



# > MORE THAN MINING

Audited Annual Results  
for the year ended  
31 December 2015

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# Overview

## SAFETY

- > Regrettably, 5 fatal accidents in 2015
- > Principle of zero harm remains unchanged
- > Significant improvement in LTIFR and SIFR

## MARKETS

- > Depressed PGM market throughout 2015
- > Proactively responded by preserving cash and protecting our balance sheet:
  - Styldrift I construction reduced due to prevailing market conditions
    - ramp up delayed by 12 months
    - steady state production to be achieved in Q1 2020
  - Increased focus on mining and processing Merensky during the second half of the year



## OPERATIONAL

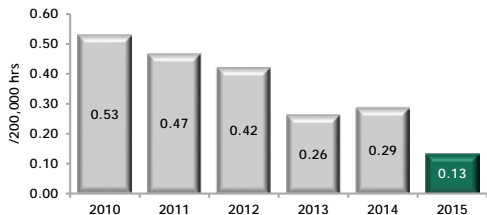
- > Tonnes milled decreased by 1%
- > Cash operating costs increased by 8%
- > Cost per tonne milled increased by 11%

## FINANCIAL

- > Revenue down 19% year-on-year
  - 13% lower realised average rand basket price
  - 5% lower PGM production and sales
- > Focus on cash preservation with R917.6 million cash on hand at year-end

# Continued focus on key strategies underpins consistency in a challenging environment

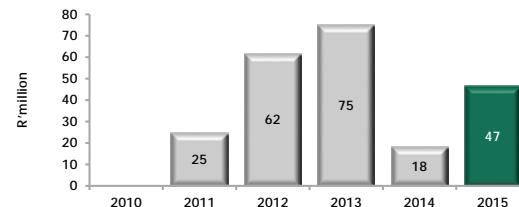
SIFR: Our journey to zero harm



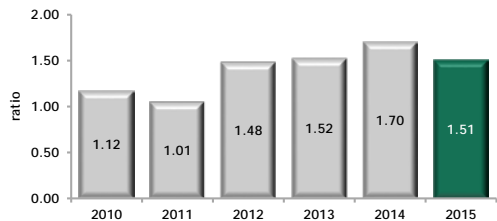
## PGM operating environment

- > Depressed commodity market
- > Labour and community unrest
- > High industry inflation
- > Declining Merensky reserves

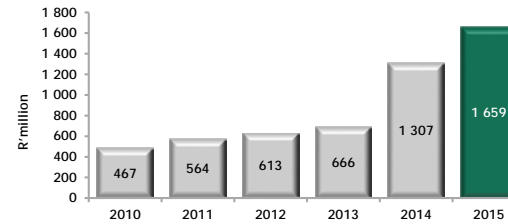
Impala royalty income



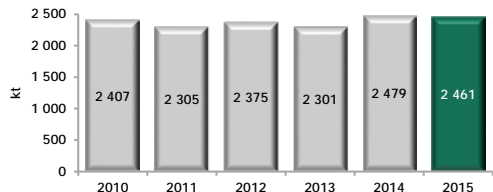
IMS panel ratio: Stopping flexibility



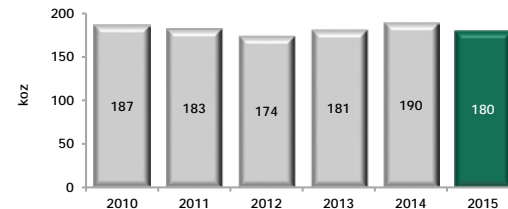
Styl drift I: Spending to grow



Tonnes milled: Operational stability – consistent output



Pt ounces: Operational stability – consistent output





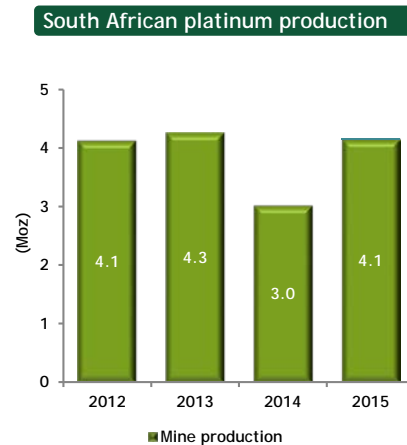
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## Market Review

# PGM supply recovery



Source: SFA (Oxford)

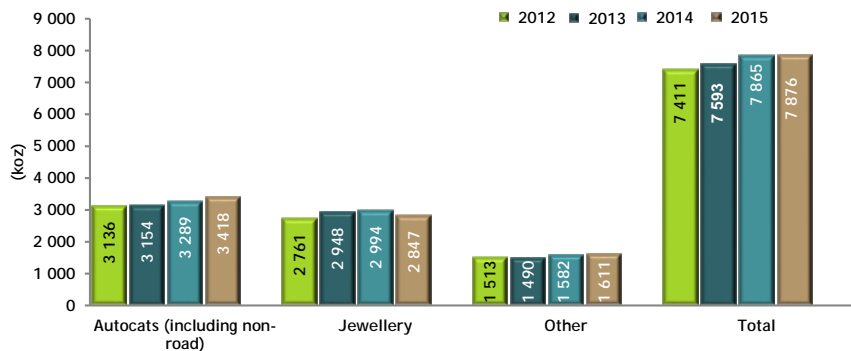


- > South African platinum supply at 4.1Moz, highest since 2013
- > Global palladium supply up 6% to 6.77Moz
  - Recovery in South African output
  - 100koz increase in autocatalyst recycling despite weak prices
- > Global rhodium supply up 20% to 701koz – partially offset by 9% reduction in autocatalyst recoveries

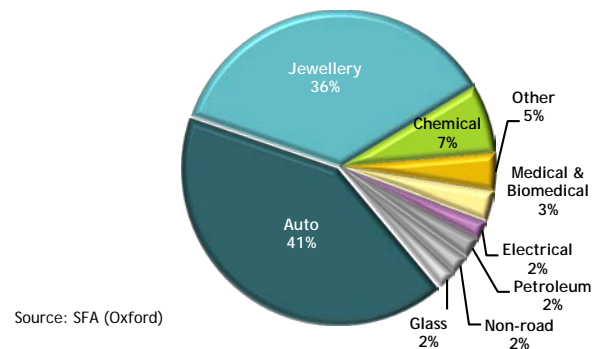


# Platinum supply recovery but weak demand growth

Global platinum demand (2015 – 8Moz)



2015 Platinum demand analysis



## 2015:

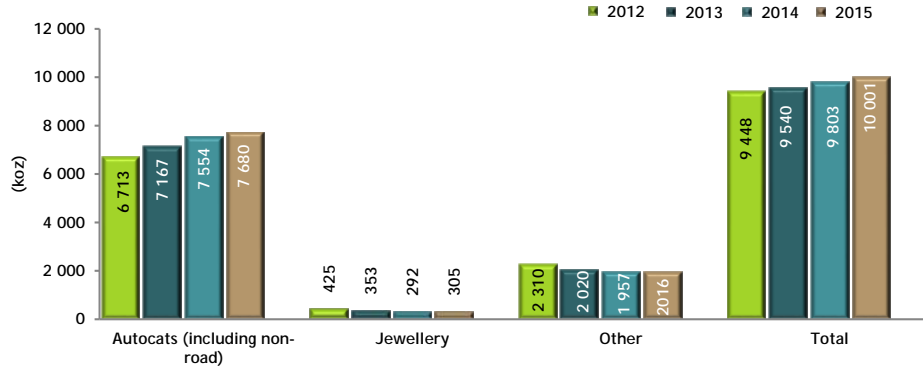
- > Autocatalyst demand up 4% to 3.42Moz: sustained diesel car sales and tighter EU (Euro 6) emissions limits
- > Jewellery demand down 5% to 2.85Moz: weakening Chinese demand partially offset by stronger Indian bridal market growth

## Outlook:

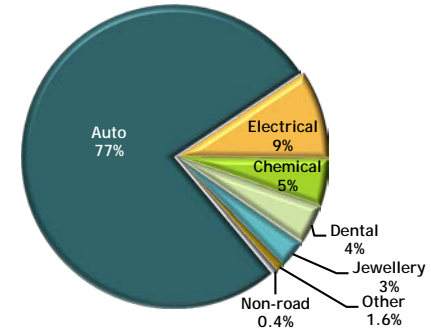
- > Volkswagen diesel emissions crisis does not appear to be damaging diesel's share of light duty powertrains
- > EU legislation will allow higher NOx emissions than Euro 6 legislation for several years, giving automakers time to fully implement "clean diesel", supporting autocatalyst loadings and diesel market share
- > Indian emissions legislation leaping from BS-IV to BS-VI in 2020 should support platinum demand assuming diesel retains its strong market share

# Palladium deficit down slightly to 800koz

Global palladium demand (2015 – 10Moz)



2015 palladium demand analysis



Source: SFA (Oxford)

## 2015:

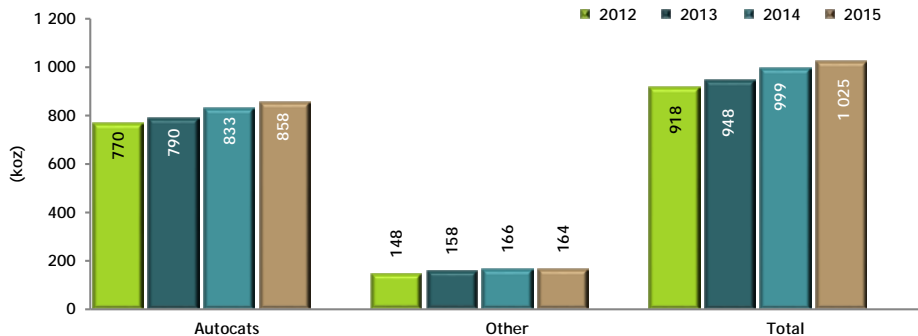
- > Autocatalyst demand reached new high of 7.68Moz
- > Gasoline autocatalysts accounted for 77% of total palladium demand
  - Risk to growth as Chinese demand slows

## Outlook:

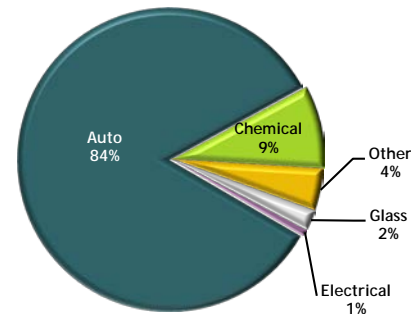
- > Growth mainly from emerging gasoline light vehicle markets
- > Three-way-catalysts (TWC) to meet emissions legislation and growth in vehicle numbers
- > Short term – Chinese tax cuts support sales of smaller vehicles while US low gasoline prices support sales of new and larger light vehicles

# Rhodium closer to balance as autocatalyst demand rises

Global rhodium demand (2015 – 1Moz)



2015 Rhodium demand analysis



Source: SFA (Oxford)

## 2015:

- > Autocatalysts dominate at 84% of demand, largely in gasoline cars
- > Gross autocatalyst demand up 25koz to 858koz, largely from rising vehicle production
  - Little legislative or loadings upside

## Outlook:

- > China and US key markets now
- > Emerging markets will be important as more TWCs are needed to meet tighter emissions legislation
- > Gasoline set to remain rhodium's key market
- > Diesel upside appears to be waning as lean-NOx-trap (LNT) seems to be less effective than selective-catalytic-reduction (SCR) for NOx removal



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## Operational Review

# Safety remains our key challenge

## Safety

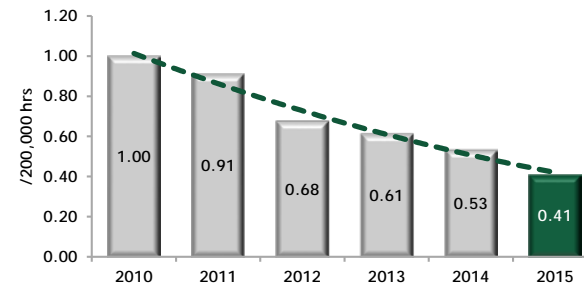
- Five fatalities in 2015
- 23% improvement in LTIFR year-on-year
- 54% improvement in SIFR year-on-year

## Health and environment

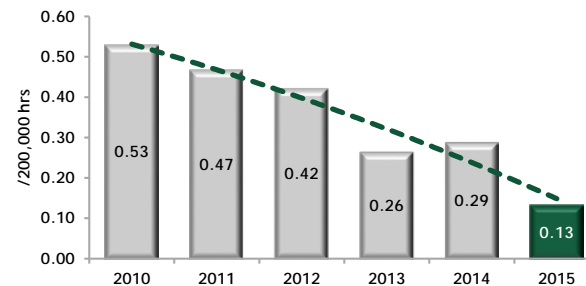
- 50% decrease in NIHL cases exceeding 10%
- Zero TB deaths for persons on the RBPlat TB program
- Contractors onto Platinum Health medical aid
- Water treatment plant commissioned – 4ML/day

Description	Unit	2013	2014	2015	Var
Fatal injuries	No.	2	2	5	(150%)
LTIFR	rate	0.61	0.53	0.41	23%
SIFR	rate	0.26	0.29	0.13	54%
Safety stoppages	No.	11	10	16	(60%)
Production shifts affected	No.	45	45	75	(67%)
Milled tonnes lost	kt	89	79	275	(246%)
4E Ounces lost	koz	10	9	32	(249%)

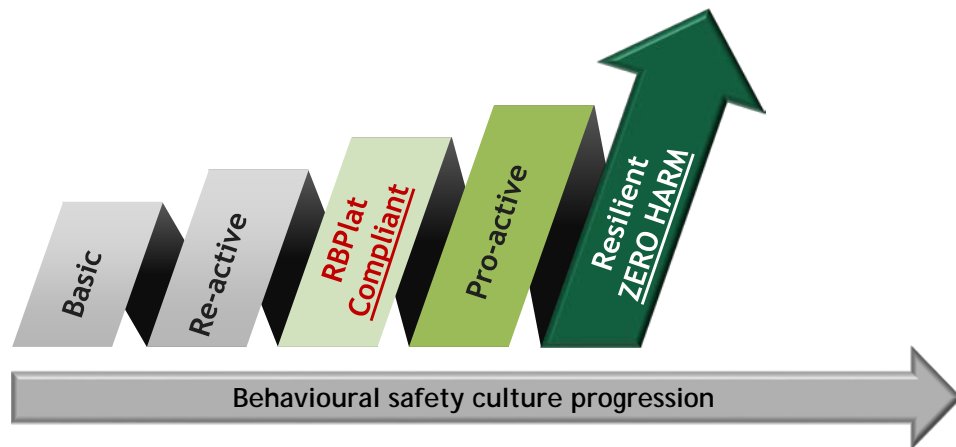
Lost time injury frequency rate



Serious injury frequency rate



# The RBPlat safety strategy – zero harm through resilience



## Our strategy

- Strengthen the barriers to safety by focussing on leadership, design, systems and behaviour
- Reduce exposure to high risk areas/activities
  - Mechanisation
  - Appropriate technology
- Focus on regulatory compliance
- MOSH best practice

## Key initiatives to progress to resilience

### Behaviour and leadership

- Leadership training programmes
- Culture based behavioural safety – 4th Wave
- Emotional fitness training
- Align volume contractors with safety strategy
- Revise safety incentive systems

### Systems and knowledge

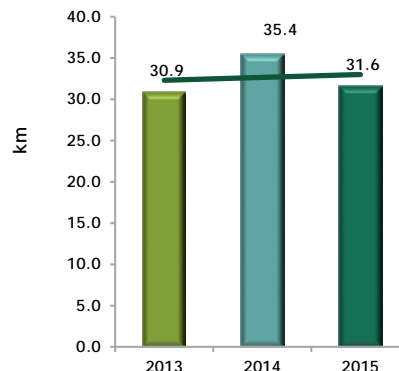
- Establish a best practice/mentoring team
- SILO risk management system roll-out
- Enhance current planned task observation system
- Strata control certification for safety officers

# Flexibility ensures consistent performance

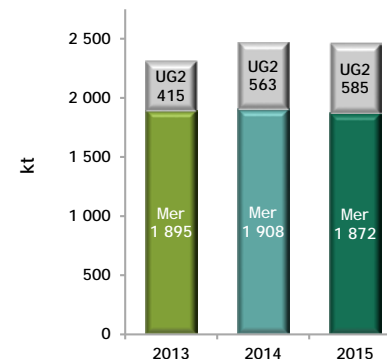
Description	Unit	2013	2014	2015	Var
Total development	km	36.5	39.9	35.5	(11%)
Working cost development	km	30.9	35.4	31.6	(11%)
Capital development	km	5.5	4.4	3.9	(11%)
IMS panel ratio	ratio	1.52	1.70	1.51	(11%)
Total tonnes delivered	kt	2 310	2 471	2 456	(1%)
Merensky	kt	1 895	1 908	1 872	(2%)
UG2	kt	415	563	585	4%
Built-up head grade (4E)	g/t	4.38	4.29	4.11	(4%)
Merensky	g/t	4.51	4.45	4.20	(6%)
UG2	g/t	3.76	3.74	3.79	1%

- > Development ↓ 11%
  - Safety stoppages
  - South shaft UG2 development deferred
- > Tonnes delivered ↓ 1%
  - Merensky ↓ 2% – impact of safety stoppages
  - UG2 ↑ 4% – offsets lower Merensky production
- > Built-up head grade ↓ 4% reduction
  - On-reef Merensky development from Phase III
  - Low grade Styldrift ore treated – 65kt
  - Increase in North shaft stoping width due to in-stope bolting

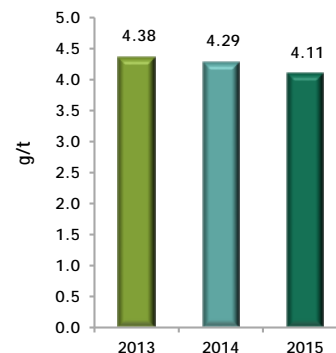
### Working cost development



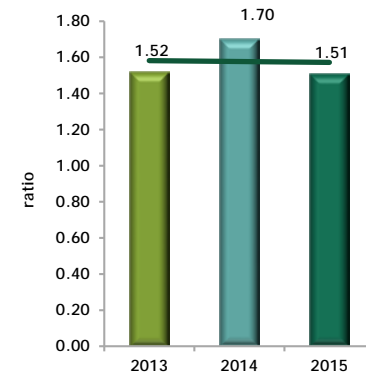
### Tonnes delivered



### Built-up head grade (4E)



### IMS panel ratio



# Stable concentrator performance

Description	Unit	2013	2014	2015	Var
Total tonnes milled	kt	2 301	2 479	2 461	(1%)
MER	kt	1 887	1 914	1 874	(2%)
UG2	kt	414	565	587	4%
UG2% milled	%	18	23	24	5%
BRPM concentrator tonnes milled	kt	2 010	2 112	2 044	(3%)
MER	kt	1 887	1 914	1 874	(2%)
UG2	kt	123	198	170	(14%)
UG2% milled	%	6	9	8	(11%)
Tonnes milled – UG2 Toll	kt	291	367	417	14%
Combined built-up head grade (4E)	g/t	4.38	4.29	4.11	(4%)
MER	g/t	4.51	4.45	4.20	(6%)
UG2	g/t	3.76	3.74	3.79	1%
Recovery – 4E (total concentrating)	%	86.37	86.05	85.68	0%
Recovery – 4E BRPM concentrator	%	87.05	86.77	86.58	0%
4E metals in concentrate	koz	280	294	278	(5%)
Pt metal in concentrate	koz	181	190	180	(5%)

> Tonnes milled ↓ 1%

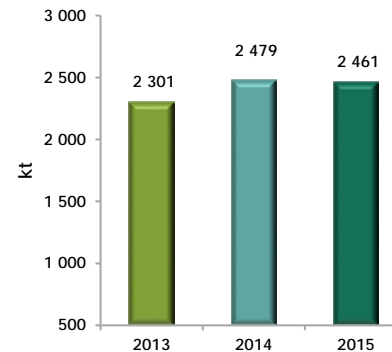
- Merensky tonnes milled ↓ 2%
- UG2 tonnes milled ↑ 4%
- UG2 toll treatment ↑ 14%
- UG2 24% of total tonnes milled

> Metals in concentrate ↓ 5%

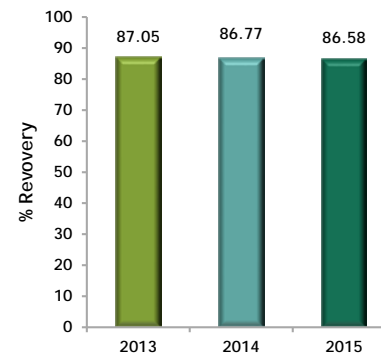
- Head grade ↓ 4%
- Marginal reduction in recovery

> Recoveries inline with expectation

Tonnes milled



BRPM Recovery



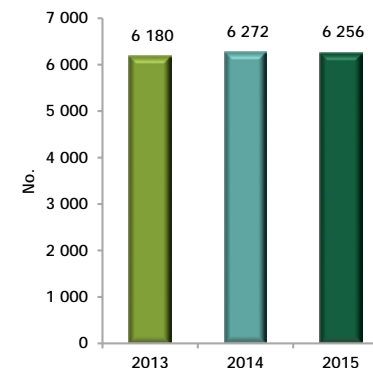


# Labour reduction in line with capital deferment

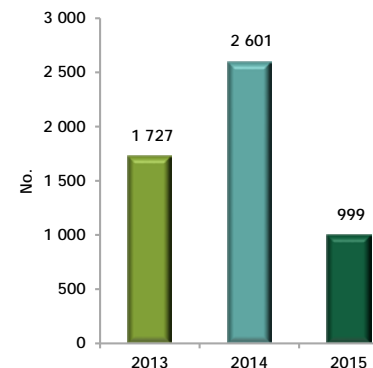
Description	Unit	2013	2014	2015	Var %
Total labour	No.	7 907	8 873	7 255	18%
Working cost labour	No.	6 180	6 272	6 256	0%
Capital labour	No.	1 727	2 601	999	62%
Stoping efficiency - total	m <sup>2</sup> /crew	320	336	321	(4%)
Milled tonnes/TEC	t/TEC	31.6	33.1	32.8	(1%)

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

## Working cost labour

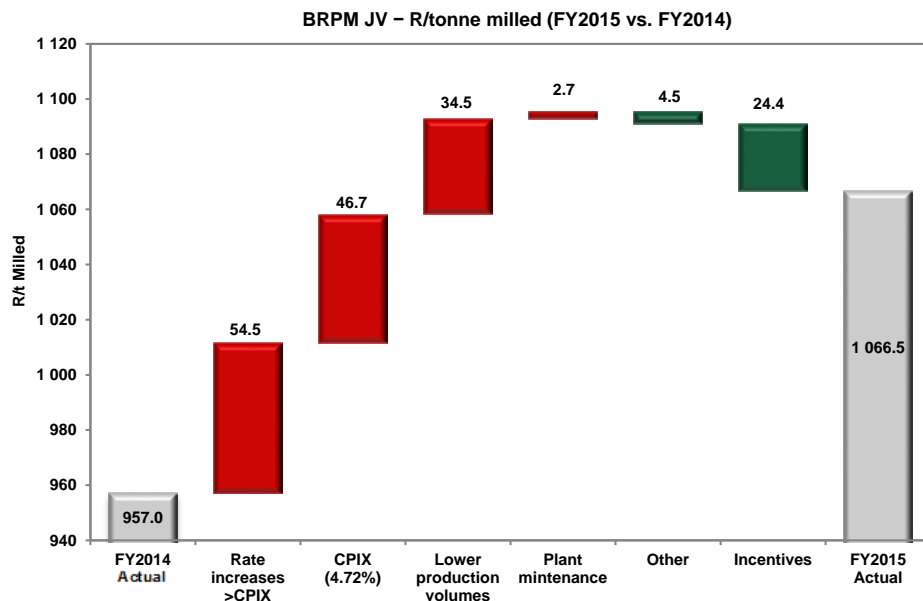


## Capital labour

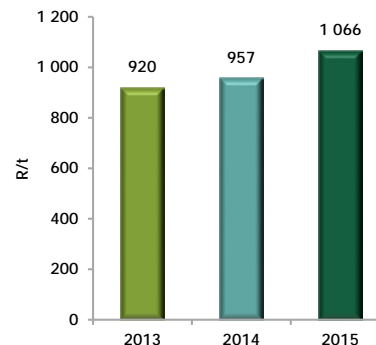


# Cash costs increase by 8% with unit costs impacted by volume and grade

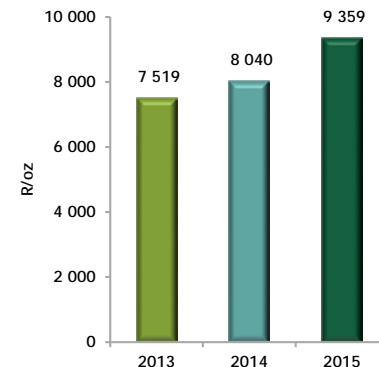
Description	Unit	2013	2014	2015	Var
Cash operating cost	R'm	2 093	2 361	2 548	(8%)
Operating cash cost/t	R/t	920	957	1 066	(11%)
Operating cash cost/4E oz	R/oz	7 519	8 040	9 359	(16%)
Operating cash cost/Pt oz	R/oz	11 592	12 463	14 504	(16%)



Unit cost – R/tonne milled



Unit cost – 4E ounce



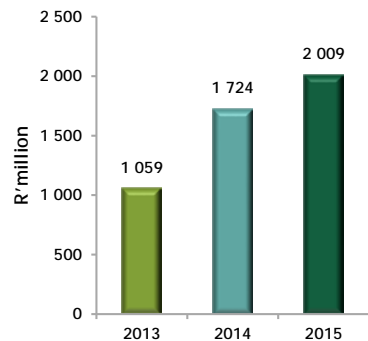
## Key drivers

- > Inflation at 4.7%
- > Above inflation increases
  - Water (9.7%)
  - Contractor labour (9.4%)
  - Electricity (7.7%)
  - Enrolled labour (6.7%)
- > Lower volumes and grade

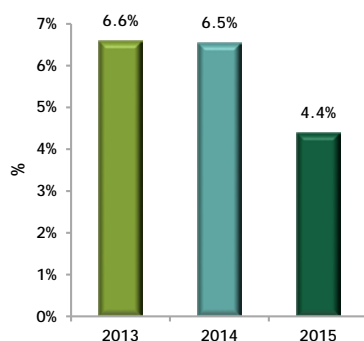
# Prudent capital expenditure in a tough metals market

Description	Unit	2013	2014	2015	Var
Stay-in-business capital	R'm	138	154	112	27%
SIB % of operating cost	%	6.6	6.5	4.4	32%
Replacement capital	R'm	184	204	205	(1%)
Phase II	R'm	9	-	-	100%
Phase III	R'm	175	204	203	1%
BRPM optimisation	R'm	-	-	2	100%
Expansion capital	R'm	737	1 365	1 692	(24%)
Styl drift I	R'm	691	1 307	1 659	(27%)
Styl drift exploration drilling	R'm	27	31	15	52%
Styl drift II	R'm	19	27	18	33%
<b>Total capital expenditure</b>	<b>R'm</b>	<b>1 059</b>	<b>1 724</b>	<b>2 009</b>	<b>(17%)</b>

Total capital



SIB % of operating cost



## Stay-in-business capital

SIB expenditure 4.4% of operating cost

- > Reduction in line with cash preservation strategy
- > No negative impact on the business in the short to medium term

## Replacement capital

R205 million for 2015

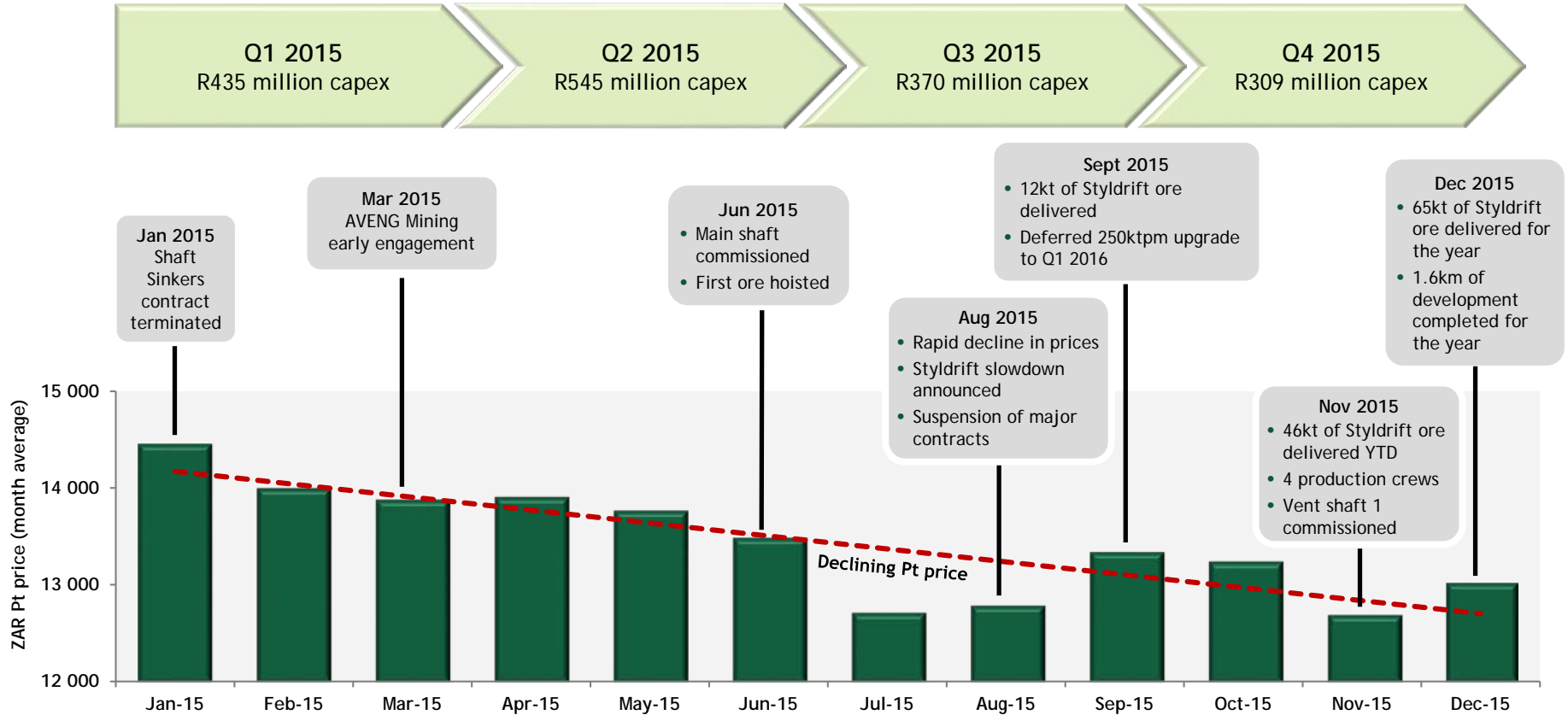
- > Phase III expenditure amounts to R203 million for the year and is in line with project progress

## Expansion capital

R1 692 million or 24% increase

- > Styl drift I expenditure in line with project progress and slow down
- > Styl drift II and reduction in exploration drilling in line with cash preservation strategy

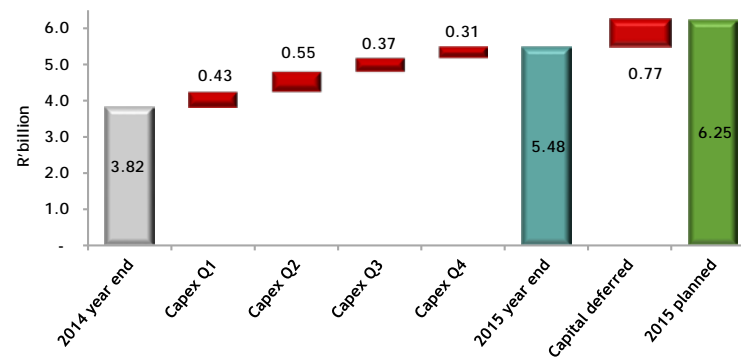
# Styl drift 1 year in review



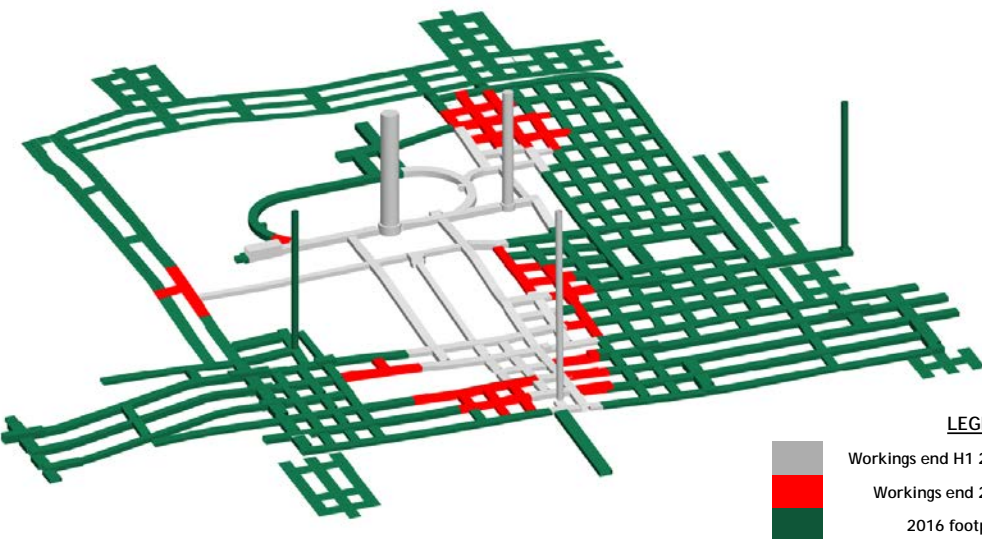
# Styldrift I project progress...de-risking future ramp-up

Capital expenditure	: 2015	-> R1.66 billion
	: PTD	-> R5.48 billion
	: <i>Deferred</i>	-> <i>R0.77 billion in 2015</i>
Development completed	: 2015	-> 1.6 km
	: Project	-> 6.1 km
On-reef development tonnes delivered	: 2015	-> 65kt @ 3,42 g/t (4E)




Styldrift I capital expenditure (R'billion)



Description	2015 Metres (pre Aug 2015)	2015 Metres (post Aug 2015)	2015 Metres (total)
600 level	448	1 042	1 490
642 level	3	0	3
708 level	108	0	108
<b>Total</b>	<b>560</b>	<b>1 042</b>	<b>1 601</b>



**LEGEND**

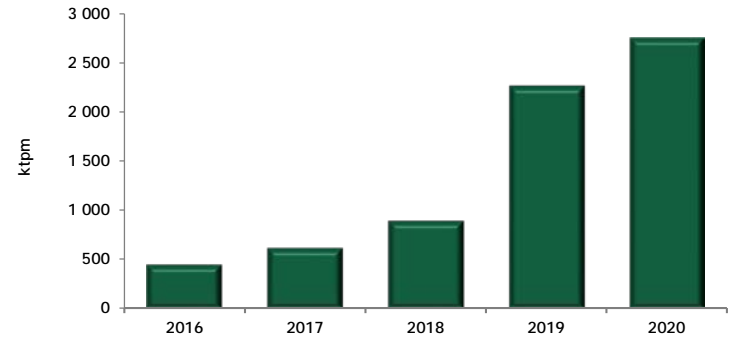
	Workings end H1 2015
	Workings end 2015
	2016 footprint

## 2016 Mining and construction

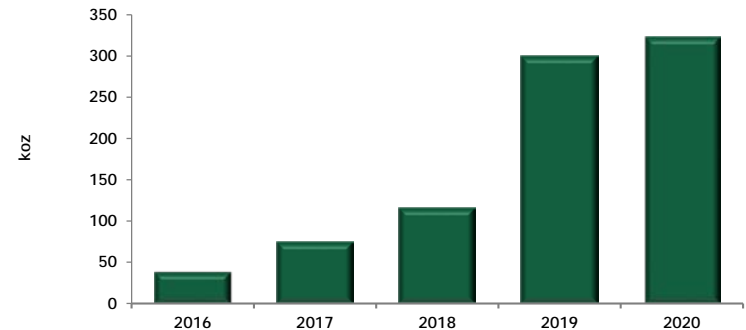
- 600 level development – 5.8km
- 642 level decline development and initial ore pass installation – 900m
- 642 level footwall preparation for Silo No.3 and No.4
- Silo No.4
- Commence Settler No.1 and Pump Chamber related construction
- Commence Services shaft equipping
- Complete 250ktpm concentrator upgrade
- 100ktpm module – tender and upfront design work

- Delivery of ±400kt of on-reef development
- Capital for 2016 – R1 billion
- Significant amount will be funded from on-reef development revenues and excess BRPM cashflows

Revised Styldrift ramp-up



Recovered ounces (4E)



## Production and costs

- Safety : Behavioural based initiatives a key driver
- Throughput : 2.75 to 2.90Mt
- Grade : 3.95 to 4.05g/t (4E)
- UG2 contribution : 20% for 2016
- Ounces recovered : 305 – 315koz (4E)/200 – 205koz (Pt)
- Operating cost : Unit cost in line with mining inflation



## Capital expenditure

- SIB : 4 to 5% of operating costs
- Replacement : ± R50 million
- Expansion : R1 billion
- Revised project programme : Finalise revised Styldrift schedule and capital H2 2016





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# Financial Review

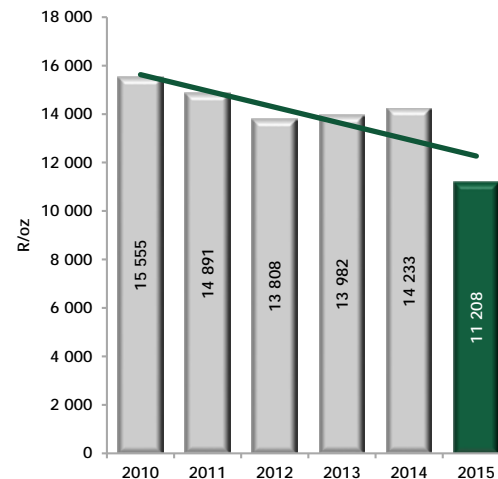


## Profitability impacted by 13% reduction in Rand basket price....

Description	Unit	Year ended 31 December 2015	Year ended 31 December 2014	% Change
Average basket price*	R/Pt oz	17 256	19 842	(13.0)
Average Rand:US\$ received	R/US\$	12.78	10.85	17.8
Revenue	R'm	3 044.7	3 767.5	(19.2)
Cost of sales	R'm	3 084.5	2 902.2	(6.3)
Gross (loss)/profit	R'm	(39.8)	865.3	(104.6)
Administration costs and other income	R'm	(95.4)	(112.1)	14.9
Impairment of non-financial assets	R'm	(4 466.2)	-	-
Net finance income	R'm	81.1	91.3	(11.2)
(Loss)/profit before tax	R'm	(4 520.3)	844.5	(635.3)
Operating (loss)/profit	R'm	(135.2)	753.2	(117.9)
EBITDA	R'm	297.9	1 189.4	(74.9)

\* Revenue from concentrate sales (including revaluation of pipeline) divided by total revenue platinum ounces. Proceeds and ounces from Styldrift I excluded.

Platinum basket price – 2010 real terms  
(relative to mining inflation)



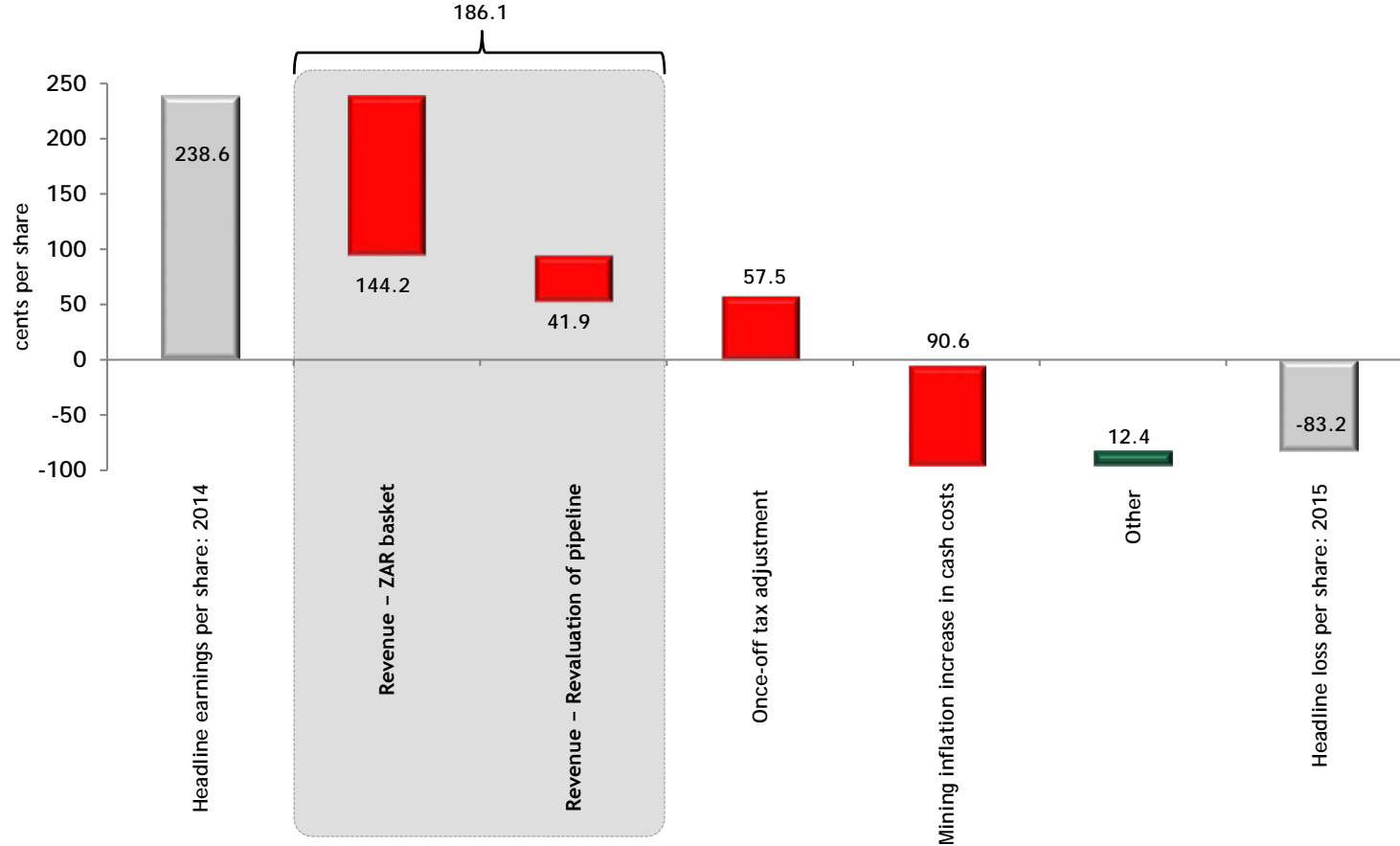
## ...resulting in an impairment of non-financial assets

Description	Unit	BRPM operations	Styldrift I	Housing assets	Year ended 31 December 2015
Impairment of property, plant and equipment (fair value)	R'm	2 340.8	-	-	2 340.8
Impairment of property, plant and equipment (book value)	R'm	21.5	-	-	21.5
Impairment of mineral rights (fair value)	R'm	690.1	-	-	690.1
Impairment of goodwill	R'm	134.6	1 277.2	-	1 411.8
Impairment of employee housing loan receivable and benefit	R'm	-	-	2.0	2.0
Total gross impairment	R'm	3 187.0	1 277.2	2.0	4 466.2
Less: Tax effect	R'm	(854.7)	-	-	(854.7)
Less: Non-controlling interest	R'm	(725.3)	-	-	(725.3)
<b>Net impairment</b>	<b>R'm</b>	<b>1 607.0</b>	<b>1 277.2</b>	<b>2.0</b>	<b>2 886.2</b>
<b>Impact on headline loss per share</b>	<b>cents/share</b>				<b>(1 506)</b>

## ...and a headline loss of R159.6 million

Description	Unit	2015 R (million)	2014 R (million)
Headline (loss)/earnings	R'm	(159.6)	440.9
Weighted average shares outstanding	#m	191.6	184.7
(HLPS)/HEPS	cents/share	(83.2)	238.6
Fair value depreciation and amortisation	cents/share	47.8	49.6
Tax impact of adjustments	cents/share	(13.4)	(13.9)
Once off – RBR 2008, 2009 and 2010 tax settlement	cents/share	57.5	–
Normalised HEPS	cents/share	8.7	274.3
Dividend per share	cents/share	–	–

# 58% negative impact of unfavourable market conditions



## 57% decrease in cash generated by operations impacted by...

Description	Unit	Year ended 31 December 2015	Year ended 31 December 2014	% Change
Cash generated by operating activities	R'm	619.2	1 426.5	(56.6)
Cash and cash equivalents	R'm	917.6	1 864.2	(50.8)
Capital expenditure*	R'm	2 018.4	1 675.6	(20.5)
Gross (loss)/profit margin	%	(1.3)	23.0	(105.7)
EBITDA margin	%	9.8	31.6	(69.0)
Net Asset Value (NAV)	R/share	57.0	72.8	(21.8)

\*BRPM JV capex:

R2 009.8 million

Plus: SDI on-reef development revenue credited to CWIP

R54.5 million

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

(R52.2) million

Plus: Other Group capex

R6.3 million

**RBPlat Group capex:**

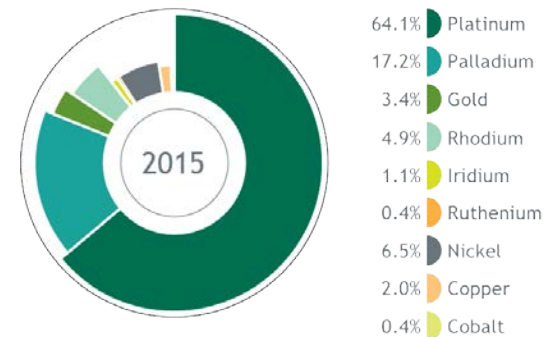
**R2 018.4 million**

## ...significant deterioration in all metal prices

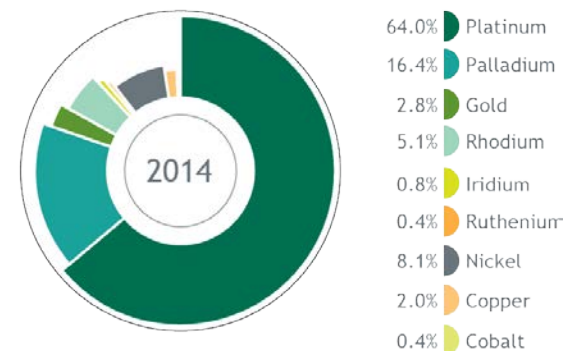
Metal	Unit	2015		2014		US\$ Price variance
		R (million)	US\$	R (million)	US\$	%
		<b>Volume</b>	<b>US\$</b>	<b>Volume</b>	<b>US\$</b>	
Platinum	oz	176 944	971/oz	189 710	1 346/oz	(28%)
Palladium	oz	72 878	633/oz	78 555	832/oz	(24%)
Gold	oz	8 039	1 122/oz	8 841	1 259/oz	(11%)
Rhodium	oz	16 317	809/oz	16 974	1 207/oz	(33%)
Iridium	oz	5 469	514/oz	5 605	556/oz	(8%)
Ruthenium	oz	27 951	41/oz	28 882	61/oz	(33%)
Nickel	tonne	1 691	6.04/lb	1 854	7.65/lb	(21%)
Copper	tonne	1 081	2.76/lb	1 180	3.11/lb	(11%)

The table above illustrates the average price received by BRPM JV in terms of the disposal of concentrate agreement (excluding the pipeline revaluation) grossed up to 100%. Revenue ounces excludes Styl drift I on-reef development ounces

Revenue contribution 2015



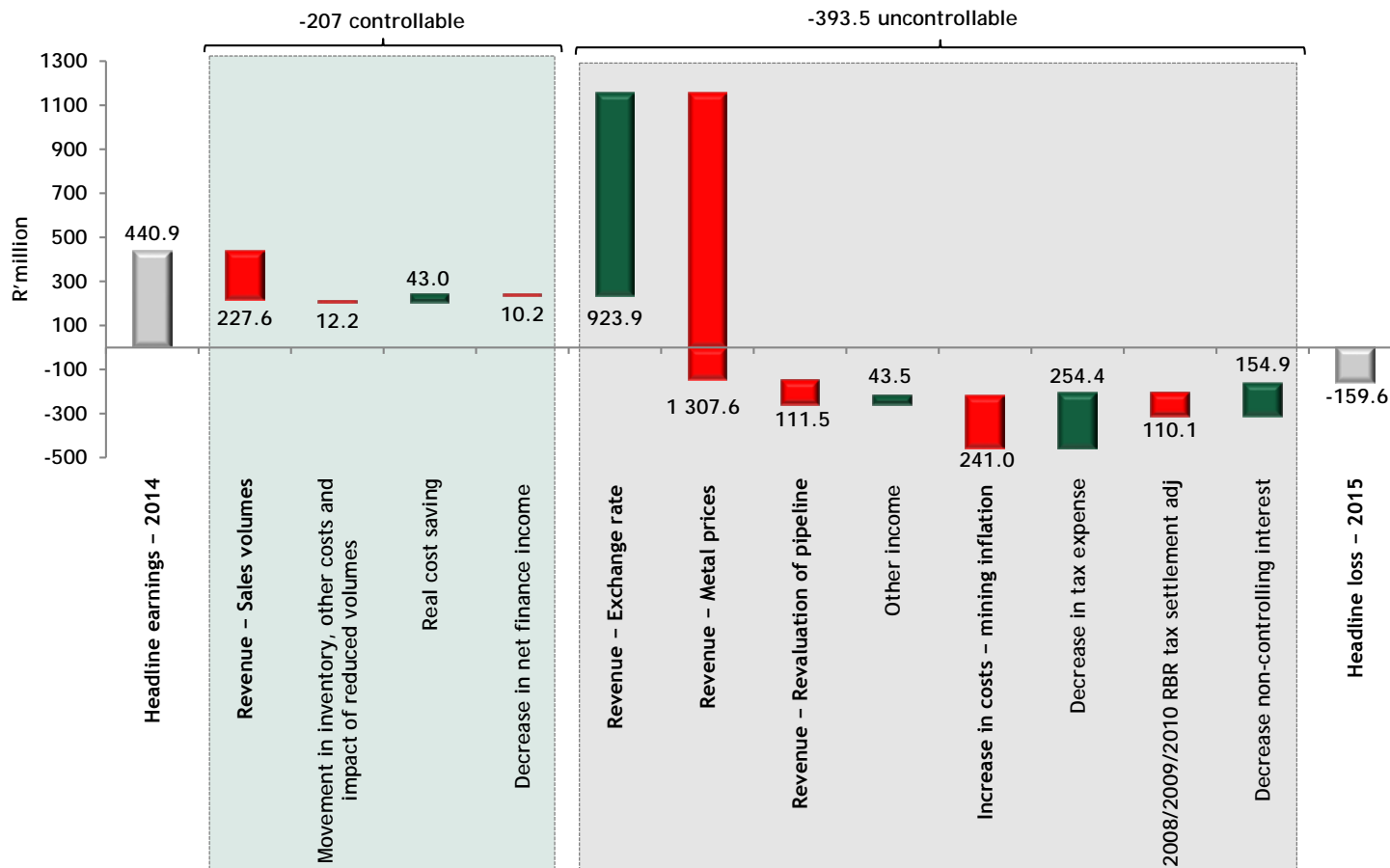
Revenue contribution 2014



## 7.6% increase in cost of sales also impacting profitability

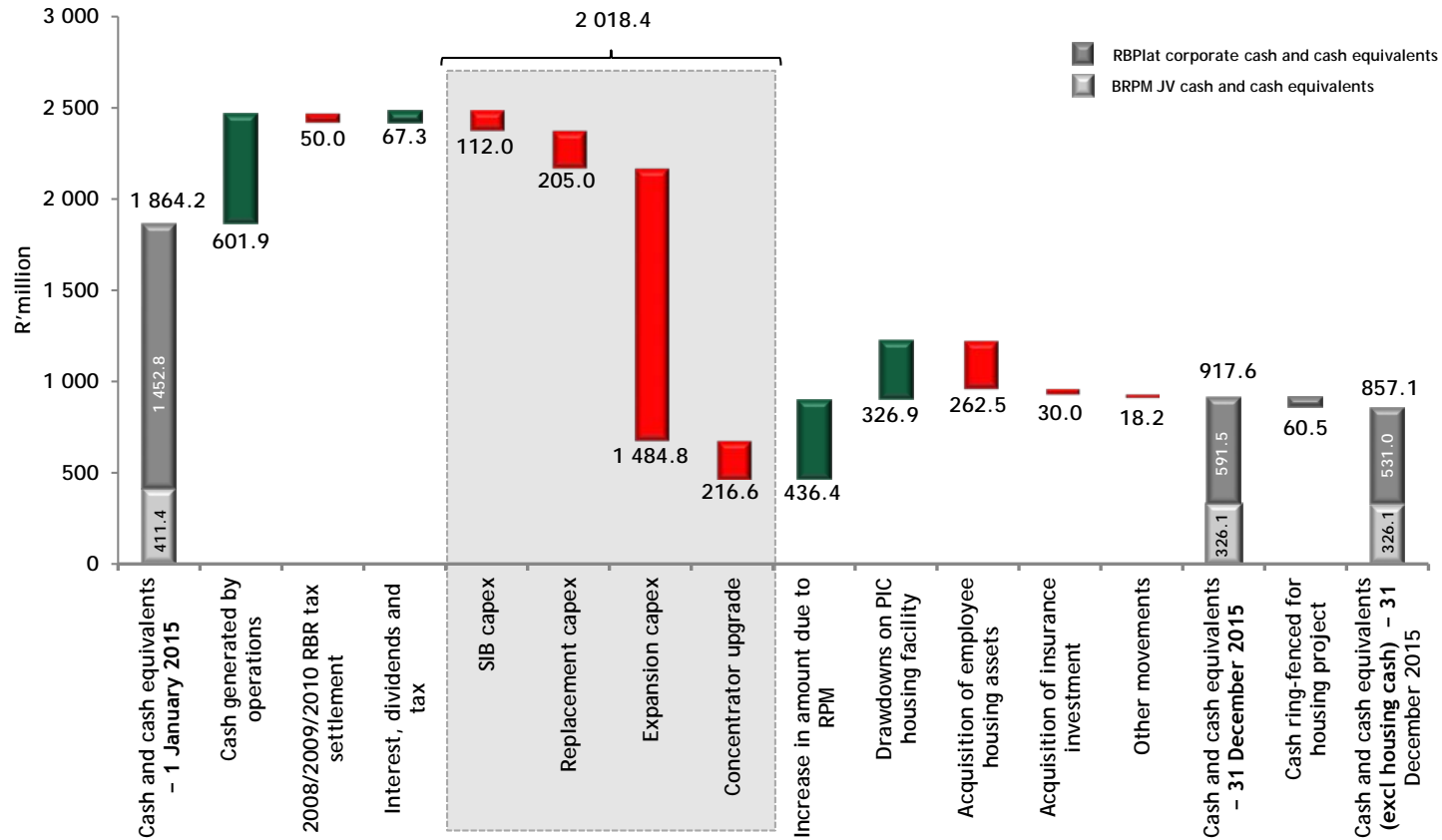
Description	2015 R million	2015 % of Total	% Change	2014 R million	2014 % of Total
Labour	946.3	35.6%	(7.1)	883.8	35.8%
Utilities	233.5	8.8%	(12.0)	208.5	8.5%
Contractor costs	633.4	23.9%	(16.9)	541.9	22.0%
Materials and other mining costs	734.7	27.7%	(0.7)	729.7	29.6%
<b>Total cash costs excl. once-off costs</b>	<b>2 547.9</b>	<b>96.0%</b>	<b>(7.8)</b>	<b>2 363.9</b>	<b>95.8%</b>
Movements in inventories	15.1	0.6%	(245.2)	(10.4)	(0.4%)
Elimination of intergroup charge	(40.2)	(1.5%)	8.1	(37.2)	(1.5%)
Social and labour plan expense	63.8	2.4%	42.2	110.3	4.5%
Retrenchment costs	20.5	0.7%	(100)	-	-
Other costs	48.2	1.8%	(19.0)	40.5	1.6%
<b>Cost of sales (excl. depreciation and amortisation)</b>	<b>2 655.3</b>	<b>100.0%</b>	<b>(7.6)</b>	<b>2 467.1</b>	<b>100.0%</b>

# 136% decrease in headline earnings – two thirds driven by external factors





# Despite market challenges 30% of 2015 capex funded by cash from operations...



## ...balance sheet remains strong at year-end

- > Rand basket decreased by 13% mainly due to US\$ commodity price weakening
- > Impairment of non-financial assets of R4.5 billion (net R2.9 billion) due to weak pricing environment
- > Strong cash and funding position
  - R917.6 million cash on hand for the Group
    - RBPlat corporate R531 million
    - RBRP housing R60.5 million
    - BRPM JV R326.1 million of which R218.5 million (67%) is attributable to RBPlat
  - R500 million revolving credit facility (RCF) and R458 million general banking facilities (GBF) in place until 31 December 2016
    - R500 million of RCF unutilised to date
    - R158.9 million of GBF utilised for Eskom, rehab and rental guarantees
    - R299.1 million of GBF unutilised
  - Therefore, RBPlat has R1.5 billion (R2.3 billion including Anglo Platinum's 33% commitment) of funding available for mining operations and projects
  - R2.2 billion PIC housing facility
    - R364 million utilised at year-end (excludes fair value adjustments). In 2015 this facility was used for the purchase of land for Phase 2 of our employee housing project and insurance investments
    - Ring-fenced to housing project, does not impede funding capacity of mining operations

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## Conclusion and outlook



## Looking forward to 2016

- > Objective of zero harm a major focus as well as maintaining improvement in our LTIFR and SIFR
- > Maintain optimal flexibility and continue to actively pursue value-enhancing opportunities
- > Key 2016 operational challenges include ensuring:
  - Operational stability
  - Volume delivery
  - Cost containment in order to maximise our cash flow
- > Cost control and stable labour and stakeholder relations remain a priority
- > PGM prices expected to remain depressed for at least next 12 months
- > Expect to end 2016 with a positive cash balance
  - R500 million revolving credit facility secured in January 2016 likely to remain unutilised by end of 2016