ROYAL BAFOKENG PLATINUM

MORE THAN MINING

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

>MORE THAN MINING

Forward looking statements

Certain statements in the commentary constitute forward looking statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, objectives or achievements of Royal Bafokeng Platinum Limited (RBPlat) and its subsidiary companies, as well as the industry in which it operates, to be materially different from future results, performance, objectives or achievements expressed or implied by these forward looking statements. The performance of the RBPlat Group is subject to the effect of changes in commodity prices, currency fluctuations, uncertainty around the supply of electricity, the risks involved in mining and concentrating operations and the operating procedures and performance of the Group.

POSITIONED FOR SUSTAINABLE LONG-TERM GROWTH

Royal Bafokeng Platinum

- POSITIONED FOR LONG-TERM GROWTH
- OPERATIONAL FLEXIBILITY
- STRONG STAKEHOLDER RELATIONS
- PRUDENT FINANCIAL MANAGEMENT
- DECISIVE AND EXPERIENCED MANAGEMENT TEAM
- STRONG CORPORATE GOVERNANCE AND RISK MANAGEMENT

A simple, effective and achievable strategy

that drives efficiencies and creates stakeholder value

The four pillars of our strategy are designed to deliver earnings and growth for all our stakeholders through responsible safe mining. We measure our progress against these pillars by continually monitoring our performance against our key financial and non-financial performance indicators.

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

OUR PEOPLE

We continue to invest in training and development of our people and our communities through our social and labour plans

OUR VALUES

Safety and people first

Mining is a high-risk business and cannot succeed without total trust, respect, teamwork and an uncompromising commitment to safety and people first

Promises delivered

We do what we say we will do

Mutual interests and mutual rewards

We have mutual goals and mutual interests and we depend on each other to realise our vision and mission. We operate in good faith, openly and transparently

Positioned for long-term growth

> Low-risk growth:
  - ± 280koz (4E) increasing to 470koz (4E) with ramp-up of Styldrift I

> Shallow long-life Merensky producer

Operational flexibility

> Merensky-biased with UG2 mining platform

> IMS panel ratio of 1.5

> Toll treatment facility for UG2 ore

> Modular approach to processing our PGMs

Strong stakeholder relations

> Labour stability

> Good relationships with communities

Prudent financial management

> Cash preservation strategy

> Deferral of capex in response to current market conditions

> Commitment to cost management

> Strong balance sheet

Decisive and experienced management team

> Rapid response to changes in market conditions including rescheduling and restructuring mining operations

Strong corporate governance and risk management

> Complies with and exceeds current Mining Charter requirements

> Experienced and balanced Board of directors

> Agile decision making processes

> Progressive risk appetite and tolerance framework applied across our business

OUR STRATEGY IS UNDERPINNED BY OUR ASPIRATION OF ACHIEVING MORE THAN MINING

OUR CHALLENGES

> Preventing fatal accidents in our operations

> Improving the safety maturity level of our operations

> Maintaining production volumes

> Reducing costs

> Market conditions impacting our ability to achieve organic growth

> Attracting and retaining critical skills

> Sustainability of our SLP projects

> Climate change management

MAINTAINING THE SUSTAINABILITY OF OUR BUSINESS

Our approach to managing sustainability in RBPlat is integrated with and aligned to the four pillars of our business strategy. It is based on our commitment to achieving sustainability by balancing our aspirations for a prosperous mining business with responsibility and accountability for our impact on the natural environment, society (including the communities in which we operate) and the broader economic environment.

Operating and financial statistics
for the six months ended

	Unit	30 June 2016	30 June 2015	% change
Safety				
Fatalities	number	**1**	2	50
LTIFR	/200 000 hours	**0.32**	0.51	37.3
SIFR	/200 000 hours	**0.17**	0.14	(21.4)
TIFR	/200 000 hours	**1.19**	1.62	26.5
Production				
Total tonnes delivered	kt	**1 296**	1 178	10.0
BRPM	kt	**1 156**	1 167	(0.9)
Styldrift	kt	**140**	11	1 172.7
Merensky	kt	**1 018**	876	16.2
UG2	kt	**278**	302	(7.9)
Total development	km	**17.6**	17.4	1.1
Working cost development	km	**15.2**	15.7	(3.2)
Capital development	km	**2.4**	1.7	41.2
IMS ore reserve face length	km	**5.9**	6.1	(3.3)
IMS panel ratio	ratio	**1.57**	1.67	(6.0)
Total tonnes milled	kt	**1 292**	1 107	16.7
BRPM	kt	**1 150**	1 097	4.8
Styldrift	kt	**142**	10	1 320.0
Merensky	kt	**1 015**	810	25.3
UG2	kt	**277**	297	(6.7)
UG2% milled	%	**21**	27	(22.2)
Built-up head grade (4E)	g/t	**4.01**	4.03	(0.5)
BRPM	kt	**4.11**	4.06	1.2
Styldrift	kt	**3.23**	0.70	361.4
Merensky	g/t	**4.08**	4.14	(1.4)
UG2	g/t	**3.75**	3.72	0.8
Metals in concentrate				
4E*	koz	**142.0**	122.0	16.4
Platinum*	koz	**91.6**	78.8	16.2
Palladium	koz	**37.9**	32.3	17.3
Rhodium	koz	**8.3**	7.5	10.7
Gold	koz	**4.2**	3.5	20.0
4E + Ruthenium and Iridium	koz	**158.8**	137.3	15.7
Nickel	t	**868**	734	18.3
Copper	t	**559**	466	20.0
Labour				
Total labour	number	**7 229**	8 824	18
Working cost labour	number	**6 330**	6 279	(0.8)
Capital labour	number	**899**	2 545	64.7
Tonnes milled per total employee costed	t/emp	**30**	29	3.4
Financial				
Cash operating cost	R'm	**1 329**	1 228	(8.2)
Cash operating cost/tonne milled	R/t	**1 156**	1 119	(3.3)
Cash operating cost/4E ounce**	R/oz	**10 236**	10 080	(1.5)
Cash operating cost/platinum ounce**	R/oz	**15 882**	15 615	(1.7)
Total BRPM JV capital expenditure***	R'm	**517**	1 141	54.7
Stay-in-business capital	R'm	**56**	54	(3.7)
SIB% of operating cost	%	**4.2**	4.4	4.5
Replacement capital	R'm	**43**	92	53.3
Expansion capital	R'm	**418**	995	58.0
Gross profit margin	%	**11.4**	0.6	1 800
EBITDA margin	%	**18.5**	11.1	66.7
Average basket price	R/Pt oz	**19 680**	18 062	9.0
Average R:US$	R/US$	**15.4**	11.9	29.4

* *Includes 12.1koz (4E) and 7.9koz (Pt) from Styldrift for the first six months of 2016.*

** *Unit cash costs are calculated excluding tonnages, ounces and costs generated by Styldrift I on-reef development.*

*** *The R517 million (2015: R1 141 million) capital expenditure for the BRPM JV excludes the elimination of intergroup charges of R9 million (2015: R19 million) resulting in RBPlat Group capital expenditure of R508 million (2015: R1 122 million).*

Please note that any differences in various percentages in this table and in the commentary are due to rounding.

ACHIEVEMENTS

- **67%** improvement in EBITDA margin
- **229%** increase in headline earnings per share
- **Successfully** completed the BRPM concentrator 250ktpm in-plant upgrade

IMPROVEMENTS

- **27%** reduction in TIFR
- **37%** reduction in LTIFR
- **10%** increase in tonnes delivered
- **17%** increase in tonnes milled
- **16%** increase in 4E metals and platinum in concentrate

CHALLENGES

- Cash operating unit cost **increases**

DISAPPOINTMENTS

- Fatality at our BRPM North shaft
- **21%** increase in SIFR

Commentary

Overview

The first six months of 2016 continued with no meaningful improvement in the PGM market. Our improved average basket price, lower than planned expenditure at Styldrift I, together with our ongoing focus on cash preservation and maintaining a strong balance sheet, resulted in R1 033.2 million cash on hand at the end of June 2016.

Through a combination of continued healthy labour relations, an improvement in our overall safety performance, operational flexibility at Bafokeng Rasimone Platinum Mine (BRPM), and meaningful increases in Styldrift I's contribution to production we were able to achieve operational stability and a consequent overall improvement in operational performance year-on-year. We have also been able to deliver against some of the key performance indicators that underpin our strategic pillars of *Towards operational excellence* and *Build flexibility* to ensure sustainability. The operational stability we have achieved also provides the basis for continued improvement in our operational performance in the future.

Tragically we had a loss of life at BRPM during the reporting period. Mr Mokone lost his life at our North shaft operation on 12 May 2016. Our Board of directors (the Board) and management team extend their condolences to his family, friends and colleagues. Notwithstanding this tragic loss of life we have achieved pleasing improvements not only in most of our key safety metrics, but also in our safety systems, people behaviour and standards of compliance. Safety-related stoppages reduced by 73% and as a result the impact of safety stoppages on ounces lost improved from 14.3koz (4E) to 3.8koz (4E) compared to the same period in 2015. Achieving zero harm remains a key performance indicator of our strategic pillar *Towards operational excellence* which we are committed to achieving through the establishment of a resilient operating culture.

In terms of our third strategic pillar to *Grow organically* to position RBPlat to compete over the long term, development and construction activities at our Styldrift I growth project during the period under review are in line with our stated strategy of delaying the ramp-up by at least 12 months, while developing key infrastructure, establishing sufficient stoping face length to sustainably deliver 50ktpm and supporting an aggressive ramp-up in order to reach steady state by the first quarter of 2020.

In line with our strategic pillar to *Grow organically*, we are pleased to announce that, in terms of section 102 of the Mineral and Petroleum Resources Development Act 28 of 2002, the Minister of Mineral Resources has approved the inclusion of the remaining extent of portion 10 (a portion of portion 4), portion 14 and portion 17 (a portion of portion 10) of the farm Frischgewaagd 96 JQ into the Styldrift mining right. As a result a significant proportion of the Frischgewaagd resources will be converted to reserves in the company's annual Mineral Resources and Reserves Statement for 2016.

Financial capital

RBPlat delivered headline earnings of 77.8 cents per share for the six months ended 30 June 2016 compared to a headline loss of 60.4 cents per share for the six months ended 30 June 2015. The main reasons for the improved earnings per share include:

> a higher realised average rand basket price for the six months ended 30 June 2016 (14 cents per share increase)
> revenue for the six months ended 30 June 2016 included a positive revaluation of the pipeline of R70.2 million while the revaluation of the pipeline for the prior comparative period reflected a negative R12.8 million resulting in a total positive movement of R83 million (21 cents per share increase)
> a once-off deferred tax credit resulting from our housing project capitalisation (24 cents per share increase)
> the impact of a once-off current and deferred tax charge related to the settlement of a taxation dispute with SARS relating to the tax assessments for the 2008, 2009 and 2010 tax years that was processed during the previous corresponding period (57 cents per share increase)
> a reduced fair value depreciation and amortisation charge due to the impairment of fair value adjustments at the end of the 2015 financial year (13 cents per share increase).

Net revenue increased by 15.8% from R1 422.6 million in the first half of 2015 to R1 646.9 million for the reporting period due to a 9% increase in the average rand basket price to R19 680 per platinum ounce in the first half of 2016 compared to R18 062 in 2015 and a 6% increase in platinum ounces sold.

BRPM's average cash operating cost per platinum ounce increased by 1.7% from R15 615 to R15 882 due to a 5% increase in platinum ounce production and cash operating costs being 8.2% higher.

Our gross profit margin improved from 0.6% to 11.4% for the period ended 30 June 2016. This was due to the 15.8% increase in net revenue and a 3.2% increase in total cost of sales for the six months ended 30 June 2016.

Depreciation and amortisation charges included in cost of sales were R50.7 million lower than those of the comparative period in 2015 due to the fair value adjustments to property, plant and equipment and mineral rights allocated to BRPM being impaired in the latter part of 2015.

Earnings before interest, tax, depreciation and amortisation (EBITDA) as a percentage of revenue increased from 11.1% to 18.5% in the first half of 2016 mainly as a result of the increased revenue and administration costs being 19% lower.

Our other income increased by R1.5 million from R35.6 million in the first half of 2015 to R37.1 million for the period under review. This is due to the increase in the royalties paid by Impala from R22.2 million in 2015 to R29.9 million for the six months ended 30 June 2016 as well as an increase in the fair value adjustment to the Nedbank equity-linked deposits from R2.7 million in 2015 to R10 million in 2016. Other income for the reporting period also included a loss of R8.7 million on the fair value of forward exchange contracts (FECs) (R:US$ and Euro FECs) and call options entered into in 2015 mainly to hedge Euro exposure for acquiring equipment from Europe for our Styldrift I project. This loss on the fair value of FECs and call options of R8.7 million in 2016 compares to a profit of R10.1 million in 2015.

Finance income decreased by R17.5 million to R45.4 million due to a decrease in cash on hand as cash was invested in the BRPM JV expansion projects.

Finance costs decreased from R7.4 million to R3.6 million mainly due to interest on the PIC housing facility being capitalised to housing assets for 2016.

Administration expenses decreased by R16.4 million to R72.2 million compared to the same period last year. The main reason for the decrease is that executives and senior management did not receive salary increases and bonuses in 2016.

The income tax charge decreased to R9.1 million as the comparative period income tax charge included a R50 million once-off charge relating to the 2008, 2009 and 2010 tax settlement. Deferred tax decreased by R84.7 million from R51.6 million for the six months ended 30 June 2015 to a deferred tax credit of R33.1 million in 2016. The deferred tax credit in 2016 of R33.1 million consists of a R70 million once-off deferred tax credit relating to the tax effect of the housing capitalisation and a R36.9 million deferred tax expense due to increased mining income. The R51.6 million deferred tax expense for 2015 included a R60 million once-off charge relating to the 2008, 2009 and 2010 tax settlement.

At 30 June 2016 the RBPlat Group had cash and near cash investments of R1 033.2 million of which R37.7 million is ring-fenced to the RBPlat housing project. The Group has a R458 million working capital facility of which R158.9 million has been utilised for guarantees at 30 June 2016. RBPlat's revolving credit facility (RCF) of R500 million remained undrawn at 30 June 2016.

Styldrift I on-reef development revenue cash receipts during the six months ended 30 June 2016 amounted to R102.6 million with R111.3 million outstanding and shown as part of trade receivables at 30 June 2016.

Manufactured capital

Production

Total tonnes delivered to concentrators for the reporting period increased by 10% to 1 296kt compared to the comparative period in 2015, with Merensky tonnes delivered increasing by 16% to 1 018kt and UG2 tonnes delivered decreasing by 8% to 278kt. The net impact of this change in the mining mix resulted in the delivered UG2 contribution percentage decreasing by 19% from 26% to 21% for the first six months of this year. The increase in the Merensky contribution is directly attributable to higher on-reef development volumes delivered from Styldrift I, our organic growth project.

Working cost development decreased by 3% to 15.2km, the reduction being in line with the deferment of our South shaft UG2 footwall development as part of our ongoing cash preservation strategy. Development rates on both the North and South shaft Merensky horizons and North shaft UG2 horizon exceed current depletion rates. These development rates, combined with an additional focus on panel equipping resources have resulted in our IMS panel ratio increasing by 4% to 1.57 compared to the 1.51 we achieved at the end of 2015. Total development increased by 1% with the decrease in working cost development being offset by an increase in capital development at our Styldrift I project.

Commentary continued

Higher mining volumes and improved mill availability at the BRPM concentrator compared to the first half of 2015 resulted in total tonnes milled increasing by 17% or 185kt to 1 292kt. Merensky milled tonnes were 25% higher at 1 015kt and UG2 tonnes milled decreased by 7% to 277kt. This resulted in the UG2 contribution being reduced to 21% compared to the 27% for the comparative period, in line with our target of a 20% UG2 contribution. Milled volumes from BRPM increased by 5% to 1 150kt.

The 4E built-up head grade decreased marginally by 0.5% from 4.03g/t (4E) to 4.01g/t (4E) despite the higher Merensky contribution to overall tonnes milled. The decrease is attributable to the increase in the lower grade on-reef development volumes from the Styldrift I project, in line with expectation and previous guidance.

The 17% increase in milled volumes and 0.5% decrease in built-up head grade combined with stable recoveries yielded a 16% increase in 4E and platinum ounce production, with 142koz (4E) and 92koz (Pt) metals being produced in concentrate.

Total labour reduced by 18% to 7 229 employees compared to the comparative period in 2015, with working cost labour increasing by 0.8% or 51 persons and capital labour reducing by 1 646 employees compared to the previous reporting period. This increase in the working cost labour is mainly due to the introduction of in-stope roof bolting at our South shaft operation during the second half of 2015 and additional support service personnel related to our revised safety strategy. The decrease in capital labour is as a direct result of the reduction in construction activities at our Styldrift I project and the winding up of capital development activities at our North shaft Phase III replacement project as it nears completion.

Notwithstanding the 0.8% increase in working cost labour, productivity improvements were realised in tonnes milled per total employee costed due to the higher milled volumes achieved and productivity directed initiatives. Tonnes milled per total employee costed increased by 3% compared to the comparative period in 2015.

Operating costs

Our total cash operating costs increased by 8% from R1 228 million to R1 329 million when compared to the first six months of last year. Notwithstanding cost savings in our water utility costs due to the implementation of our water treatment plant and cost management efforts to keep sundry, stores and consumable cost increases below CPI, significantly higher than CPI increases in labour and contractor costs remain a challenge for the industry. The 5% increase in BRPM milled volumes resulted in a unit cash cost per tonne milled increase of 3.3%, a unit cash cost per 4E ounce increase of 1.5% and a unit cash cost per platinum ounce increase of 1.7%.

Although we are pleased with the below CPI performance to date, the impact is diminished given the backdrop of high unit cost increases experienced in the first half of 2015. As such, our key challenge for the remainder of the year will be to continue maintaining unit cost increases below CPI.

Capital expenditure

Total capital expenditure for the period under review amounted to R517 million, equating to a 55% or R624 million reduction compared to the first half of 2015. This reduction in expenditure is in line with the cash preservation initiatives we introduced during the second half of 2015 in response to the prevailing depressed market conditions. Expansion and replacement capital expenditure were reduced by R577 million. The key initiatives included:

- scaling down construction-related activities at our Styldrift I project
- deferring the 100ktpm concentrator module and overland conveyor belt from Styldrift I to the BRPM concentrator
- deferring the Styldrift II feasibility study and associated exploration drilling
- review of stay-in-business (SIB) expenditure requirements in the short to medium term.

SIB expenditure increased by 4% to R55.8 million compared to the same period in 2015, amounting to 4.2% of operating expenditure. This remains within our cash preservation strategy target of between 4 and 5% of operating expenditure.

Projects

BRPM Phase III replacement project

The Phase III project extends the North shaft Merensky decline system and associated infrastructure from 10 level to the mine boundary at 15 level. The project remains ahead of schedule and under budget ending the reporting period 93% complete against a planned completion of 89%. The project remains on track to be completed as per project schedule in 2017 despite the deferment of construction-related activities on 14 and 15 level. All the lateral and decline development on the project is now complete.

Capital expenditure for the reporting period amounted to R43.2 million resulting in a total project expenditure to date of R1 035 million.

Styldrift I expansion project

Development and construction activities progressed steadily during the first six months of 2016 with a total 2 068m of development having been completed and 140kt of ore being delivered to the concentrator at a grade of 3.23g/t (4E). The main construction activities during the reporting period focussed on establishing temporary workshop facilities, construction of Silo 2 and preparation for Silo 4 construction and equipping of the Services shaft.

Notwithstanding the steady progress made to date, development progress has not been to plan due to changes in our support methodology subsequent to the fatal accident in December 2015 and localised geotechnical conditions encountered on both 600 level and 642 level impacting on development crew performance. Several initiatives are currently being introduced by the operational team to improve production capacity and mitigate any slippage. These include:

- introduction of dump trucks to reduce overall tramming distances
- introduction of additional bolters and LHDs
- mobilisation of additional secondary support crews
- rock hoisting has been extended to night shift, previously only day shift
- additional key trackless supervisory and operating staff recruited.

Finalisation of our revised capital and production schedule subsequent to the slow-down of construction activities has progressed well to date and on schedule for completion during the third quarter of this year. As part of the ongoing technical review process two issues were identified as having the potential of impacting both the schedule and costs due to their possible effect on productivity and mine design. These are in the process of being quantified as part of our change of scope process and they relate to:

- an amendment of the regulations to the Mine Health and Safety Act relating to machinery and equipment with specific reference to the implementation of collision avoidance systems on trackless underground machinery
- revised regional shaft stability pillar requirements.

Capital expenditure on the project for the six months amounted to R414 million bringing total capital expenditure for the project to date to R5 891 million.

BRPM concentrator upgrade

The BRPM concentrator "in-plant" activities related to the 250ktpm upgrade were successfully completed during the second quarter of the reporting period. Operational "stress tests" were conducted during the second quarter to verify that the plant's operational capability meets its design capacity from a hydraulic load and metallurgical recovery point of view. All tests were successful.

"Out of plant" activities related to the silo construction and overland "tie-in" belt are yet to be completed. The project completion is forecast to be within budget, with R291.9 million having been spent on the project to date against a total budget of R349 million.

Human capital

Safety, health and wellness

During the first half of the year our key focus was on the ongoing implementation of our revised safety strategy and initiatives which we began implementing late in 2015. We were encouraged by the improvements we achieved of 58% and 48% in our serious injury frequency rate (SIFR) and lost time injury frequency rate (LTIFR), respectively, during the first quarter of 2016. However, while our total injury frequency rate (TIFR) and LTIFR for the first six months of the year reduced by 27% and 37% year-on-year, we recorded a disappointing 21% increase in our SIFR.

At RBPlat all our employees and volume contractors are members of a medical aid. We have identified the main health issues affecting our workforce and continually address these. Currently, TB is a major focus as is HIV/Aids management. In line with our commitment to screen each of our employees (including contractors) for TB three times over the next three years, 5 786 were screened during the first six months of 2016. Thirty-eight employees are currently on the RBPlat TB programme. In addition, 32 employees completed their treatment and were cured of TB during the first half of the year. None of our employees currently undergoing treatment for TB have multi-drug-resistant TB. We introduced a community TB screening programme in December 2015. Since then 1 215 community members have been screened for TB. Any community members suspected of having contracted TB are referred to the nearest clinic for further testing and treatment, where necessary.

Commentary continued

Labour stability

Labour stability continues to play a key role in our relationship with our unions and employees. To this end the parties have concluded a closed shop agreement in accordance with the provisions of section 26 of the Labour Relations Act 66 of 1995 resulting in the majority union (NUM) being the sole bargaining union at RBPlat. This agreement was voted for by 81% of the employees employed at our operations. The contractor companies operating at RBPlat's operations have similarly concluded closed shop agreements with their unions and employees.

Social and relationship capital

Our purpose is to create economic value that we can share with all our stakeholders. Our Sustainability and Stakeholder Engagement framework was reviewed, updated and approved by the Board in June 2016. This framework articulates RBPlat’s strategic commitment to sustainable development in line with the sustainable development goals adopted by the UN in 2015 and best practice stakeholder engagement. It is an integral part of our approach to risk management and guides our operations to do business in a sustainable manner, promotes sound environmental and social practices, encourages transparency and accountability and consolidates important aspects of embedding sustainability into the way we do business in our organisation. The framework was approved with three-year implementation plans which are continually monitored through Board committees.

Natural capital

Energy management

In line with our new Sustainability framework we have developed an energy management policy and energy management strategy which were approved by the Board in June 2016 to support the energy efficiency targets adopted in 2015. As a PGM producer we rely on energy and understand that its consumption represents a significant cost for the business and leads to the production and release of greenhouse gas emissions which contribute to global climate change.

The strategy was approved with a three-year implementation plan which will enable us to proactively manage our energy risks, as well as related opportunities while supporting the commitments we have made in our Sustainability, Energy Management, Climate Change and Safety, Health and Environmental (SHE) policies.

Our concentrator plant performed well within the 2016 energy target of 52kWh/tonne treated and achieved an efficiency of 48.6kWh/tonne treated while our mining operations at BRPM achieved an efficiency of 66.7kWh/tonne hoisted, which is higher than the set target of 59.5kWh/tonne hoisted. Energy saving initiatives identified as part of the approved energy management strategy will be implemented to ensure achievement of the efficiency targets.

Water management

Our operations are based in a water scarce region where the increase in demand for water has led to a shortage of water in some parts of the North West province. We commissioned our water treatment plant at the end of 2015 to enable us to reduce our use of Magalies water. The plant treated approximately 2.62Ml of water per day and produced 469.08Ml of water in the first six months of 2016.

The concentrator plant performed well within the 2016 water efficiency target of 0.49kl/tonne treated and achieved an efficiency of 0.361kl/tonne treated while the mining operations at BRPM achieved an efficiency of 0.242kl/tonne hoisted, which is slightly higher than the set target of 0.206kl/tonne hoisted.

In line with our Sustainability framework and our climate change strategy we are in the process of developing a formalised water management strategy to enable us to proactively manage our water risks and related opportunities.

Market review

Platinum

Platinum demand is forecast to increase by 1% in 2016 as automotive and jewellery demand expand modestly and offset a slight decline in industrial usage. Western Europe is the largest diesel market and tightening emissions legislation and increasing vehicle sales should see platinum demand increase in 2016 even though diesel’s market share is gradually declining. European Union passenger car sales were up 9.4% in the first half of the year according to the European Automobile Manufacturers Association.

Platinum jewellery demand in China, the largest jewellery market has been lacklustre so far in 2016, but other regions are expected to see increased jewellery sales helping push demand up year-on-year. India in particular is seeing rapid growth in platinum jewellery demand driven by Platinum Guild International's Evara marketing campaign. The outlook for industrial demand is for an overall decline this year, as lower demand in both the glass and petroleum sectors outweighs increases in the medical and biomedical and other sectors, while chemical and electrical demand is little changed.

Platinum prices weakened towards the end of 2015 as the US Federal Reserve raised interest rates, the US dollar strengthened and the rand weakened. The price started the year at $872/oz but recovered by 15% to over $1 000/oz at the end of June 2016, just short of the price at the same time last year. A stronger rand-dollar exchange rate, platinum's link to rising gold prices, solid automotive sales in Europe and the prospect of lower year-on-year supply from South Africa have aided the recovery in platinum prices.

Palladium

Palladium demand is projected to increase this year by 1% as its main use in autocatalysts is supported by increasing light vehicle sales which are expected to continue to advance in China and remain robust in the US. Palladium prices are dependent on global economic growth and particularly on the fortunes of China, which is the largest gasoline market and so a major driver of palladium demand. Falling confidence in China's economic growth projections had seen the palladium price decline to below $500/oz at the beginning of 2016. However, car sales grew ahead of expectations by just over 8% in the first half of 2016 according to the China Association of Automobile Manufacturers, boosted by new models and strong demand for SUVs, as well as ongoing support from a Chinese government stimulus package of tax cuts for vehicles with engines under 1.6 litres. Passenger car sales increased by over 17% in June helping to lift palladium prices to over $600/oz.

Rhodium

Rhodium demand is expected to drop by 4% in 2016 as thrifting in Western European diesel autocatalysts outweighs gains from gasoline three-way catalysts, particularly in China, and increased industrial usage. Unless there are further reductions to projected supply the market is likely to remain well supplied. South African supply is forecast to drop by approximately 10% in 2016, but this will only serve to keep the market balanced, when the market needs to destock metal that has accumulated since 2008.

Outlook

In line with our strategy, one of our objectives during the second half of the year is to achieve zero fatalities, maintain the improvement in our LTIFR achieved to date and reverse the deterioration in our SIFR by year end so as to show a year-on-year improvement. Key to achieving this objective will be the continued implementation of our revised safety strategy and progress the business from a compliance based safety culture to a resilient based culture.

In addition to our unwavering approach to safety, focus will also be placed on meeting our strategic objectives with regards to production volumes, grade and cost reduction to maximise cashflow by:

- consolidating operational flexibility and efficiency improvements made at BRPM during the first six months of 2016
- ensuring Styldrift I remains optimally resourced to meet its development and construction targets to ensure successful execution
- maintaining strict operational and capital cost control and management
- maintaining operational stability through ongoing meaningful dialogue with organised labour and communities.

Joint venture production guidance for the full year is forecast at 2.75Mt to 2.90Mt at a 4E built-up head grade of between 3.95 and 4.05g/t, subject to any unforeseen operational disruptions, and therefore remains in line with the previously communicated guidance. Total joint venture capital expenditure for the year remains estimated at R1.3 billion, with the key driver continued to be the construction programme for the Styldrift I project estimated at R1 billion. SIB expenditure is forecast to remain between 4 and 5% of operating expenditure for the remainder of the year.

Numerous disruptions to mining have led to a lower projected outlook for South African platinum supply for the year with an expected reduction in output to approximately 4.17Moz. Meanwhile platinum recycling from scrap autocatalysts has been growing slower than anticipated owing to the ongoing shortfall of scrap volumes from vehicle dismantlers as low scrap steel prices dis-incentivise recycling activities. This, against a backdrop of steady platinum demand, should lead to a market shortfall for the year.

Condensed consolidated interim statement of financial position
as at 30 June 2016

	Notes	30 June 2016 reviewed R (million)	30 June 2015 reviewed R (million)	31 December 2015 audited R (million)
Assets				
Non-current assets		**17 328.6**	20 984.2	17 148.8
Property, plant and equipment		**10 307.6**	11 844.4	10 129.7
Mineral rights		**5 748.6**	6 490.3	5 766.0
Goodwill		**863.3**	2 275.1	863.3
Environmental trust deposits and environmental guarantees		**130.8**	119.1	114.9
Employee housing loan receivable		**162.9**	149.6	157.7
Employee housing benefit		**49.0**	47.9	51.4
Insurance investment		**31.6**	30.0	31.0
Deferred tax asset		**34.8**	27.8	34.8
Current assets		**2 738.1**	3 078.6	2 610.5
Employee housing benefit		**4.2**	4.0	4.3
Employee housing assets		**311.5**	270.9	264.2
Inventories		**80.2**	97.7	55.1
Trade and other receivables		**1 307.8**	1 393.8	1 365.7
Current tax receivable		**1.2**	–	3.6
Cash and cash equivalents	6	**1 033.2**	1 312.2	917.6
Total assets		**20 066.7**	24 062.8	19 759.3
Equity and liabilities				
Total equity		**14 733.8**	18 117.9	14 484.3
Share capital		**1.9**	1.9	1.9
Share premium		**9 397.3**	9 366.1	9 366.1
Retained earnings		**1 435.9**	4 215.1	1 285.9
Share-based payment reserve		**185.7**	169.1	194.7
Non-distributable reserve		**82.5**	71.8	71.8
Non-controlling interest		**3 630.5**	4 293.9	3 563.9
Non-current liabilities		**4 110.4**	4 964.4	4 125.7
Deferred tax liability		**3 630.6**	4 538.5	3 663.7
PIC housing facility		**378.6**	334.2	366.9
Restoration and rehabilitation provision and other		**101.2**	91.7	95.1
Current liabilities		**1 222.5**	980.5	1 149.3
Trade and other payables		**1 222.5**	966.5	1 149.3
Current tax payable		**–**	14.0	–
Total equity and liabilities		**20 066.7**	24 062.8	19 759.3

The notes on pages 16 to 24 form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of comprehensive income

for the six months ended 30 June 2016

	Notes	For the six months ended 30 June 2016 reviewed R (million)	30 June 2015 reviewed R (million)	% change	Year ended 31 December 2015 audited R (million)
Revenue	8	**1 646.9**	1 422.6	15.8	3 044.7
Cost of sales	9	**(1 458.9)**	(1 414.3)	(3.2)	(3 084.5)
Cost of sales excluding depreciation and amortisation		**(1 335.8)**	(1 254.9)	(6.4)	(2 640.2)
Depreciation and amortisation		**(150.2)**	(200.9)	25.2	(429.2)
Increase/(decrease) in inventories		**27.1**	41.5	(34.7)	(15.1)
Gross profit/(loss)		**188.0**	8.3	2 165.1	(39.8)
Other income		**37.1**	35.6	4.2	68.7
Administration expenses		**(72.2)**	(88.6)	18.5	(164.1)
Corporate office		**(64.4)**	(76.2)	15.5	(126.3)
Housing project		**(7.8)**	(12.4)	37.1	(37.8)
Impairment of non-financial assets		**(2.1)**	–	(100.0)	(4 466.2)
Finance income		**45.4**	62.9	(27.8)	106.2
Finance cost		**(3.6)**	(7.4)	51.4	(25.1)
Profit/(loss) before tax		**192.6**	10.8	1 683.3	(4 520.3)
Income tax credit/(expense)	10	**24.0**	(118.6)	120.2	753.3
Income tax		**(9.1)**	(67.0)	86.4	(76.9)
Deferred tax		**33.1**	(51.6)	164.1	830.2
Net profit/(loss) for the period		**216.6**	(107.8)	300.9	(3 767.0)
Other comprehensive income		–	–	–	–
Total comprehensive income/(loss)		**216.6**	(107.8)	300.9	(3 767.0)
Attributable to owners of the Company		**150.0**	(115.6)	229.8	(3 044.8)
Attributable to non-controlling interest		**66.6**	7.8	753.8	(722.2)
Basic earnings/(loss) per share (cents/share)	7	**78.2**	(60.4)	229.5	(1 589.2)
Diluted earnings/(loss) per share (cents/share)	7	**77.7**	(60.4)	228.6	(1 589.2)
Headline earnings/(loss) per share (cents/share)	7	**77.8**	(60.4)	228.8	(83.2)

The notes on pages 16 to 24 form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity
for the six months ended 30 June 2016

	Number of shares issued	Ordinary shares R (million)	Share premium R (million)	Share-based payment reserve R (million)	Non-distri-butable reserves R (million)	Retained earnings/ (loss) R (million)	Attribu-table to owners of the Company R (million)	Non-con-trolling interest R (million)	Total R (million)
Balance at 1 January 2015 (audited)	**191 130 657**	**1.9**	**9 329.2**	**176.6**	**71.8**	**4 330.7**	**13 910.2**	**4 286.1**	**18 196.3**
Share-based payment expense for the six months	–	–	–	29.4	–	–	29.4	–	29.4
Mahube ordinary shares vested 31 March 2015	187 972	–	12.2	(12.2)	–	–	–	–	–
2012 BSP shares vested in April 2015	424 985	–	24.7	(24.7)	–	–	–	–	–
Total comprehensive loss	–	–	–	–	–	(115.6)	(115.6)	7.8	(107.8)
Balance at 30 June 2015 (reviewed)	**191 743 614**	**1.9**	**9 366.1**	**169.1**	**71.8**	**4 215.1**	**13 824.0**	**4 293.9**	**18 117.9**
Share-based payment expense for the six months	–	–	–	25.6	–	–	25.6	–	25.6
Mahube ordinary shares vested 31 March 2015	–	–	–	–	–	–	–	–	–
2012 BSP shares vested in April 2015	–	–	–	–	–	–	–	–	–
Total comprehensive loss	–	–	–	–	–	(2 929.2)	(2 929.2)	(730.0)	(3 659.2)
Balance at 31 December 2015 (audited)	**191 743 614**	**1.9**	**9 366.1**	**194.7**	**71.8**	**1 285.9**	**10 920.4**	**3 563.9**	**14 484.3**
Share-based payment expense for the six months	–	–	–	22.2	–	–	22.2	–	22.2
2013 BSP shares vested in April 2016	534 376	–	31.2	(31.2)	–	–	–	–	–
RPM contribution to housing project	–	–	–	–	10.7	–	10.7	–	10.7
Total comprehensive income	–	–	–	–	–	150.0	150.0	66.6	216.6
Balance at 30 June 2016 (reviewed)	**192 277 990**	**1.9**	**9 397.3**	**185.7**	**82.5**	**1 435.9**	**11 103.3**	**3 630.5**	**14 733.8**

The notes on pages 16 to 24 form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flows

for the six months ended 30 June 2016

	Notes	For the six months ended 30 June 2016 reviewed R (million)	30 June 2015 reviewed R (million)	% change	Year ended 31 December 2015 audited R (million)
Cash flows from operating activities					
Cash generated by operations		**382.2**	315.7	21.1	601.9
Interest paid		**–**	(4.5)	100.0	(0.6)
Interest received		**27.8**	48.3	(42.4)	86.4
Dividend received		**4.5**	4.1	9.8	9.7
Tax refund		**2.2**	0.4	450.0	0.4
Tax paid		**(9.0)**	(51.0)	82.4	(78.6)
Net cash flow generated by operating activities		**407.7**	313.0	30.3	619.2
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		**45.0**	–	100.0	0.4
Acquisition of property, plant and equipment		**(508.1)**	(1 122.2)	54.7	(2 018.4)
Styldrift on-reef development revenue receipts		**102.6**	–	100.0	–
Acquisition of employee housing assets		**(34.3)**	(260.4)	86.8	(262.5)
Acquisition of insurance investment		**–**	(30.0)	100.0	(30.0)
Increase in environmental trust deposits and guarantees		**(7.2)**	(2.8)	(157.1)	(2.8)
Call option premiums paid		**–**	–	–	(9.2)
Net cash flow utilised by investing activities		**(402.0)**	(1 415.4)	71.6	(2 322.5)
Cash flows from financing activities					
Increase in amounts owing to RPM		**27.4**	222.8	(87.7)	436.4
RPM contribution to housing fund received		**82.5**	–	100.0	–
Drawdown of PIC housing facility		**–**	334.2	(100.0)	326.9
Decrease in employee housing facility		**–**	(6.6)	100.0	(6.6)
Net cash flow generated by financing activities		**109.9**	550.4	(80.0)	756.7
Net increase/(decrease) in cash and cash equivalents		**115.6**	(552.0)	120.9	(946.6)
Cash and cash equivalents at beginning of period		**917.6**	1 864.2	(50.8)	1 864.2
Cash and cash equivalents at end of period	6	**1 033.2**	1 312.2	(21.3)	917.6

The notes on pages 16 to 24 form an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements
for the six months ended 30 June 2016

1 Basis of preparation

The condensed consolidated interim financial statements are prepared in accordance with and containing information required by the International Financial Reporting Standard, IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous consolidated annual financial statements.

2 Accounting policies

The condensed consolidated interim 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 of this review period.

3 Independent review by the auditors

These condensed consolidated interim financial statements have been reviewed by PricewaterhouseCoopers Inc., who expressed an unmodified conclusion thereon. A copy of the auditor's report on the condensed consolidated interim financial statements is available for inspection at the company's registered office, together with the financial statements identified in the auditor's report. 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 III projects.

	For the six months ended	
	30 June 2016 reviewed R (million)	30 June 2015 reviewed R (million)
Contracted commitments	**588.5**	1 675.1
Approved expenditure not yet contracted for	**4 925.0**	5 021.6
Total	**5 513.5**	6 696.7

The capital commitments reflect 100% of the BRPM JV project commitments. In terms of the BRPM JV Agreement, Royal Bafokeng Resources (Pty) Ltd 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 issued

	For the six months ended 30 June 2016 reviewed R (million)	30 June 2015 reviewed R (million)
Eskom guarantee to secure power supply for the Styldrift I project	**17.1**	17.1
Eskom early termination guarantee for the Styldrift I project	**17.5**	17.5
Eskom connection charges guarantee for the Styldrift I project	**40.0**	40.0
Anglo American Platinum guarantee for environmental rehabilitation liability	**82.6**	77.5
DMR guarantee for environmental rehabilitation liability	**1.3**	–
DMR guarantee for Styldrift II project	**30.6**	–
Rental guarantee	**0.4**	0.4
Total guarantees issued at 30 June	**189.5**	152.5
5.2 Guarantees received from Anglo American Platinum		
For Anglo American Platinum's 33% share of the Eskom guarantee to secure power supply for the Styldrift I project	**(5.6)**	(5.6)
For Anglo American Platinum's 33% share of the Eskom early termination guarantee for the Styldrift I project	**(5.8)**	(5.8)
For Anglo American Platinum's 33% share of the Eskom connection charges guarantee for the Styldrift I project	**(13.2)**	(13.2)
Total guarantees received at 30 June	**(24.6)**	(24.6)

6 Available funds

RBPlat had cash and near cash investments on hand at 30 June 2016 of R1 033.2 million. Included in the R1 033.2 million cash balance is restricted cash of R37.7 million ring-fenced for the RBPlat housing project. The Group has an intra-month funding working capital requirement which is met through a R458 million working capital facility of which R158.9 million has been utilised for guarantees at 30 June 2016.

RBPlat's revolving credit facility (RCF) of R500 million remained undrawn at 30 June 2016.

7 Basic and headline earnings/(loss)

	For the six months ended 30 June 2016 reviewed	30 June 2015 reviewed
Basic earnings/(loss) – attributable to owners of the Company R (million)	**150.0**	(115.6)
Adjustments net of tax	**(0.7)**	–
Headline earnings/(loss) R (million)	**149.3**	(115.6)
Weighted average number of ordinary shares in issue for basic and headline earnings per share	**191 876 479**	191 424 876
Basic earnings/(loss) per share (cents/share)	**78.2**	(60.4)
Diluted earnings/(loss) per share (cents/share)	**77.7**	(60.4)
Headline earnings/(loss) per share (cents/share)	**77.8**	(60.4)
Diluted headline earnings/(loss) per share (cents/share)	**77.3**	(60.4)

Notes to the condensed consolidated interim financial statements
for the six months ended 30 June 2016

8 Revenue

	For the six months ended 30 June 2016 reviewed R (million)	For the six months ended 30 June 2015 reviewed R (million)
Concentrate sales – production from BRPM concentrator	**1 462.5**	1 184.0
UG2 toll concentrate sales	**184.4**	238.6
Total revenue	**1 646.9**	1 422.6

Styldrift on-reef development revenue not included above but credited against property, plant and equipment for the six months ended amounted to R159.4 million (2015: nil).

9 Cost of sales

	For the six months ended 30 June 2016 reviewed R (million)	For the six months ended 30 June 2015 reviewed R (million)
Labour	**512.5**	450.9
Utilities	**114.3**	104.3
Contractor costs	**334.6**	292.1
Materials and other mining costs	**338.4**	352.3
Materials and other mining costs – BRPM JV	**367.7**	380.5
Elimination of intergroup charges	**(29.3)**	(28.2)
Movement in inventories	**(27.1)**	(41.5)
Depreciation	**132.9**	172.8
Amortisation	**17.3**	28.1
Share-based payment expense	**13.2**	14.0
Social and labour plan expenditure	**13.8**	31.6
State royalties	**6.1**	4.8
Other	**2.9**	4.9
Total cost of sales	**1 458.9**	1 414.3

10 Income tax credit/(expense)

	For the six months ended 30 June 2016 reviewed R (million)	For the six months ended 30 June 2015 reviewed R (million)
Income tax	**(9.1)**	(67.0)
Current year	**(9.1)**	(12.3)
Prior year	**–**	(54.7)
Deferred tax	**33.1**	(51.6)
Current year	**33.1**	1.0
Prior year	**–**	(52.6)
Total income tax credit/(expense)	**24.0**	(118.6)
Tax rate reconciliation:		
Profit before tax	**192.6**	10.8
Tax expense calculated at a tax rate of 28% (2015: 28%)	**(53.9)**	(3.0)
Non-taxable income	**9.0**	3.6
Non-deductible expense	**(0.1)**	(5.4)
Housing contribution	**70.0**	–
Tax losses not recognised	**(1.0)**	(6.5)
Prior year adjustments*	**–**	(107.3)
	24.0	(118.6)
Effective tax rate (%)	**12%**	1 098%

** relates mainly to the 2008, 2009 and 2010 RBR tax settlement*

11 Related party transactions

	For the six months ended 30 June 2016 reviewed R (million)	For the six months ended 30 June 2015 reviewed R (million)
Amount owing by RPM for concentrate sales	**1 214.2**	1 112.9
Amount owing to RPM for contribution to BRPM JV	**867.1**	626.1
Amount owing by Impala Platinum Limited to BRPM JV	**17.1**	11.4
Transactions during the six months:		
Concentrate sales to RPM (including Stydrift on-reef development revenue)	**1 806.3**	1 422.6
Impala Platinum Limited royalty income	**29.9**	22.2
Transactions with Fraser Alexander for rental of mining equipment, maintenance of tailings dam and operation of sewage plant	**4.4**	5.7
Royal Marang Hotel for accomodation and conferences	**0.3**	0.5
Geoserve Exploration Drilling Company for exploration drilling	**0.4**	3.2
Trident South Africa (Pty) Ltd for steel supplies	**0.7**	0.9
Mtech Industrial for supply and installation of heat pumps	**0.1**	1.6
Fees paid to non-executive directors (RBH/Mogs)	**0.3**	0.4

Notes to the condensed consolidated interim financial statements
for the six months ended 30 June 2016

12 Dividends

No dividends have been declared or proposed in the current period (2015: nil).

13 Financial risk management

Financial risk factors: Fair value determination

The table below analyses financial instruments 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 and 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 financial assets and financial liabilities measured at fair value as well as the financial assets and financial liabilities measured at amortised cost but for which fair value disclosure are provided at 30 June:

	Level 1 R (million)	Level 2 R (million)	Level 3 R (million)
2016			
Financial assets at fair value through profit or loss			
Environmental trust deposits[1]	–	117.4	–
Insurance investment[2]	–	31.6	–
Call options[3]	–	3.4	–
Loans and receivables			
Employee housing loan receivable[4]	–	–	162.9
Financial liabilities at fair value through profit or loss			
Forward exchange contracts[3]	–	8.3	–
Financial liabilities at amortised cost			
PIC housing facility[4]	–	–	378.6
2015			
Financial assets at fair value through profit or loss			
Environmental trust deposits[1]	–	111.7	–
Insurance investment[2]	–	30.0	–
Forward exchange contracts and call options[3]	–	10.4	–
Loans and receivables			
Employee housing loan receivable[4]	–	–	149.6
Financial liabilities at amortised cost			
PIC housing facility[4]	–	–	334.2

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 market prices for listed investments and discounted cash flow models for unlisted investments.*
3. *The fair values of the forward exchange contracts and call options are based on mark-to-market values.*
4. *The fair value was determined using a discounted cash flow model.*

13 Financial risk management *(continued)*

Fair value measurements using significant unobservable inputs (level 3)

	For the six months ended	
	30 June 2016 reviewed R (million)	30 June 2015 reviewed R (million)
Loans and receivables		
Employee housing loan receivable		
Opening balance at 1 January	**157.7**	108.8
(Less)/plus: (Cancellation of sales)/houses sold to employees during the period	**(1.0)**	50.5
Plus: Interest capitalised (including fair value interest adjustment)	**6.2**	4.9
Less: Employee housing benefit reallocation	**–**	(14.6)
Closing balances at 30 June	**162.9**	149.6
Financial liabilities at amortised cost		
PIC housing facility		
Closing balance at 30 June	**366.9**	–
Plus: Draw downs	**–**	326.8
Plus: Transaction costs capitalised to the loan	**–**	3.4
Plus: Contractual and fair value interest charges capitalised to the loan	**12.5**	4.0
Less: Amortisation of fair value adjustment to loan	**(0.8)**	–
Closing balances at 30 June	**378.6**	334.2

Notes to the condensed consolidated interim financial statements
for the six months ended 30 June 2016

14 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee of the Company, that makes strategic decisions.

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. BRPM and Styldrift I are shown as separate segments. In addition, due to the different nature and significance of the employee home ownership scheme, it was decided to show housing as a separate segment. The Styldrift II pre-feasibility study has been completed. Once a feasibility study is completed, it will move into development phase and will then be reported on as a separate segment.

14.1 Segmental statement of financial position

	Reviewed As at 30 June 2016						Reviewed As at 30 June 2015					
	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	BRPM JV mining segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office and consolid-ation adjust-ment R (million)	Total R (million)	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	BRPM JV mining segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office and consolid-ation adjust-ment R (million)	Total R (million)
Non-current assets	4 821.0	5 757.1	10 578.1	246.5	6 504.0	17 328.6	4 585.0	5 091.5	9 676.5	227.5	11 080.2	20 984.2
Allocation of mineral rights to segments	974.6	4 774.0	5 748.6	–	(5 748.6)	–	1 716.3	4 774.0	6 490.3	–	(6 490.3)	–
Non-current assets after allocation of mineral rights	5 795.6	10 531.1	16 326.7	246.5	755.4	17 328.6	6 301.3	9 865.5	16 166.8	227.5	4 589.9	20 984.2
Current assets	1 695.6	113.4	1 809.0	357.6	571.5	2 738.1	1 625.1	44.6	1 669.7	363.0	1 045.9	3 078.6
Total assets per statement of financial position	7 491.2	10 644.5	18 135.7	604.1	1 326.9	20 066.7	7 926.4	9 910.1	17 836.5	590.5	5 635.8	24 062.8
Non-current liabilities	85.7	13.8	99.5	380.3	3 630.6	4 110.4	79.0	12.7	91.7	334.2	4 538.5	4 964.4
Current liabilities	3 311.9	107.0	3 418.9	10.2	(2 206.6)	1 222.5	649.3	78.7	728.0	273.0	(20.5)	980.5
Total liabilities per statement of financial position	3 397.6	120.8	3 518.4	390.5	1 424.0	5 332.9	728.3	91.4	819.7	607.2	4 518.0	5 944.9

14.2 Segmental statement of comprehensive income

	Reviewed For the six months ended 30 June 2016						Reviewed For the six months ended 30 June 2015					
	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	BRPM JV mining segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office and consolid–ation adjust–ment R (million)	Total R (million)	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	BRPM JV mining segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office and consolid–ation adjust–ment R (million)	Total R (million)
Concentrate sales	**1 646.9**	**–**	**1 646.9**	**–**	**–**	**1 646.9**	1 421.3	1.3	1 422.6	–	–	1 422.6
Cost of sales	**(1 499.4)**	**(0.2)**	**(1 499.6)**	**–**	**40.7**	**(1 458.9)**	(1 347.6)	(9.3)	(1 356.9)	–	(57.4)	(1 414.3)
Cost of sales excluding depreciation and amortisation	**(1 393.8)**	**–**	**(1 393.8)**	**–**	**58.0**	**(1 335.8)**	(1 269.1)	(9.1)	(1 278.2)	–	23.3	(1 254.9)
Depreciation	**(132.7)**	**(0.2)**	**(132.9)**	**–**	**–**	**(132.9)**	(120.0)	(0.2)	(120.2)	–	–	(120.2)
Additional depreciation and amortisation on purchase price allocation of mining assets	**–**	**–**	**–**	**–**	**(17.3)**	**(17.3)**	–	–	–	–	(80.7)	(80.7)
Movement in inventories	**27.1**	**–**	**27.1**	**–**	**–**	**27.1**	41.5	–	41.5	–	–	41.5
Gross profit/(loss) per segment and total	**147.5**	**(0.2)**	**147.3**	**–**	**40.7**	**188.0**	73.7	(8.0)	65.7	–	(57.4)	8.3
Other income	**42.3**	**(6.9)**	**35.4**	**1.3**	**0.4**	**37.1**	35.0	–	35.0	0.6		35.6
Total administration expenditure	**–**	**–**	**–**	**(7.8)**	**(64.4)**	**(72.2)**	–	–	–	(12.4)	(76.2)	(88.6)
Impairment of non-financial assets	**(1.8)**	**–**	**(1.8)**	**(0.3)**	**–**	**(2.1)**						
Net finance income	**5.2**	**0.1**	**5.3**	**14.4**	**22.1**	**41.8**	4.0	0.2	4.2	8.9	42.4	55.5
Profit/(loss) before tax per segment and total	**193.2**	**(7.0)**	**186.2**	**7.6**	**(1.2)**	**192.6**	112.7	(7.8)	104.9	(2.9)	(91.2)	10.8
Taxation						**24.0**						(118.6)
Profit/(loss) after tax						**216.6**						(107.8)
Attributable to owners of the Company						**150.0**						(115.6)
Attributable to non-controlling interest						**66.6**						7.8

Notes to the condensed consolidated interim financial statements
for the six months ended 30 June 2016

14.3 Segmental statement of cash flows

	Reviewed For the six months ended 30 June 2016						Reviewed For the six months ended 30 June 2015					
	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	BRPM JV mining segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office and consolidation adjustment R (million)	Total R (million)	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	BRPM JV mining segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office and consolidation adjustment R (million)	Total R (million)
Net cash flow generated/ (utilised) by operating activities	**399.6**	**–**	**399.6**	**11.5**	**(3.4)**	**407.7**	355.5	0.7	356.2	(5.5)	(37.7)	313.0
Net cash flow (utilised)/ generated by investing activites	**(132.6)**	**(241.3)**	**(373.9)**	**(34.3)**	**6.2**	**(402.0)**	(260.5)	(882.8)	(1 143.3)	(290.4)	18.3	(1 415.4)
Net cash flow (utilised)/ generated by financing activities	**(158.4)**	**241.3**	**82.9**	**–**	**27.0**	**109.9**	(203.6)	882.1	678.5	335.4	(463.5)	550.4
Cash and cash equivalents at beginning of period	**326.1**	**–**	**326.1**	**60.5**	**531.0**	**917.6**	411.4	–	411.4	2.9	1 449.9	1 864.2
Cash and cash equivalents at end of period	**434.7**	**–**	**434.7**	**37.7**	**560.8**	**1 033.2**	302.8	–	302.8	42.4	967.0	1 312.2

Company information

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Share code: RBP
ISIN: ZAE000149936

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MJL Prinsloo (Chief Financial Officer)

Independent non-executive directors

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L de Beer
RG Mills
MJ Moffett
T Mokgosi-Mwantembe
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