# NORTHAM

PLATINUM LIMITED

Annual results for the year ended 30 June 2012

Glyn Lewis, chief executive

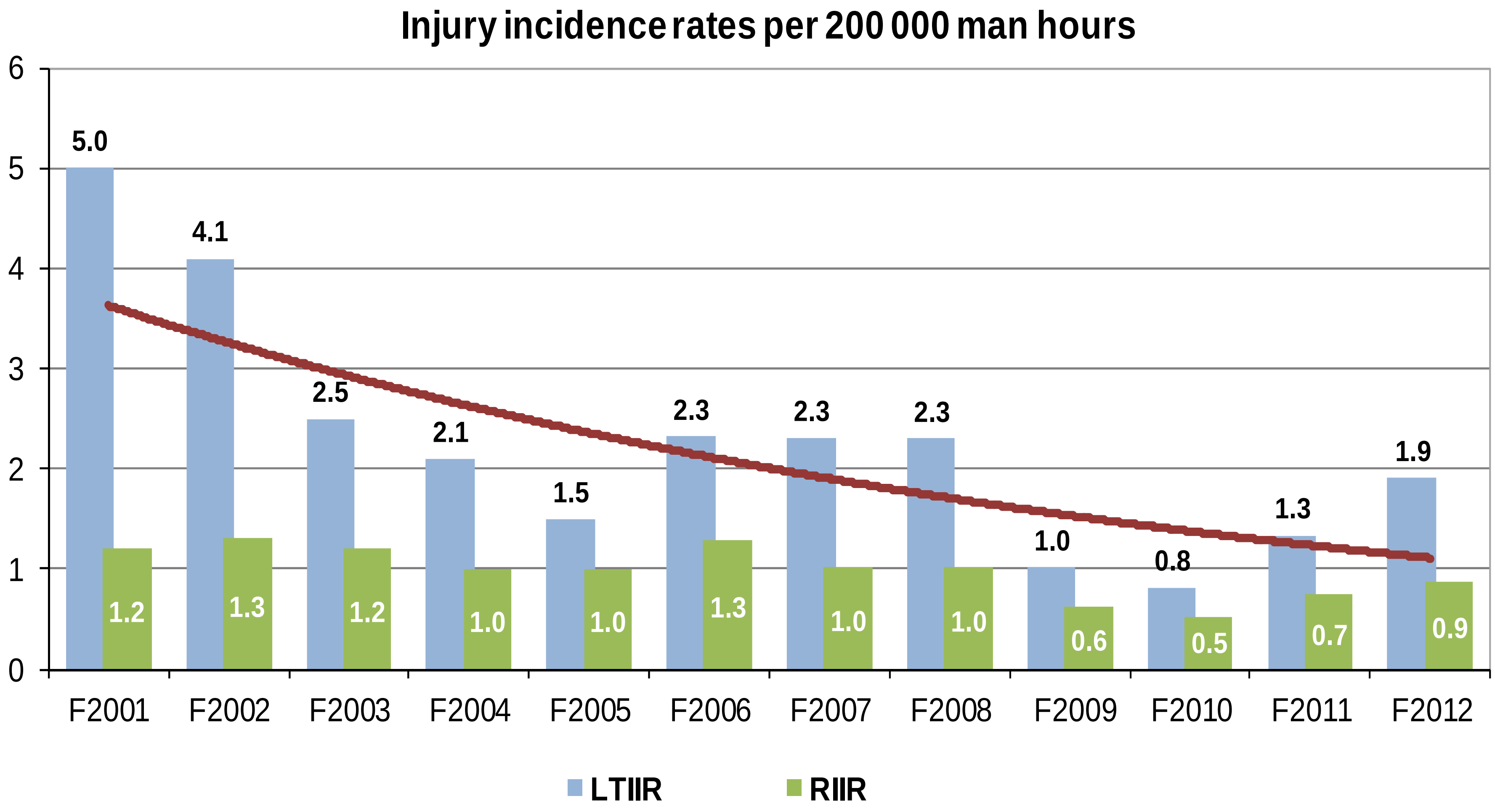
24 August 2012

www.northam.co.za

# Key features from the results

- Zondereinde production up 15.4% to 8 979kg (288 675 oz)
- Metal sales 1.1% higher at 9 980kg (320 861 oz)
- Basket price received up 3.5% to R335 325/kg
- Unit cost increases well contained
- Earnings down by 13.9% to R301 million
- Satisfactory progress at Booysendal

# Safety


Injury incidence rates per 200 000 man hours
6
5
4
3
2
1
0
5.0
4.1
2.5
2.1
1.5
2.3
2.3
2.3
1.0
0.8
1.3
1.9
1.2
1.3
1.2
1.0
1.0
1.3
1.0
1.0
0.6
0.5
0.7
0.9
F2001
F2002
F2003
F2004
F2005
F2006
F2007
F2008
F2009
F2010
F2011
F2012
LTIIR
RIIR

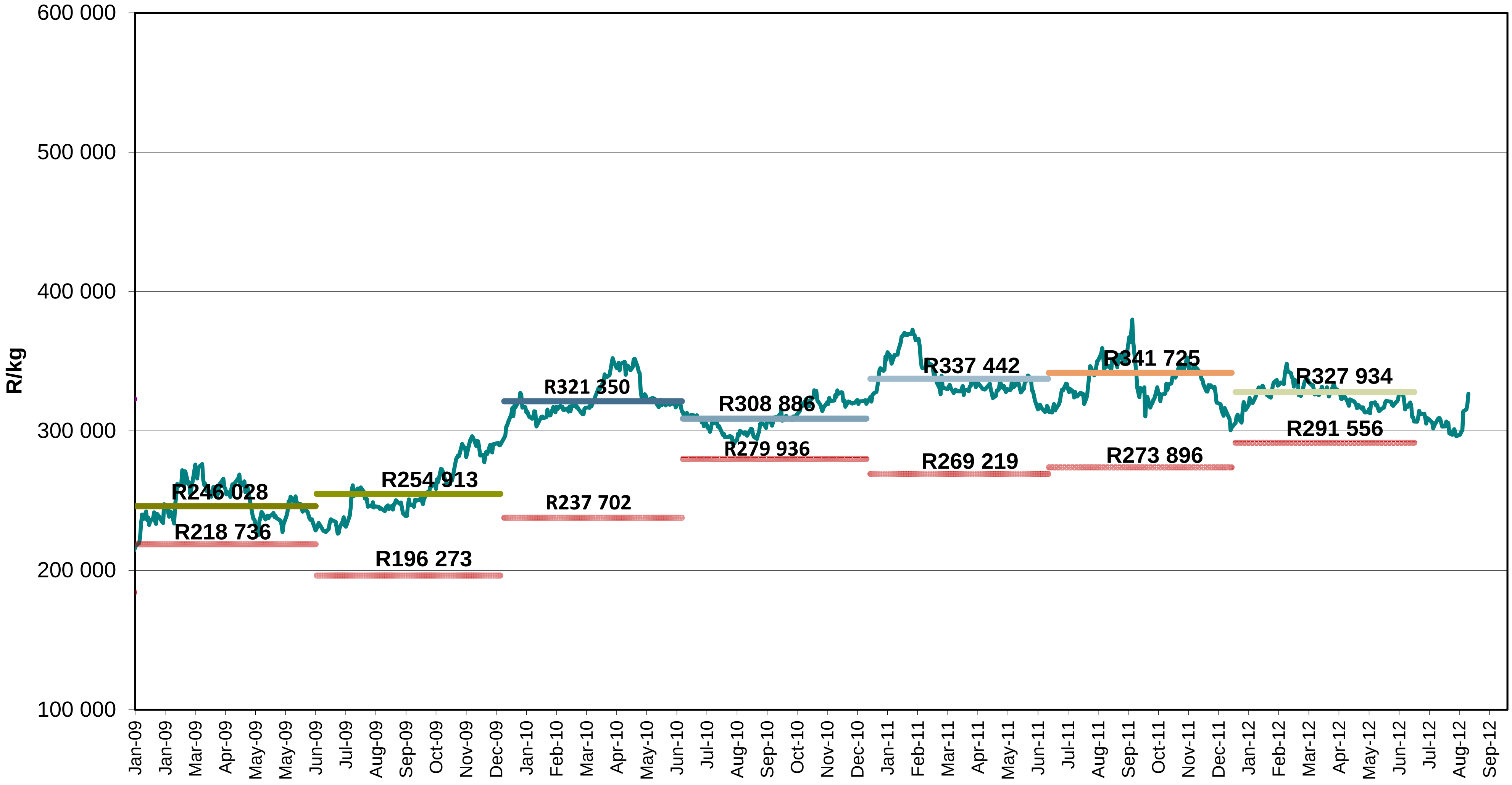
# Zondereinde operating performance

| | 2012 | 2011 | Change (%) |
|---|---|---|---|
| Merensky tonnes milled | 884 660 | 793 490 | 11.5 |
| Merensky head grade (g/t) | 5.9 | 5.6 | 5.4 |
| UG2 tonnes milled | 1 049 017 | 797 355 | 31.6 |
| UG2 head grade (g/t) | 4.4 | 4.3 | 1.6 |
| Total tonnes milled | 1 933 677 | 1 590 845 | 21.6 |
| Average combined head grade | 5.1 | 4.9 | 2.6 |
| PGMs in conc – mine production | 8 320 | 6 674 | 24.7 |
| PGMs in conc – secondary material | 659 | 1 105 | -40.0 |
| PGMs in conc – total production | 8 979 | 7 779 | 15.4 |
| PGMs in conc - purchased | 1 877 | 2 244 | -16.4 |

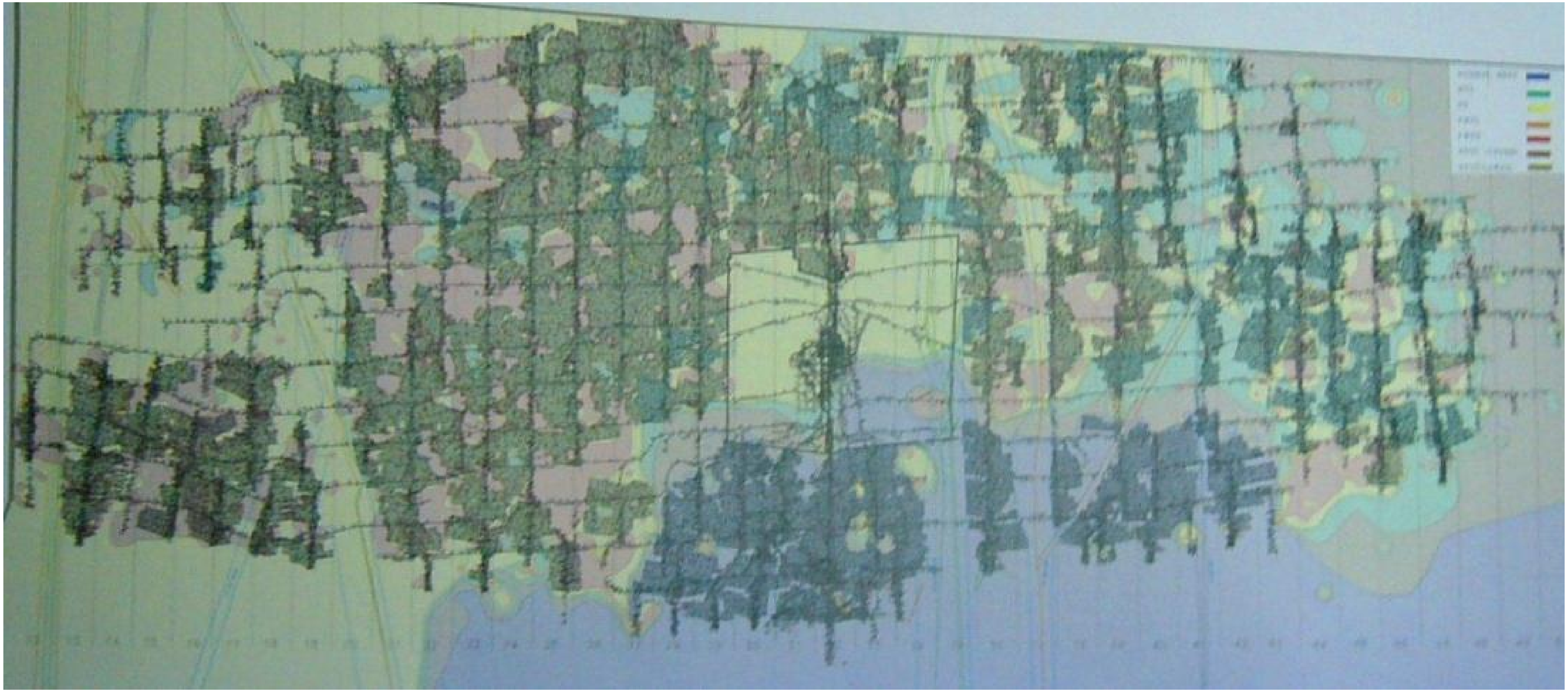
# Zondereinde unit costs

| | 2012 | 2011 | Change (%) |
|---|---|---|---|
| Operating costs - Rand per tonne milled | 1 447 | 1 502 | -3.7 |
| Cash costs - Rand per tonne milled | 1 318 | 1 365 | -3.4 |
| Operating costs - Rand per kilogram (3PGE+Au) | 311 645 | 307 203 | 1.4 |
| Cash costs - Rand per kilogram (3PGE+Au) | 283 934 | 279 118 | 1.7 |
| Operating costs - US$ per ounce (3PGE+Au) | 1 247 | 1 363 | -8.5 |
| Cash costs - US$ per ounce (3PGE+Au) | 1 136 | 1 238 | -8.2 |

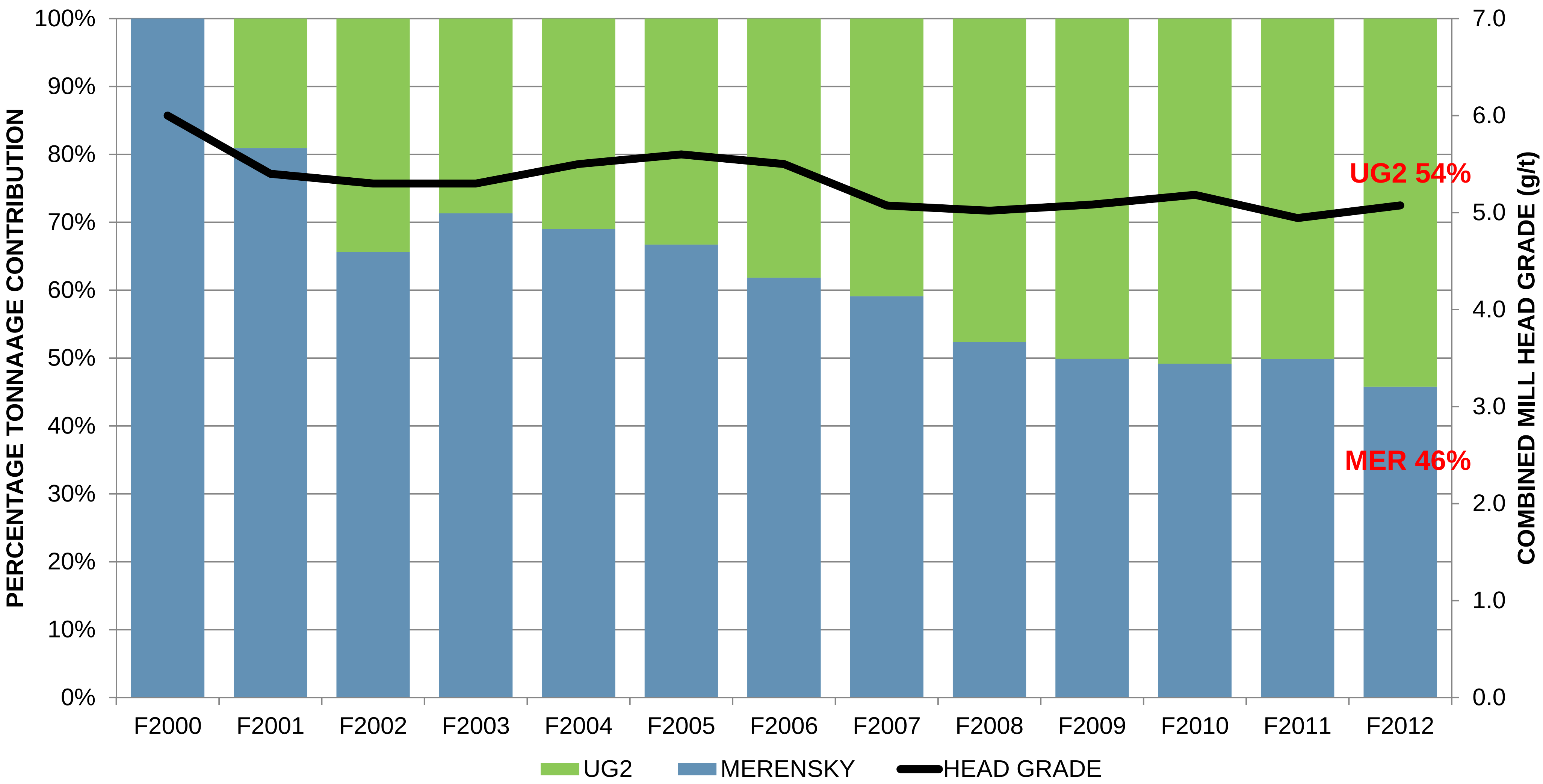
# Rand basket price vs cash costs



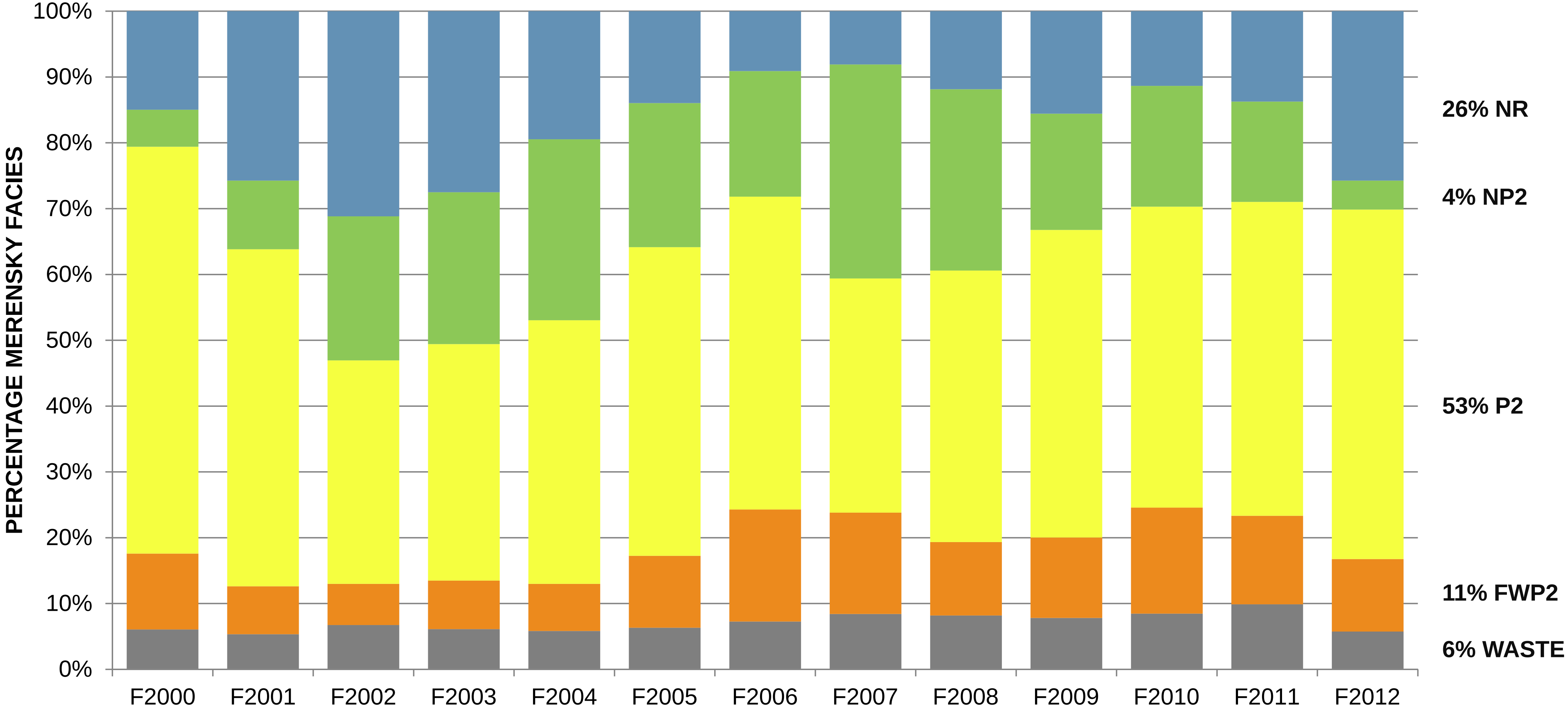
# Zondereinde mine plan



# Zondereinde mining ratios



# Zondereinde Merensky facies ratios



# Financial performance

# Income statement

| | 2012<br>R000s | 2011<br>R000s | Change (%) |
|---|---|---|---|
| Sales revenue | 3 684 000 | 3 571 048 | 3.2 |
| Cost of sales | 3 345 311 | 3 185 754 | 5.0 |
| Operating profit | 338 689 | 385 294 | -12.1 |
| Share of earnings from associate | 16 602 | 7 248 | 129.1 |
| Investment revenue | 53 951 | 85 520 | -36.9 |
| Sundry income | 43 343 | 53 148 | -18.5 |
| Profit attributable to shareholders | 300 644 | 349 209 | -13.9 |
| Earnings per share | 81.2 | 96.2 | -15.6 |
| Dividend declared - cents | 5 | 15 | - 66.7 |

# Cost of sales breakdown

| | 2012 | 2011 | Change (%) |
|---|---|---|---|
| Sales revenue | 3 684 000 | 3 571 048 | 3.2 |
| Cost of sales | 3 345 311 | 3 185 754 | 5.0 |
| operating costs | 2 632 926 | 2 258 548 | 16.6 |
| concentrates purchased | 624 774 | 787 316 | -20.6 |
| refining costs | 100 612 | 68 804 | 46.2 |
| depreciation | 190 287 | 147 838 | 28.7 |
| change in metal inventories | (203 288) | (76 752) | -164.9 |
| Operating profit | 338 689 | 385 294 | -12.1 |

# Cash flow statement

| | 2012 | 2011 | Change (%) |
|---|---|---|---|
| Cash flow from operations | 437 662 | 769 422 | -43.1 |
| Investing cash flows | (2 010 021) | (197 171) | -919.4 |
| Financing cash flows | (20 514) | (61 107) | 66.4 |
| Net increase / (decrease) in cash | (1 592 873) | 511 144 | - |
| Cash at beginning of period | 1 697 853 | 1 186 709 | 43.1 |
| Cash at end of period | 104 980 | 1 697 853 | -93.8 |

# Marketing

# Market review

- **Autocatalysts**
  - growth in Pt and Pd demand during 2011
  - EU – Eurozone weakness; decline in vehicle sales
  - Japan – recovery from 2011 earthquake / floods
  - US – vehicle sales growth, increase in recycling
  - China – bouyant sales continue; 7.6 million vehicles H1 2012
- **Jewellery**
  - increase in demand supported by lower Pt price
  - Chinese manufacturers report gains for H1 2012
  - Japanese sales showing growth – exports and lower end
  - USA, India – increased volumes
  - EU – mixed picture

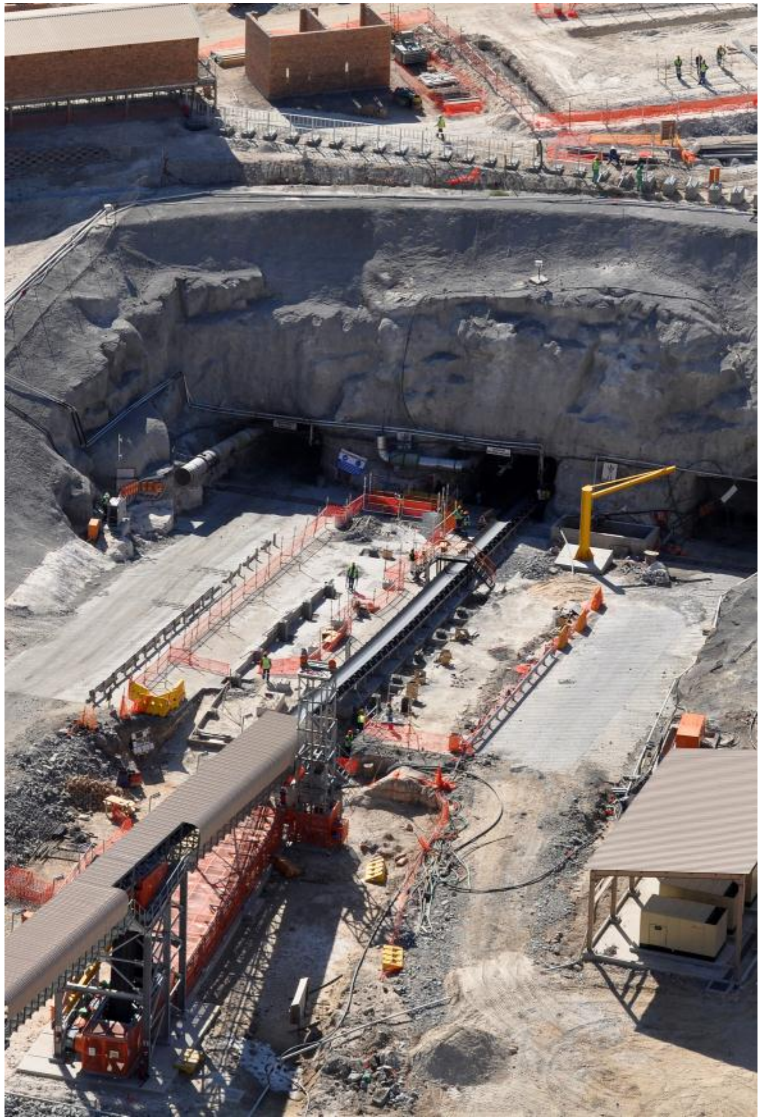
# Market review, cont'd

- **Industrial**
  - record 2011 demand for Pt and Pd
  - demand has softened; potential for further weakness
- **Investment**
  - diminished investment interest
  - current ETF holdings
    - Pt 1.49 million oz
    - Pd 2.01 million oz

# Summary outlook

- **Autocatalysts**
  - EU – weak and potential to weaken further
  - China, Japan, US – outlook positive but uncertainties persist
- **Jewellery**
  - lower price environment should continue to benefit sales
  - growth opportunities in China, Japan, India
  - weaker western economies, buyers more cautious – limited growth?
- **Industrial**
  - limited scope for near term gains
- **Investment**
  - weak global economic growth; investor caution

# Booysendal



# Booysendal project update

- Surfacing of main access road nearing completion; work on internal roads starting
- Development – 4 669m completed to date; reverse declines holed into reef declines
- Reef stockpile – 150 000 tonnes
- Concentrator plant nearing completion – focus on mechanical, electrical, instrumentation and piping installation
- Eskom's permanent power connection delayed
- Concentrator commissioning target remains H1 calendar 2013
- On-going rehabilitation
- Capex spent to date R2 518 million
  - mining and infrastructure – R1 535 million
  - concentrator plant – R982 million

# Booysendal

# Booysendal progress

Mine site
June 2011

Mine site
June 2012

# Going forward…

- Corporate
  - funding – corporate bond
  - AQP transaction – southern Booysendal
  - BEE credentials
  - labour relations
- Zondereinde
  - furnace rebuild
  - deepening project
- Booysendal
  - power availability
  - project commissioning
  - community issues

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# Sales volumes

| | | 2012 | 2011 | Change (%) |
|---|---|---|---|---|
| Platinum | *kg* | 6 088 | 6 118 | -0.5 |
| Palladium | *Kg* | 2 861 | 2 821 | 1.4 |
| Rhodium | *Kg* | 843 | 732 | 15.2 |
| Gold | *Kg* | 188 | 201 | -6.5 |
| Total (3PGE+Au) | *Kg* | 9 980 | 9 872 | 1.1 |
| Ruthenium | *Kg* | 1 091 | 999 | 9.2 |
| Iridium | *Kg* | 218 | 241 | -9.4 |
| Copper | *tonnes* | 660 | 777 | -15.1 |
| Nickel | *tonnes* | 1 180 | 1 372 | -14.0 |

# Sales volumes

| | | 2012 | 2011 | Change (%) |
|---|---|---|---|---|
| Platinum | *oz* | 195 737 | 196 688 | -0.5 |
| Palladium | *oz* | 91 999 | 90 710 | 1.4 |
| Rhodium | *oz* | 27 093 | 23 550 | 15.2 |
| Gold | *oz* | 6 032 | 6 446 | -6.5 |
| Total (3PGE+Au) | *oz* | 320 861 | 317 392 | 1.1 |
| Ruthenium | *oz* | 35 080 | 32 135 | 9.2 |
| Iridium | *oz* | 6 999 | 7 752 | -9.4 |
| Copper | *tonnes* | 660 | 777 | -15.1 |
| Nickel | *tonnes* | 1 180 | 1 372 | -14.0 |

# Sales prices realised (Rand/kg)

| | | 2012 | 2011 | Change (%) |
|---|---|---|---|---|
| Platinum | | 404 431 | 382 245 | 5.8 |
| Palladium | | 169 152 | 150 703 | 12.2 |
| Rhodium | | 381 187 | 508 056 | -25.0 |
| Gold | | 421 375 | 308 068 | 36.8 |
| Total (3PGE+Au) | | 335 326 | 323 899 | 3.5 |
| Ruthenium | | 27 222 | 40 615 | -33.0 |
| Iridium | | 269 196 | 190 361 | 41.4 |
| Copper (R/tonne) | | 59 671 | 56 613 | 5.4 |
| Nickel (R/tonne) | | 144 850 | 157 479 | -8.0 |

# Sales prices realised (US$/oz)

| | | 2012 | 2011 | Change (%) |
|---|---|---|---|---|
| Platinum | | 1 622 | 1 698 | -4.5 |
| Palladium | | 679 | 671 | 1.2 |
| Rhodium | | 1 523 | 2 251 | -32.3 |
| Gold | | 1 686 | 1 368 | 23.2 |
| Total (3PGE+Au) | | 1 345 | 1 439 | -6.5 |
| Ruthenium | | 106 | 180 | -41.1 |
| Iridium | | 1 054 | 849 | 24.1 |
| Copper ($/t) | | 7 820 | 8 073 | -3.1 |
| Nickel ($/t) | | 18 919 | 22 532 | -16.0 |

# Disclaimer

Certain statements in this presentation (other than the statements of historical fact) may contain forward-looking statements regarding Northam's operation, economic performance or financial condition, including, without limitation, those concerning the economic outlook for the platinum industry, expectations regarding metal prices, production, costs and other operating results, growth prospects and the outlook for Northam and any of its operations and projects.

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