

REVIEWED INTERIM RESULTS

Report for the six months ended 31 December 2012



NORTHAM
P L A T I N U M L I M I T E D

KEY FEATURES

21% increase in operating profit

Earnings impacted by tax and finance charges

Sustained operational recovery at Zondereinde

Power supply being installed at Booyensdal

R1.25 billion successfully raised in domestic capital markets

REVIEWED INTERIM RESULTS

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	Reviewed Six months ended 31 December 2012	Reviewed Six months ended 31 December 2011	Audited Year ended 30 June 2012
% Change	R000	R000	R000

Interim consolidated statement of comprehensive income

Sales revenue	11.6	2 209 058	1 979 855	3 684 000
Cost of sales	10.4	1 943 035	1 759 343	3 345 311
Operating costs	10.3	1 449 829	1 314 358	2 632 926
Concentrates purchased	(23.2)	264 034	343 643	624 774
Refining and other costs	145.6	101 318	41 258	100 612
Depreciation and impairments	–	88 337	88 357	190 287
Change in metal inventories	(239.8)	39 517	(28 273)	(203 288)
Operating profit	20.6	266 023	220 512	338 689
Share of earnings from associate	(30.8)	2 357	3 405	16 602
Investment revenue	(47.3)	17 420	33 060	53 951
Finance charges	100.0	(32 382)	–	–
Sundry expenditure	125.7	(10 886)	(4 824)	(18 227)
Sundry income	(50.0)	18 421	36 874	61 570
Profit before tax	(9.7)	260 953	289 027	452 585
Taxation		114 184	90 871	142 073
Profit for the period	(25.9)	146 769	198 156	310 512
Other comprehensive loss				
Items that will be reclassified subsequently to profit and loss		(1 558)	–	(9 868)
Share of associate's exchange differences on translating foreign operations		(1 519)	–	(9 582)
Share of associate's fair value adjustment on available-for-sale financial assets		(39)	–	(286)
Total comprehensive income for the period		145 211	198 156	300 644
Profit attributable to:				
Owners of the parent		136 236	198 156	310 512
Non-controlling interests		10 533	–	–
Profit for the period		146 769	198 156	310 512
Total comprehensive income attributable to:				
Owners of the parent		134 678	198 156	300 644
Non-controlling interests		10 533	–	–
Total comprehensive income for the period		145 211	198 156	300 644

	Reviewed Six months ended 31 December 2012	Reviewed Six months ended 31 December 2011	Audited Year ended 30 June 2012
% Change	R000	R000	R000

Interim consolidated statement of comprehensive income continued

Reconciliation of headline earnings and per share information				
Profit attributable to shareholders		136 236	198 156	310 512
Loss on sale of property, plant and equipment		109	213	317
Tax effect on loss on sale of property, plant and equipment		(31)	(60)	(89)
Profit on sale of associate's property, plant and equipment		(2 077)	–	–
Tax effect on profit on sale of associate's property, plant and equipment		138	–	–
Profit on sale of associate's listed investment		(16)	–	–
Tax effect on profit on sale of associate's listed investment		–	–	–
Impairment of investment in associate		6 053	–	–
Insurance claim		(2 229)	–	(2 072)
Tax effect on insurance claim		624	–	580
Headline earnings	(30.0)	138 807	198 309	309 248
Earnings per share – cents	(31.3)	35.6	51.8	81.2
Fully diluted earnings per share – cents	(31.3)	35.6	51.8	81.2
Headlines earnings per share – cents	(30.1)	36.3	51.9	80.9
Fully diluted headline earnings per share – cents	(29.9)	36.3	51.8	80.9
Dividends per share – cents		–	5.0	5.0
Weighted average number of shares in issue		382 536 125	382 416 190	382 426 483
Fully diluted number of shares in issue		382 536 125	382 470 380	382 426 483
Number of shares in issue		382 586 090	382 416 190	382 496 990

	Reviewed Six months ended 31 December 2012 R000	Reviewed Six months ended 31 December 2011 R000	Audited Year ended 30 June 2012 R000
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Interim consolidated statement of cash flows

Cash flows from operating activities	249 414	211 735	437 662
Profit before taxation	260 953	289 027	452 585
Depreciation and impairment	88 337	88 357	190 287
Change in working capital	(89 078)	(107 014)	(90 367)
Change in short-term provisions	5 848	5 508	12 460
Taxation paid	(70 292)	(84 674)	(131 072)
Interest paid	32 382	–	–
Other	21 264	20 531	3 769
Cash flows utilised in investing activities	(959 097)	(899 252)	(2 010 021)
Property, plant, equipment, and mining properties and mineral reserves			
additions to maintain operations	(220 944)	(124 060)	(331 070)
additions to expand operations	(761 848)	(785 190)	(1 684 331)
disposal proceeds	2 884	2 479	6 488
Investment in associate – cash distributed	16 696	581	816
Township land and development			
additions	(10 405)	(6 572)	(12 942)
disposals proceeds	10 281	15 260	25 011
Increase in investments held by Northam Platinum Restoration Trust Fund	(1 101)	(923)	(4 098)
Increase in investments held by Environmental Contingency Fund	(1 023)	(827)	(6 249)
Acquisition of subsidiary net of cash acquired	6 416	–	–
Movement in Buttonshope Conservancy Trust	(176)	–	(9 775)
Dividends received	123	–	6 129
Cash flows generated/(utilised) in financing activities	1 223 626	(38 242)	(20 514)
Proceeds from issue of shares	2 007	–	1 566
Finance charges	(32 382)	–	–
Dividends paid	(13 979)	(38 242)	(57 364)
Increase in long-term loans	17 980	–	35 284
Domestic medium term notes issued	1 250 000	–	–
Increase/(decrease) in cash and cash equivalents	513 943	(725 759)	(1 592 873)
Cash and cash equivalents at beginning of period	104 980	1 697 853	1 697 853
Cash and cash equivalents at end of period	618 923	972 094	104 980

	Reviewed 31 December 2012	Reviewed 31 December 2011	Audited 30 June 2012
	R000	R000	R000

Interim consolidated statement of financial position

ASSETS			
Non-current assets			
Property, plant and equipment	5 511 311	3 632 874	4 598 689
Mining properties and mineral resources	4 833 541	4 526 178	4 537 133
Interest in associate and other	187 540	506 852	505 415
Unlisted investment	6	6	6
Township land and development	17 441	47 230	43 849
Long-term receivables	78 486	50 079	64 937
Investments held by Northam Platinum Restoration Trust Fund	36 790	32 514	35 689
Environmental Guarantee Investment	36 743	30 298	35 720
Buttonshope Conservancy Trust	9 951	–	9 775
	10 711 809	8 826 031	9 831 213
Current assets			
	1 758 285	2 045 396	1 232 339
Inventories	778 196	634 619	811 183
Trade and other receivables	351 758	425 834	303 268
Cash and cash equivalents	618 923	972 094	104 980
Receiver of revenue	9 408	12 849	12 908
Mineral resources classified as held for sale	1 180 300	1 180 300	1 180 300
Township land and development classified as held for sale	26 532	–	–
Total assets	13 676 926	12 051 727	12 243 852

	Reviewed 31 December 2012	Reviewed 31 December 2011	Audited 30 June 2012
	R000	R000	R000

Interim consolidated statement of financial position continued

EQUITY AND LIABILITIES			
Equity			
Share capital and share premium	8 599 655	8 596 082	8 597 648
Retained earnings	1 759 069	1 523 108	1 622 833
Equity compensation reserve	225 098	183 921	202 634
Share of other comprehensive loss from associate	(11 426)	–	(9 868)
Equity attributable to owners of the parent	10 572 396	10 303 111	10 413 247
Non-controlling interest	4 723	–	–
Total equity	10 577 119	10 303 111	10 413 247
Non-current liabilities			
Deferred tax liability	534 363	488 548	504 628
Long-term provisions	129 848	146 917	111 118
Domestic medium term notes	1 250 000	–	–
Long-term loans	49 464	–	32 854
Current liabilities	1 136 132	1 113 151	1 182 005
Trade and other payables	913 374	910 521	981 209
Receiver of revenue	116 626	113 116	101 900
Short-term provisions	102 331	89 514	96 466
Current portion of long-term loans	3 801	–	2 430
Total equity and liabilities	13 676 926	12 051 727	12 243 852
Net asset value – cents per share	2 763	2 694	2 722

	Share capital	Share premium	Equity compensation reserve	Retained earnings	Other comprehensive loss from associate	Non-controlling interest	Total
	R000	R000	R000	R000	R000	R000	R000

Interim consolidated statement of changes in equity

Balance at 1 July 2011	3 824	8 592 258	156 076	1 363 194	–	–	10 115 352
Share-based payment expense	–	–	27 845	–	–	–	27 845
Profit and total comprehensive income for the period	–	–	–	198 156	–	–	198 156
Dividends declared	–	–	–	(38 242)	–	–	(38 242)
Issue of new shares	–	–	–	–	–	–	–
Balance at 31 December 2011	3 824	8 592 258	183 921	1 523 108	–	–	10 303 111
Share-based payment expense	–	–	25 204	–	–	–	25 204
Total comprehensive income for the period	–	–	–	112 356	(9 868)	–	102 488
Profit for the period	–	–	–	112 356	–	–	112 356
Other comprehensive income for the period	–	–	–	–	(9 868)	–	(9 868)
Transfer of equity compensation reserve to retained earnings	–	–	(6 491)	6 491	–	–	–
Dividends declared	–	–	–	(19 122)	–	–	(19 122)
Issue of new shares	1	1 565	–	–	–	–	1 566
Balance at 30 June 2012	3 825	8 593 823	202 634	1 622 833	(9 868)	–	10 413 247
Share-based payment expense	–	–	22 464	–	–	–	22 464
Non-controlling interest arising on a business combination	–	–	–	–	–	8 169	8 169
Total comprehensive income for the period	–	–	–	136 236	(1 558)	10 533	145 211
Profit for the period	–	–	–	136 236	–	10 533	146 769
Other comprehensive income for the period	–	–	–	–	(1 558)	–	(1 558)
Dividends declared #	–	–	–	–	–	(13 979)	(13 979)
Issue of new shares	1	2 006	–	–	–	–	2 007
Balance at 31 December 2012	3 826	8 595 829	225 098	1 759 069	(11 426)	4 723	10 577 119

Non-controlling interest's portion of dividends declared by entities in the Northam group.

	Reviewed 31 December 2012	Reviewed 31 December 2011	Audited 30 June 2012
	R000	R000	R000

Capital commitments*

Authorised but not contracted	576 605	1 436 264	888 484
Contracted	361 240	1 323 710	916 113
Booyseindal mine	937 845	2 759 974	1 804 597
Authorised but not contracted	178 517	152 627	494 138
Contracted	76 476	107 565	152 232
Zondereinde mine	254 993	260 192	646 370

Other commitments

Information Technology Outsource Service Provider			
Due within one year	9 434	13 502	9 777
Due within two to five years	36 632	24 263	41 309
Operating lease rentals – office equipment			
Due within one year	1 489	221	1 981
Due within two to five years	1 575	588	2 829
Operating lease rentals – premises			
Due within one year	2 862	3 749	3 463
Due within two to five years	12 990	11 434	11 215
More than five years	8 472	14 399	13 976
Employee housing development			
Contracted	–	–	30 483
Bank guarantees issued	133 685	72 049	66 340

* These commitments will be funded from a combination of internal retentions and debt.

		Six months ended 31 December 2012	Six months ended 31 December 2011	Year ended 30 June 2012
	% Change	R000	R000	R000

Operating statistics *

Merensky				
Development metres	11.0	3 510	3 163	5 988
Square metres mined	16.4	99 859	85 771	167 475
Tonnes milled	19.0	534 316	449 117	884 660
Head grade (g/ton – 3PGEs + Au)	(1.7)	5.8	5.9	5.9
Available ore reserves – months		20	18	18
UG2				
Development metres	(47.1)	1 009	1 907	2 792
Square metres mined	10.6	97 302	87 992	171 894
Tonnes milled	11.9	614 742	549 481	1 049 017
Head grade (g/ton – 3PGEs + Au)	–	4.3	4.3	4.4
Available ore reserves – months		24	24	24
Combined				
Development metres	(10.9)	4 519	5 070	8 780
Square metres mined	13.5	197 161	173 763	339 369
Tonnes milled	15.1	1 149 058	998 598	1 933 677
Head grade (g/ton – 3PGEs + Au)	–	5.0	5.0	5.1

Financial statistics *

Precious metals in concentrates produced	kg	6.5	4 889	4 592	8 979
Precious metals in concentrates purchased	kg	(29.4)	713	1 010	1 877
Precious metals sold	kg	4.4	5 526	5 295	9 980
Average price realised	R/kg	3.7	354 385	341 725	335 325
Operating costs	R/kg	4.0	314 622	302 636	311 645
Cash costs	R/kg	5.7	289 516	273 812	283 934
Precious metals in concentrates produced	oz	6.5	157 183	147 636	288 675
Precious metals in concentrates purchased	oz	(29.4)	22 923	32 472	60 347
Precious metals sold	oz	4.4	177 655	170 238	320 861
Average price realised	US\$/oz	(7.7)	1 281	1 388	1 345
Operating costs	US\$/oz	(6.0)	1 157	1 231	1 247
Cash costs	US\$/oz	(4.5)	1 064	1 114	1 136
Average exchange rate realised	US\$1.00 = R	10.4	8.46	7.66	7.77
Operating costs per tonne milled	R/tonne	(3.8)	1 339	1 392	1 447
Cash costs per tonne milled	R/tonne	(2.1)	1 232	1 259	1 318

* Not audited or reviewed.

COMMENTARY ON RESULTS

Financial results

Against the background of a volatile labour relations climate in the South African mining sector, Northam's results reflect a sustained operational recovery at the company's Zondereinde mine. Threats of a worldwide shortage of platinum group metal (PGM) supplies from South Africa helped to stem the decline in the dollar prices of PGMs. The weakening of the South African rand against the US dollar, particularly at the end of the second quarter of the year, helped improve the rand basket price, which was favourable for the group.

In the period under review the rand averaged R8.46/US\$ (H1 F2012: R7.66/US\$) increasing the rand basket price by 3.7% to R354 385/kg (H1 F2012: R341 725/kg). The firmer prices, combined with the recovery in the production of metals in concentrate, which was 6.5% higher at 4 889kg (3PGE+Au) (H1 F2012: 4 592kg) contributed to the revenue of R2.2 billion (H1 F2012: R2.0 billion) for the half-year.

The cost of sales increased by 10.4% to R1.9 billion driven by higher operating and refining costs. Total operating costs rose by 10.3% to R1.4 billion (H1 F2012: R1.3 billion), reflecting the higher volumes and the effects of mining inflation, particularly impacted by labour and power costs. The operating and cash cost per tonne milled decreased by 3.8% to R1 339 per tonne and 2.1% to R1 232 per tonne respectively, reflecting the higher production volumes. The substantial increase in refining and related costs is a result of the temporary outsourcing of smelting and refining services to a third party during the smelter rebuild from May to September 2012. A total of 3 245kgs (3PGE+Au) was treated by the third party during the period. The shutdown also affected purchased concentrates, the cost of which fell by 23.2% to R264.0 million owing to a 297kg drop in volumes purchased from 1 010kg in H1 of F2012, to 713 kg in the current period. The smelter was recommissioned in September and is fully operational.

The operating margin of the group improved marginally from 11.1% in the previous period to 12.0% in the current period. This was a result of a combination of higher rand basket prices achieved and higher metal concentrate production levels. With the intensive capital expenditure programme ahead of the commissioning of the Booyssendal mine and the drawdown of cash, investment revenue declined by 47.3% to R17.4 million. Finance charges relate to interest arising during the current six month period on borrowings from the domestic capital market and the Nedbank Limited revolving credit facility. The decrease in net sundry income is largely the result of a combination of lower toll treatment charges received, given the lower purchases, and commitment fees which were payable in respect of the Nedbank Limited revolving credit facility.

The higher tax charge reflects the inter-company interest charged on debt financing for Booyssendal which was capitalised and as yet not claimable, since the Booyssendal mine is not yet in production.

Cash flows from operating activities improved by 17.8% during the current period to R249.4 million (H1 F2012: R211.7 million) mainly as a result of a higher operating profit. Cash flows utilised in investing activities increased by 6.7% to R959.1 million (H1 F2012: R899.3 million) owing to an increase in capital

expenditure at Zondereinde mine, which included the smelter rebuild and ongoing capital expenditure on 15 Level to improve accessibility to Merensky ore reserves. Cash flows utilised in financing activities increased substantially as the company raised funds in the domestic capital market of R1.25 billion in this period. The net result of these cash flow activities is a cash and cash equivalents balance of R618.9 million (H1 F2012: R972.1 million) at 31 December 2012.

Operations review

Zondereinde mine

Safety

The board congratulates the management and employees of Zondereinde on achieving one million fatality free shifts on 25 October 2012. Considerable effort continues to be put into reducing the number and severity of injuries on the mine. This effort has translated into an improvement in the lost time injury incidence rate (LTIIR) and in the reportable injury incidence rate (RIIR) to 1.58 and 0.85 respectively, over the previous comparable period.

Operating performance

The smelter rebuild, prompted by a run-out at the furnace in May 2012, was completed and the furnace recommissioned as expected by the end of September 2012.

Fewer disruptions from safety related stoppages during the period under review resulted in an improved operating performance. Total tonnes milled increased by 15.1% to 1 149 058 (H1 F2012: 998 598 tonnes). Merensky reef contributed 534 316 (H1 F2012: 449 117) tonnes at 5.8 g/t and the UG2 reef 614 742 (H1 F2012: 549 481) tonnes at 4.3 g/t. The combined headgrade remained constant at 5.0g/t.

Production of metals in concentrate increased by 6.5% to 4 889kg (H1 F2012: 4 592kg). Volumes of concentrates purchased declined 29.4% from 1 010kg to 713kg in the current period owing to the interruption in smelting activities.

Mining conditions at Zondereinde continue to be impacted by poor ground conditions particularly on the Merensky reef in the north west quadrant of the mine. Steady progress in the decline infrastructure continues, with stoping from 15 level expected to start in the second half of F2013.

Labour relations

There were no disruptions to production during the period. In terms of the two-year wage agreement signed in June 2011, wage increases were implemented in June 2012. New wage negotiations for F2014 are expected to begin in April 2013.

Capital expenditure

A total of R221.0 million (H1 F2012: R124.1 million) was spent on capital to maintain operations during the current period. The higher expenditure is associated with the deepening project including development and equipping of 15 level along with the rebuild of the smelter and routine maintenance capital. Forecast capital expenditure for the remainder of F2013 is expected to be R255.0 million.

Township and land development

A further 54 housing units were sold during the period, bringing the total number of houses sold since the inception of the housing scheme, which facilitates home ownership for employees, to 294.

Booyesdal mine

Safety

At 31 December 2012, the total labour force at the site stood at 2 433. Since the inception of the project in April 2010 the total number of lost time injuries recorded stands at 16. The progressive LTIR at the Booyesdal mine is 0.37 and the RIIR is 0.14.

Capital expenditure

A total of R761.8 million was spent in the current period on the continued development of the Booyesdal mine. A further R937.8 million is yet to be spent in the six months to 30 June 2013, including pre-production expenditure. Total project expenditure since inception is R2.8 billion.

Development

To date 6 455 metres of underground development has been completed. Development of the on-reef declines and footwall conveyor decline continues as mining sections are established on the upper levels of the mine. Some 14 000m² of stoping has been completed and the surface stockpile contains approximately 320 000 tonnes of ore. Equipping of the decline system and underground sections is progressing satisfactorily.

Surface infrastructure

Construction of the concentrator plant is largely complete with the focus currently on cold commissioning. The electrical sub-station has been completed, and construction of the permanent power line resumed in October 2012 but progress has been slower than expected. It is anticipated that the permanent power line should be completed during March 2013, whereafter cold commissioning of the concentrator plant will be completed before hot commissioning can commence.

The construction of mine complex buildings continues and offices for management, a medical emergency building, a canteen and the gatehouse have been completed and handed over. The construction of production and services offices, the training centre, control room and the human resources buildings are nearing completion.

Financing arrangements

The group successfully raised R1.25 billion in the domestic debt capital market in August 2012, obviating the need to draw down the interim stand-by facility of R650 million. This funding of R1.25 billion, secured by way of a domestic medium term note programme, is in addition to the R1 billion revolving credit facility from Nedbank which was concluded in November 2011. Unless there are unexpected operational disruptions, management believes that the company is fully funded to complete the construction of the Booyendal mine. First production is still expected during H2 of F2013 subject to power availability. The debt position of the group at 30 June 2012 was R nil. At 31 December 2012 debt stood at R1.25 billion, bringing the net debt position at the year end to R631.1 million.

Corporate activity

Shareholders are referred to the announcement dated Friday, 3 August 2012 advising shareholders of a restructure of the group's black economic empowerment (BEE) shareholding. Northam has proposed an 'A' class share to be held by BEE trusts, as outlined in that announcement, in order to rectify its BEE position. This proposal was submitted to the Department of Mineral Resources in November 2012. The proposal aims to restore Northam's BEE shareholding to at least 26%. Shareholders will be informed of progress on this matter in due course.

Other assets

Aquarius Platinum Limited and Aquarius Platinum (South Africa) Proprietary Limited have indicated their continued intention to honour the agreement to acquire mineral rights attached to the southern portion of Booyendal for an amount of R1.2 billion. The agreement remains subject to conditions precedent which includes approval by the Department of Mineral Resources. However, the agreement expires on 30 April 2013.

Broad Brush Investments 2 Proprietary Limited, a subsidiary company, has entered into an agreement of sale with Rustenburg Platinum Mines Limited (an Anglo American Platinum Limited group company) for the sale of certain township land. A reclassification of R26.5 million has therefore been made as township land and development held for sale in the current reporting period.

The group will continue to investigate optimal ways of realising value from the assets that were acquired through the acquisition of Mvelaphanda Resources Proprietary Limited (formerly Mvelaphanda Resources Limited) in June 2011. These include a 50% interest in the Dwaalkop platinum project, a 20.3% interest in the issued share capital of Trans Hex Group Limited, a diamond producing and marketing company listed on the JSE Limited and a 51% initial participatory interest in the Kokerboom Joint Venture, a greenfields iron oxide/gold/copper and massive sulphide exploration project.

The group acquired 70% of Northam Chrome Producers Proprietary Limited (NCP) for R10 million effective 1 July 2012. This company produces chrome from Zondereinde's UG2 tailings. NCP's contribution to profit for the period amounted to R34.6 million.

Prospects⁺

Social and economic uncertainty is expected to dominate the platinum industry for the foreseeable future. Barring any disruptions to Northam's operations in the second half of the year, the company is expected to deliver an improved operational performance compared to F2012. The financial performance will depend largely on the availability of mineable Merensky reef, international metal prices and local cost inflation.

⁺ *the information contained in this paragraph has not been reviewed by the group's auditors.*

Auditor's review

The financial results of the group have been reviewed by Mr C Maongera CA (SA), Registered auditor of Ernst & Young Inc., the group's auditors. A copy of their unmodified review report is available for inspection at the company's registered office.

Accounting Policies – basis of preparation

The interim financial statement has been prepared on the historical cost basis, except for financial instruments that are stated at fair value. The Group Financial Statements for the half year ended 31 December 2012 have been prepared in accordance with IAS 34 – Interim Financial Reporting as well as AC500 Standards, and incorporate the accounting policies which are consistent with those adopted in the financial year ended 30 June 2012, with the exception of the adoption of the following amendments, standards or interpretations with effect from 1 July 2012:

Standard	Subject
IAS 1	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income (Amendment)
IAS 12	Income Taxes – Deferred Taxes – Recovery of underlying assets (Amendment)

The adoption of these amendments resulted in changes only in the way in which the interim financial results statements are presented as well as additional disclosures in the annual financial statements. They did not impact any amounts disclosed in the Interim Consolidated Statement of Comprehensive Income or Interim Consolidated Statement of Financial Position.

Related parties

The group, in the ordinary course of business, enters into various sale, purchase and lease transactions with a large number of entities, some of whom are related parties. All transactions covered in this set of results are concluded on an arm's length basis, except for the UG2 tailings from which chrome is extracted by the subsidiary Northam Chrome Producers (NCP). The tailings are disposed of by Northam at no cost to NCP.

Segmental report

The group's most significant segments are Booyssendal mine and Zondereinde mine. In the current six month period, R761.8 million has been incurred for the development of Booyssendal mine (H1 F2012: R785.2 million). The profit for the current period earned by Booyssendal mine, mainly from investment revenue, amounts to R1.6 million (H1 F2012: R nil) and the remaining profits were earned by Zondereinde mine. Revenue relates to external customers of Zondereinde mine.

Total assets in respect of the Booyssendal mine amount to R9 093.4 million (H1 F2012: R7 448.6 million). These are allocated to property, plant and equipment, mining properties, mineral reserves and receivables of Booyssendal. All other assets (H1 F2012: R4 603.1) relate to Zondereinde mine.

Going concern

Mining activity is finite in its nature and the operations of mines are dependent on, *inter alia*, geological, technical as well as economic factors such as commodity prices and exchange rates. The outlook for the South African as well as the global economy remains uncertain, although there are signs that the United States is emerging out of recession and Chinese demand for a range of commodities is rising. Europe, however, still remains in a debt crisis. The US dollar prices of PGMs, improved in the last few months and the exchange rate of the rand to the US dollar weakened. The directors therefore believe that, assuming uninterrupted production, the company remains a going concern based on available borrowing facilities and anticipated operational cash flows.

Preparation

These interim results have been prepared under the supervision of the financial director, Mr AZ Khumalo CA (SA). The results of the group will be published on the company's website on Friday, 22 February 2013.

Events after the reporting period

There have been no significant events subsequent to 31 December 2012 which require adjustment or additional disclosure to these interim results.

Directors

Mr MJ Willcox resigned as alternate director to Mr MSMM Xayiya on 5 November 2012, and Mr MSMM Xayiya resigned as a non-executive director on 7 December 2012.

Dividend

Taking into account the cash requirements of the Booyesdal mine development, coupled with the uncertainty currently prevailing in the mining industry, the board has passed the interim dividend (H1 F2012: 5 cents per share).

On behalf of the board

PL Zim

Chairman

Johannesburg

20 February 2013

GT Lewis

Chief executive officer

Directors

PL Zim (Non-executive chairman), GT Lewis (Chief executive officer) (British), AZ Khumalo (Financial director), ME Beckett (British), CK Chabedi, JAK Cochrane (British), Ms NJ Dlamini (Dr), R Havenstein, Ms ET Kgosi, AR Martin.

Registered office

Block 1A, Albury Park, Magalieszicht Avenue, Dunkeld West, Johannesburg, 2196.
PO Box 412694, Craighall, 2024, Republic of South Africa

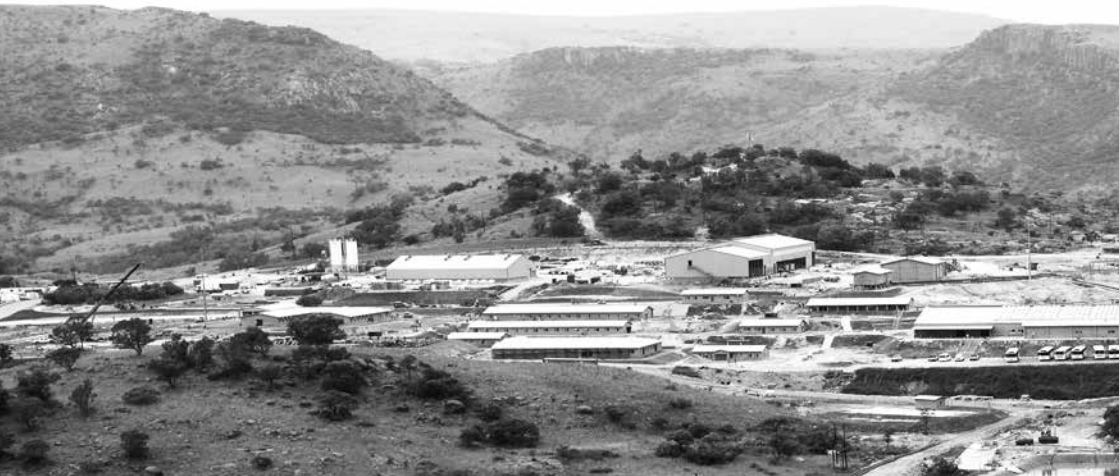
Company secretary

Ms PB Beale

These results are available on the Northam website at www.northam.co.za

(Incorporated in the Republic of South Africa) (Registration number 1977/003282/06)

Share code: NHM ISIN: ZAE000030912 ("Northam Platinum" or "the company" or "the group")



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