ROYAL BAFOKENG PLATINUM

MORE THAN> MINING

REVIEWED INTERIM RESULTS

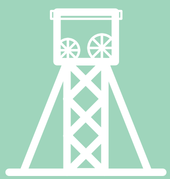
for the six months ended 30 June 2013

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 on the Styldrift property

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

Our business model creates economic value, within a mutually beneficial joint venture, in a manner that also *creates value for society*

Mining the Merensky biased BRPM, our current operation to extract platinum group metals in *a safe* and cost effective manner



Growing our business organically through our investment in the Styldrift I and II projects which contributes to the national economy and employment creation

Treating the ore we produce locally in our concentrator plant

Selling concentrate, our end product, which generates cash flow for investment, growth and community development

Achievements

Lost time frequency rate
8.4% reduction

Fatality-free shifts
2 million

Improved operational flexibility: Immediately stopable reserves (IMS)
46% improvement in IMS face length

4 163 metres
2012

6 084 metres
2013

Capex*
14.3% reduction

R521 million
2012

R446 million
2013

Revenue
increase by 18.6%
to R1.5 billion

Balance sheet remains ungeared and R2 billion unutilised facilities available

IMS panel ratio
increase to 1.52

Working cost labour
11% reduction

5 984

Cash position

R910 million
2012

R992 million
2013

Built-up head grade
5.8% increase

4.28g/t

Headline earnings per share
103% increase
to 87 cents

** 100% BRPM JV*

Improvements

Productivity
Stoping crew efficiency of 311m^2

11% increase

4E PGM ounces (4E)

1.1% increase

130koz

Challenges

Cash operating cost per tonne milled

7.8% increase

to R917/tonne

Cash operating cost per platinum ounce

1.3% increase

to R11 756 Pt/oz

Disappointments

Fatality at South shaft

Milled tonnes
4% reduction

1 095kt

Condensed consolidated statement of comprehensive income

for the six months ended 30 June 2013

For the period ended (R million)	Six months ended Reviewed 30 June 2013	Reviewed 30 June 2012	% change	Year ended Audited 31 December 2012
Revenue	**1 548.0**	1 305.3	18.6	2 865.3
Cost of sales	**(1 222.8)**	(1 142.3)	(7.0)	(2 525.5)
Cost of sales excluding depreciation and amortisation	**(1 051.9)**	(1 032.5)	(1.9)	(2 201.8)
Depreciation and amortisation	**(186.2)**	(139.9)	(33.1)	(327.6)
Increase in inventories	**15.3**	30.1	49.2	3.9
Gross profit	**325.2**	163.0	99.5	339.8
Other income	**31.7**	21.2	49.5	66.9
Administration expenses	**(61.4)**	(63.1)	2.7	(101.7)
Finance income	**22.3**	34.6	(35.5)	59.7
Finance cost	**(1.8)**	(1.7)	5.9	(3.4)
Profit before tax	**316.0**	154.0	105.2	361.3
Income tax expense	**(87.3)**	(34.9)	(150.1)	(85.6)
Income tax	**(7.4)**	(7.8)	5.1	(17.5)
Deferred tax	**(79.9)**	(27.1)	(194.8)	(68.1)
Total comprehensive income	**228.7**	119.1	92.0	275.7
Attributable to owners of the Company	**143.6**	70.6	103.4	170.3
Attributable to non-controlling interest	**85.1**	48.5	75.5	105.4
Basic EPS (cents/share)	**87.4**	43.0	103.3	103.9
Diluted EPS (cents/share)	**87.3**	43.0	103.0	103.8
HEPS (cents/share)	**87.2**	43.0	102.8	103.9

Condensed consolidated statement of financial position

as at 30 June 2013

As at (R million)	Six months ended Reviewed 30 June 2013	Reviewed 30 June 2012	Year ended Audited 31 December 2012
ASSETS			
Non-current assets	**18 204.6**	17 476.3	17 947.0
Property, plant and equipment	**9 188.0**	8 406.6	8 899.2
Mineral rights	**6 617.2**	6 673.6	6 645.0
Goodwill	**2 275.1**	2 275.1	2 275.1
Environmental trust deposit	**99.7**	96.4	103.1
Deferred tax asset	**24.6**	24.6	24.6
Current assets	**2 223.3**	2 263.3	2 154.4
Inventories	**46.4**	61.9	41.1
Trade and other receivables	**1 184.3**	1 033.3	1 202.4
Held to maturity investments	**253.8**	272.5	260.6
Current tax receivable	**0.5**	0.3	0.4
Cash and cash equivalents	**738.3**	895.3	649.9
Total assets	**20 427.9**	19 739.6	20 101.4
EQUITY AND LIABILITIES			
Share capital	**1.7**	1.7	1.7
Share premium	**7 801.2**	7 785.8	7 789.0
Retained earnings	**3 749.2**	3 505.9	3 605.6
Other reserves	**139.0**	91.5	119.7
Non-controlling interest	**4 049.7**	3 907.7	3 964.6
Total equity	**15 740.8**	15 292.6	15 480.6
Non-current liabilities	**4 257.5**	4 131.9	4 175.1
Deferred tax liability	**4 192.5**	4 071.5	4 112.6
Long-term provisions	**65.0**	60.4	62.5
Current liabilities	**429.6**	315.1	445.7
Trade and other payables	**429.1**	313.6	443.3
Current tax payable	**0.5**	1.5	2.4
Total equity and liabilities	**20 427.9**	19 739.6	20 101.4

Condensed consolidated statement of changes in equity

for the six months ended 30 June 2013

	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 interest R million	Total R million
Balance at 1 January 2012	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	–	25.9	(25.9)	–	–	–	–
Share-based payment 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
Share-based payment charge for the six months	–	–	–	31.4	–	31.4	–	31.4
2009 BSP shares vested in December 2012	55 589	–	3.2	(3.2)	–	–	–	–
Profit for the six months to 31 December 2012	–	–	–	–	99.7	99.7	56.9	156.6
Balance at 31 December 2012 (audited)	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 for the six months	–	–	–	31.5	–	31.5	–	31.5
Mahube ordinary shares vested 31 March 2013	187 971	–	12.2	(12.2)	–	–	–	–
Profit for the six months to 30 June 2013	–	–	–	–	143.6	143.6	85.1	228.7
Balance at 30 June 2013 (reviewed)	**164 338 775**	**1.7**	**7 801.2**	**139.0**	**3 749.2**	**11 691.1**	**4 049.7**	**15 740.8**

Condensed consolidated cash flow statement

for the six months ended 30 June 2013

For the period ended (R million)	Six months ended Reviewed 30 June 2013	Reviewed 30 June 2012	% change	Year ended Audited 31 December 2012
Cash generated by operations	**515.7**	302.3	70.6	687.3
Interest received	**16.4**	27.0	(39.3)	64.0
Dividends received	**12.7**	–	100.0	–
Tax paid	**(9.4)**	(9.8)	4.1	(18.7)
Net cash flow generated by operating activities	**535.4**	319.5	67.6	732.6
Proceeds from disposal of property, plant and equipment	**0.4**	–	100.0	–
Acquisition of property, plant and equipment	**(445.9)**	(520.9)	14.4	(1 173.9)
Increase in environmental trust deposit	**(1.5)**	(2.5)	40.0	(8.0)
Net cash flow utilised by investing activities	**(447.0)**	(523.4)	14.6	(1 181.9)
Net cash flow generated by financing activities	**–**	–	–	–
Net increase/(decrease) in cash and cash equivalents	**88.4**	(203.9)	143.3	(449.3)
Cash and cash equivalents at beginning of period	**649.9**	1 099.2	(40.9)	1 099.2
Cash and cash equivalents at end of period	**738.3**	895.3	(17.5)	649.9

Notes to the financial statements

1. Basis of preparation

The condensed 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 condensed 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. The preparation of these interim financial statements was supervised by the Finance Director, Mr MJL Prinsloo, CA(SA).

4. Capital commitments

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

For the period ended (R million)	**Reviewed 30 June 2013**	Reviewed 30 June 2012
Contracted commitments	**729.4**	722.2
Approved expenditure not yet contracted for	**7 647.5**	8 522.6
	8 376.9	9 244.8

The capital commitments reflect 100% of the BRPM JV 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

5.1 Guarantees

For the period ended (R million)	**Reviewed 30 June 2013**	Reviewed 30 June 2012
Eskom guarantee to secure power supply for Styldrift I Project	**17.1**	17.1
Eskom early termination guarantee for Styldrift I Project	**17.5**	17.5
Eskom connection charges guarantee for Styldrift I Project	**40.0**	40.0
Anglo American Platinum guarantee for environmental rehabilitation liability	**77.5**	75.3
Rental guarantee	**0.4**	0.4
Housing guarantee	**200.0**	–
	352.5	150.3

5.2 Tax contingency

On 31 January 2013 Royal Bafokeng Resources (Pty) Ltd (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 re-opening 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. RBR has enlisted independent advice regarding this matter and, based upon the consultation to date, remains confident that it has a reasonable prospect of successfully defending the matter. Correspondence with SARS is ongoing.

6. Financing facilities in place

RBPlat had cash and near cash investments on hand at 30 June 2013 of R992.1 million. The Group has an intra-month funding working capital requirement which is met through a R458 million working capital facility of which R352.5 million had been utilised for guarantees at 30 June 2013. The revolving credit facility (RCF) was increased from R500 million to R1 billion during the first half of 2013 and is repayable by 31 December 2015. The R1 billion RCF has not been utilised to date.

7. Basic and headline earnings

The reconciliation between basic and headline earnings is shown below:

For the period ended	Reviewed 30 June 2013	Reviewed 30 June 2012
Basic earnings – profit attributable to owners of the Company (R million)	143.6	70.6
Adjustments net of tax:		
Profit on disposal of property, plant and equipment (R million)	(0.4)	–
Headline earnings (R million)	143.2	70.6
Weighted average number of ordinary shares in issue for basic and headline earnings per share	164 291 783	163 956 076
Basic earnings per share (cents/share)	87.4	43.0
Diluted earnings per share (cents/share)	87.3	43.0
Headline earnings per share (cents/share)	87.2	43.0
Diluted headline earnings per share (cents/share)	87.1	43.0

8. Sales

(R million)		
Concentrate sales – production from BRPM concentrator	1 449.7	1 272.9
UG2 toll concentrate sales	98.3	32.4
	1 548.0	1 305.3

9. Cost of sales

(R million)		
Labour	371.4	359.9
Utilities	82.9	78.9
Contractor costs	231.0	220.7
Materials and other mining costs	280.4	288.6
Materials and other mining costs – BRPM JV	302.8	309.2
Elimination of intergroup charge	(22.4)	(20.6)
Movement in inventories	(15.3)	(30.1)
Depreciation	158.5	113.1
Amortisation	27.7	26.8
Share-based payment expense	20.0	21.9
Social and labour plan expense	44.0	57.4
State royalties	5.2	4.4
Retrenchments	12.4	–
Other	4.6	0.7
	1 222.8	1 142.3

10. Related party transactions

(R million)		
Amount owing by RPM for concentrate sales	1 050.5	926.9
Amount owing to RPM for contribution to BRPM JV	200.7	62.7
Amount owing by Impala Platinum Limited to BRPM JV	18.9	17.3
Transactions during the six months:		
Concentrate sales to RPM	1 548.0	1 305.3
Impala Platinum Limited royalty income	36.4	20.6
Transactions with Fraser Alexander	7.7	12.8
Royal Marang Hotel	0.2	0.4
Geoserve Exploration Drilling Company	1.0	6.7
Zurich Insurance Company of South Africa (ceased to be an associate as at 25 May 2012)	–	0.4
Trident South Africa (Pty) Ltd	0.3	2.6

11. Dividends

No dividends have been declared or proposed in the current period (2012: nil).

12. Segmental reporting

The Group is currently operating one mine with two decline shafts and the Styldrift I Project. The BRPM JV 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)	Reviewed 30 June 2013	Reviewed 30 June 2012
Concentrate sales	**1 548.0**	1 305.3
Cash cost of sales	**(988.1)**	(968.8)
Depreciation	**(107.1)**	(63.6)
Other operating income	**31.7**	21.2
Other operating expenditure	**(65.8)**	(49.9)
Net finance income	**4.6**	4.3
Segmental profit before tax	**423.3**	248.5
Additional depreciation on purchase price adjustment and amortisation	**(79.1)**	(76.4)
Consolidation adjustments	**22.5**	20.7
Overheads of corporate office and royalties	**(66.6)**	(67.5)
Other income and net finance income	**15.9**	28.7
Profit before tax per the statement of comprehensive income	**316.0**	154.0

Operating and financial statistics

Description	Unit	30 June 2013	30 June 2012	%** change
SAFETY				
LTIFR/200 000	hours	**0.61**	0.67	8.4
SIFR/200 000	hours	**0.32**	0.32	1.6
Injury free days	days	**130**	116	12.1
PRODUCTION				
Tonnes delivered – Total	kt	**1 128**	1 190	(5.1)
Merensky (MER)	kt	**926**	976	(5.2)
Surface sources (MER)	kt	**0**	60	(100.0)
UG2	kt	**202**	153	32.0
IMS ore reserve	km	**6.08**	4.16	46.0
IMS panel ratio	ratio	**1.52**	1.12	35.7
Tonnes milled – Total	kt	**1 095**	1 139	(3.8)
Tonnes milled – MER	kt	**896**	990	(9.5)
Tonnes milled – UG2	kt	**199**	149	33.9
UG2% milled	%	**18**	13	39.2
Built-up head grade (4E) – Total	g/t	**4.28**	4.04	5.8
Built-up head grade (4E) – MER	g/t	**4.41**	4.29	2.7
Built-up head grade (4E) – UG2	g/t	**3.70**	3.35	10.5
Metals in concentrate				
4E	koz	**130**	129	1.1
Platinum	koz	**85**	83	1.4
Nickel	t	**847**	916	(7.5)
LABOUR				
Total working cost labour	No	**5 984**	6 744	11.3
Stoping crew efficiency	m^2/crew	**311**	281	10.7
Enrolled	m^2/crew	**311**	289	7.4
Contractor	m^2/crew	**311**	279	11.5
Tonnes milled/TEC	t/emp	**30**	28	8.4
FINANCIAL				
Cash operating cost	R'm	**988**	969	(2.0)
Operating cash unit cost	R/t	**917**	851	(7.8)
Operating cash unit cost/4E oz*	R/oz	**7 637**	7 519	(1.6)
Operating cash unit cost/Pt oz*	R/oz	**11 756**	11 606	(1.3)
Total capital expenditure	R'm	**446**	521	14.6
Stay-in-business capital	R'm	**49**	116	57.9
SIB % of operating cost	%	**5**	12	58.8
Replacement capital	R'm	**85**	156	44.7
Expansion capital	R'm	**312**	249	(25.3)
Gross profit	%	**21.0**	12.5	68.0
EBITDA	%	**31.2**	20.0	56.0
Average basket price	R/Pt oz	**18 294**	15 638	17.0
Average R:US$	R/US$	**9.30**	7.94	17.1

** Unit cash costs are calculated excluding the incidental tonnages, ounces and costs generated by Styldrift on-reef development*
*** Please note that any difference in percentage change in this table is due to rounding*

Commentary

Safety

Royal Bafokeng Platinum is pleased to have recorded an improvement in most safety metrics during the first half of 2013. The total number of injuries reduced by 36% from the same period in 2012 with the Lost Time Injury Frequency Rate (LTIFR) and Serious Injury Frequency Rate (SIFR) reducing by 8.4% and 1.6% respectively over the same period. Two million fatality-free shifts were achieved on 2 April 2013 and the total number of injury-free days increased from 116 days in the first half of 2012 to 130 days during the period under review.

Notwithstanding the improvement in overall safety performance the Company regrettably recorded a fatal injury at its Bafokeng Rasimone Platinum Mine (BRPM) on 8 May 2013 during which Mr Mohoanyane, working for BRPM support services lost his life during the collapse of a temporary platform at South shaft level 9.

The good from mining

Community projects

The socio-economic development of the local communities is underpinned by our ambition of more than mining. Key focus areas in which various projects and initiatives have been embarked upon include basic infrastructure, health, poverty alleviation, job creation, education and community skills development. These projects have been identified and executed as a result of regular stakeholder engagements with the local communities, Government authorities and the Royal Bafokeng Nation.

A number of projects were initiated and others concluded during the period under review to uplift the socio-economic condition of local communities. These include the construction of a Light Industry Centre which aims to promote entrepreneurship and capacity development of SMMEs, support for Mathematics and Science learners in high school by providing additional educators, refurbishing the Science laboratories and the building of Grade R classes at Chaneng Primary school to enable foundational learning.

Further projects being executed and on schedule include the upgrading and extension of the Phokeng forensic pathology centre which at completion will be able to cater for extra capacity to conduct forensic pathology activities and the construction of internal community road networks. Thirty four community members completed a community skills development programme in mechanised mobile machinery operators which aims to make the local youth employable while creating the necessary skills locally to support future skills requirements of the Styldrift I project.

The BRPM and Styldrift socio-economic development projects are being implemented jointly to enhance their impact considering the needs in the surrounding communities. RBPlat's stakeholder engagement activities are focused on engagement with the local communities and relevant authorities to identify sustainable initiatives that will provide a foundation for long-term empowerment, whilst balancing the commercial needs of the business.

Environmental stewardship

RBPlat's Sustainable Development initiatives are well on track in achieving its strategic intent of "more than mining" with a number of intervention strategies maturing. The first United Nations Global Compact (UNGC) Communication of Progress (COP) was completed to reflect progress on implementation of the 10 UNGC principles which will be shared with all stakeholders in the second half of 2013. A review of RBPlat's Sustainability and Stakeholder Engagement Framework, in line with the UNGC, was started in May 2013 and will be completed within the 2013 financial year which will map out our sustainability strategy and plans for the next three years in line with the Company's strategic plan.

In addition, the Climate Change Vulnerability Assessment was further enhanced by extending its scope across both RBPlat operations to identify potential impacts on its operations and to assist it with future planning. Key vulnerability risks that were identified include potential future water and electricity shortage in the region which is mitigated by a number of energy conservation and water resource interventions. These include a water retreatment plant to treat 4Ml/day (two thirds of our allocated potable water from Magalies Water) which will be reused within our operations. However, the Environmental Impact Assessment process is still in progress. Two other environmental related key projects were initiated and completed, namely a Water Disclosure Project as well as Carbon Disclosure Project as part of our commitment to be a responsible company.

Operational performance

Overview

The operating performance during the first half of 2013 was consistent with the objectives and operating strategies of the Company.

Improving operational flexibility by increasing immediately stopable ore reserves (IMS) has been a consistent key focus at BRPM. IMS face length increased by 46% from 4 163 metres at the end of the first half of 2012 to 6 084 metres at the end of the period under review resulting in an IMS panel ratio of 1.52 compared to the target ratio of 1.50 panels per stoping team. The increase in IMS has enabled the normalisation of development rates benefitting both grade and operating costs and has in addition contributed to improved safety performance and labour efficiencies.

The success achieved in improving IMS has enabled a shift in strategic focus to cost management covering a number of key areas including labour, contractors and high cost consumables. This has contributed to a below inflation increase of 1.6% in unit cost per 4E ounce compared to the corresponding period in 2012. Working cost labour reduced by 11% from 6 744 to 5 984 and contributed to lower costs and improved efficiencies. One unintended consequence of the labour reduction was a significant reduction in sweepings which contributed to lower hoisted and milled tonnes despite a 10% increase in tonnes broken. Action plans to address the shortfall are being implemented.

Production

Ounce output increased by 1.1% compared to the first half of 2012 and ended at 130 278 4E ounces and 84 628 platinum ounces respectively. Overall tonnes milled reduced by 3.8% due to a shortfall in sweepings and lower reef development rates. This was offset by a 5.8% increase in built-up head grade resulting from lower reef development dilution, no processing of low grade surface stockpile and improved mining controls. A 4E built-up head grade of 4.28g/t was achieved during the first six months of 2013 compared to 4.04g/t for the first half of 2012.

The UG2 contribution at BRPM increased from 13% to 18% in line with previous forecasts. The strategy at BRPM remains to maximise Merensky production and supplement with shallow UG2 reef to increase operational flexibility, subject to an evaluation of the UG2 General Facies being mined at BRPM South shaft.

The impact of safety stoppages on operations reduced by 50% compared to the corresponding period in 2012 and amounted to a loss of 44 085 milled tonnes or 4 883 4E ounces, highlighting the importance of the continued improvements in safety performance.

The increase in UG2 contribution resulted in an increase in toll concentrating volumes from 41 786 tonnes to 89 899 tonnes. The grade of UG2 toll treated improved by 10.5% from 3.35g/t 4E to 3.70g/t 4E. The BRPM concentrator recovery of 86.98% was in-line with expectations. A routine inspection on 11 June 2013 of the primary mill at BRPM revealed damage to the trunnion which necessitates replacement of the mill discharge end. The repair work has been scheduled for August and will result in a two to three week concentrator shutdown. Run of mine ore will be stockpiled ahead of the concentrator and will be processed during the remainder of the year.

Operating costs

Total cash operating costs increased by 2.0% from R969 million in the first half of 2012 to R988 million in the period under review. Cash operating costs per tonne milled increased by 7.8% from R851 to R917 per tonne due to the lower volumes. The 4E built-up head grade and consequent 4E ounces in concentrate had a positive impact on the cash operating cost per platinum ounce ending 1.3% higher at R11 756/Pt oz for the first six months of 2013 compared to R11 606/Pt oz in the first half of 2012.

Capital expenditure

Capital expenditure reduced by R75 million or 14.3% from R521 million in the first half of 2012 to R446 million as a result of lower expenditure on stay-in-business (SIB) (R67.3 million), lower expenditure on replacement projects (R70.7 million) and higher expenditure on expansion projects and drilling (R63 million)

SIB expenditure decreased from R116.2 million during the first half of 2012 to R48.9 million as a number of large once-off projects representing 46% of SIB expenditure in 2012 were completed such as the ICT/Supply Chain migration and Tailings Evaporation and Tailings Line projects. The Chairlift at South shaft also remains on hold for 2013 yielding a R14.7 million lower expenditure compared to the first six months of 2012.

The reduction in replacement capital is attributed to a R58.8 million reduction in BRPM Merensky Phase II expenditure due to project completion and a R11.7 million reduction in BRPM Merensky Phase III expenditure due to rescheduled procurement of mechanical and electrical infrastructure.

Expansion capital which is mainly represented by the Styldrift I project expenditure increased by R63 million in line with the project execution schedule. Project expenditure remains significantly below budget.

BRPM Phase III Merensky replacement project

Phase III involves the extension of North shaft Merensky decline from 11 level down to 15 level at the mine boundary. At the end of June the project had progressed to 49% completion against a planned completion of 44% and is 66 days ahead of schedule. Development is 633 metres ahead of schedule with 5 004 metres completed against a plan 4 371 metres. Project completion is forecast at two months ahead of schedule in 2017. Project expenditure to date is at R489 million against a budget of R603 million with an estimated cost at completion of R1.17 billion representing a saving of R102 million.

Styldrift I expansion project

Project scope, schedule and capital cost revision

During the first half of 2013 we concluded the approval of the optimisation study completed in 2012, culminating in the project budget being reduced from the original R11.8 billion to R11.39 billion and the project schedule being extended by 13 months.

The reduction in the overall project cost being achieved through a combination of R323 million project savings accrued to date and R93 million reduction associated with the optimised design, deriving an estimate at completion variance of R416 million. The extension in the project schedule is attributable to the ramp up to steady state being increased from 27 to 36 months, the inclusion of additional shaft and underground infrastructure.

The overall project cash flow has been revised in accordance with the new project schedule.

Progress

The Styldrift I expansion project has advanced to 32.2% completion against a planned completion of 31.2% based on the revised project schedule resulting from the project optimisation study and remains on schedule. Key activities during the first half of 2013 included sinking of the main and service shafts, lateral development on 600 level (Merensky reef), 642 level (top of silos) and 708 level (shaft ore loading level) and construction of the rock winder.

At the end of June the main shaft had progressed to 708 level which was reached in April with completion to a final depth of 758 metres scheduled for June 2014. The services shaft progressed to 642 level with completion to 708 level scheduled for November 2013.

A total of 603 metres of lateral development was completed during the period under review and includes station bulk excavations, ore handling infrastructure and access haulages. A total of 2 349 metres of development has been planned for 2013.

The project remains on schedule with production ramp up commencing in July 2015 and steady state at 230 000 tonnes per month achieved in July 2018.

Expenditure

Total capital expenditure at the end of the first half of 2013 amounted to R2.1 billion with total commitments to R2.8 billion. Capital expenditure for the project on an earned value basis amounts to R2.2 billion. The 2013 full year forecast expenditure is R728 million.

The forecast cost at completion remains at R1 billion below the originally approved budget of R11.8 billion.

Financial review

The net revenue increase of 18.6% is mainly due to a 17% increase in the average basket price to R18 294 per platinum ounce in the first half of 2013 compared to R15 638 in 2012. Revenue from production through the BRPM concentrator increased by 13.9% from R1 272.9 million to R1 449.7 million due to a 3% decrease in ounces produced and a 17% increase in the rand basket price. This includes R8.7 million from Styldrift ounces treated and sold. Revenue from toll concentrating of UG2 increased by 203% from R32.4 million for the first six months of 2012 to R98.3 million for the period under review as a result of a 157% increase in toll concentrating ounces and a 17% increase in the rand basket price.

Gross profit margin improved by 68.0% from 12.5% to 21.0% for the period ended 30 June 2013. This was due to the 18.6% increase in net revenue offset by a 7% increase in cost of sales for the six months ended 30 June 2013.

Depreciation charges increased by 40% from R113.1 million to R158.5 million mainly due to the depreciation of the R1 billion BRPM Phase II Merensky replacement project capital that was commissioned in June 2012 and depreciated thereafter.

Earnings before interest, tax, depreciation and amortisation (EBITDA) as a percentage of revenue increased to 31.2% from 20% in the first half of 2012 mainly as a result of the increase in the basket price adjusted by a marginal increase in cash operating costs at the operation.

Other income increased by R10.5 million from R21.2 million in the first half of 2012 to R31.7 million for the period under review. The increase is due mainly to an increase in the Impala royalties.

Finance income reduced by R12.3 million to R22.3 million and relates to interest earned on cash on hand including dividends received on the Nedbank preference share investment.

Administration expenditure decreased by 3% to R61.4 million compared to the same period last year.

The current income tax charge reduced to R7.4 million mainly due to the reduction in finance income. Deferred tax increased from the prior year due to higher BRPM JV profits.

During the six months ended 30 June 2013, the Company increased its cash and cash equivalents by R88.4 million after funding all capital expenditure of R446 million.

At 30 June 2013 the RBPlat Group's balance sheet remained ungeared with cash and near cash investments of R992 million. The R500 million Nedbank revolving credit facility was increased to R1 billion in July 2013 and the working capital facilities for the Group increased from R258 million to R458 million. To date the revolving credit facility remains undrawn.

At 30 June 2013 the RBPlat Group provided a R200 million guarantee for the 400 houses that are currently being built as part of the Group's housing project. The increase in the working capital facility from R258 million to R458 million was utilised for this guarantee.

Market review

The platinum price declined by 13% in the first six months of 2013, reaching a low of US$1, 317/oz in late June. This is despite the growth in platinum investment demand as a result of the newly launched domestic platinum exchange traded fund (ETF) which now represents over 20% of total global platinum ETF holdings. Platinum group metal (PGM) supply from South Africa is expected to be lower than last year's levels as the challenges facing the platinum sector are expected to continue until end of the year with the possibility of more industrial action in the second half of the year. This should lead to higher PGM prices but given weak industrial demand and the significant amount of above ground stocks, RBPlat is of the view that PGM prices will remain relatively flat for the remainder of the year.

Changes to the board of directors

We are pleased to announce the appointment of Mr Lucas Ndala as a non-executive director to the board of directors ("Board") with effect from 28 May 2013.

Mr Ndala is a Chartered Accountant and is currently the Chief Financial Officer of Royal Bafokeng Holdings Proprietary Limited. In addition, Mr Ndala holds various directorships such as, Fraser Alexander Proprietary Limited, Atterbury Investment Holdings Proprietary Limited and MB Technologies Limited.

The Board welcomes Mr Ndala's appointment as a strategic step towards the further growth of the Company.

Outlook

We remain committed to keeping our employees safe from any harm and plan to build on the much improved safety record that we achieved in the first half of the year, notwithstanding, the fatal accident at South shaft. Full year production of approximately 2.3 million tonnes milled is anticipated with a UG2 contribution of up to 20%, subject to no material impact from unforeseen events. The mill end repair scheduled for August may impact on milled tonnes. We endeavour to invest every effort to process the majority of the Merensky ore to be stockpiled ahead of the concentrator during the shutdown by year end and will investigate means to increase toll treatment of excess UG2 ore. Cost containment will remain a core management focus for the remainder of the year.

Even though we anticipate significant deficits in the palladium and platinum markets, we don't expect prices to rise markedly from current levels due to the amount of above ground stocks. This does impact on the cash we generate from BRPM but we are confident that we are still on track to fund our Styldrift I project as previously envisaged. The increased facilities negotiated provide sufficient flexibility to access the capital markets at the most opportune time during 2014/15.

Steve Phiri	Kgomotso Moroka
Chief Executive Officer	*Chairman*

8 August 2013

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