.6%
Deferred tax liability	4 071.5	3 994.0	1.9%
Long-term provisions	60.4	74.6	(19.1%)
Current liabilities	315.1	247.0	27.6%
Trade and other payables	313.6	246.5	27.8%
Current tax payable	1.5	-	100%
Related party loans	-	0.5	(100.0%)
Total equity and liabilities	19 739.6	19 259.0	2.5%

Consolidated cash flow statement

For the period ended R (million)	30 June 2012 Reviewed	30 June 2011 Reviewed	% Change
Cash generated by operations	302.3	390.2	(22.5%)
Interest received	27.0	21.6	25.0%
Tax paid	(9.8)	(10.7)	8.5%
Net cash flow generated by operating activities	319.5	401.1	(20.3%)
Proceeds from disposal of property, plant and equipment	-	0.1	(100.0%)
Acquisition of property, plant and equipment	(520.9)	(592.4)	12.1%
Increase in environmental trust deposit	(2.5)	(2.5)	0.6%
Net cash flow utilised by investing activities	(523.4)	(594.8)	12.0%
Settlement of intercompany balances	-	325.8	(100.0%)
Related party loans received	-	0.5	(100.0%)
Net cash flow generated by financing activities	-	326.3	(100.0%)
Net (decrease)/increase in cash and cash equivalents	(203.9)	132.6	(253.8%)
Cash and cash equivalents at beginning of period	1 099.2	899.4	22.2%
Cash and cash equivalents at end of period	895.3	1 032.0	(13.2%)

For the period ended R (million)	30 June 2012 Reviewed	30 June 2011 Reviewed
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10. Related party transactions

Loan from RBMS	-	0.5
Amount owing by RPM for concentrate sales	926.9	1 016.4
Amount owing to RPM for contribution to BRPM	62.7	20.0
Transactions during the six months:		
Concentrate sales to RPM	1 305.3	1 510.4
Impala Platinum Limited royalty income	20.6	3.4
Transactions with Fraser Alexander	12.8	10.7
RBMS fees of administrative nature	-	0.8
Royal Marang Hotel	0.4	0.3
Geoserve Exploration Drilling Company	6.7	-
Zurich Insurance Company of South Africa	0.4	0.4
Tendric South Africa (Pty) Ltd	2.6	0.2

11. Dividends

No dividends have been declared or proposed in the current period (2011: nil).

12. Segmental reporting

The Group is currently operating one mine with two decline shafts and the Stydrift I Project. The BRPM operation is treated as one operating segment. The Executive Committee of the Company is regarded as the Chief Operating Decision Maker.

For the period ended R (million)	30 June 2012 Reviewed	30 June 2011 Reviewed
Concentrate sales	1 305.3	1 510.4
Cash cost of sales	(968.8)	(896.4)
Depreciation	(63.6)	(149.5)
Other operating income	21.2	3.9
Other operating expenditure	(49.9)	(55.4)
Net finance income	4.3	4.9
Segmental profit before tax	248.5	417.9
Additional depreciation on purchase price adjustment and amortisation	(76.4)	(80.6)
Consolidation adjustments	20.7	16.2
Overheads of corporate office and royalties	(67.5)	(61.7)
Other income and net finance income	28.7	53.5
Profit before tax per the statement of comprehensive income	154.0	345.3

Operating and financial statistics

Description	Unit	30 June 2012	30 June 2011	% Change
SAFETY				
LTIFR (/200,000 hrs)	rate	0.67	1.10	39%
SIFR (/200,000 hrs)	rate	0.32	0.43	25%
PRODUCTION				
Total tonnes milled	kt	1 139	1 172	(3%)
Merensky tonnes milled	kt	990	1 037	(5%)
UG2 tonnes milled	kt	149	135	10%
% UG2 of total tonnes milled	%	13.1%	11.5%	13%
4E built-up head grade	g/t	4.04	4.32	(6%)
Closing stockpile	kt	64	29	123%
IMA reserves	months	24.3	22.7	7%
Combined recovery (4E)	%	87.1	87.3	0%
Metals in concentrate produced				
4E	oz	128 847	142 147	(9%)
Platinum	oz	83 472	92 105	(9%)
Nickel	t	916	1 032	(11%)
Total operating labour	no.	6 744	6 398	(5%)
Stopping crew efficiency	m ³ /crew	281	315	(11%)
Stopping efficiency - enrolled	m ³ /crew	289	266	9%
Stopping efficiency - contractor	m ³ /crew	279	328	(15%)
FINANCIAL				
Operating cash cost/tonne milled	R/t	851	765	(11%)
Operating cash cost/4E oz	R/4E oz	7 519	6 306	(19%)
Operating cash cost/Pt oz	R/Pt oz	11 606	9 732	(19%)
Total capital expenditure	R (million)	521	592	12%
Stay-in-business capital	R (million)	116	52	(122%)
Replacement capital	R (million)	156	169	9%
Expansion capital	R (million)	249	371	33%
Gross profit	%	12.5	22.5	(44%)
EBITDA	%	20.0	36.1	(45%)
Average basket price*	R/Pt oz	15 638	16 394	(5%)
Average R/US\$	R/US\$	7.94	6.90	15%

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

Commentary

Safety

Royal Bafokeng Platinum is pleased to have recorded a significant improvement in most safety performance measures during the first half of the year. The total number of injuries reduced by 40% from the same period in 2011, with the Lost Time Injury Frequency Rate and Serious Injury Frequency Rate reducing by 39% and 25% respectively over the same period. The total number of injury free days increased from 98 years in the first half of 2011 to 116 days during the period under review. The improvements are attributed to the continued drive on leadership, design, systems and behaviour in high risk areas. The Company has in addition initiated a key drive to further improve the safety culture at all levels in the organisation to support our philosophy of zero harm.

Notwithstanding the significant improvement in overall safety performance the Company regrettably recorded a fatal injury at its Bafokeng Mine (BRPM) on 28 June 2012. On 6 February 2012 during which Castigo Nedve, a Bafokeng Assistant of a contracting company, Platino Mining Services (Pty) Limited, lost his life during a fall of ground incident at North shaft level 6.

Operational performance

Safety related stoppages in the first six months of the year had a more adverse impact on production compared to the first half of 2011. Safety stoppages associated with the fatal injury and routine inspections by the Department of Mineral Resources resulted in a loss of 87 430 tonnes or 10 504 ounces (4E) in the first six months of 2012 compared to the loss of 35 327 tonnes or 4 317 ounces (4E) for the first half of 2011. This represents an increased loss of 6 187 ounces (4E) or 144% compared to the equivalent period in 2011 and highlights the importance of improved safety performance and statutory compliance.

To offset the impact of safety stoppages, 59 931 tonnes of low grade (2.0 g/t 4E) surface stockpile ore was treated through the BRPM concentrator. This resulted in tonnes delivered to concentrators remaining relatively stable at 1 189 531 tonnes compared to 1 166 895 tonnes in the first half of 2011. The low grade surface stockpile ore, coupled with, amongst others, temporary lower UG2 grades at South shaft due to off reef mining, and relatively high re-development rates to increase immediately stoppable reserves, had a negative impact on the 4E built-up head grade causing it to reduce by 6% from 4.32 g/t to 4.04 g/t during the period under review. Due to the lower UG2 grades, toll processing of UG2 through the Anglo American Platinum Waterfall concentrator was temporarily suspended resulting in a decline in UG2 toll concentrating from 99 269 tonnes in the first half of 2011 to 41 796 tonnes for the period under review. This resulted in an ore stockpile of 64 058 tonnes at BRPM being carried over into the second half of 2012.

The BRPM concentrator recovery remained in line with targets at around 87.5%. A 3% reduction in the first six months of 2012, due to the lower volumes of ore treated at the 6% lower built-up head grade resulted in a net 9% decline in 4E ounces and platinum ounces. Total production for the first half of the year ended at 128 847 ounces (4E) and 83 472 ounces of platinum respectively.

The labour productivity of enrolled teams increased by 9% to 289m³ per team compared with a 15% reduction in the productivity of contractor teams from 328m³ to 279m³. The enrolled teams are steadily on their way to achieving the stated target of 380m³ per team as contained in the three-year wage agreement which became effective from 1 July 2011.

The strategy at BRPM remains to expand into the shallow UG2 reef on levels where Merensky is depleted and increase the immediately stoppable reserves. The full concentrator upgrade to increase plant throughput and UG2 co-processing capacity has however been deferred with the focus shifted to explore lower cost solutions which will yield most of the benefits.

Immediately stoppable reserves (IMS)

Increasing IMS to improve operational flexibility remains a strategic focus area at BRPM and a number of initiatives have been implemented to achieve this objective. Working cost development increased by 32% from 11.6km in the first six months of 2011 to 15.3km in the half year under review, and additional dedicated teams were created to perform the ledging and equipping required to establish stoppable panels. The net result was an increase of 494 metres or 13% in IMS face length from 3 669 metres to 4 163 metres during the first half of the year. Whilst we are pleased about the increase, the rate of improvement requires acceleration to meet our target of 5 200 metres of IMS face length.

Operating costs

Total cash operating costs increased by 8.1% from R896 million in the first half of 2011 to R969 million in the first six months of 2012. Above inflation costs for labour (CPiX + 3.5%) and power (CPiX + 12.4%) and increased development rates were the main drivers. Cash operating costs per tonne milled increased by 11.3% from R765 to R851 per tonne due to lower volumes. The lower 4E built-up head grade and consequent 4E ounces in concentrate had a further detrimental impact on the cash operating cost per platinum ounce, which ended 19.3% higher at R11 606/Pt oz for the first half of 2012 compared to R9 732/Pt oz in the equivalent period during 2011.

Capital expenditure