AUDITED ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2014

ROYAL BAFOKENG PLATINUM
MORE THAN MINING

MORE THAN > MINING

Royal Bafokeng Platinum is a black-owned and controlled, mid-tier platinum group metals (PGMs) producer originating from a joint venture in existing mining operations and endowed with resources for future mining in the Styldrift property.

The strategy driving our business has four pillars which are underpinned by the aspiration of ***More than mining***.

What supports our strategy:

> 4E resources of 71.4Moz (58.7Moz, measured and indicated)
> Merensky bias
> Shallow depth mines
> ±60 years life of mine
> Prime location on Western Limb of Bushveld Complex
> Low cost operations

The elements that influence our strategy, which are also centred around our aspiration to deliver *More than mining*, include:

People

> Safety of our people and communities
> Effective leadership
> Technical strength and depth
> Investment in training and development

Financial position

> Strong cash flow generation
> Ungeared balance sheet

Enterprise risk management

> The enterprise risk management framework applied across our business

Governance

> Complying with and exceeding the requirements of the Mining Charter
> Complying with the JSE Listings Requirements
> Applying principles of King III
> Complying with all other relevant legislation

Stakeholders

> Engaging with and responding to all our stakeholders

Social responsibility

> Community investment
> Responsible approach to environmental management

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

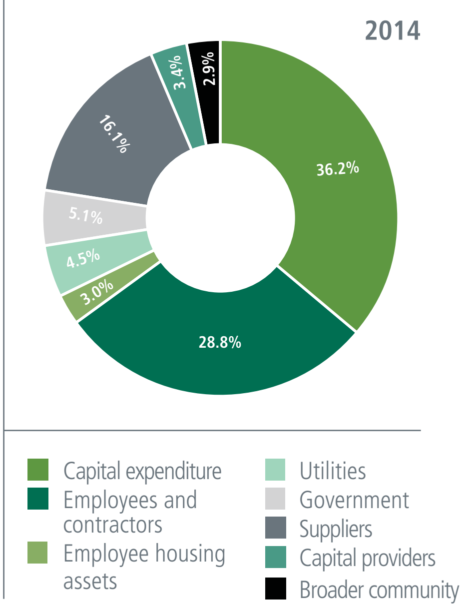
- To create economic value for all our stakeholders

SUSTAINABLE VALUE CREATION

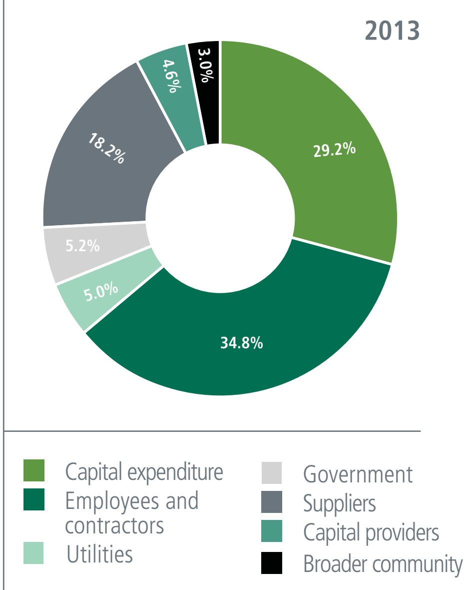
Exploration	Project development	People	Suppliers	Mining	Concentrate production
Refiners of our PGM concentrate and marketers of our end product		Purchasers of PGMs in the form of the automotive, jewellery, electronic, chemical, dental and medical industries, and exchange traded funds (ETFs)			

WEALTH CREATION

Total value added: R3 877.3 million



Total value added: R3 366.3 million



Five-year financial and operational summary

	Unit	2014	2013	2012	2011	2010
Financial statistics						
Revenue	R (million)	**3 767.5**	3 251.1	2 865.3	2 974.9	2 106.8
Cash operating cost	R (million)	**2 361**	2 093	2 051	1 802	1 700
EBITDA*	R (million)	**1 189.4**	1 008.0	633.8	1 035.5	815.3
Profit attributable to owners of the Company	R (million)	**440.9**	284.2	170.3	273.4	3 164.8
Headline earnings	R (million)	**440.9**	283.9	170.3	273.7	290.2
Headline earnings per share	cents	**239**	173	104	167	191
Normalised headline earnings**	R (million)	**506.9**	348.4	233.2	350.2	399.3
Normalised headline earnings per share**	cents	**274**	212	142	214	283
Weighted average number of ordinary shares in issue for earnings per share		**184 797 002**	164 319 791	163 960 709	163 677 799	141 132 832
Average basket price***	R/Pt oz	**19 842**	17 927	16 404	16 282	15 555
Gross profit margin	%	**23**	18.5	11.9	19.0	23.7
EBITDA margin*	%	**31.6**	31.0	22.1	34.8	38.7
Number of shares issued outside the Group at year end		**189 897 794**	164 459 662	164 150 804	163 677 799	163 677 799
Net cash generated by operating activities		**1 420.1**	907.8	732.6	1 025.1	785.3
Net asset value (NAV) per share	cents	**72.8**	72.2	70.2	68.9	66.9
Capital expenditure						
Expansion capital	R (million)	**1 365**	737.0	646.0	635.7	487.9
Stay-in-business (SIB) capital	R (million)	**154.4**	137.8	238.3	146.1	97.0
SIB % of operating costs	%	**7**	7	12	6	6
Replacement capital	R (million)	**204.1**	184.0	307.7	376.0	363.4
Safety						
Fatal injuries	Number	**2**	2	1	0	3
LTIFR	/200 000 hours	**0.533**	0.614	0.676	0.897	1.001
SIFR	/200 000 hours	**0.289**	0.265	0.421	0.467	0.531
Safety stoppage losses	kt	**79**	89	117	92	68
Section 54 stoppages	Number	**10**	11	12	12	7
Mining production						
Stoping square metres	000m²	**527**	505	479	471	539
Total tonnes delivered	kt	**2 471**	2 310	2 384	2 284	2 366
Merensky delivered	kt	**1 908**	1 895	1 959	2 026	2 288
UG2 delivered	kt	**563**	415	425	258	78
Total development	km	**39.4**	36.5	39.4	30.2	33.4
Stoping to development replacement rate	m²/m	**28.7**	32.4	27.1	32.2	35.0
IMS panel ratio	ratio	**1.70**	1.52	1.48	1.01	1.12
Concentrator production						
Total tonnes milled	kt	**2 479**	2 301	2 375	2 305	2 407
Tonnes milled at BRPM	kt	**2 112**	2 010	2 214	2 162	2 380
Tonnes milled at Waterval	kt	**367**	291	160	142	27
Built-up head grade (4E)	g/t	**4.29**	4.38	4.07	4.35	4.31
Merensky built-up head grade (4E)	g/t	**4.45**	4.51	4.22	4.44	4.32
UG2 built-up head grade (4E)	g/t	**3.74**	3.76	3.36	3.60	3.83
Total recovery	%	**86.05**	86.37	86.71	87.47	86.43
4E metals in concentrate	koz	**294**	280	269	282	288
Pt metal in concentrate	koz	**190**	181	174	183	187
Labour						
Working cost labour	Number	**6 272**	6 180	6 057	6 553++	6 793++
Capital labour	Number	**2 601**	1 727	1 686	1 389	877
Stoping crew efficiencies	m²/crew	**336**	320	307	308	343
Tonnes milled per total employee	t/emp	**33.1**	31.6	29.8	29.3	29.5
Operating costs						
Cash operating costs	R (million)	**2 361**	2 093	2 051	1 802	1 700
Cash operating cost per tonne milled	R/t	**957**	920	864	782	707
Cash operating cost per 4E ounce	R/4E oz	**8 040**	7 519	7 616	6 399	5 902
Cash operating cost per platinum ounce	R/Pt oz	**12 463**	11 592	11 775	9 863	9 076

* *The Company utilises certain non-IFRS performance measures and ratios (ie 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*

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

↘ **Night view of BRPM**

AUDITED ANNUAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2014

PERFORMANCE

Solid results achieved despite challenging environment

ACHIEVEMENTS

- Labour stability
- 7% increase in tonnes delivered
- 8% increase in tonnes milled
- 5% increase in 4E ounce production
- Unit cost increases capped below mining inflation:
  - 4% increase in cost per tonne milled
  - 7% increase in cost per 4E ounce
- R1.43 billion in net cash generated by operations
- R1.50 billion equity raising
- Cash on hand at year end of R1.86 billion
- R413.4 million invested in completing Mining Charter social and labour plan commitments for period 2010 – 2014
- Over 96% our of employees are historically disadvantaged South Africans (HDSAs)
- 422 employee houses completed and 295 sales agreements signed by 31 December 2014

IMPROVEMENTS

- 13% improvement in lost time injury frequency rate (LTIFR)
- 5% improvement in stoping crew efficiencies
- 5% improvement in tonnes milled per employee
- 68% of discretionary procurement from HDSAs

CHALLENGES

- 9% increase in serious injury frequency rate (SIFR)
- PGM market conditions
- Tax dispute relating to 2008 and 2009 assessments

DISAPPOINTMENTS

- Two fatal accidents at our operations in 2014
- US$ metal price performance
- Six-month delay in planned production ramp-up at Styldrift I

COMMENTARY

Overview

The operational stability, continuity and flexibility which have been a hallmark of our business are a consequence of the commitment to driving business performance and strategy demonstrated by our leadership, employees and organised labour. In 2014 our shareholders' support of our equity raising programme for Styldrift I demonstrated their confidence in our ability to maintain this performance and deliver against our organic growth strategy. Through their ongoing support our investors also endorse our declared commitment to seek and deliver the good from mining and to leave a lasting legacy of sustainable benefits for all our stakeholders.

Human capital

Safety, health and wellness

One of the key factors that influence how RBPlat goes about achieving its strategic objectives is its commitment to keeping our people safe and healthy. It was therefore disappointing to have not met our objective of zero harm at our operations, with two of our employees sadly losing their lives in two separate incidents during October 2014, one of which occurred at our BRPM operation and the other at our Styldrift I project. On Saturday, 4 October 2014, Mr Xadreque Chihungo, who was employed as a stage hand by Shaft Sinkers, was fatally injured in a shaft-related incident at Styldrift I. This is the second fatal accident at Styldrift, the previous fatal accident occurring in 2010. On Friday, 10 October, Mr Refumane Petrose Kanono, who was employed as a loco operator by JIC, was fatally injured in an underground accident at BRPM's South shaft, when he was trapped by a ventilation door. Post year end we also had a fatal accident as a result of a fall of ground at BRPM in January 2015. On Thursday, 8 January 2015, Mr Amelio Paquette, who was employed as a winch operator by JIC, was fatally injured when he was trapped during a fall of ground in a stope panel at BRPM's North shaft. The Board extends its condolences to the families, friends and colleagues for their loss. We remain confident, however, that our road to resilience safety programme supported by our strategy of strengthening the barriers that prevent injuries will enable us to achieve our safety targets and objectives. Since implementing the programme in 2010 we have achieved a 46.7% and 45.6% reduction in our lost time injury frequency rate (LTIFR) and serious injury frequency rate (SIFR), respectively. Our LTIFR reduced from 1.001 in 2010 to 0.533 in 2014, with our SIFR reducing to 0.289 in 2014 from 0.531 in 2010.

We are encouraged by the increase in the number of people screening and testing for TB. We embarked on various campaigns, which included the communities within which we operate to increase awareness of knowing one's status with regard to TB and the treatments available to them. We are also encouraged by the 15% increase in voluntary counselling and HIV testing.

The safety, health and wellness of our employees plays an important role in achieving sustained operational continuity and as such it will continue to be a major focus during 2015. We remain confident that our focus on these areas, which includes using new technology and approaches to keep our people safe, will make it possible for us to achieve our safety, health and wellness objectives.

Labour stability

Labour stability played a very important role in our performance in 2014. RBPlat's management, the union representatives and our workforce all invested and continue to invest time and effort to build a partnership based on trust, mutual respect, transparency and fairness. We believe that the willingness of all parties to engage with and respond to each other has established a partnership that played a key role in both our labour stability and our pleasing production performance in 2014.

This partnership also resulted in the completion of the first phase of our employee home ownership scheme near Rustenburg, which we are justifiably proud of. By the end of the year we had completed 422 houses, 295 employees had signed sales agreements, many of whom have already taken occupation of their new homes. We are also pleased about our new wage agreement that we announced on 17 July 2014, which extends to 2019.

Social and relationship capital

We completed our Mining Charter commitments, in terms of our social and labour plans (SLPs) covering the period 2010 – 2014, ahead of time. Because it was not possible to deliver on all our original commitments due to changed community circumstances, we consulted with the communities and agreed on suitable replacement projects, for which we obtained approval from the Department of Mineral Resources (DMR). We also, at the request of the communities, included some additional projects, over and above our original commitments. Over the five-year period we invested R413.4 million in the SLPs for BRPM and Styldrift I. Our SLPs focused on: basic infrastructure (R25.8 million); health support (R22.8 million); SLP human resource development (R280.2 million); education support for schools (R32.3 million); job creation and poverty alleviation (R31.3 million); community enterprise development (R2.5 million) and community skills development (R12.8 million). Education and skills development is a key focus for us. We were therefore very pleased that our investment in maths and science facilities and teaching resulted in very encouraging improvements in maths and physical science marks, particularly in the Grade 11 pupils at the Charora High School (a 35% increase in the maths overall pass rate and a 67% increase in the physical science overall pass rate). In terms of both skills development and poverty alleviation and job creation, the training we provided for community members resulted in 168 of them qualifying as rock drill and winch operators and 71 training as pipe, track and ventilation assistants. A number of these community members have been employed in our operations. Our enterprise development programme supports the Rustenburg Local Municipality's prioritisation of SMME support. In this connection we are developing a light industry centre that can be used as an incubation facility for SMMEs.

We have planned our SLPS for 2015 – 2019 through consultative engagement with all the relevant community leaders and the Rustenburg Local Municipality to ensure our projects integrate with and support its integrated development plan. We await the DMR's approval of our SLPs.

Manufactured capital

Production

Our ongoing focus on safeguarding our operational flexibility by ensuring that immediately stopable reserves (IMS) are maintained at optimal levels, with the extraction of the UG2 reef horizon as a supplemental source of ore to our Merensky production, continues to pay dividends. It resulted in year-on-year improvements in most key production matrices with increases in tonnes delivered, tonnes milled, metals in concentrate and operating efficiencies. This, combined with effective cost management initiatives, has yielded year-on-year operating unit cost increases below mining inflation.

The year-on-year increase in total development at the BRPM JV in 2014 of 8% from 36.5km to 39.4km is mainly attributable to an increase in the working cost development required to maintain our ore reserve and IMS targets and ensure sustainable production. Our IMS face length improved by 10% to 6.6km.

BRPM's overall IMS panel ratio per stoping crew ended at 1.7 for the financial year, which is 13% higher than our target of 1.5 and a 12% improvement year-on-year. This increase was a direct result of optimisation related to improving the distribution of IMS on a level-by-level basis and ensuring development rates and equipping requirements remain aligned with depletion rates. Stoping output increased by 4%, with a total of 527 000m^2 being mined, compared to 505 000m^2 in 2013.

Our delivered tonnes increased by 7% year-on-year to 2 471kt, with Merensky delivered tonnes increasing by 1% to 1 908kt and UG2 delivered tonnes by 36% to 563kt.

The overall built-up head grade decreased marginally year-on-year by 2%, from 4.38g/t (4E) to 4.29g/t (4E). This reduction, which was due to the increased contribution of on-reef development from the Phase III project and UG2 trial mining to our overall run-of-mine (ROM) volumes, was in line with expectations.

RBPlat's total milled tonnes increased by 8% to 2 479kt from 2 301kt in 2013, with 2 112kt and 367kt being milled at the BRPM and Anglo American Platinum (Amplats) Waterval concentrators, respectively. The improved milling throughput was as a result of increased mining volumes.

Merensky and UG2 mill volumes increased by 27kt and 151kt to 1 914kt and 565kt, respectively, compared to the same period in 2013. UG2 contributed 23% of the total tonnes milled. The overall and BRPM concentrator recoveries, which ended marginally lower at 86.05% and 86.77%, respectively, are in line with expectations. Toll concentrating recoveries were within expected contractual limits. This, combined with the 2% lower built-up head grade and 8% increase in mill volumes, yielded a 5% increase in both 4E and platinum metals in concentrate year-on-year, with 294koz and 190koz being produced, respectively.

Work on the first phase of our concentrator upgrade to 250ktpm began in August 2014 as planned and is ongoing. The upgrade has had no impact on the overall plant performance. This is being achieved by scheduling project work during normal planned maintenance downtime. This project is currently on schedule and within budget.

Operating costs

Our cash operating costs at BRPM increased by 13% year-on-year to R2 361 million. Increased production volumes and our continued focus on cost management contained cash unit cost increases to below mining inflation, with the unit cost increases per tonne milled and per 4E ounce amounting to 4% and 7%, respectively. The unit cost per tonne milled amounted to R957 and the unit cost per 4E ounce was R8 040. Cash operating cost per platinum ounce increased by 7.5% to R12 463.

Capital expenditure

Stay-in-business (SIB) capital costs ended the year at R154 million which was R16 million or 12% up from 2013. This increased expenditure can mainly be attributed to the construction of a new water treatment facility at BRPM and the upgrading of locomotive controllers. SIB capital during 2014, at 7% of operating costs, remained well within our target range of between 6 and 8%.

During 2014 the replacement capital expenditure on the BRPM Phase III project was, as forecast, R204 million. We expect the annual cost of this project to be between R180 million and R200 million per annum until it is completed in 2017.

Our expansion capital (including exploration drilling and studies for Styldrift II) expenditure increased by 85% or R628 million to R1 365 million. This increased expenditure is mainly related to the increase in construction activities at our Styldrift I project.

Projects

BRPM capital projects

The two key capital projects at BRPM in 2014 were the North shaft chairlift project and the Phase III North shaft Merensky replacement project.

North shaft chairlift project

The North shaft chairlift project, which will provide employees with a faster and safer method of transportation into the mine than the previous belt riding option, included the development and installation of a chairlift from surface to 5 level. Work on the project, which began in June 2011, was completed in October 2014 and the chairlift was commissioned in November 2014. Capital expenditure on the project ended within the approved project budget at completion.

Phase III North shaft replacement project

This project, which extends the life of Merensky at BRPM's North shaft by extending the North shaft Merensky decline system and associated infrastructure from 10 level to the mine boundary at 15 level, is scheduled to be completed in 2017. As previously mentioned, the project is already making an on-reef development contribution to BRPM's production.

The overall project is ahead of schedule and is 73% complete against a planned completion of 67% with 8 301 metres of development being achieved to date. The cumulative expenditure for the project to date amounts to R789.4 million.

The project is expected to be completed with an estimated saving of R114 million against an approved project budget of R1 409 million.

Styldrift I project

As we advised in August 2014 when we announced our interim results and again in October when we released our third quarter results, the hoisting capacity of the Services shaft at Styldrift I has been identified as a key constraint. The Services shaft provides all logistical support for underground development and construction work on 600, 642 and 708 levels, including rock hoisting, transportation of men and material and all services during the period the Main shaft is being equipped.

Technical analysis highlighted that this constraint will effectively limit the rate at which key infrastructure required for the commissioning of the Main shaft and the start of production ramp-up, can be developed, constructed and equipped.

A detailed technical review of the overall underground mining and construction schedule and key constraints was subsequently conducted in order to identify ways of mitigating the impact of the constraint on the schedule. It resulted in the following revisions:

- all construction activities were placed on full calendar operations
- a double kibble was introduced to reduce shift change delays
- Services shaft schedule was revised
- additional columns were installed in the Services shaft to improve concrete and shot-crete delivery to underground construction sections
- construction of water settlers 1 and 2 was deferred
- construction of the UG2 and spare reef silos (3 and 4) was deferred
- lateral development on 642 and 600 levels was rescheduled and rates revised.

The net result of this review is a three-month delay in the Main shaft commissioning, a six-month delay in the start of production ramp-up with a commensurate delay in reaching steady state. The Main shaft commissioning, previously scheduled for the first quarter of 2015, will now take place in the second quarter of 2015. The start of ramp-up, previously scheduled for the third quarter of 2015, is now scheduled for the first quarter of 2016, with steady state being achieved in the first quarter of 2019.

The project baseline schedule has subsequently been revised to incorporate the constraints we identified and reflect the changes in execution methodology. The project remains on schedule against the revised baseline with no slippage on the critical path by year end.

The impact of the delay in production ramp-up on the overall BRPM JV output will be partially mitigated by securing additional production from BRPM's South shaft during 2018.

Total capital expenditure on the project for the 2014 financial year was R1 307 million (including the concentrator project, contingency and escalation).

By year end R3 818 million of the total capital commitment for the project of R4 552 million had been expended. The capital cost of the project remains R11 014 million, as the impact of the delayed Main shaft commissioning and start of ramp-up will be absorbed by savings and contingencies. The capital cash flow has been aligned to the revised baseline project schedule, resulting in lower expenditure in 2015 and higher expenditure in 2016 and concentrator-related construction activities have been delayed to align with the revised ramp-up requirements.

Financial capital

The Group's headline earnings increased by R157 million from R283.9 million in 2013 to R440.9 million in 2014. This increase reflects the improvement in our PGM rand basket price and cost saving initiatives implemented in 2014.

Our headline earnings per share for 2014 of 239 cents are 38.2% higher than the 173 cents per share reported in 2013.

Our revenue of R3 767.5 million for 2014 was 15.9% higher than the R3 251.1 million for 2013. The increase is due to a 9.7% increase in our rand basket price and a 5.2% increase in 4E production volumes. The base metal content of the Merensky reef makes a valuable contribution to our rand basket price.

Revenue from production through the BRPM concentrator increased by 13.4% from R2 944.7 million to R3 339.6 million. The 2014 revenue number included R5.6 million (2013: R11.9 million) generated from the on-reef development from Styldrift I project.

Revenue from toll concentrating of UG2 increased by 39.7% from R306.4 million in 2013 to R427.9 million in 2014 due to a 26.3% increase in toll production volumes and an increase in the rand basket price.

Our gross profit margin improved significantly from 18.5% in 2013 to 23.0% in 2014. This was due to a 15.9% increase in revenue, which was offset by a 9.5% increase in cost of sales. This limited increase in the cost of sales was a result of our continued focus on cost management in 2014.

BRPM's average cash unit cost per tonne milled increased by 4% from R920 per tonne milled in 2013 to R957 per tonne milled in 2014. The cash unit cost per platinum ounce increased by 7.5% from R11 592 to R12 463 per platinum ounce produced. The BRPM JV remains at the lower end of the industry cost curve.

Total SLP expenditure for 2014 amounted to R133.0 million of which R110.3 million was expensed and R22.7 million was capitalised to the Styldrift I project. This is 26.4% higher than the 2013 SLP spend of R105.2 million.

Other income decreased by 67.5% from R77.5 million in 2013 to R25.2 million in 2014. The decrease is mainly due to the reduction in the royalty income from Implats as a result of industrial action at Implats during the first five months of 2014.

Administrative costs increased by 30.8% from R105.0 million in 2013 to R137.3 million in 2014. The increase was due to: R14.0 million relating to the RBPlat housing project; R1.6 million relating to legal fees in respect of the Royal Bafokeng Resources (RBR) tax contingency and R4.3 million more gross bonuses paid in 2014 compared to 2013 as a result of improved profitability.

EBITDA as a percentage of revenue increased slightly from 30.0% in 2013 to 31.6% in 2014 as a result of increased revenue and our continued focus on cost management performance.

Finance income increased by 125.8% from R42.7 million in 2013 to R96.4 million in 2014 due to the increased cash on hand as a result of the bookbuild and rights offer completed in April 2014.

Finance costs increased from R3.7 million in 2013 to R5.1 million in 2014.

Current income tax increased by 51.9% from R15.6 million in 2013 to R23.7 million in 2014 mainly due to the increase in taxable income as a result of increased interest income. Deferred tax expense increased by 48.9% from R149.1 million in 2013 to R222.0 million in 2014 due to increased BRPM JV profits.

In 2013 we advised that we had received a revised tax assessment from SARS for Royal Bafokeng Resources (RBR) for the years 2008, 2009 and 2010, amounting to R437.5 million, made up of income tax, penalties and interest. Senior counsel has been engaged to advise on this issue. We have lodged an objection against these assessments and an application to suspend payment in terms of Section 164 (2) of the Tax Administration Act. After SARS disallowed RBR's objection, RBR lodged a Notice of Appeal in November 2014. Based upon independent advice and consultation to date, RBR remains confident that it has a reasonable prospect of successfully defending this matter.

Market review

Platinum

The platinum price declined 6% year-on-year to average US$1 348/oz in 2014, despite a platinum market deficit. The five-month strike in the South African platinum sector contributed to South African refined mine supply falling by 1.37Moz. Gross demand excluding investment was up by 3.3% for the year, while recycling growth was up 2.3% to 2.0Moz. However, investment holdings were lower by 760koz compared to 2013. This was due to the new ETF launch in 2013 that led to more than 900koz of investment demand that year.

Palladium

The deficit in the palladium market is estimated to have widened to 1.75Moz in 2014, excluding producer stock sales and the allocation of metals to ETFs. Global ETFs absorbed a net 940koz of additional metal in 2014. Prices peaked at US$910/oz in September but along with a commodity-wide sell-off and dollar strengthening, prices fell to US$804/oz by year end. This reflects the availability of stock to meet current market requirements.

Rhodium

The average rhodium price increased by almost 10% to US$1 173/oz in 2014, partly attributable to a drop in primary supply. Gross demand excluding investment increased by 3.8% year-on-year to breach 1Moz for the first time since 2008. Industrial demand, net of recycling, decreased by 4.5% year-on-year to 150koz, although demand for autocatalysts has improved by 5.5%. A substantial drop in supply and a slowing of recycling rates resulted in fundamentals switching to a deficit in 2014, but the industry remains well stocked for now and price pressure is limited in the near term.

Outlook

In the short to medium term our focus will remain on achieving operational excellence in our core business of mining BRPM, improving safety, maintaining productivity and containing costs.

We are confident that production from BRPM will be between 2.4 and 2.5Mt for 2015, given our good stakeholder relations and strong operating platform, with the head grade being maintained at between 4.15g/t (4E) and 4.20g/t (4E). Our Merensky ore will be preferentially treated at the BRPM concentrator facility and excess UG2 will be toll treated at Waterval.

The expansion of our concentrator, which will process the ore from both BRPM and Styldrift I, will be completed in the first quarter of 2017 and it is expected to start processing ore from Styldrift I in the third quarter of 2015.

Capital expenditure on Styldrift I will continue to increase as we complete and commission the Main and Services shafts and develop and equip the mine. In this regard, we will be developing a hedging strategy to manage the cost of imported equipment for Styldrift I that we will be purchasing in euros in 2015. Total capex for 2015 including SIB and replacement is forecast at R2.9 billion (including escalation and contingency).

The result of the Styldrift II pre-feasibility study was presented to the Board in February 2015. It indicated a very good business case to proceed with a feasibility study, which the Board approved.

Global platinum demand is estimated to rise just over 4% in 2015 to around 8.2Moz supported by the tighter emissions legislation (Euro 6). However, this may be dampened by the growth in recycling estimated at over 8%. A structural market deficit is forecast to persist for the palladium market which should lead to higher prices as stocks deplete; however, the market is currently well stocked. The rhodium market is expected to remain close to balance.

We expect the rand to remain at similar weak levels to those we experienced in 2014 and we also expect metal prices to remain relatively flat. This combination is likely to result in our average revenue basket for 2015 being fairly similar to what we achieved in 2014.

Maintaining the sound labour and community relations we have developed over the past few years will be paramount in ensuring ongoing operational and project continuity. As such, our key focus during 2015 will be on:

- expanding the communication and feedback forums used to engage with labour and union representatives and to further enhance the mutual trust and understanding of the business that has been established to date
- meeting our social and labour plan commitments through the ongoing development of skills and infrastructure as part of our contribution to local economic development in the communities in which we operate.

We will continue to stay abreast of industry developments regarding innovation and new technologies; this will allow us to extract incremental benefits throughout our value chain and contribute to upskilling of our employees.

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2014

	Group		
	31 December 2014 audited R (million)	31 December 2013 audited R (million)	% change
ASSETS			
Non-current assets	19 960.5	18 558.4	7.6
Property, plant and equipment	10 889.5	9 567.9	13.8
Mining rights	6 518.4	6 583.7	(1.0)
Goodwill	2 275.1	2 275.1	–
Environmental trust deposit	113.6	106.8	6.4
Employee housing receivable	99.4	–	100.0
Employee housing benefit	36.9	–	100.0
Deferred tax asset	27.6	24.9	10.8
Current assets	3 543.4	2 259.1	56.9
Employee housing assets	54.8	46.5	17.8
Inventories	51.7	35.5	45.6
Employee housing receivable	9.4	–	100.0
Employee housing benefit	3.0	–	100.0
Trade and other receivables	1 558.0	1 404.2	11.0
Current tax receivable	2.3	–	100.0
Cash and cash equivalents	1 864.2	772.9	141.2
Total assets	23 503.9	20 817.5	12.9
EQUITY AND LIABILITIES			
Total equity	18 196.3	15 986.3	13.8
Share capital	1.9	1.7	11.8
Share premium	9 329.2	7 808.9	19.5
Retained earnings	4 330.7	3 889.8	11.3
Other reserves	248.4	157.7	57.5
Non-controlling interest	4 286.1	4 128.2	3.8
Non-current liabilities	4 574.9	4 331.6	5.6
Deferred tax liability	4 486.7	4 262.0	5.3
Long-term provisions	88.2	69.6	26.7
Current liabiities	732.7	499.6	46.7
Trade and other payables	726.1	499.4	45.4
Employee housing facility	6.6	–	100.0
Current income tax payable	–	0.2	(100.0)
Total liabilities	5 307.6	4 831.2	9.9
Total equity and liabilities	23 503.9	20 817.5	12.9

Notes 1 to 15 form an integral part of these summary consolidated financial statements.

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2014

		Group		
	Notes	31 December 2014 audited R (million)	31 December 2013 audited R (million)	% change
Revenue	9	3 767.5	3 251.1	15.9
Cost of sales	10	(2 902.2)	(2 650.1)	(9.5)
Cost of sales excl depreciation, amortisation and movement in inventories		(2 477.5)	(2 223.2)	(11.4)
Depreciation and amortisation		(435.1)	(433.5)	(0.4)
Increase in inventories		10.4	6.6	57.6
Gross profit		865.3	601.0	44.0
Other income		25.2	77.5	(67.5)
Administrative expenses		(137.3)	(105.0)	(30.8)
Finance income		96.4	42.7	125.8
Finance cost		(5.1)	(3.7)	(37.8)
Profit before tax		844.5	612.5	37.9
Income tax expense		(245.7)	(164.7)	(49.2)
Income tax		(23.7)	(15.6)	(51.9)
Deferred tax		(222.0)	(149.1)	(48.9)
Net profit for the year		598.8	447.8	33.7
Other comprehensive income		–	–	–
Total comprehensive income		598.8	447.8	33.7
Total comprehensive income attributable to:				
Owners of the Company		440.9	284.2	55.1
Non-controlling interest		157.9	163.6	(3.5)
Basic earnings (cents per share)	8	239	173	38.2
Diluted earnings (cents per share)	8	238	173	37.6
Headline earnings (cents per share)	8	239	173	38.2

Notes 1 to 15 form an integral part of these summary consolidated financial statements.

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at 31 December 2014

	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)
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 charge	–	–	–	48.2	–	–	48.2	–	**48.2**
Mahube ordinary shares vested in March 2014	187 971	–	12.2	(12.2)	–	–	–	–	**–**
2011 BSP shares vested in March and 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)**
Costs relating to rights followed on treasury shares	–	–	(6.4)	–	–	–	(6.4)	–	**(6.4)**
Share options exercised	384 217	–	19.1	–	–	–	19.1	–	**19.1**
RPM capital 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**
Balance at 31 December 2012	164 150 804	1.7	7 789.0	119.7	–	3 605.6	11 516.0	3 964.6	15 480.6
Share-based payment charge	–	–	–	57.9	–	–	57.9	–	57.9
Mahube ordinary shares vested in March 2013	187 971	–	12.2	(12.2)	–	–	–	–	–
2013 retrenchments (BSP early vesting)**	43 044	–	2.6	(2.6)	–	–	–	–	–
2010 BSP shares vested in December 2013	77 843	–	5.1	(5.1)	–	–	–	–	–
Total comprehensive income	–	–	–	–	–	284.2	284.2	163.6	447.8
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

* *The number of shares is net of 1 762 632 (2013:1 622 781) 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.*

** *18 D1 and below, and 17 D2 and above employees were retrenched in 2013. All retrenchment costs have been fully paid out.*

Notes 1 to 15 form an integral part of these summary consolidated financial statements.

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2014

	Group		
	31 December 2014 audited R (million)	31 December 2013 audited R (million)	% change
Net cash flow generated by operating activities	**1 426.5**	907.8	57.1
Cash generated by operations	**1 358.5**	875.8	55.1
Interest paid	**(1.1)**	–	(100.0)
Interest received	**80.3**	31.1	158.2
Dividends received	**14.2**	18.3	(22.4)
Tax paid	**(25.4)**	(17.4)	(46.0)
Net cash flow utilised by investing activities	**(1 813.9)**	(784.8)	(131.1)
Proceeds from disposal of property, plant and equipment	**–**	0.3	(100.0)
Decrease in held-to-maturity investments	**–**	253.9	(100.0)
Acquisition of property, plant and equipment	**(1 675.6)**	(1 036.6)	(61.6)
Acquisition of housing assets	**(138.2)**	–	(100.0)
Increase in environmental trust deposit	**(0.1)**	(2.4)	(95.8)
Net cash flow generated by financing activities	**1 478.7**	–	(100.0)
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 housing facility	**6.6**	–	100.0
Net increase in cash and cash equivalents	**1 091.3**	123.0	787.2
Cash and cash equivalents at beginning of year	**772.9**	649.9	18.9
Cash and cash equivalents at end of year	**1 864.2**	772.9	141.2

Notes 1 to 15 form an integral part of these summary consolidated financial statements.

1. Basis of preparation

The summary consolidated 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 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 preparation of the previous consolidated annual financial statements.

The summary annual financial statements for the year ended 31 December 2014 were prepared under the supervision of the Chief Financial Officer, Martin Prinsloo CA(SA).

2. Accounting policies

The summary consolidated financial statements have been prepared under the historic 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. Audit opinion

These summary consolidated financial statements for the year ended 31 December 2014 have been audited by PricewaterhouseCoopers Inc. who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived.

A copy of the auditor's report on the summary consolidated 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 home ownership scheme

During 2013, RBPlat embarked on an initial pilot housing project which ultimately will involve the construction of approximately 3 500 houses for eligible enrolled employees over a five-year period. In December 2013, RBPlat took ownership of the first batch of houses which were recognised as property, plant and equipment. At that stage it was uncertain when the houses would be sold. As the intention is to sell the houses to employees within a 12 month period, the employee housing assets were subsequently reclassified as current assets. At 31 December 2014, 422 houses were built, 295 of which were sold to employees.

Friedshelf 1408 (Pty) Ltd (Friedshelf), a wholly owned subsidiary within the RBPlat Group is a property company, which was created in 2013 for the purpose of the housing scheme. All unsold houses are classified as inventory in the books of Friedshelf and on sale of the houses, revenue is recognised. On Group level however, unsold houses are classified as current assets. On sale of the houses, an employee housing receivable is recognised. This reclassification occurs because RBPlat is a mining company and is not in the business of buying and selling houses. All houses are sold to employees at cost.

The employee housing receivable is recognised at fair value using a discounted cash flow model. The difference that arises between the loan amount outstanding and the fair value of the employee housing receivable is recognised as an employee housing benefit. A Nedbank housing facility was drawn to fund a portion of the purchase of the employee houses, which is recognised as a liability.

5. Capital commitments

Capital commitments in respect of property, plant and equipment

	Group	
	2014 R (million)	2013 R (million)
Commitments contracted for	**887.4**	918.3
Approved expenditure not yet contracted for	**5 008.7**	6 432.7
Total	**5 896.1**	7 351.0

The commitments reflect 100% of the BRPM JV project commitments. Effectively Royal Bafokeng Resources Proprietary Limited (RBR) must fund 67% thereof and RPM the remaining 33%.

Should either party elect not to fund their share, the participation interest in the BRPM JV will be diluted according to the terms reflected in the BRPM JV agreement.

6. Guarantees and contingencies

	Group	
	2014 R (million)	2013 R (million)
6.1 Guarantees		
Royal Bafokeng Resources Proprietary Limited, a wholly owned subsidiary of RBPlat, granted the following guarantees:		
Eskom to secure power supply for Styldrift I project 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 Limited for the rehabilitation of land disturbed by mining activities at BRPM	**77.5**	77.5
DMR for the rehabilitation of land disturbed by prospecting/mining	**1.3**	1.3
Housing guarantee for employees*	**3.5**	200.0
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	**157.3**	353.8

* *The housing guarantee of R200 million reduces as the funds are drawn from the Nedbank working capital facilities or funded from cash resources.*

6.2 Tax contingency

On 31 January 2013 Royal Bafokeng Resources Proprietary Limited (RBR) received notice from the South African Revenue Services (SARS) that they have completed an audit of RBR's 2008 to 2010 tax assessments and that they intend reopening these assessments to effect certain proposed adjustments. These proposed adjustments primarily relate to SARS intending to disallow interest on shareholder's loans amounting to R586 million previously deducted by RBR and allowed by SARS in the 2008 and 2009 income tax assessments. On 19 February 2014, RBR received revised assessments from SARS for the 2008, 2009 and 2010 years amounting to R437.5 million comprising income tax of R106 million, penalties of R246.4 million and interest of R85.1 million, payable within seven days. RBR lodged an objection against these assessments and an application to suspend payment of taxes in terms of section 164(2) of the Tax Administration Act. SARS disallowed RBR's objection and RBR lodged a notice of appeal in November 2014. Based on independent advice and consultation to date, RBR remains confident that it has a reasonable prospect of successfully defending this matter.

7. Financing facilities in place

Royal Bafokeng Resources (RBR) cancelled its R1 billion revolving credit facility (RCF) with Nedbank Capital during July 2014.

The RCF incurred commitment fees of 0.625% of the unutilised portion of the facility up to 29 June 2014 and 0.725% from 30 June 2014 until cancellation occurred. The RCF will be superceded with term debt to be raised for the completion of the Styldrift I project.

In addition, RBR has a R450 million, RBPlat a R3 million and RBPlat MS a R5 million working capital facility with Nedbank Capital. In all, R200 million of the R450 million was allocated for the RBPlat housing facility.

Interest on the working capital facilities is based on a three-month JIBAR plus a margin of 2.45% nominal annual interest compounded monthly in arrears and it is repayable by 31 December 2015. There are commitment fees payable on these facilities of 0.625% of the unutilised portion of the facilities.

At year end RBR utilised R156.9 million (2013: R353.4 million) of its working capital facility for guarantees and R6.6 million in respect of the employee housing facility and RBP MS utilised R0.4 million (2013: R0.4 million) for guarantees.

8. Earnings per share

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

	Group	
	2014	2013
Number of shares issued	**167 737 114**	166 082 443
Mahube Trust	**(281 957)**	(563 914)
Management incentive scheme	**(2 995 495)**	(1 367 725)
Number of shares issued outside the Group	**164 459 662**	164 150 804
Adjusted for weighted shares issued during the year	**20 337 340**	168 987
Weighted average number of ordinary shares in issue for earnings per share	**184 797 002**	164 319 791
Management incentive scheme	**476 576**	149 113
Weighted average number of ordinary shares in issue for diluted earnings per share	**185 273 578**	164 468 904
Profit attributable to owners of the Company R (million)	**440.9**	284.2
Basic earnings per share (cents per share)	**239**	173
Basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the year by the weighted average number of ordinary shares in issue for earnings per share		
Diluted earnings per share (cents per share)	**238**	173
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all diluted potential ordinary shares		
Headline earnings		
Profit attributable to owners of the Company is adjusted as follows:		
Profit attributable to owners of the Company R (million)	**440.9**	284.2
Adjustment net of tax:		
Profit on disposal of property, plant and equipment R (million)	**–**	(0.3)
Headline earnings R (million)	**440.9**	283.9
Basic headline earnings (cents per share)	**239**	173
Diluted headline earnings (cents per share)	**238**	173

9. Revenue

	Group	
	2014 R (million)	2013 R (million)
Revenue from concentrate sales – production from BRPM concentrator	**3 339.6**	2 944.7
Revenue from UG2 toll concentrate	**427.9**	306.4
Total	**3 767.5**	3 251.1

10. Cost of sales

	Group	
	2014 R (million)	2013 R (million)
On-mine costs:		
– Labour	**883.8**	773.3
– Utilities	**208.5**	179.4
– Contractor costs	**541.9**	489.0
– Movement in inventories	**(10.4)**	(6.6)
– Materials and other mining costs	**692.5**	615.8
– Materials and other mining costs – BRPM JV	729.7	651.0
– Elimination of intergroup management fee	(37.2)	(35.2)
State royalties	**12.6**	10.9
Depreciation – Property, plant and equipment	**369.8**	372.2
Amortisation – Mineral rights	**65.3**	61.3
Share-based payment expense	**21.8**	35.8
Social and labour plan expenditure	**110.3**	91.0
Retrenchments	**–**	21.2
Styldrift incidental expenses	**3.8**	4.8
Other	**2.3**	2.0
Total cost of sales	**2 902.2**	2 650.1

	Group	
	2014 R (million)	2013 R (million)

11. Related party transactions

	2014 R (million)	2013 R (million)
BRPM Joint Venture balances at 31 December:		
Amount owing by RPM for concentrate sales	**1 344.6**	1 313.2
Amount owing to RPM for contribution to BRPM JV (working capital nature)	**403.3**	213.4
Amount owing by RPM for housing project costs	**71.8**	–
BRPM Joint Venture transactions:		
Concentrate sales to RPM	**3 767.5**	3251.1
Associate of holding company balances:		
Amount owing by Impala Platinum Limited for the fourth quarter royalty	**10.8**	10.9
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)	**7.2**	10.7
Impala Platinum Limited for royalty income (an associate of RBH)	**18.2**	75.2
Geoserve Exploration Drilling Company for exploration drilling on Boschkoppie and Styldrift (a subsidiary of RBH)	**17.0**	23.2
Trident South Africa Proprietary Limited for steel supplies (a subsidiary of RBH)	**1.6**	0.8
Tarsus Technologies for electronic equipment purchases (a subsidiary of RBH)	**1.6**	2.4
Royal Bafokeng Administration – bulk water supply (a subsidiary of RBH)	**5.1**	–
MTech Industrial – supply and install heat pumps (a subsidiary of RBH)	**2.7**	–
Royal Marang Hotel for accommodation and conferences (a subsidiary of RBH)	**0.9**	0.7

12. Dividends

No dividends have been declared or proposed for the current period (2013: Rnil).

13. Segmental reporting

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, 120 kilometres from Johannesburg, 30 kilometres from Rustenburg and 17 kilometres from Phokeng. With the increase in the capital spend and progress on the Styldrift I project, it was decided to show BRPM and Styldrift I as separate segments from 2014 onwards. In addition, due to the different nature and significance of the RBPlat housing project, it was also decided to show housing as a separate segment.

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

13. Segmental reporting (continued)

13.1 Segmental statement of comprehensive income

	BRPM mining segment R (million)	Styldrift mining segment R (million)	BRPM JV mining segment* R (million)	RBPlat housing segment R (million)	Corporate office and consolidation adjustment R (million)	Total R (million)
2014						
Concentrate sales	3 761.9	5.6	3 767.5	–	–	3 767.5
Houses sold to employees	–	–	–	129.9	(129.9)	–
Cash cost of sales	(2 363.9)	–	(2 363.9)	–	37.2	(2 326.7)
Cost of housing assets for employees	–	–	–	(129.9)	129.9	–
Depreciation	(258.8)	–	(258.8)	–	–	(258.8)
Movement in inventories	10.4	–	10.4	–	–	10.4
Other operating income	20.2	4.6	24.8	0.4	–	25.2
Share-based payment expenses (non-cash)	(21.8)	–	(21.8)	–	(19.5)	(41.3)
Other operating expenditure	(318.4)	(13.3)	(331.7)	–	215.3	(116.4)
Administration expenditure and royalties	–	–	–	(14.0)	(115.2)	(129.2)
Amortisation of employee housing benefit	–	–	–	(1.1)	–	(1.1)
Additional depreciation and armotisation on purchase price allocation	–	–	–	–	(176.3)	(176.3)
Net finance income	7.2	0.7	7.9	(7.1)	90.4	91.2
Profit before tax per segment and total	836.8	(2.4)	834.4	(21.8)	31.9	844.5
Taxation						(245.7)
Non-controlling interest						(157.9)
Contribution to basic earnings per share						440.9
Contribution to headline earnings per share						440.9
2013						
Concentrate sales	–	–	3 251.1	–	–	3 251.1
Houses sold to employees	–	–	–	–	–	–
Cash cost of sales	–	–	(2 092.8)	–	36.0	(2 056.8)
Cost of housing assets for employees	–	–	–	–	–	–
Depreciation	–	–	(262.7)	–	–	(262.7)
Movement in inventories	–	–	6.6	–	–	6.6
Other operating income	–	–	76.8	–	–	76.8
Share-based payment expenses (non-cash)	–	–	(35.8)	–	–	(35.8)
Other operating expenditure	–	–	(119.0)	–	–	(119.0)
Administration expenditure and royalties	–	–	–	–	(115.9)	(115.9)
Amortisation of employee housing benefit	–	–	–	–	–	–
Additional depreciation and amortisation on purchase price allocation	–	–	–	–	(170.8)	(170.8)
Net finance income	–	–	6.0	(0.1)	33.1	39.0
Profit before tax per segment and total	–	–	830.2	(0.1)	(217.6)	612.5
Taxation						(164.7)
Non-controlling interest						(163.6)
Contribution to basic earnings per share						284.2
Contribution to headline earnings per share						283.9

** The comparative information has not been split between the BRPM and Styldrift mining segments as these two segments form the BRPM JV*

13. Segmental reporting (continued)

13.2 Segmental statement of financial position

	BRPM mining segment R (million)	Styldrift mining segment R (million)	BRPM JV mining segment* R (million)	RBPlat housing segment R (million)	Corporate office and consolidation adjustment R (million)	Total R (million)
2014						
Segment total assets	5 504.8	4 392.3	9 897.1	245.7	–	10 142.8
Segment non-current assets	4 286.6	4 357.7	8 644.3	139.8	–	8 784.1
Segment current assets	1 218.2	34.6	1 252.8	105.9	–	1 358.7
PPA adjustment to carrying amount of PPE (includes mineral rights)	–	–	–	–	8 920.6	8 920.6
Corporate assets and consolidation adjustments	–	–	–	–	301.2	301.2
Goodwill	–	–	–	–	2 275.1	2 275.1
Cash and cash equivalents	411.4	–	411.4	2.9	1 449.9	1 864.2
Total assets per the statement of financial position	5 916.2	4 392.3	10 308.5	248.6	12 946.8	23 503.9
Segment total liabilities	1 771.7	12.7	1 784.4	270.6	(261.8)	1 793.2
Segment non-current liabilities	77.8	10.4	88.2	–	6.6	94.8
Segment current liabilities	1 693.9	2.3	1 696.2	270.6	(268.4)	1 698.4
Current liabilities and consolidation adjustments	–	–	–	–	(972.2)	(972.2)
Unallocated liabilities (tax and deferred tax)	–	–	–	–	4 486.7	4 486.7
Total liabilities per the statement of financial position	1 771.7	12.7	1 784.4	270.6	3 252.7	5 307.7
Group capital expenditure per cash flow statement	389.3	1 327.3	1 716.6	0.4	(41.4)	1 675.6
2013						
Segment total assets	–	–	8 423.8	53.0	–	8 476.8
Segment non-current assets	–	–	7 166.7	53.0	–	7 219.7
Segment current assets	–	–	1 257.1	–	–	1 257.1
PPA adjustment to carrying amount of PPE (includes mineral rights)	–	–	–	–	9 096.9	9 096.9
Corporate assets and consolidation adjustments	–	–	–	–	195.8	195.8
Goodwill	–	–	–	–	2 275.1	2 275.1
Cash and cash equivalents	–	–	195.0	–	577.9	772.9
Total assets per the statement of financial position	–	–	8 618.8	53.0	12 145.7	20 817.5
Segment total liabilities	–	–	928.8	53.1	–	981.9
Segment non-current liabilities	–	–	68.6	–	–	68.6
Segment current liabilities	–	–	860.2	53.1	–	913.3
Current liabilities and consolidation adjustments	–	–	–	–	(412.9)	(412.9)
Unallocated liabilities (tax and deferred tax)	–	–	–	–	4 262.2	4 262.2
Total liabilities per the statement of financial position	–	–	928.8	53.1	3 849.3	4831.2
Group capital expenditure per cash flow statement	–	–	1 054.8	–	(18.2)	1 036.6

* *The comparative information has not been split between the BRPM and Styldrift mining segments as these two segments form the BRPM JV*

13. Segmental reporting (continued)

13.3 Segmental statement of cash flows

	BRPM mining segment R (million)	Styldrift mining segment R (million)	BRPM JV mining segment* R (million)	RBPlat housing segment R (million)	Corporate office and consolidation adjustments R (million)	Total R (million)
2014						
Segment cash flow statement						
Net cash flow generated by operating activities	1 368.1	1.7	1 369.8	(73.8)	130.5	1 426.5
Cash generated by operations	1 337.7	1.7	1 339.4	(65.4)	66.0	1 340.0
Dividends received	–	–	–	–	14.2	14.2
Interest received	11.9	–	11.9	2.7	65.7	80.3
Interest paid	–	–	–	(11.1)	10.0	(1.1)
Tax paid	–	–	–	–	(25.4)	(25.4)
Royalty income received	18.5	–	18.5	–	–	18.5
Net cash flow utilised by investing activities	(389.4)	(1 327.3)	(1 716.7)	(138.6)	41.4	(1 813.9)
Proceeds from disposal of PPE	–	–	–	–	–	–
Decrease in held-to-maturity investments	–	–	–	–	–	–
Acquisition of PPE	(389.3)	(1 327.3)	(1 716.6)	(0.4)	41.4	(1 675.6)
Acquisition of housing assets	–	–	–	(138.2)	–	(138.2)
Increase in environmental trust deposits	(0.1)	–	(0.1)	–	–	(0.1)
Net cash flow generated by financing activities	(762.3)	1 325.6	563.3	215.3	700.1	1 478.7
Cash investments by/(distributions to) BRPM JV shareholders	(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)
Increase in housing facility	–	–	–	–	6.6	6.6
Increase in intercompany loans	–	–	–	215.3	(215.3)	–
Net increase/(decrease) in cash and cash equivalents	216.4	–	216.4	2.9	872.0	1 091.3
Cash and cash equivalents at beginning of period	195.0	–	195.0	–	577.9	772.9
Cash and cash equivalents end of the year	411.4	–	411.4	2.9	1 449.9	1 864.2
2013						
Segment cash flow statement						
Net cash flow generated by operating activities	–	–	958.1	(0.1)	(50.2)	907.8
Cash generated by operations	–	–	863.8	–	(72.6)	791.2
Dividends received	–	–	–	–	18.3	18.3
Interest received	–	–	9.7	–	21.4	31.1
Interest paid	–	–	–	(0.1)	0.1	–
Tax paid	–	–	–	–	(17.4)	(17.4)
Royalty income received	–	–	84.6	–	–	84.6
Net cash flow utilised by investing activities	–	–	(1 056.9)	–	272.1	(784.8)
Proceeds from disposal of PPE	–	–	0.3	–	–	0.3
Decrease in held-to-maturity investments	–	–	–	–	253.9	253.9
Acquisition of PPE	–	–	(1 054.8)	–	18.2	(1 036.6)
Acquisition of housing assets	–	–	–	–	–	–
Increase in environmental trust deposits	–	–	(2.4)	–	–	(2.4)
Net cash flow generated by financing activities	–	–	(17.3)	–	17.3	–
Cash investments by/(distributions to) BRPM JV shareholders	–	–	(17.3)	–	17.3	–
Issue of ordinary shares net of cost	–	–	–	–	–	–
Cost relating to rights followed on treasury shares	–	–	–	–	–	–
Increase in housing facility	–	–	–	–	–	–
Increase in intercompany loans	–	–	–	–	–	–
Net increase/(decrease) in cash and cash equivalents	–	–	(116.1)	–	239.1	123.0
Cash and cash equivalents at beginning of period	–	–	311.1	–	338.8	649.9
Cash and cash equivalents end of the year	–	–	195.0	–	577.9	772.9

** The comparative information has not been split between the BRPM and Styldrift mining segments as these two segments form the BRPM JV*

14. Financial risk management

Fair value determination

The table below analyses financial instruments carried 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 or 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 environmental trust deposit that is measured at fair value and the employee housing receivable that is measured at amortised cost but for which fair value disclosure is provided at 31 December:

	Level 1 R (million)	Level 2 R (million)	Level 3 R (million)
2014			
Financial assets at fair value through profit or loss			
Environmental trust deposits[1]	–	**108.9**	–
Financial assets at amortised cost			
Employee housing receivable[2]	–	–	**108.8**
2013			
Financial assets at fair value through profit or loss			
Environmental trust deposits[1]	–	102.2	–
Financial assets at amortised cost			
Employee housing receivable[2]	–	–	–

[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 value was determined using a discounted cash flow model*

15. Subsequent events

On 14 January 2015, RBPlat announced that it has served formal notice to terminate its contract with Shaft Sinkers as its principal shaft sinking and development contractor on 14 January 2015, for all work related to the sinking, lining, equipping and commissioning of the Main and Services shafts and all related station and off-station development for the Styldrift I Project.

As part of the Company's ongoing risk mitigation strategy for the business, RBPlat commenced with a process in 2014 to contract directly, where appropriate, with all project-related suppliers and have available all critical equipment required to continue with the shaft equipping and construction.

Furthermore, RBPlat is engaging with all interested parties including Shaft Sinkers, their employees, union representatives and Aveng Mining Shafts and Underground, a division of Aveng Africa Limited which was appointed in September 2013 as mining contractor for the ramp-up of the Styldrift I project, to identify and implement mechanisms required to secure the continued services of the employees on site and minimise the impact on the project.

↘ **Night view of BRPM**

AUDITED RESULTS PRESENTATION >