FOCUS ON DELIVERY

KEY FEATURES FOR FY2016

Exemplary group safety performance

R1.2 billion capex invested

PGM production up **15.7%**

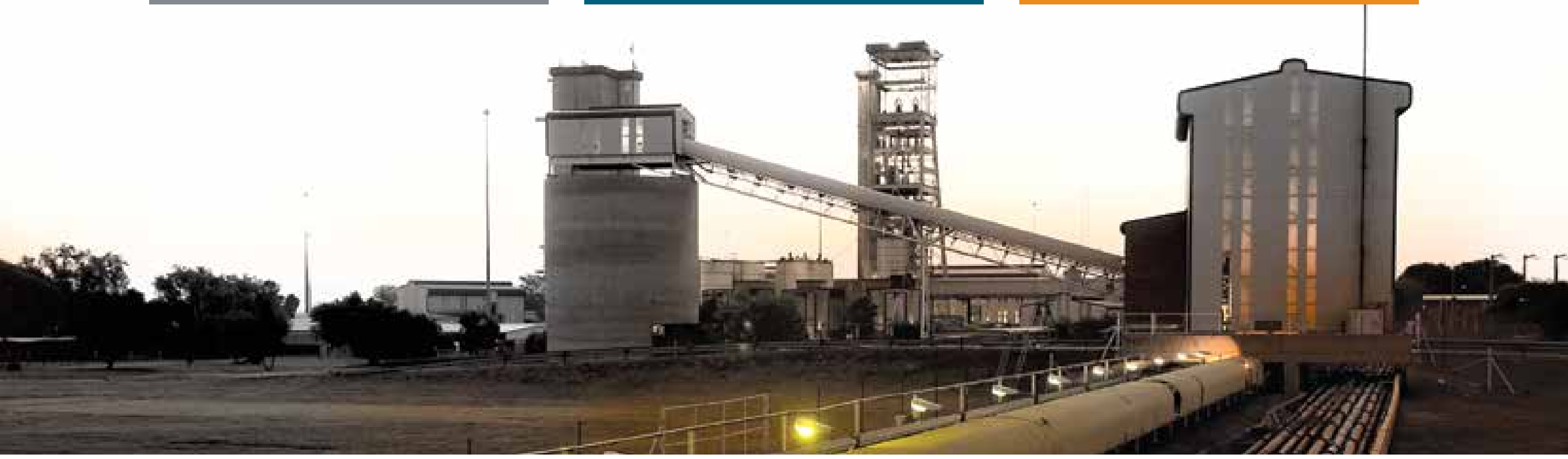
Cash balance **R3.1 billion**

Normalised headline earnings **87.1 cents** per share

Unit costs well contained

US$ basket price down **25%**

Booysendal South expansion project approved



The shifting of the ore mix to a UG2: MR ratio of 60:40 is a core strategic focus at Zondereinde

FIVE-YEAR OPERATING AND FINANCIAL REVIEW

Statement of comprehensive income – group (R’000)

	2016	2015	2014	2013	2012
Sales revenue	6 097 070	6 035 535	5 339 397	4 420 977	3 684 000
Cost of sales	5 713 722	5 439 722	5 277 915	3 813 301	3 345 311
Operating costs	5 007 233	4 342 571	3 536 002	2 826 094	2 632 926
Concentrates purchased	350 514	602 395	918 605	657 540	624 774
Refining and other costs	133 186	199 470	267 117	161 591	100 612
Depreciation and write-offs	403 545	339 949	445 875	234 690	190 287
Change in metal inventories	(180 756)	(44 663)	110 316	(66 614)	(203 288)
Operating profit	383 348	595 813	61 482	607 676	338 689
Share of (losses)/earnings from associate	(32 253)	28 769	3 464	13 783	16 602
Investment revenue	265 258	72 043	59 963	33 434	53 951
Finance charges	(39 634)	(145 170)	(176 124)	(17 946)	–
Net sundry income/(expenditure)	88 806	(1 319 014)	97 011	60 108	43 343
Profit/(loss) before preference share dividends	665 525	(767 559)	45 796	697 055	452 585
Amortisation of liquidity fees paid on preference shares	(18 088)	–	–	–	–
Preference shares	(918 806)	(100 767)	–	–	–
(Loss)/profit before tax	(271 369)	(868 326)	45 796	697 055	452 585
Taxation	(236 894)	165 619	26 199	169 054	142 073
(Loss)/profit for the year	(508 263)	(1 033 945)	19 597	528 001	310 512
Other comprehensive income					
Share of other comprehensive income from associate	19 822	(4 482)	(1 327)	(4 145)	(9 868)
Total comprehensive income for the year	(488 441)	(1 038 427)	18 270	523 856	300 644
Headline (loss)/earnings	(492 837)	(794 963)	8 601	522 182	309 248
Normalised headline earnings	444 057	422 681	–	–	–

FOCUS ON DELIVERY CONTINUED

Statement of financial position – group (R'000)

	2016	2015	2014	2013	2012
Non-current assets	14 110 084	13 367 048	12 745 424	12 622 989	9 831 213
Property, plant and equipment including mining properties and mineral resources	13 468 087	12 701 830	11 940 390	11 931 051	9 135 822
Investment in associate	192 164	275 847	496 509	495 498	505 415
Other non-current assets	449 833	389 371	308 525	196 440	189 976
Current assets	4 867 779	5 784 288	1 995 572	1 734 675	1 232 339
Inventories	1 330 270	1 126 550	1 076 853	878 530	811 183
Trade and other receivables	375 204	498 854	244 672	547 920	303 268
Cash and cash equivalents	3 105 080	4 138 189	666 174	298 580	104 980
Receiver of revenue	57 225	20 695	7 873	9 645	12 908
Mineral resources classified as held for sale	–	–	–	–	1 180 300
Total assets	**18 977 863**	**19 151 336**	**14 740 996**	**14 357 664**	**12 243 852**
Shareholders' equity	8 727 984	9 216 425	11 391 872	10 815 635	10 413 247
Non-current liabilities	9 072 179	7 310 753	2 157 462	1 997 826	648 600
Deferred tax	590 637	521 452	502 097	476 053	504 628
Domestic medium term notes	419 287	–	1 370 000	1 250 000	–
Preference share liability	7 429 549	6 492 655	–	–	–
Other non-current liabilities and provisions	632 706	296 646	285 365	271 773	143 972
Current liabilities	1 177 700	2 624 158	1 191 662	1 544 203	1 182 005
Total equity and liabilities	**18 977 863**	**19 151 336**	**14 740 996**	**14 357 664**	**12 243 852**

Statement of cash flows – group (R'000)

	2016	2015	2014	2013	2012
Operating cash flow	839 081	340 950	885 379	542 200	437 662
Cash generated from operations	951 650	745 187	693 774	915 317	608 378
Interest received	265 258	72 043	52 583	29 290	50 723
Movement in land and township development	(41 341)	–	–	–	–
Change in working capital	(162 131)	(221 248)	270 414	(281 104)	(90 367)
Tax paid	(175 355)	(255 032)	(131 392)	(139 303)	(131 072)
Investing cash flow	(1 126 793)	(1 101 462)	(765 945)	(1 703 238)	(2 010 021)
Financing cash flow	(745 397)	4 232 645	248 042	1 372 638	(20 514)
Dividends paid	–	(3 908)	(11 066)	(21 747)	(57 364)
Issue of preference share liability	–	4 599 426	–	–	–
Acquisition of non-controlling interest	–	(50 000)	(10 000)	–	–
Proceeds from issue of shares	–	–	579 033	2 007	–
Finance charges	(39 634)	(145 170)	(176 124)	(123 703)	–
Revolving credit facilities utilised	–	–	(250 000)	250 000	–
Domestic medium term notes (repaid)/issued	(950 713)	–	120 000	1 250 000	–
Liquidity fees paid	–	(163 903)	–	–	–
Other financing cash flows	244 950	(3 800)	(3 801)	16 081	368 850
Net cash flow	(1 033 109)	3 472 133	367 476	193 600	(1 592 873)
Cash and cash equivalents at beginning of year	4 138 189	666 056	298 580	104 980	1 697 853
Cash and cash equivalents at end of year	3 105 080	4 138 189	666 056	298 580	104 980

Operating performance

	2016	2015	2014	2013	2012
ZONDEREINDE					
Merensky					
Tonnes milled	815 167	795 885	803 736	958 211	884 660
Head grade – g/tonne (3PGE + Au)	5.9	5.7	5.8	5.8	5.9
UG2					
Tonnes milled	1 205 258	1 064 499	920 420	1 157 501	1 049 017
Head grade – g/tonne (3PGE + Au)	4.2	4.3	4.3	4.2	4.4
Combined – Zondereinde					
Tonnes milled	2 020 425	1 860 384	1 724 156	2 115 712	1 933 677
Head grade – g/tonne (3PGE + Au)	4.9	4.9	5.0	4.9	5.1
Precious metals in concentrates produced – kg	8 795	7 950	7 331	9 041	8 979
Precious metals in concentrates purchased – kg	6 076	2 338	1 975	1 633	1 877
Precious metals sold – kg	14 071	9 636	9 827	10 704	9 980
Precious metals in concentrates produced – oz	282 765	255 595	235 693	290 675	288 675
Precious metals in concentrates purchased – oz	195 348	75 168	63 488	52 502	60 347
Precious metals sold – oz	452 393	309 801	315 941	344 128	320 861

Zondereinde underground operations

FOCUS ON DELIVERY CONTINUED

Operating performance

	2016	2015	2014	2013	2012
BOOYSENDAL					
Merensky					
Tonnes milled	92 645	–	–	–	–
Head grade – g/tonne (3PGE + Au)	1.9	–	–	–	–
UG2					
Tonnes milled	2 072 958	1 786 375	1 517 109	–	–
Head grade – g/tonne (3PGE + Au)	2.7	2.6	2.6	–	–
Combined					
Tonnes milled	2 165 603	1 786 375	1 517 109	–	–
Head grade – g/tonne (3PGE + Au)	2.7	2.6	2.6	–	–
Precious metals in concentrates produced – kg	5 017	3 809	2 882	–	–
Precious metals in concentrates produced – oz	161 300	122 475	92 668	–	–
Precious metals sold – oz*	164 579	112 829	80 476	–	–

* *With effect from 1 June 2015, Booysendal's metal is sold to Zondereinde at 88% of the market value.*

Group sales

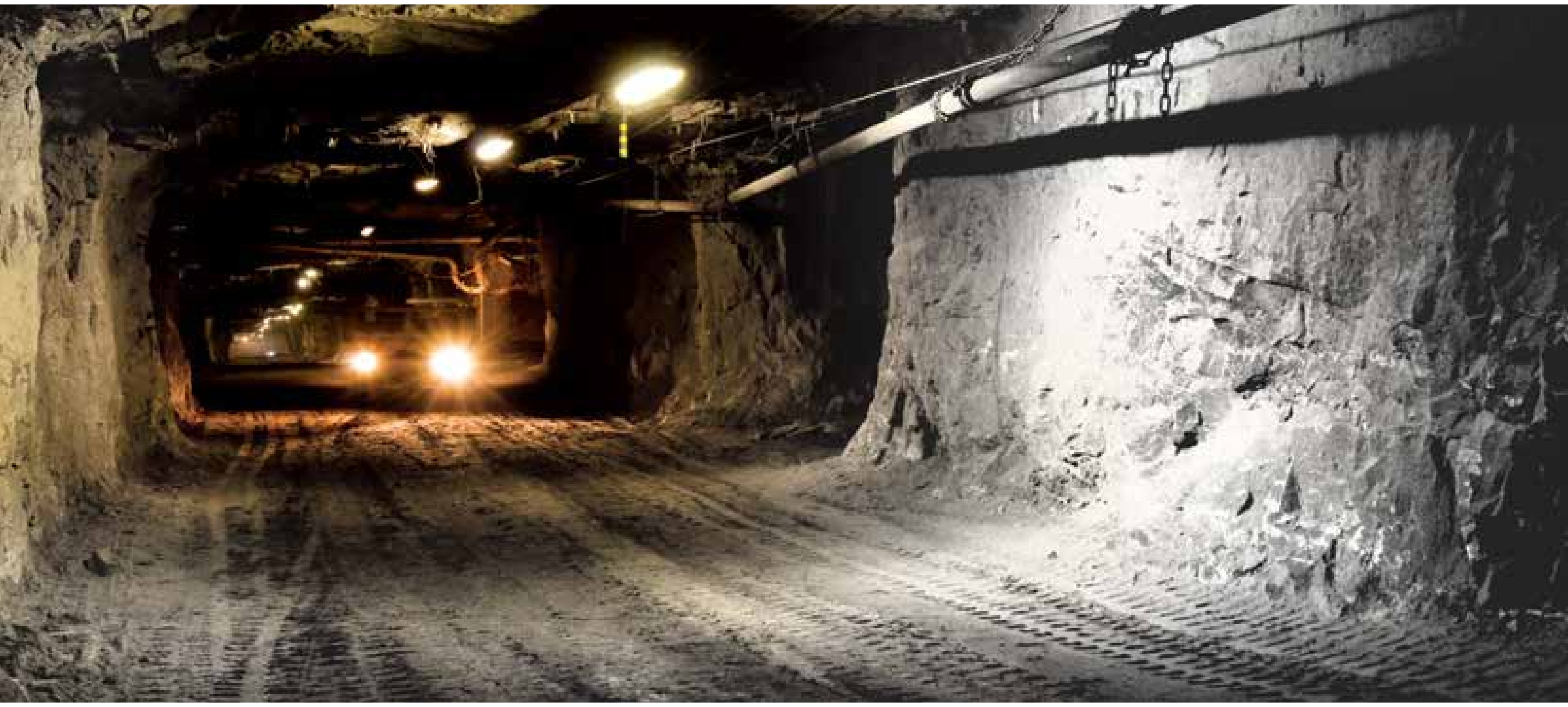
	2016	2015	2014	2013	2012
Group sales per metal – oz					
Platinum	270 194	253 784	241 831	212 373	195 735
Palladium	134 101	124 580	117 305	100 716	92 000
Rhodium	42 632	38 430	31 007	25 281	27 095
Gold	5 466	5 837	6 275	5 757	6 031
Total – 3PGE + Au	452 393	422 631	396 417	344 128	320 861
Group prices realised – US$/oz					
Platinum	964	1 248	1 433	1 568	1 622
Palladium	586	799	756	683	679
Rhodium	721	1 168	1 010	1 117	1 523
Gold	1 174	1 222	1 289	1 584	1 686
Basket – 3PGE + Au	831	1 108	1 198	1 276	1 345

Financial performance – group

	2016	2015	2014	2013	2012
Operating margin – %	6.3	9.9	1.2	13.7	9.2
Effective tax rate – %	(87.3)	(19.1)	57.2	24.3	31.4
Current ratio	4.1	2.2	1.7	1.1	1.0
Acid ratio	3.0	1.8	0.6	0.2	0.1
US dollar/rand exchange rate					
– average	14.33	11.45	10.35	8.82	7.77
– at year end	14.71	12.16	10.61	10.01	8.16

Share performance

	2016	2015	2014	2013	2012
Weighted average number of shares in issue – 000	349 876	391 835	390 970	382 561	382 426
Number of shares at year end – 000	509 781	509 781	397 586	382 586	382 497
Treasury shares at year end – 000	159 905	159 905	–	–	–
Shares after adjusting for Treasury shares	349 876	349 876	–	–	–
Operating cash flow per share – cents	239.8	87.2	226.5	137.0	114.4
(Loss)/earnings per share – cents	(145.3)	(264.3)	2.4	132.0	81.2
Headline (loss)/earnings per share – cents	(140.9)	(202.9)	2.2	136.5	80.9
Normalised earnings – cents	87.1	82.9	–	–	–
Dividends per share – cents	–	–	–	–	5.0
Dividend cover	–	–	–	–	16.2
Net assets value per share – cents	1 712.1	1 808.0	2 865.0	2 827.0	2 722.0
Share price (cents)					
– high	5 080	5 200	4 790	4 098	2 398
– low	1 610	3 120	3 186	2 251	2 281
– at year end	4 300	4 026	4 550	3 200	2 325
Platinum sector index at year end	24.0	26.8	46.8	37.1	51.2
Compound return over 5 years – %	0.4	(2.3)	9.0	(13.2)	(13.0)
Average monthly volume of shares traded – 000	21 659	23 619	14 793	20 257	23 555
Annual liquidity (%)	51.0	72.3	45.4	63.5	73.9



Underground at Booysendal

FOCUS ON DELIVERY CONTINUED

FIVE-YEAR SUSTAINABILITY REVIEW

Zondereinde

	2016	2015	2014	2013	2012
SOCIAL PERFORMANCE					
Safety					
Fatal injury incidence rate (FIIR)	0.00	0.00	0.00	0.01	0.02
Lost time injury incidence rate (LTIIR)	LA 1.92	1.31	1.70	1.50	1.91
Reportable injury incidence rate (RIIR)	LA 1.11	0.94	0.86	0.83	0.88
Number of fatalities	0	0	0	1	2
Health					
New cases of noise induced hearing loss (NIHL)	16	27	20	43	44
New cases of tuberculosis (TB)	75	111	97	70	85
Voluntary counselling and testing (VCT) encounters	1 876	1 250	1 049	1 088	1 659
Employment and human rights					
Average number of employees (including indirect employees)	8 392	8 548	8 788	9 148	9 163
Turnover rate (%)	6	7	4	1	7
HDSAs in management (%)	LA 48	45	38	37	35
Women in mining (%)	LA 8	8	7	7	7
HDSAs at board level (%)	70	50	44	56	64
ENVIRONMENTAL PERFORMANCE					
Rock mined (000t)	2 226	2 070	1 907	2 276	2 154
Ore milled (000t)	2 020	1 860	1 724	2 116	1 934
Water usage (000m^3)					
Potable water from external sources	2 803	2 488	2 335	2 633	2 540
Fissure water used	1 607	1 155	1 084	1 493	1 273
Water recycled in process	LA 27 413	25 664	25 524	25 909	24 390
% water recycled*	LA 86	91	89	91	91
Electricity consumption (MWh)					
Energy from electricity purchased by shafts	498 993	489 203	470 117	485 654	467 893
Energy from electricity purchased by plant	147 792	140 882	108 600	101 732	125 548
Total electricity purchased	LA 646 785	630 085	578 717	587 386	593 441
Greenhouse gas emissions (CO_2e tonnes):					
Scope 1 (direct) emissions	LA 27 830	29 743	23 451	15 509	15 401
Scope 2 (indirect) emissions	LA 666 189	648 988	596 079	605 008	611 244
Scope 3 (indirect) emissions	798	746	580	665	815
Total emissions	694 817	679 477	620 110	621 183	627 460
Land use (hectares)					
Land disturbed by mining-related activities	137	137	137	137	137
Land leased for farming purposes	273	273	273	273	273
Land protected for conservation	800	800	800	800	800
Total land under management (freehold)	4 439	4 439	4 439	4 439	4 439

** The FY2016 figure reflects a more accurate methodology adopted by Northam to calculate recycled water*

TWO-YEAR SUSTAINABILITY REVIEW

Booysendal

	2016	2015
SOCIAL PERFORMANCE		
Safety		
Fatal injury incidence rate (FIIR)	–	–
Lost time injury incidence rate (LTIIR)	LA 0.44	0.54
Reportable injury incidence rate (RIIR)	LA 0.32	0.41
Number of fatalities	–	–
Health		
New cases of noise induced hearing loss (NIHL)	31	18
New cases of tuberculosis (TB)	8	4
Voluntary counselling and testing (VCT) encounters	319	459
Employment and human rights		
Average number of employees (including indirect employees)	2 920	1 508
Turnover rate (%)	8	11
HDSAs in management (%)	LA 50	68
Women in mining (%)	LA 23	17
ENVIRONMENTAL PERFORMANCE		
Rock mined (000t)	2 138	1 670
Ore milled (000t)	2 166	1 786
Water usage (000m^3)		
Potable water from external sources	376	569
Borehole water used	N/A	N/A
Water recycled in process	LA 2 519	1 479
% water recycled*	LA 87	72
Electricity consumption (MWh)		
Energy from electricity purchased by shafts	44 052	43 362
Energy from electricity purchased by plant	88 738	72 023
Total electricity purchased	LA 132 790	115 385
Greenhouse gas emissions (CO_2e tonnes):		
Scope 1 (direct) emissions	LA 7 098	6 337
Scope 2 (indirect) emissions	LA 136 773	118 847
Scope 3 (indirect) emissions	98	N/A
Total emissions	143 969	125 184
Land use (hectares)		
Land disturbed by mining-related activities	771	521
Land leased for farming purposes	N/A	N/A
Land protected for conservation	960	960
Total land under management (freehold)	11 120	6 773

* *The FY2016 figure reflects a more accurate methodology adopted by Northam to calculate recycled water*