

# NORTHAM



PLATINUM LIMITED

## INTERIM RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

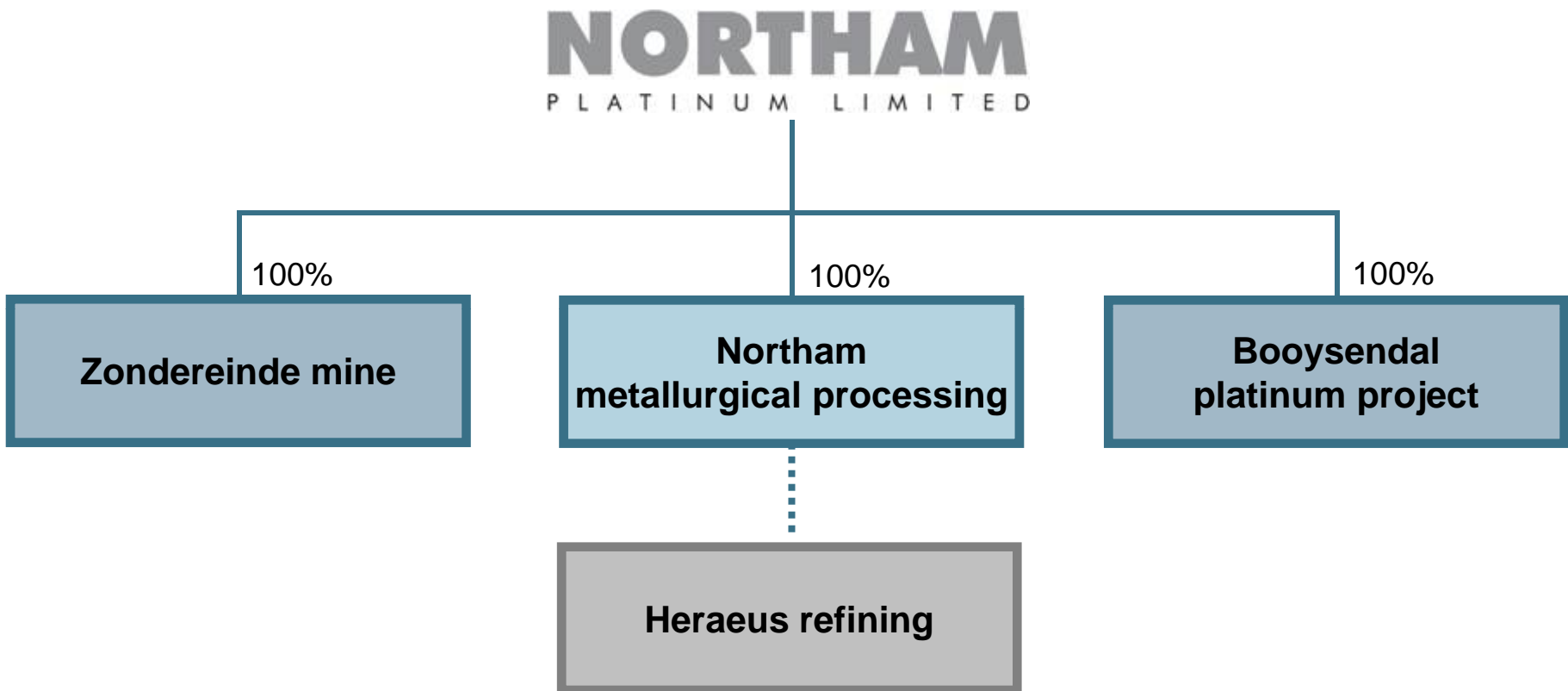
# The line-up

- The new Northam
- Key features of the half-year
- Booyssendal – progress report
- Key issues going forward
- The Northam investment case



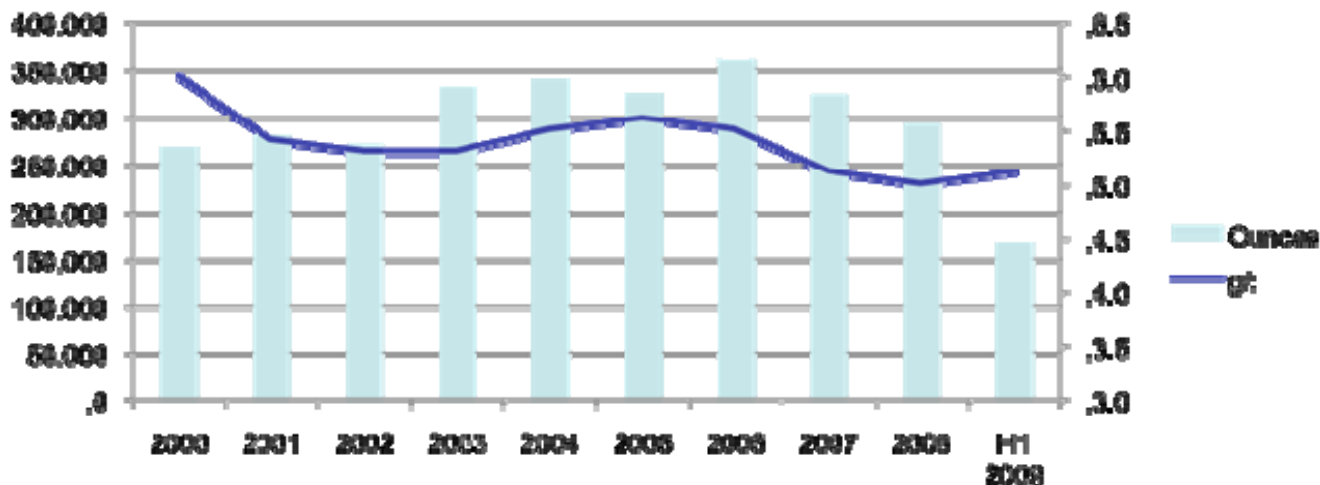
# Evolving corporate structure

- Progress in diversifying the asset base



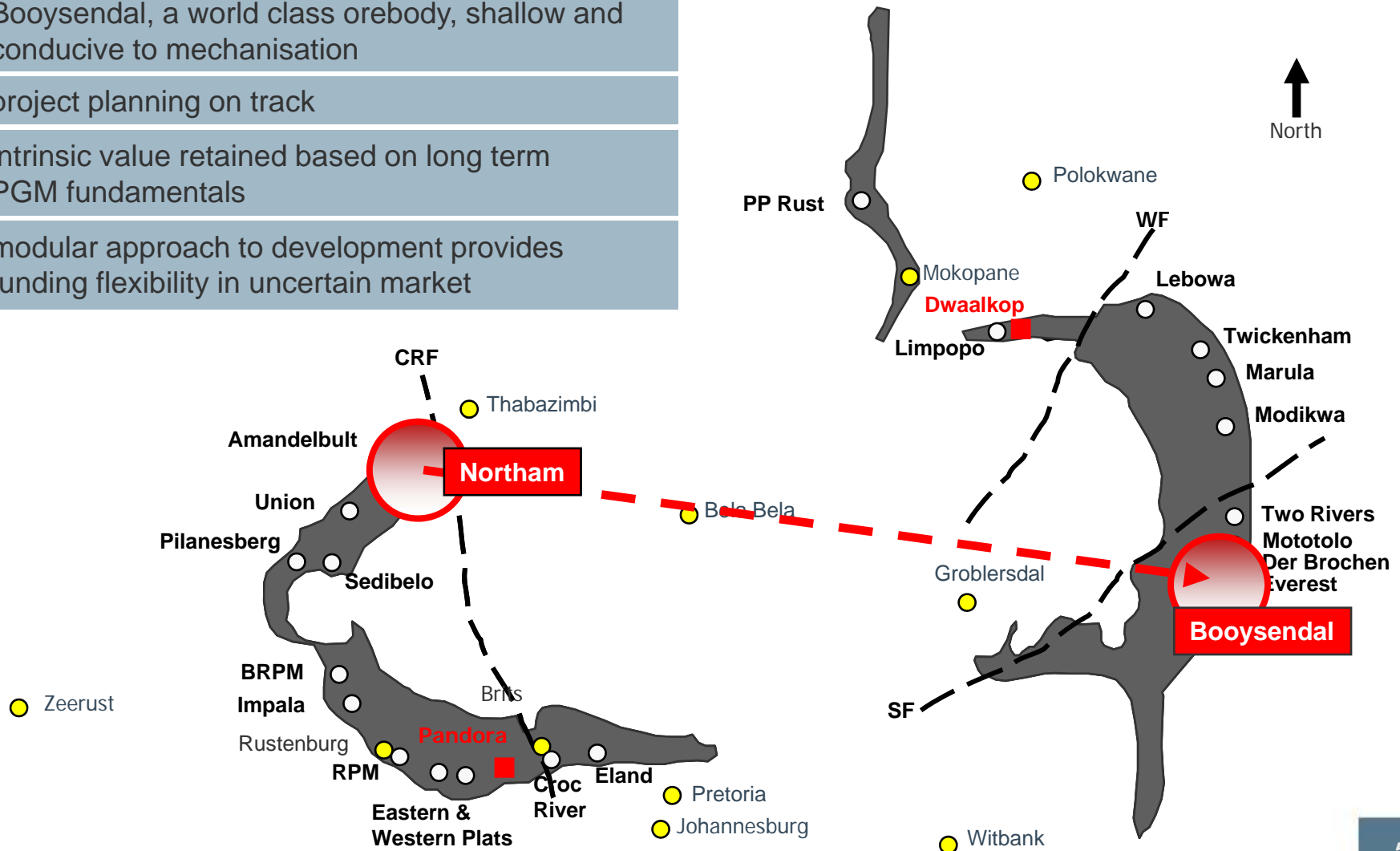
# The Northam track record

- Northam mine – reliable, consistent mid-tier producer
  - approximately 5.0 Moz produced to date
  - highest recovered yield in the industry
  - cost profile in the lower half of industry cost curve
- Moderate capex requirements going forward
- Cash positive in current market conditions and basket price



# Northam into the future

- Booyesendal, a world class orebody, shallow and conducive to mechanisation
- project planning on track
- intrinsic value retained based on long term PGM fundamentals
- modular approach to development provides funding flexibility in uncertain market



# Fully integrated metallurgical operations

- Concentrator plants, reliable smelter and base metals removal plant
- Smelter rebuild and upgrade completed on schedule and within budget
- Tradition of innovation, improving recoveries
- Leveraging capacity, offtake agreements concluded
  - Platmin
    - Potential to add significant sales ounces
  - Braemore
    - testwork completed on Conroast alloys
    - opportunity to treat high value, high chrome concentrate



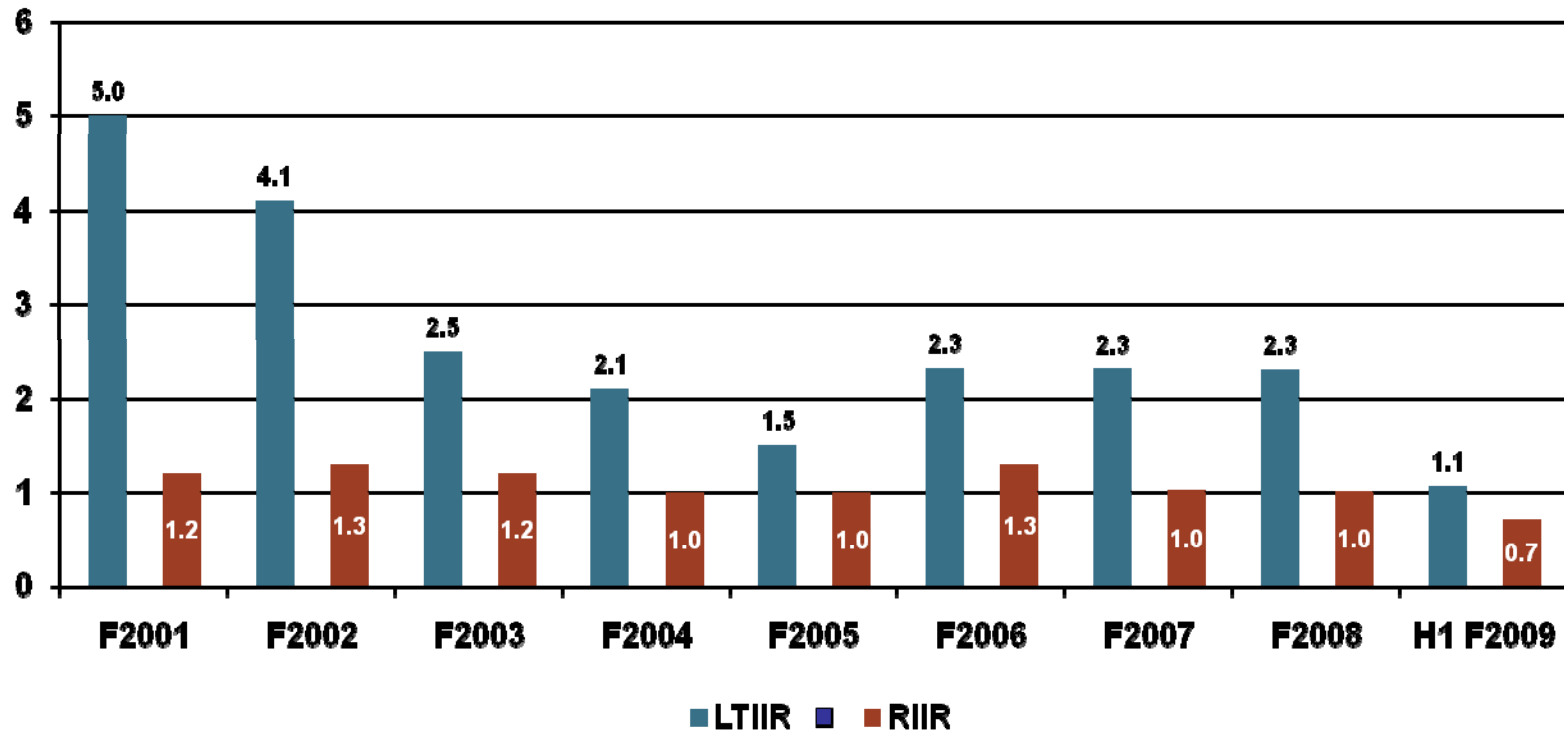
# H1 2009: key features from the results

- 10.7% increase in production to 5 193 kg (166 952 oz)
- Good grade control
- Below inflation unit cost increases
- Healthy cash levels at R731 million
- Operating margin at 37%
- Focus on safety – sustained improvements



# Safety: a key focus area

**Injury Incidence rates per 200 000 man hours**





# Creditable operating performance

	H1 F2009	H1 F2008	Change
Total development metres	6 272	6 426	-2.4%
Merensky square metres	107 752	103 920	3.7%
Merensky head grade (g/t)	5.8	5.6	3.6%
UG2 square metres	88 242	74 644	18.2%
UG2 head grade (g/t)	4.4	4.4	-
Total square metres mined	196 000	178 564	9.8%
Total tonnes milled	1 162 491	1 024 242	13.5%
Average combined head grade (g/t)	5.1	5.0	2.0%
PGMs in conc. produced (kg)	5 193	4 689	10.7%

# Sales volumes

	H1 F2009 (kg)	H1 F2008 (kg)	Change
Platinum	2 771	2 607	6.3%
Palladium	1 341	1 214	10.5%
Rhodium	409	285	43.5%
Gold	78	67	16.4%
<b>Total (3PGE+Au)</b>	<b>4 599</b>	<b>4 173</b>	<b>10.2%</b>
Ruthenium	305	647	-52.9%
Iridium	129	106	21.7%
Copper (tonnes)	277	275	1.0%
Nickel (tonnes)	583	563	3.6%

# Income statement

	H1 F2009 (R000)	H1 F2008 (R000)	Change
Sales revenue	1 612 257	1 497 084	7.7%
Operating profit	602 037	788 994	-23.7%
Investment income	72 434	40 868	77.2%
Net sundry income	22 758	(6 839)	432.8%
Booyse dal expenditure	(41 617)	-	-
Profit before tax	655 612	823 023	-20.3%
Tax	284 607	350 432	-18.8%
Profit attributable to shareholders	371 005	472 591	-21.5%
Headline earnings – cents	113.5	199.0	-43.0%
Dividend – cents per share	38	145	-73.8
Operating margin	37.3%	52.7%	-29.2%

# Cost of sales

	H1 2009 (R000)	H1 2008 (R000)	Change
Sales volumes (kgs)	<b>4 599</b>	4 173	10.2%
*Operating costs – on mine	<b>896 823</b>	740 224	21.6%
Concentrates purchased	<b>14 029</b>	-	-
Smelting, refining and realisation	<b>151 317</b>	92 680	63.3%
Depreciation	<b>106 897</b>	71 999	48.5%
Change in metal stocks	<b>(158 846)</b>	(196 813)	19.3%

\* On mine operating costs refers to mining and concentrating

# Comparative unit cash costs

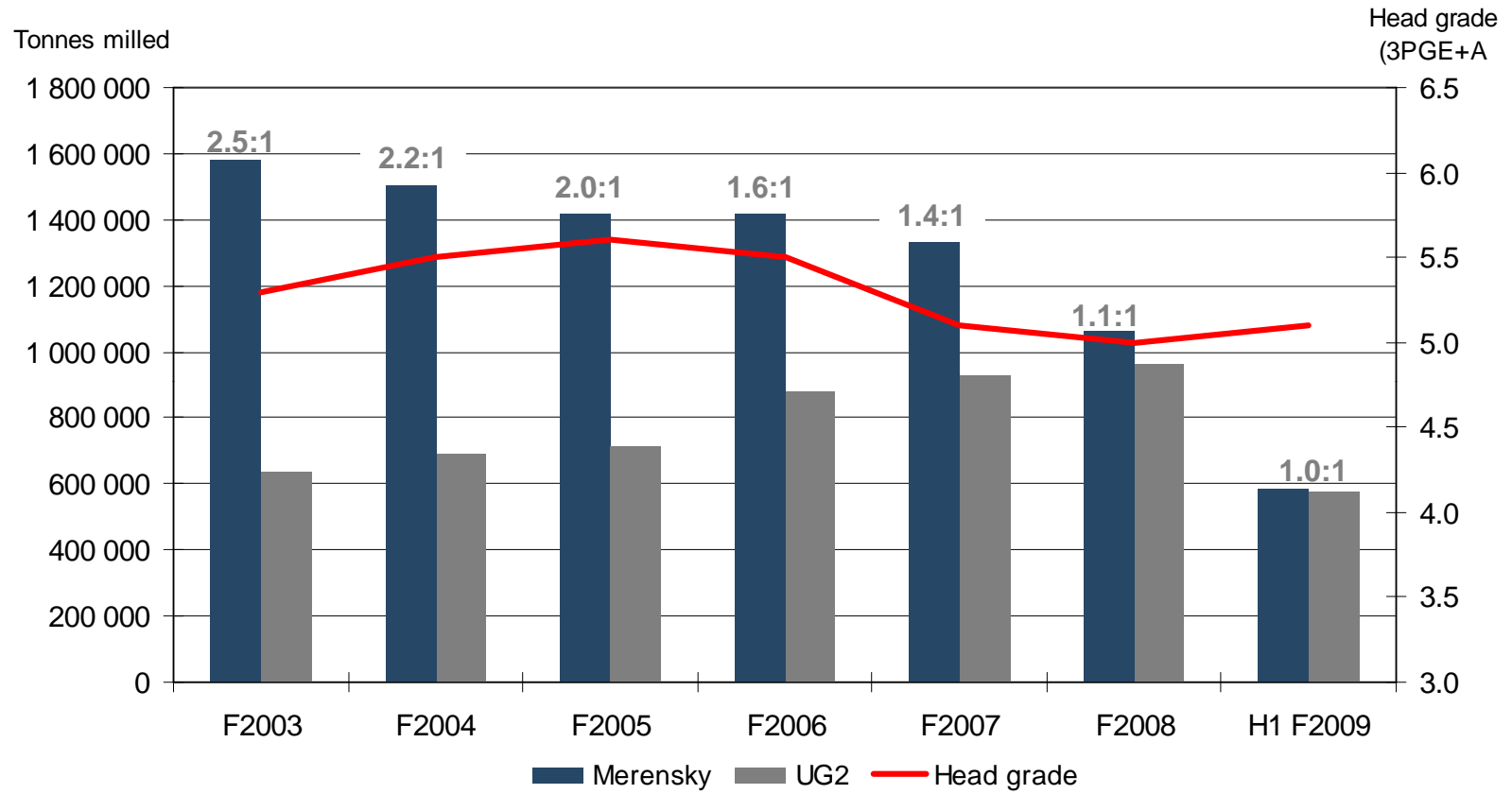
	H1 F2009	H1 F2008	Change
Rand / tonne milled – total <sup>1</sup>	<b>822.87</b>	768.29	7.1%
R/kg (3PGE+Au) – total	<b>184 213</b>	167 828	9.8%
Rand / tonne milled – on mine <sup>2</sup>	<b>759.69</b>	712.05	6.7%
R/kg (3PGE+Au) – on mine	<b>170 070</b>	155 545	9.3%

<sup>1</sup> Total costs refers to mining, concentrating, smelting and BMR

<sup>2</sup> On mine costs refers to mining and concentrating only



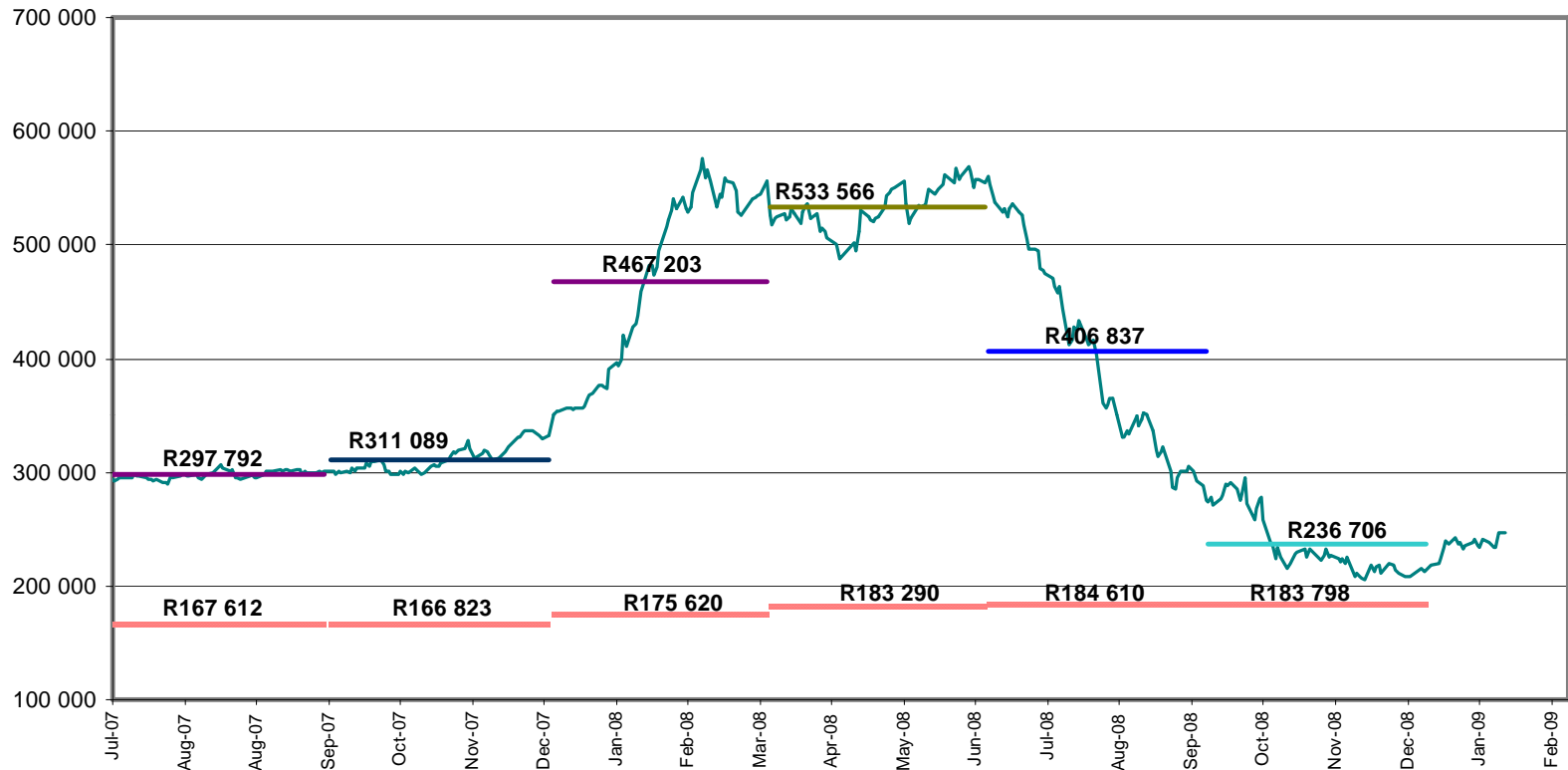
# Continuous improvements in processing performance



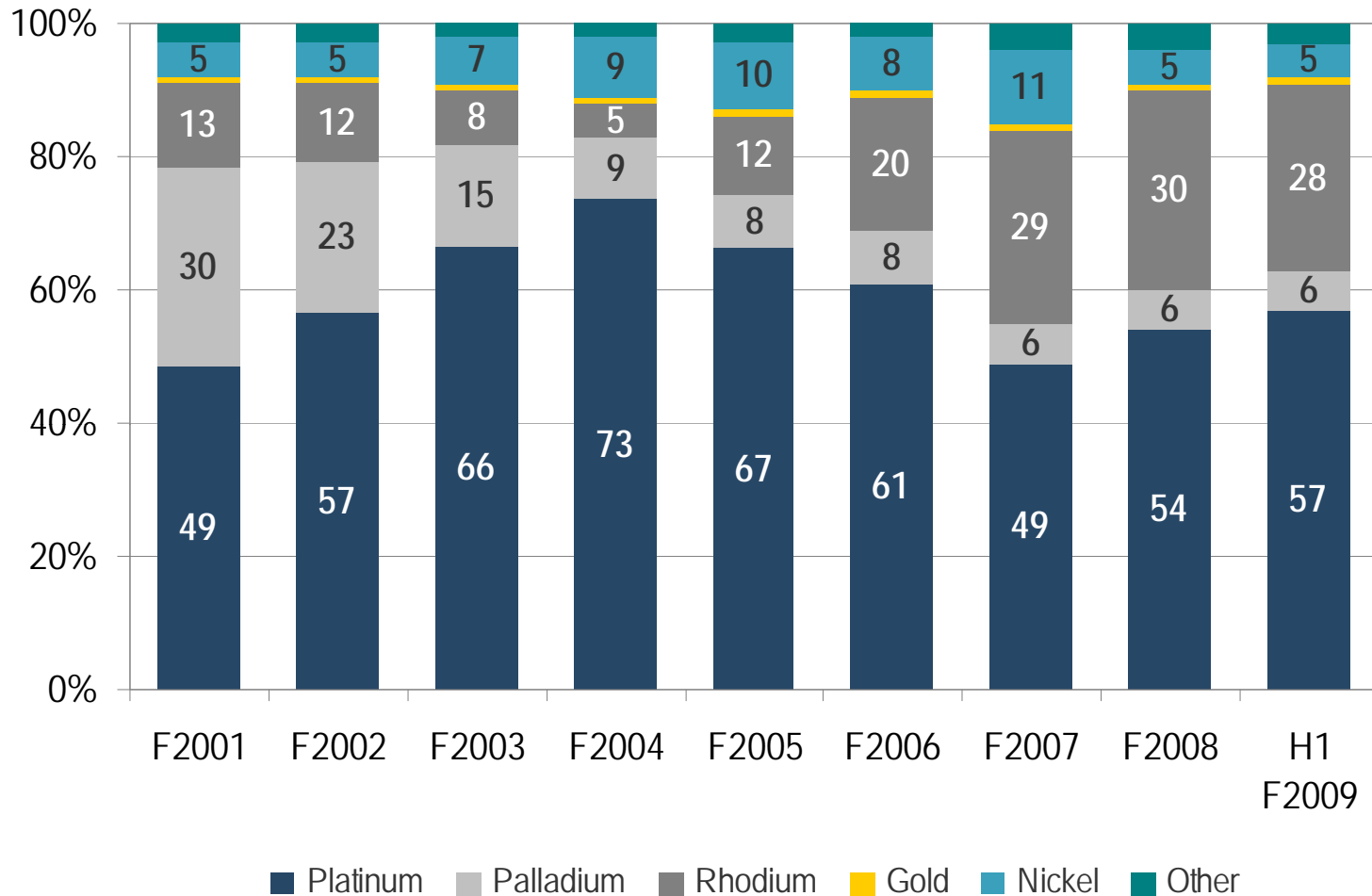
# Cash positive at current prices

Rand basket Price (spot)

R/kg (3PGE+Au)



# Revenue contributions



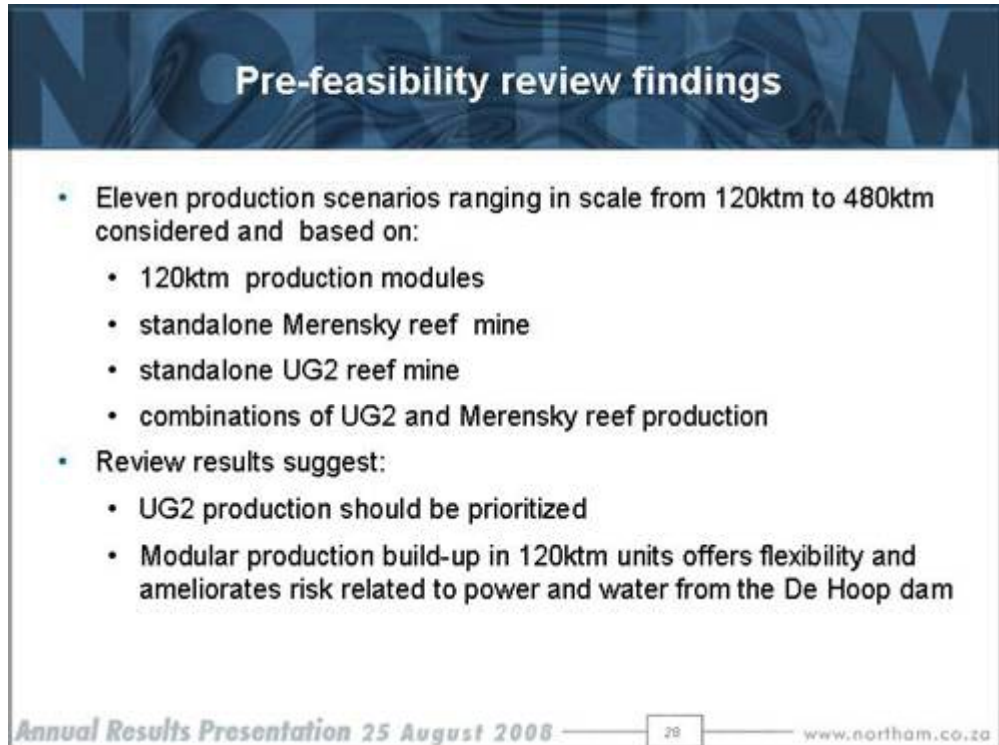


# Market outlook

- Current uncertainty regarding market surplus or deficit to persist in near term
- **Demand**
  - autocatalyst – demand severely depleted, consolidation during 2009
  - industrial, electrical, chemical – demand to contract on global recession
  - jewellery – opportunities for growth at lower and less volatile metal prices
- **Supply**
  - production cuts and project delays
  - recent growth in recycling to diminish
- **2009**
  - supply demand balance to stabilise – prices to be less volatile, remain close to current levels
- **2010**
  - potential for demand recovery – cautious optimism on prices

# Booyssendal – on schedule

- Uninterrupted focus on project feasibility work
- Modular design ensuring maximum flexibility
- Plant and infrastructure design on track
- Completion of BFS during 2<sup>nd</sup> half of 2009

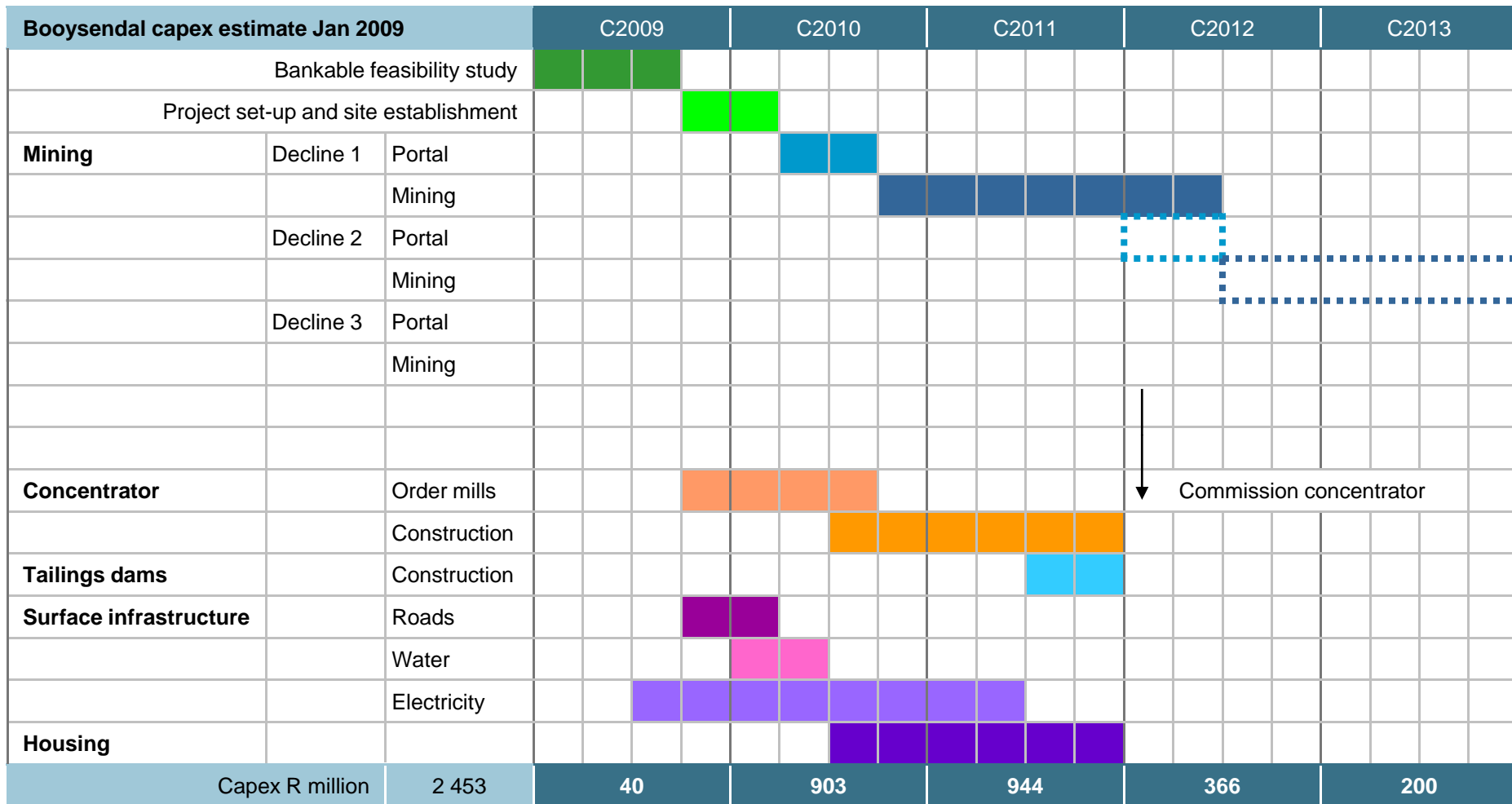


**Pre-feasibility review findings**

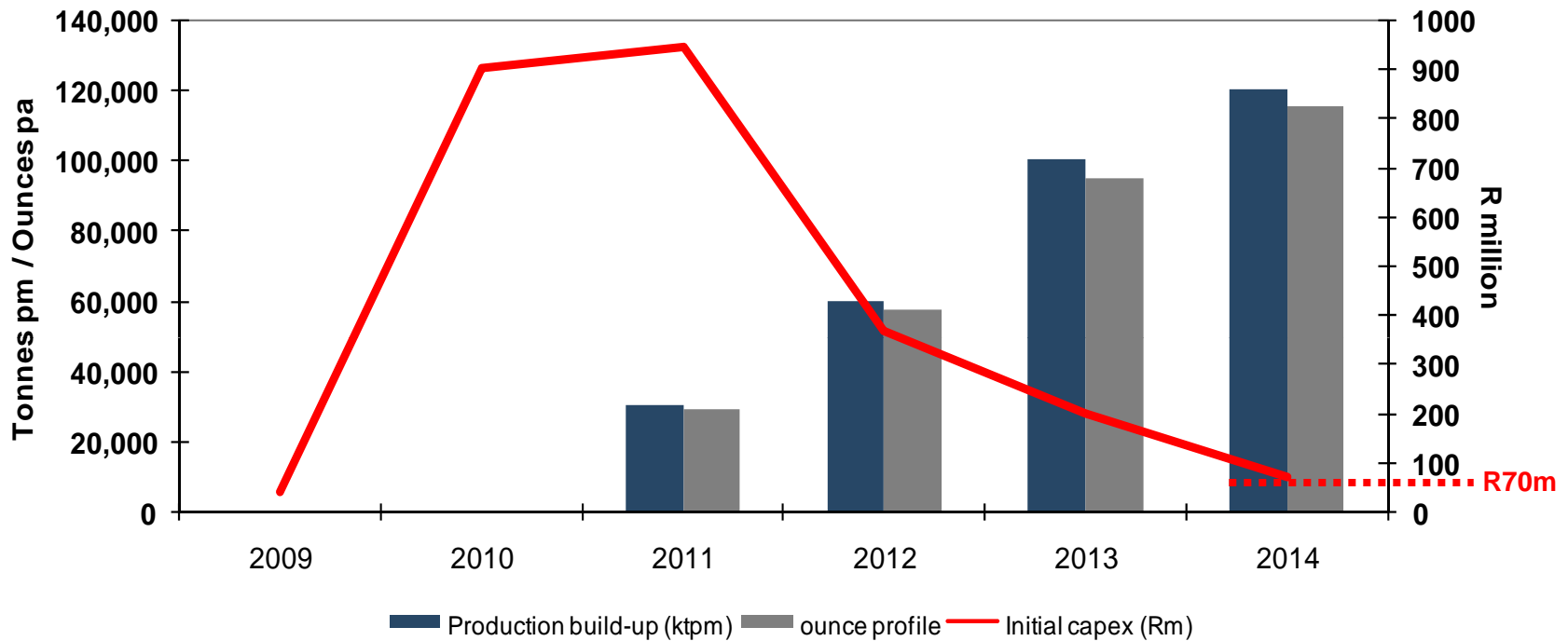
- Eleven production scenarios ranging in scale from 120ktm to 480ktm considered and based on:
  - 120ktm production modules
  - standalone Merensky reef mine
  - standalone UG2 reef mine
  - combinations of UG2 and Merensky reef production
- Review results suggest:
  - UG2 production should be prioritized
  - Modular production build-up in 120ktm units offers flexibility and ameliorates risk related to power and water from the De Hoop dam

*Annual Results Presentation 25 August 2008* 28 [www.northam.co.za](http://www.northam.co.za)

# Preliminary implementation schedule



# Capex spread and production build-up

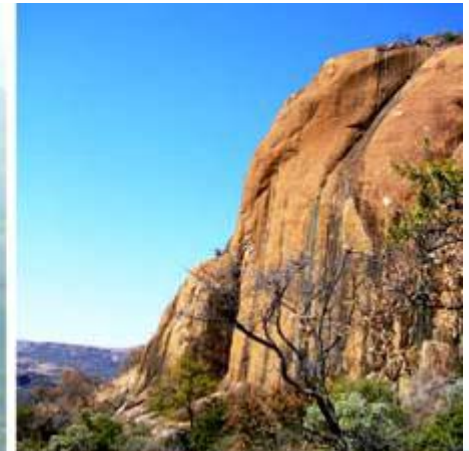


# Implats approach

- Implats approach
  - unsolicited approach
  - Booysendal remains premier new production opportunity in the Bushveld
  - we will continue with Booysendal in our time frame
  - BFS carried out by independent consultants
  - size of the resource indicates that value will be unlocked over time
  - Booysendal remains a value proposition for Northam
  - Northam mine remains cash positive at current prices

# Key issues going forward

- Northam
  - wage negotiations
  - working days in second half
  - Platmin
  - Braemore
- Booyseendal
  - complete BFS
  - evaluate Booyseendal funding mechanism



# Northam investment case

- Track record of consistent delivery
- Unit costs at lower half of industry cost curve
- Positive cash levels
- Diversifying revenue stream
- Strong, ungeared balance sheet
- Growth prospects based on shallow ounces



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