



Unconventional future: man vs. machine

Mining costs: labour, electricity drive continuing inflation at conventional mines

You may have opened this expecting a sci-fi/marvel-esque drama, instead, it is about cost history of PGM producers we cover. Cost inflation has run at around 9% p.a. over the past five or so years. We estimate conventional mines unit costs are 20-25% above mechanised, & may continue to increase at around 10% p.a. without stringent cost control. Around 70% of their costs are labour & electricity. Mechanised mines have a balanced cost composition & could limit increases at mid-to-high single digit percentages. We adjust our cost inflation expectations & valuations for longer-term cost inflation rates. With a shift to lower costs, AMS is our top pick: Buy. Lonmin is our least preferred: Sell.

Unit costs and inflation by mining method: conventional disadvantage to widen

Each mine faces different circumstances and each company has different cost disclosure. However, we are able to draw some broad industry conclusions. Conventional mines have c.25% higher unit costs relative to mechanised operations. Conventional mines' inflation rates have been c.10% p.a. or higher over the last 5 to 6 years, driven by electricity and wages (making up c.70% of costs) and we think this cost-pressure is likely to continue. Mechanised mines' costs have a greater proportion of contractors and stores/materials than conventional mines and are relatively light on labour costs. While mechanised mines have also faced strong cost inflation, some operations have managed to keep inflation to mid single digit CAGR percentages.

Composition of costs by mining method and cost inflation of categories

Labour costs (c.60% of conventional costs) as a category have increased c.9 to 12%p.a. over the past 5-6 years. Utilities, c.8-10% of conventional on-mine cash costs, have increased at between 11 to 20%p.a. Stores/materials have increased at c.5.5% to 6.5% p.a. and are approximately 25 to 30% of costs.

No recommendation changes, Impala & RBPlat PT +25% on lower LT inflation

Our changes are summarised in Figure 1. We increase Impala's price target on longer-term lower inflation assumptions for mechanised operations (Zimplats, Mimosa and Two Rivers). However, we have reduced our near-term earnings forecasts as we model higher cost inflation in the short-term at conventional mines. Note however that we do not take into account the impact of uncertain insurance proceeds in our estimates. We increase RBPlats' price target on a lower cost position assumption for Styldrift, its mechanised Merensky project. We have also cut our short-term RBPlat earnings expectations on a delay of our estimate of the transfer of Styldrift from project to operating mine in 2019. We have increased our earnings expectations for Sibanye. Our operational forecasts are largely unchanged, but our earnings forecasts are impacted by a lower forecast tax rate. The effective tax rate was 36% in 2014 and 41% in 2015 owing to non-deductible expenses which we do not model in future. For Lonmin and Amplats we have made no changes.

DCF-based valuations. Sector risks include Rand and PGM price forecasts

This note changes the price targets and forecasts (recommendations unchanged) for the SA PGM producers, summarised on the front page and in Figure 1. Company specific risks and detailed changes to estimates are enclosed from page 15 onwards.

Patrick Mann

Research Analyst
(+27) 11 775-7282
patrick.mann@db.com

Anna Mulholland, CFA

Research Analyst
(+44) 20 754-18172
anna.mulholland@db.com

Key Changes

Company	Target Price	Rating
IMPJ.J	40.00 to 50.00(ZAR)	-
NHMJ.J	36.00 to 35.00(ZAR)	-
RBPJ.J	34.00 to 42.00(ZAR)	-
SGLJ.J	41.00 to 40.00(ZAR)	-

Source: Deutsche Bank

Top picks

Amplats (AMSJ.J),ZAR388.87	Buy
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Source: Deutsche Bank

Companies Featured

Amplats (AMSJ.J),ZAR388.87	Buy
Impala Platinum (IMPJ.J),ZAR46.71	Hold
Northam (NHMJ.J),ZAR44.25	Hold
RBPlat (RBPJ.J),ZAR43.01	Hold
Sibanye Gold (SGLJ.J),ZAR47.00	Hold
Lonmin Plc (LONJ.J),ZAR40.27	Sell

Source: Deutsche Bank



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Changes to forecasts, ratings

Summary changes

- We have made no changes to recommendations. We retain our Buy on Amplats, Sell on Lonmin and Hold recommendation for Northam, Impala, RBPlat and Sibanye.
- Amplats and Lonmin's price targets are unchanged from before
- We have made minor changes to the price targets for Northam (R35 from R36) and Sibanye (R40 from R41).
- We have increased our Impala price target by 25% and our RBPlat price target by 24%.
 - Impala's price target is increased on longer-term lower inflation assumptions for mechanised operations (Zimplats, Mimosa and Two Rivers)
 - RBPlat's price target increases on lower cost position assumption for Styldrift, its mechanised Merensky project.

Figure 1: Summary changes to price targets, earnings

ZAR per share	Recommendation		Target price			Current price*	Upside	Year end	Earnings	FY0 A EPS	FY1 EPS	FY2 EPS	FY1 Prior EPS	FY2 Prior EPS
	Current	Previous	Current	Previous	% chg									
Amplats	Buy	Buy	430	430	0%	391	10%	Dec	SAcps	41	1,825	2,717	1,825	2,717
Impala	Hold	Hold	50	40	25%	47	7%	June	SAcps	36	(199)	(54)	(91)	22
Lonmin	Sell	Sell	23	23	0%	41	-43%	Sept	UScps	-16	(1)	1	(1)	1
Northam	Hold	Hold	35	36	-3%	43	-18%	June	SAcps	157	105	194	105	194
RBPlat	Hold	Hold	42	34	24%	43	-3%	Dec	SAcps	-83	91	60	127	5
Sibanye	Hold	Hold	40	41	-2%	47	-15%	Dec	SAcps	74	496	615	477	533

Source: Deutsche Bank, Company Data, DataStream
*End 7 June 2016

- We have decreased our short-term earnings forecasts for Impala and RBPlat
 - For Impala we forecast higher-cost inflation in the short-term at conventional mines – note however that we do not take into account the impact of uncertain insurance proceeds in this estimate.
 - For RBPlat, we have delayed the transfer of Styldrift from project to mine to 2019E which has reduced earnings expectations. Revenue and costs are capitalised until the project is regarded as an operating asset. This is a DB estimate as there is no guidance from the company.
- We have increased our earnings expectations for Sibanye. Our operational forecasts are largely unchanged, but our earnings forecasts are impacted by a greater extent owing to us adjusting our forecast tax rate lower. The effective tax rate was 36% in 2014 and 41% in 2015 owing to non-deductible expenses which we do not model in future.



Relative valuation

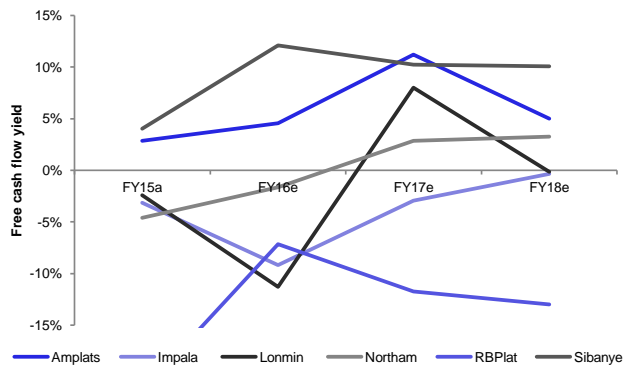
Financial relative valuation tables and charts

Figure 2: Summary trading metrics under DB forecast commodity prices and forex

Company	Fiscal YE	Close Price	Mkt Cap (ZAR)	Current			NPV (ZAR)	P/ NPV	PE				EV/EBITDA				Free cash flow yield			
				EV (ZAR)	Rating				FY15a	FY16e	FY17e	FY18e	FY15a	FY16e	FY17e	FY18e	FY15a	FY16e	FY17e	FY18e
Amplats	Dec	389	104,871	117,637	Buy	428	0.9	704	21	14	13	10.4	9.8	8.0	7.2	3%	5%	11%	5%	
Impala	Jun	47	34,322	34,613	Hold	49	1.0	218	n/a	n/a	64	13.1	23.4	9.5	7.7	-3%	-9%	-3%	0%	
Lonmin	Sep	40	11,360	9,661	Sell	23	1.7	n/a	n/a	476	24	67.0	5.2	4.1	3.1	-2%	-11%	8%	0%	
Northam	Jun	44	22,558	18,986	Hold	34	1.3	27	41	22	25	19.6	23.3	12.3	12.4	-5%	-2%	3%	3%	
RBPlat	Dec	43	8,296	8,091	Hold	42	1.0	n/a	47	72	n/a	52.7	16.6	17.2	20.7	-21%	-7%	-12%	-13%	
Sibanye	Dec	47	43,068	46,154	Hold	37	1.3	30	9	8	9	3.7	3.5	2.9	3.3	4%	12%	10%	10%	
Simple average								1.2	316	37	146	32	32.6	15.7	10.2	10.2	-6%	-5%	1%	-1%

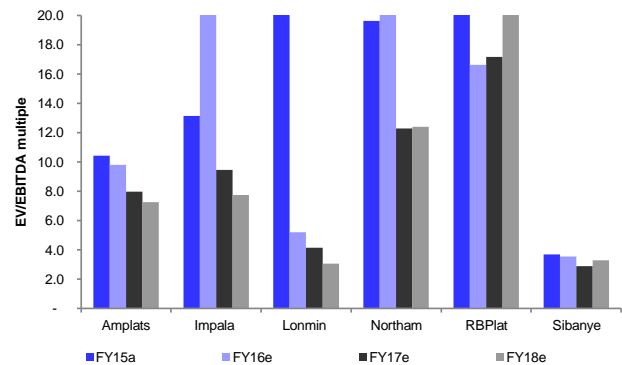
Source: Deutsche Bank, Company Data, DataStream

Figure 3: FCF-yield under DBe



Source: Deutsche Bank, Company Data

Figure 4: EV/EBITDA under DBe



Source: Deutsche Bank, Company Data

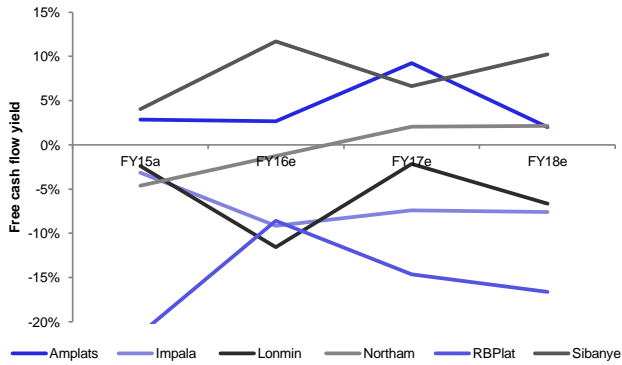
Figure 5: Summary trading metrics under DB forecast commodity prices and forex

Company	Fiscal YE	Close Price	Mkt Cap (ZAR)	Current			NPV (ZAR)	P/ NPV	PE				EV/EBITDA				Free cash flow yield			
				EV (ZAR)	Rating				FY15a	FY16e	FY17e	FY18e	FY15a	FY16e	FY17e	FY18e	FY15a	FY16e	FY17e	FY18e
Amplats	Dec	389	104,871	117,637	Buy	8	46.5	704	36	22	22	10.4	12.7	10.5	10.1	3%	3%	9%	2%	
Impala	Jun	47	34,322	34,613	Hold	-52	-0.9	218	n/a	n/a	n/a	13.1	23.4	17.5	15.5	-3%	-9%	-7%	-8%	
Lonmin	Sep	40	11,360	9,661	Sell	-71	-0.6	n/a	n/a	n/a	n/a	67.0	6.0	9.2	5.5	-2%	-12%	-2%	-7%	
Northam	Jun	44	22,558	18,986	Hold	4	9.8	27	37	25	31	19.6	21.4	13.6	14.5	-5%	-1%	2%	2%	
RBPlat	Dec	43	8,296	8,091	Hold	-7	-6.2	n/a	77	n/a	n/a	52.7	20.0	26.0	42.4	-21%	-9%	-15%	-17%	
Sibanye	Dec	47	43,068	46,154	Hold	32	1.5	30	10	10	9	3.7	3.6	3.4	3.3	4%	12%	7%	10%	
Simple average								9.7	316	50	24	27	32.6	16.7	15.4	17.6	-6%	-6%	-3%	-5%

Source: Deutsche Bank, Company Data, DataStream

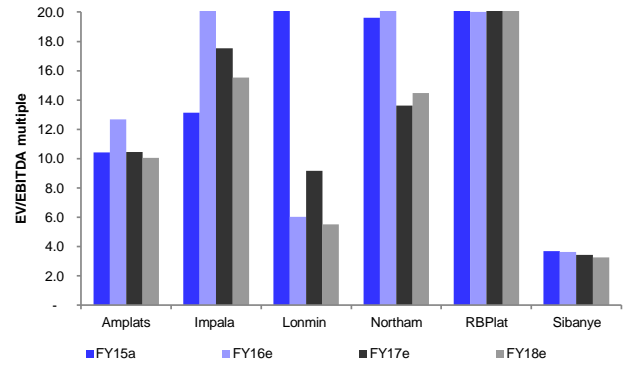


Figure 6: FCF-yield under spot



Source: Deutsche Bank, Company Data

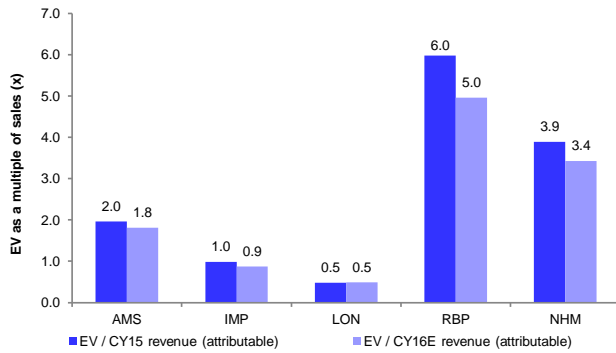
Figure 7: EV/EBITDA under spot



Source: Deutsche Bank, Company Data

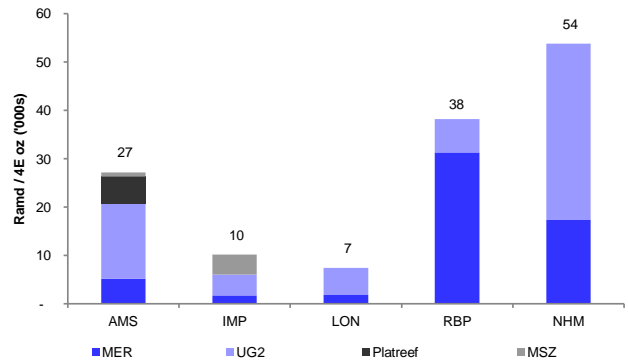
Operational relative value charts

Figure 8: EV to calendar year revenue, 2015-2016E



Source: Deutsche Bank, Company Data, DataStream

Figure 9: EV/4E ounce of CY2016E production



Source: Deutsche Bank, Company Data, DataStream

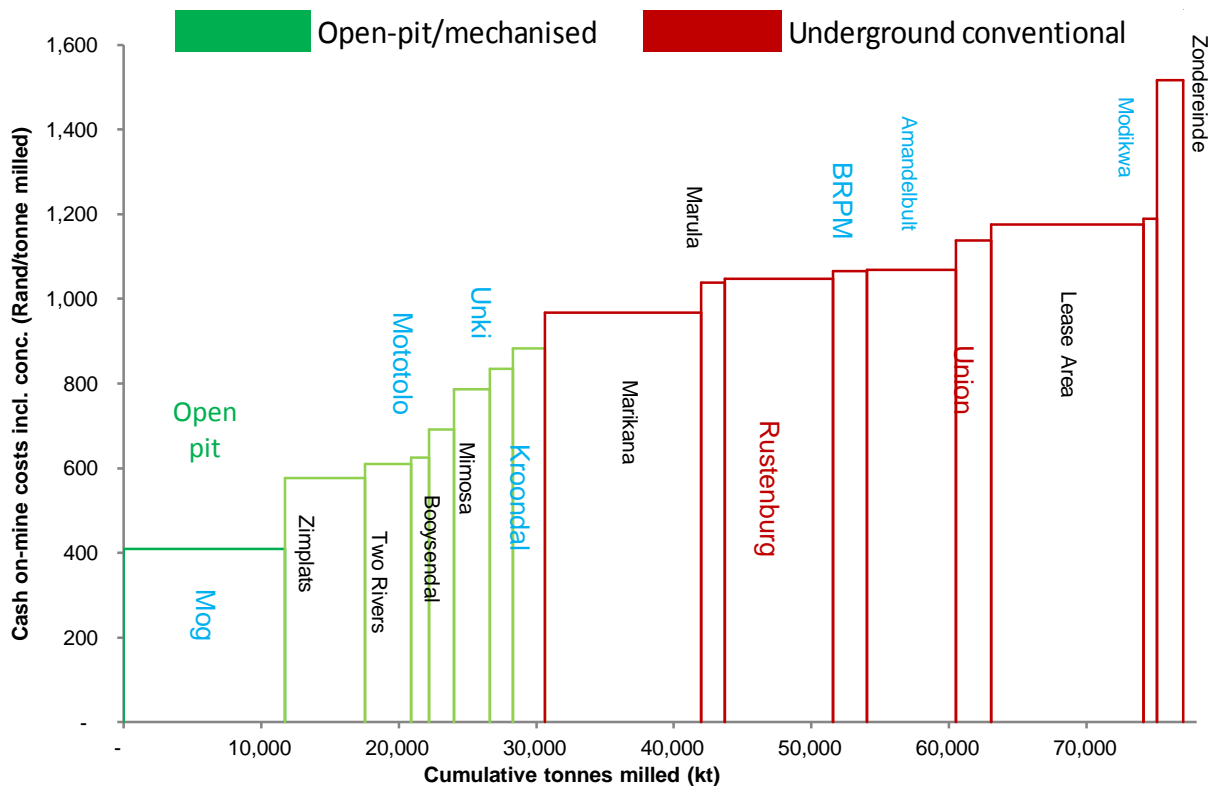


Cost inflation check

Re-assessing cost-inflation rates and relative positions

There is a clear cost differential by method of mining. Open-pit (Mogalakwena) or mechanised mining carries a lower Rand-per-tonne milled cost than conventional underground mining. The cost-curve below reflects the cost of on-mine cash costs for PGM mines under coverage for 2015.

Figure 10: Rand per tonne milled cost curve, 2015, mine type highlighted



Source: Deutsche Bank, Company Data

We looked at cost by category and type of mining and the related inflation rates for recent history for the platinum companies under coverage. The companies do not report in a standardised fashion and thus figures should be compared with caution. While it proved challenging to compare across companies and mining methods given that 1) each mine is unique and faces different circumstances; and 2) that each company has differing disclosure, we are able to draw some broad conclusions. Conventional mines have approximately 25% higher unit costs relative to mechanised operations. This cost differential is likely to persist and potentially widen further in the absence of stringent cost control measures. Conventional mines have experienced inflation rates of 10%p.a. plus over the last 5 to 6 years, driven by electricity and wages (making up c.70% of conventional on-mine costs) and this cost-pressure is likely to continue. Mechanised mines costs are weighted more to contractors and stores, materials and/or consumables than conventional mines



and are relatively light on labour costs. While mechanised mines have also faced strong cost inflation, some have managed to rein it in to mid-to-low single digit percentages. We summarise our key cost inflation findings in the following table.

Figure 11: Summary of costs and cost inflation at Platinum companies over recent history

	Amplats	RBPlat	Northam	Impala	Lonmin
Period	CY2015	CY2015	FY15 (year end June)	FY15 (year end June)	FY15 (y/e September)
Group reported unit costs	R19,266/Pt oz	R14,504/Pt oz		R22,222/Pt oz	
Conventional	R10,068/6E oz	R14,504/Pt oz	R19,613/Pt oz	R23,300/Pt oz	R10,339/PGM oz
Mechanised	R8,480/6E oz		R15,411/Pt oz	R16,200/Pt oz	
Open-cast	R7,340/6E oz				
	Simple average			Simple average	
Cost inflation					
Period	2010-2015	2010-2015	FY09-FY15	FY09 - FY15	FY09 - FY15
Conventional inflation	11% R/tonne milled	10% R/Pt oz	11.6% R/kg 4E	15% R/PGM oz	5.6% R/PGM oz
Mechanised inflation	10% R/tonne milled			5% R/PGM oz	
Open-cast	12% R/tonne milled				
Zimbabwe	13.2% R/tonne milled			9% R/PGM oz	
	Zim from 2011-2015			Simple average	
Cost categories inflation					
Period	2010-2015	2010-2015	FY09-FY15	FY13 - FY15	
Labour	8.7%	9%	10%	12%	
Stores/Materials/Consumables	6.6%	5%	5.5%	5.5%	
Utilities	13.2%	13%	21%	10.5%	
Contractors	1.8%	14%			
Sundry	12.6%		0.7%		
Total	8.5%	9%	8.5%	6.6%	

Source: Deutsche Bank, Company Data

In addition to the above inflation rates, we note that the typical split of on-mine cash costs for underground conventional mines for the last full reported fiscal period are as follows:

- Labour c.60% (including contractors)
 - Amplats conventional 65%, RBPlat 62%, Northam Zondereinde 47%, Impala 61% (group), Lonmin 60% (from annual report)
- Stores/Materials/Consumables c.25-30%
 - Amplats 17%, RBPlat 29%, Northam 27%, Impala 32%
- Utilities c.8-10%
 - Amplats 8%, RBPlat 9%, Northam 14%, Impala 7%
- Sundries and other, if reported, c.11%
 - Amplats 10%, Northam 12%,

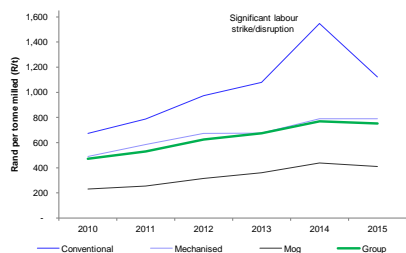
The exception to the conventional mining inflation rate is Lonmin, which has managed to contain cost inflation at 6% p.a. by lowering production levels and focusing on more profitable production. Mechanised mine Two Rivers (Impala owns 49%) has contained unit cost inflation to c.4.6% p.a., albeit on growing production. Mechanised JV partner (Amplats) mines Mototolo and Kroondal have experienced 5-year CAGR unit inflation of 7.4% and 8.2% respectively.



Amplats cost inflation

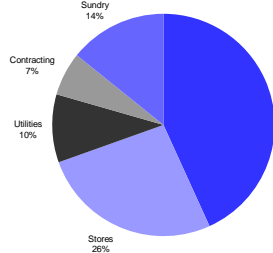
The Rand-per-tonne cash on-mine costs for conventional underground mines in Amplats' portfolio have increased at c.11% per annum over 2010-2015 inclusive, despite significant cost-cutting measures taken by Amplats.

Figure 12: 5-year mining cost progression by mine type



Source: Deutsche Bank, Company Data

Figure 13: 2015 on-mine costs composition

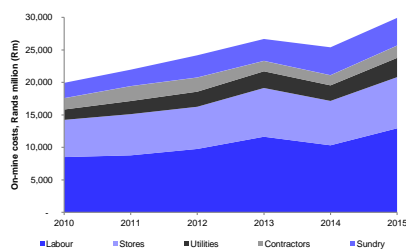


Source: Deutsche Bank, Company Data

Cost-push inflation pressure from electricity and labour costs

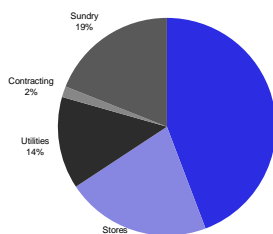
Amplats' separately identifiable on-mine cash costs are labour, stores, utilities and contracting. Cash-cost inflation over the period 2010-2015 has averaged 8.5% in total and 8.8% per platinum ounce, eroding mining margins as revenue per platinum ounce has increased by only 6%. Labour cost inflation, at 8.7% p.a. (excluding contracting), has accounted for 44% of the increase in nominal on-mine cash costs and are 43% of total costs. While not reflecting the highest rate of inflation, it is the single largest component of on-mine cash costs and its impact is thus significant. The Utilities category (driven by increases in electricity prices, in our view) has increased by 13% CAGR over five-years, although it comprises just 10% of total on-mine costs.

Figure 14: 5-year cash on-mine costs



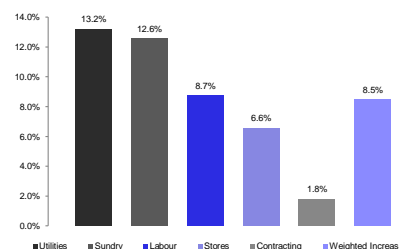
Source: Deutsche Bank, Company Data

Figure 15: Contbn to total cost inc.



Source: Deutsche Bank, Company Data

Figure 16: Cost inflation by category

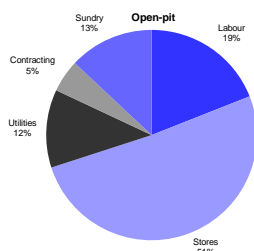


Source: Deutsche Bank, Company Data

Amplats publishes a cost break-down by mining method. The figures below use data from the 2015 Annual Report.

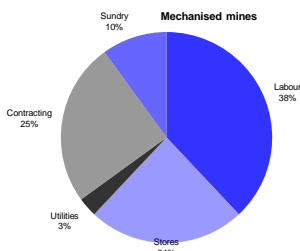


Figure 17: Open-pit cost structure



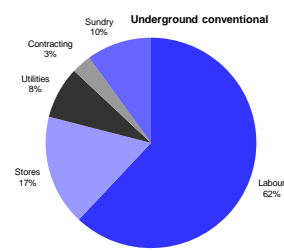
Source: Deutsche Bank, Company Data

Figure 18: Mechanised cost structure



Source: Deutsche Bank, Company Data

Figure 19: Conventional cost structure



Source: Deutsche Bank, Company Data

Conventional mining is, unsurprisingly, heavily skewed toward labour costs (over 60%). Stores comprise the majority of the mining costs at Mogalakwena (this includes diesel, tyres, explosives and spares).

Conventional mining will continue to experience the highest cost-push inflation

Using the disclosed cost-weightings and the five year CAGR of underlying cost drivers as a base, conventional mining could experience underlying inflation of close to 10% per annum in future. 62% of costs are labour-related and 8% are from utilities. We do not expect the upward pressure on wages or electricity prices to abate in the medium term. Using the same methodology, we expect mechanised/open-pit mining to face underlying annual cost inflation of 6-8%.



RBPlat's 5 year cost inflation by category

RBPlats' existing operations display a similar rate of inflation over the past five years to Amplats' conventional mines. RBPlat currently has a single operation which uses conventional mining methods.

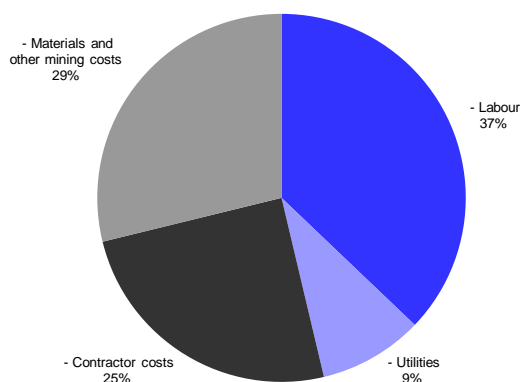
Figure 20: RBPlats' 5-year cost inflation by category

Year end December		2011	2012	2013	2014	2015	5-year CAGR
Cash operating costs	Rm	1,802	2,051	2,093	2,361	2,548	9%
	% chg yoy		14%	2%	13%	8%	
- Labour		674	753	773	884	946	9%
	% chg yoy		12%	3%	14%	7%	
- Utilities		145	171	179	209	234	13%
	% chg yoy		18%	5%	16%	12%	
- Contractor costs		377	478	489	542	633	14%
	% chg yoy		27%	2%	11%	17%	
- Materials & other costs		615	648	651	730	735	5%
	% chg yoy		5%	0%	12%	1%	
Unit costs							
On-mine costs/tonne milled	R/t	782	864	920	957	1,066	8%
	% chg yoy		11%	6%	4%	11%	
On-mine costs/4E oz produced	R/oz	6,399	7,616	7,519	8,040	9,359	10%
	% chg yoy		0	-0	0	0	
On-mine costs/Pt oz produced	R/oz	9,863	11,775	11,592	12,463	14,504	10%
	% chg yoy		19%	-2%	8%	16%	

Source: Deutsche Bank, Company Data

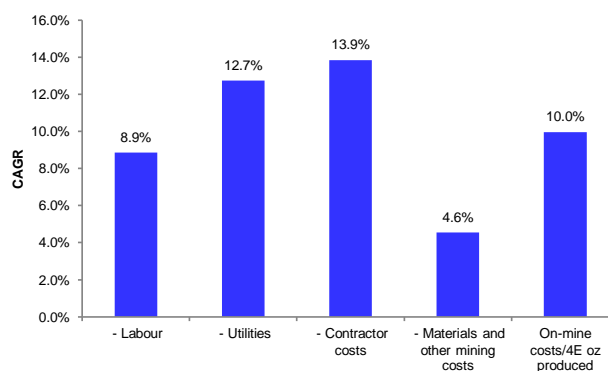
RBPlat has experienced unit cost inflation of 10% per annum on 4E ounces produced over the period FY11-FY15 (total cash costs are up 9% per annum). Cost inflation was 9% for labour, 14% for contractors and 13% for utilities.

Figure 21: RBPlat on-mine cash costs FY15 by category



Source: Deutsche Bank, Company Data

Figure 22: RBP FY11-15 CAGR by category



Source: Deutsche Bank, Company Data



Northam's cost inflation history and composition

Unit costs at Zondereinde have escalated at 11.6%p.a. CAGR over 2009-2015, while absolute operating costs have increased by 8.5%p.a. Labour, the single largest category, has escalated at 10% p.a. over this period, while utilities has escalated by 21% p.a.

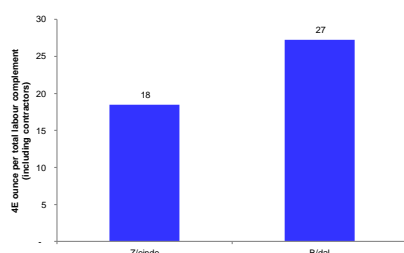
Figure 23: Zondereinde: cost history by category, FY09-15. Costs include concentrating & smelting (not refining).

Year end June		2009	2010	2011	2012	2013	2014	2015	CAGR
Unit costs									
Cash costs of prodn	R/kg (4E)	199,680	215,900	279,118	283,934	309,421	358,891	386,117	11.6%
			8.1%	29.3%	1.7%	9.0%	16%	7.6%	
Operating costs									
	Rm	1,906	2,230	2,259	2,633	2,797	2,691	3,115	8.5%
Year-on-year			17.0%	1.3%	16.6%	6.2%	-3.8%	15.8%	
Labour		824	975	992	1,198	1,264	1,355	1,471	10%
% chg yoy				2%	20.7%	5.5%	7.2%	8.6%	
Stores		600	650	596	691	698	652	827	5.5%
% chg yoy				-8%	15.8%	1.1%	-6.6%	26.8%	
Utilities		141	208	249	298	341	372	444	21%
% chg yoy				20%	19.7%	14.2%	9.3%	19.1%	
Sundries		344	386	400	416	446	305	358	0.7%
Decommissioning/ restoration		-2.8	11.1	4.4	4.9	11	6	15	

Source: Deutsche Bank, Company Data

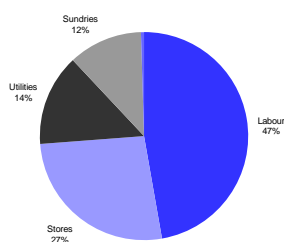
The vast majority of Booyensdals' labour is contractor-based and so the cost composition between Zondereinde and Booyensdal is not comparable. However, we determine that in 1H16 (half ending December 2015), Booyensdal is 50% more productive than Zondereinde when measure on a production per total employee (including contractors) basis.

Figure 24: 4E ounce/employee 1H16



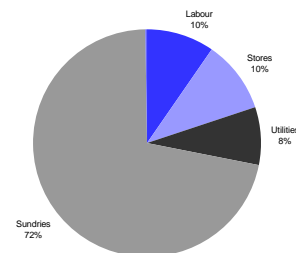
Source: Deutsche Bank, Company Data

Figure 25: Z/einde cost cat. FY15



Source: Deutsche Bank, Company Data

Figure 26: B/dal cost categories



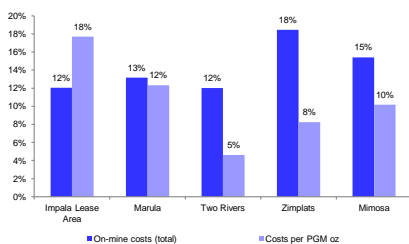
Source: Deutsche Bank, Company Data



Impala's cost inflation history and composition

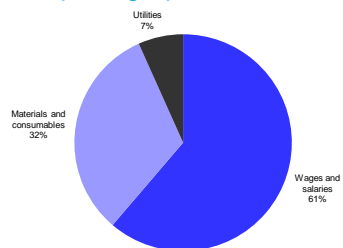
Impala's Lease Area and Marula are the mines which, within the group, have experienced the highest per-unit cost inflation CAGR over the period FY09-15. These are Impala's two conventional South African mines. Two Rivers, the mechanised operation, has experienced unit cost inflation of 5% over the same period, although this is helped by production growth (absolute on-mine CAGR was 12%).

Figure 27: FY09-15 CAGR by mine



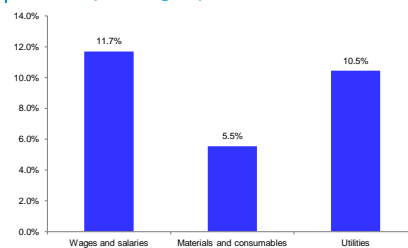
Source: Deutsche Bank, Company Data

Figure 28: Impala group on-mine costs by category, FY15



Source: Deutsche Bank, Company Data

Figure 29: FY13-15 CAGR of on-mine costs by category



Source: Deutsche Bank, Company Data

Impala only discloses the composition of on-mine costs on the group level. Wages and salaries are the majority of on-mine costs, at 61%. The FY13 to FY15 CAGR of the three cost categories shows that wages and salaries have increased the most at c.12% per annum, followed by utilities at 10.5% and then materials and consumables at 5.5%. We have not looked at group data further beyond FY13 as associates were previously proportionately consolidated (now equity accounted) and the group base changed in FY13.

Zimplats and Mimosa (both mechanised) unit cost inflation CAGR falls in-between SA conventional and SA mechanised, but has recently been negatively impacted by the Rands depreciation against the US dollar.



Lonmin's cost inflation history and composition

Figure 30: Lonmin cost history by category, FY09-15A

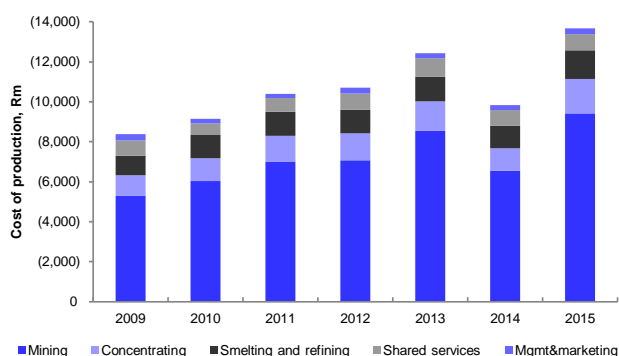
		Year end September							CAGR
		2009	2010	2011	2012	2013	2014	2015	FY09-15
Total costs									
Mining	Rm	(5,302)	(6,026)	(7,002)	(7,079)	(8,545)	(6,556)	(9,414)	7.9%
Concentrating	Rm	(1,019)	(1,142)	(1,297)	(1,346)	(1,469)	(1,121)	(1,731)	6.8%
Smelting & refining	Rm	(982)	(1,161)	(1,203)	(1,183)	(1,235)	(1,119)	(1,426)	4.8%
Shared services	Rm	(776)	(586)	(679)	(805)	(928)	(786)	(810)	0.4%
Mgmt & marketing	Rm	(298)	(227)	(217)	(287)	(243)	(256)	(294)	0.1%
Total cost of prodn	Rm	(8,379)	(9,142)	(10,399)	(10,701)	(12,420)	(9,838)	(13,674)	6.6%

Cost of production per PGM ounce

Mining	R/oz	4,604	4,644	5,361	6,026	6,373	9,261	7,349	6.9%
Concentrating	R/oz	816	868	960	1,073	1,051	1,567	1,228	6.0%
Smelting and refining	R/oz	789	883	832	877	925	1,269	985	3.4%
Shared services	R/oz	622	446	503	639	661	1,087	570	-0.5%
Mgmt & marketing	R/oz	239	173	161	228	173	355	207	-0.8%
Cost per PGM oz	R/oz	7,069	7,013	7,817	8,843	9,183	13,539	10,339	5.6%

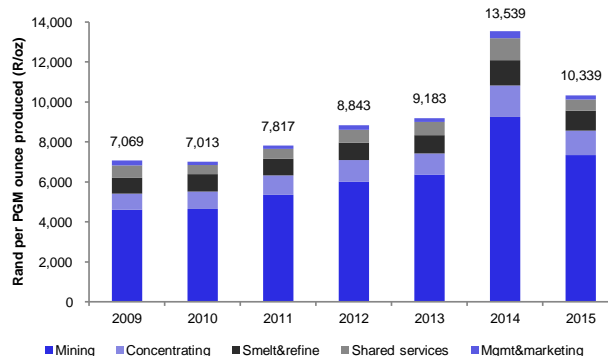
Source: Deutsche Bank, Company Data

Figure 31: Costs (total) by category, FY09-15



Source: Deutsche Bank, Company Data

Figure 32: Unit cost history by category, FY09-15



Source: Deutsche Bank, Company Data



Impala, Hold, R50 PT

Investment Thesis

Outlook

Impala's flagship Lease Area mine, which produced over 1Mozpa from 1996 through to 2009, could reclaim its prestige and become the biggest single platinum mine by 2020, if it achieves its planned ramp-up to 815-830kozpa. While Impala should benefit from rising prices and production growth (albeit off of a low-base) from the Lease Area should prove positive for Impala, its deferral of 17-Shaft and other capital projects may mean that any increase in production to target run-rates at the Lease Area could be short-lived. Impala also faces challenges from weak-USD PGM prices at its Zimplats subsidiary. We see a balance of upside and downside risks/catalysts and believe the shares are fairly valued from a Risk-Reward basis. Hold.

Valuation

We value Impala on a sum-of-the-parts DCF model of life-of-mine cash flows. We use a WACC of 13% and apply a 1x DCF exit multiple to derive our target price. Given the uncertainty between Impala and the Zimbabwean government regarding 51% ownership of Impala's Zimplats and Mimosa mines, we include only 49% of Impala's ownership in these mines. For CY16 we use a platinum price forecast of US\$940/ounce and a ZAR/USD forecast of 15.89.

Risks

Upside/Downside Risks include: Rand-PGM prices; mining cost inflation/containment; timing of the delivery of the new vertical shafts at the Lease Area. Upside/Downside risks relating to the Zimbabwean regulatory environment include: the outcome on indigenisation agreements and/or valuation; changes to mining taxes and levies; legislative changes to the treatment of export material for further processing in South Africa; and governments determination on the industry as to whether a precious metals refinery in Zimbabwe should be funded. A positive refinancing outcome for Impala's February 2018 bonds could be a boost to the company; while a liquidity crunch poses a downside risk should spot or lower prices persist for longer than forecast or strikes or other production interruptions, including those related to load-curtailment as a result of electricity shortages in South Africa and/or a deterioration in safety trends, pose other downside risks.



Impala: Changes to estimates

We have made minor changes to our operational forecasts for Impala. Owing to current low margins and the related leverage, this has had a disproportionate impact on HEPS forecasts.

Figure 33: Changes to estimates, FY16E-FY18E

Yr ending June		FY16e	FY17e	FY18e
Group refined platinum production	000koz	1,456	1,541	1,582
Previous		1,432	1,452	1,483
% chg		2%	6%	7%
Revenue per platinum ounce	R/oz	23,846	26,165	27,188
Previous		24,760	27,041	28,177
% chg		-3.7%	-3.2%	-3.5%
Group unit costs	R/Pt oz	21,916	21,803	22,121
Previous		21,542	22,020	22,892
% chg		1.7%	-1.0%	-3.4%
Revenues	Rm	34,716	40,321	43,008
Previous		35,452	39,274	41,792
% chg		-2.1%	2.7%	2.9%
Cost of sales	Rm	36,333	39,930	42,024
Previous		35,833	38,236	40,177
% chg		1.4%	4.4%	4.6%
Gross profit	Rm	-1,616	391	985
Previous		-382	1,038	1,615
% chg		<-100%	-62.4%	-39.0%
EBITDA	Rm	918	3,502	4,675
Operating profit	Rm	-2,088	111	674
Previous		-871	881	1,518
% chg		<-100%	-87.4%	-55.6%
EBIT margins: current		-6.0%	0.3%	1.6%
EBIT margins: previous		-2.5%	2.2%	3.6%
Headline earnings	Rm	-1,302	-356	474
Previous		-597	142	987
% chg		<-100%	<-100%	-52.0%
HE margins: current		-3.8%	-0.9%	1.1%
HE margins: previous		-1.7%	0.4%	2.4%
Headline basic EPS	R	-1.99	-0.54	0.72
Previous		-0.91	0.22	1.51
% chg		<-100%	<-100%	-52.0%
Capex	Rm	3,687	4,006	4,321
Previous		3,755	4,091	4,395
% chg		-1.8%	-2.1%	-1.7%
Free cash flow		-2,801	-892	-101
Previous		-1,363	211	922
% chg		>100%	<-100%	<-100%
Net debt/(cash)	Rm	5,262	6,547	5,955
Previous		3,823	4,006	7,108
% chg		37.6%	63.5%	-16.2%

Source: Deutsche Bank, Company Data

Production, revenue and unit costs are tweaked by single digit percentages

Low single digit earnings margins mean small operational changes translate to big swings in earnings forecasts



Model updated:07 June 2016

Running the numbers

Sub-Saharan Africa

South Africa

Platinum

Impala Platinum

Reuters: IMPJ.J

Bloomberg: IMP SJ

Hold

Price (7 Jun 16) ZAR 46.71

Target Price ZAR 50.00

52 Week range ZAR 23.24 - 60.49

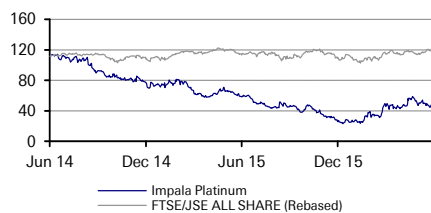
Market Cap (m) ZARm 30,596

USDm 2,054

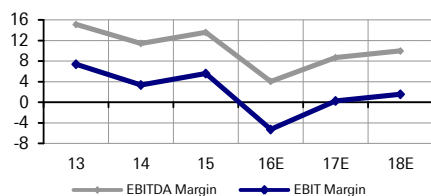
Company Profile

Impala Platinum owns and operates the Impala mine on the Western Limb of SA's Bushveld Complex. The mine is commissioning two new shafts in a bid to ramp-up to c.815-830kozpa Pt by 2020. On the Eastern Limb, it owns and operates 73% of the Marula mine and 49% of Two Rivers, managed by JV partner ARM. In Zimbabwe, Impala owns and operates 87% of the Zimplats mine, ramping up to 260koz pa Pt in 2016, and 50% of the Mimosa mine with JV partner Aquarius. Impala also provides refining services for precious and base metal producers.

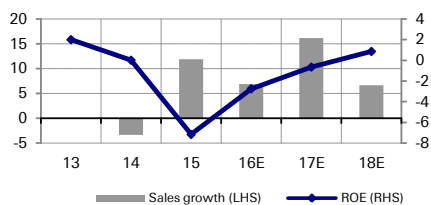
Price Performance



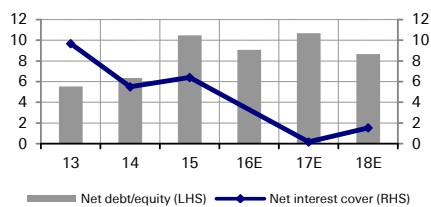
Margin Trends



Growth & Profitability



Solvency



Patrick Mann

+27 11 775-7282

patrick.mann@db.com

Fiscal year end 30-Jun

2013

2014

2015

2016E

2017E

2018E

Financial Summary

DB EPS (ZAR)	3.30	0.86	0.36	-1.99	-0.54	0.72
Reported EPS (ZAR)	1.68	0.01	-6.02	-2.20	-0.54	0.72
DPS (ZAR)	0.95	0.00	0.00	0.00	0.00	0.21
BVPS (ZAR)	85.8	86.3	82.5	84.2	83.6	84.2
Weighted average shares (m)	607	607	607	655	655	655
Average market cap (ZARm)	82,849	70,441	48,182	30,596	30,596	30,596
Enterprise value (ZARm)	87,107	73,093	52,117	33,512	34,457	34,612

Valuation Metrics

P/E (DB) (x)	41.4	134.7	218.5	nm	nm	64.5
P/E (Reported) (x)	81.1	nm	nm	nm	nm	64.5
P/BV (x)	1.08	1.24	0.66	0.55	0.56	0.55
FCF Yield (%)	nm	nm	nm	nm	nm	nm
Dividend Yield (%)	0.7	0.0	0.0	0.0	0.0	0.4
EV/Sales (x)	2.9	2.5	1.6	1.0	0.9	0.8
EV/EBITDA (x)	19.2	22.0	11.8	23.7	9.8	8.1
EV/EBIT (x)	39.2	74.7	28.7	nm	310.9	51.3

Income Statement (ZARm)

Sales revenue	30,032	29,028	32,477	34,716	40,321	43,008
Gross profit	7,214	5,583	4,221	1,628	3,780	4,594
EBITDA	4,538	3,320	4,411	1,413	3,500	4,284
Depreciation	2,314	2,341	2,593	3,244	3,390	3,610
Amortisation	0	0	0	0	0	0
EBIT	2,224	979	1,818	-1,831	111	674
Net interest income/(expense)	-230	-178	-284	-584	-630	-438
Associates/affiliates	163	365	377	175	136	223
Exceptionals/extraordinaries	0	-1,000	-5,847	-257	0	0
Other pre-tax income/(expense)	242	-151	-420	-413	-135	169
Profit before tax	2,399	15	-4,356	-2,910	-518	628
Income tax expense	1,476	144	-217	-1,384	-145	176
Minorities	-99	-137	-476	-81	-17	-22
Other post-tax income/(expense)	0	0	0	0	0	0
Net profit	1,022	8	-3,663	-1,445	-356	474
DB adjustments (including dilution)	979	515	3,884	143	0	0
DB Net profit	2,001	523	221	-1,302	-356	474

Cash Flow (ZARm)

Cash flow from operations	5,786	4,096	2,328	353	2,770	3,907
Net Capex	-6,258	-4,436	-4,466	-3,684	-4,006	-4,321
Free cash flow	-472	-340	-2,138	-3,331	-1,237	-414
Equity raised/(bought back)	36	8	1	3,900	0	0
Dividends paid	-580	-371	-10	-33	0	-90
Net inc/(dec) in borrowings	4,466	-16	-264	-10	-522	0
Other investing/financing cash flows	308	911	703	728	345	313
Net cash flow	3,758	192	-1,708	1,254	-1,414	-191
Change in working capital	-487	1,649	338	-702	0	0

Balance Sheet (ZARm)

Cash and other liquid assets	5,308	4,305	2,597	3,851	2,437	2,246
Tangible fixed assets	50,263	50,276	47,633	51,240	51,857	52,568
Goodwill/intangible assets	0	0	0	0	0	0
Associates/investments	1,335	3,380	3,802	4,859	4,789	3,492
Other assets	23,813	21,906	23,183	23,479	23,479	23,479
Total assets	80,719	79,867	77,215	83,429	82,562	81,785
Interest bearing debt	8,322	7,787	8,076	9,077	8,555	7,244
Other liabilities	17,781	17,163	16,777	16,663	16,836	17,009
Total liabilities	26,103	24,950	24,853	25,741	25,392	24,254
Shareholders' equity	52,037	52,367	50,104	55,139	54,783	55,167
Minorities	2,579	2,550	2,258	2,549	2,532	2,510
Total shareholders' equity	54,616	54,917	52,362	57,688	57,315	57,677
Net debt	3,014	3,482	5,479	5,226	6,118	4,998

Key Company Metrics

Sales growth (%)	nm	-3.3	11.9	6.9	16.1	6.7
DB EPS growth (%)	na	-73.9	-57.9	na	72.7	na
EBITDA Margin (%)	15.1	11.4	13.6	4.1	8.7	10.0
EBIT Margin (%)	7.4	3.4	5.6	-5.3	0.3	1.6
Payout ratio (%)	56.4	0.0	nm	nm	nm	28.6
ROE (%)	2.0	0.0	-7.1	-2.7	-0.6	0.9
Capex/sales (%)	21.2	15.5	13.9	10.6	9.9	10.0
Capex/depreciation (x)	2.7	1.9	1.7	1.1	1.2	1.2
Net debt/equity (%)	5.5	6.3	10.5	9.1	10.7	8.7
Net interest cover (x)	9.7	5.5	6.4	nm	0.2	1.5

Source: Company data, Deutsche Bank estimates

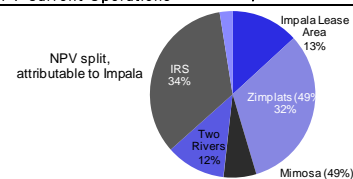


IMPALA OPERATIONAL SUMMARY DATA JUNE YEAR END

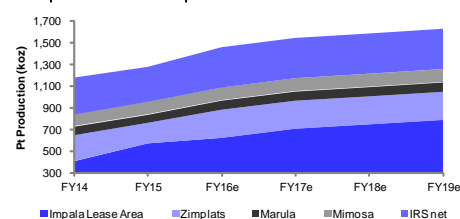
ASSUMPTIONS	FY14	FY15	FY16e	FY17e	FY18e	FY19e
ZAR/USD	10.43	11.48	14.84	16.39	16.14	14.37
Platinum (US\$/oz)	1,432	1,248	936	923	960	1,140
Total attributable tonnes milled kt	FY14	FY15	FY16e	FY17e	FY18e	FY19e
Impala Lease Area	6,183	9,199	11,000	11,200	11,800	12,400
Zimplats	5,939	5,164	6,200	6,200	6,200	6,200
Marula	1,794	1,662	1,800	1,818	1,836	1,855
Mimosa (attributable)	1,227	1,293	1,300	1,300	1,300	1,300
Two Rivers (attributable)	1,476	1,513	1,528	1,528	1,528	1,528
Total	16,618	18,831	21,828	22,046	22,664	23,283
Average Headgrade (5PGE+Au) g/t	FY14	FY15	FY16e	FY17e	FY18e	FY19e
Impala Lease Area	4.34	4.19	4.11	4.45	4.45	4.45
Zimplats	3.47	3.47	3.47	3.46	3.46	3.48
Marula	4.19	4.19	4.27	4.25	4.25	4.25
Mimosa (attributable)	3.92	3.93	3.89	3.93	3.93	3.93
Two Rivers (attributable)	4.01	3.98	4.09	4.00	4.00	4.00
Average Headgrade (5PGE+Au)	3.95	3.96	3.93	4.09	4.10	4.12
Platinum Production koz	FY14	FY15	FY16e	FY17e	FY18e	FY19e
Impala Lease Area	411	575	626	710	750	790
Zimplats	240	190	260	260	260	261
Marula	79	74	83	84	85	85
Mimosa	110	117	118	120	120	120
IRS net	339	320	368	368	368	368
Total	1,178	1,276	1,456	1,541	1,582	1,624
Average cash cost per tonne milled R/t	FY14	FY15	FY16e	FY17e	FY18e	FY19e
Impala Lease Area	1,465	1,493	1,305	1,377	1,398	1,422
Zimplats	540	707	770	879	883	801
Marula	869	1,000	1,013	1,072	1,135	1,202
Mimosa	798	790	1,083	1,120	1,119	1,011
Two Rivers	611	617	629	657	687	718
Average group cash cost per refined platinum oz (Excluding SBP) R/oz	FY14	FY15	FY16e	FY17e	FY18e	FY19e
Impala Lease Area	22,036	23,884	23,099	21,724	21,995	22,315
Zimplats	13,383	19,208	18,333	21,003	21,084	19,034
Marula	19,860	22,582	21,887	23,284	24,654	26,105
Mimosa	17,768	17,402	21,975	24,354	24,332	21,988
Group	19,430	22,222	21,916	21,803	22,121	22,005
CAPEX Rm	FY14	FY15	FY16e	FY17e	FY18e	FY19e
Impala Lease Area	2,823	3,047	2,770	2,760	3,060	2,094
Zimplats	1,226	968	827	1,090	1,095	994
Marula	159	145	90	156	167	178
Mimosa	175	172	236	264	264	239
Total Attributable Group Capex	4,345	4,287	3,923	4,271	4,585	3,505

Source: Company data, Deutsche Bank estimates, DataStream

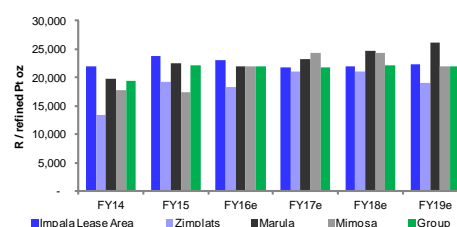
NPV to Impala (attbl basis)	Rm	Per share	(%)
Impala Lease Area	4,677	7	13%
Zimplats (49%)	11,470	9	32%
Mimosa (49%)	2,253	2	6%
Marula	(21)	(0)	0%
Two Rivers	4,129	6	12%
IRS	12,123	19	34%
Chrome Operations	895	1	3%
NPV Current Operations	35,526		100%



Graph 1 - Production profile to FY19e



Graph 2 - Cash Cost per Refined ounce





Northam, Hold, R35

Investment Thesis

Outlook

We believe Northam's share price reflects both the prospect of organic production growth and higher-than-spot Rand-PGM prices; which DB forecasts. Thus, despite a strong liquidity position and the potential for mechanized production growth at Booyendal, we see a fair balance of upside and downside risks to valuation. Northam's Booyendal mine, a mechanised operation on the Eastern Limb of the BIC, will be competitively placed on the industry cost-curve and has significant organic growth potential. 2016 is the first year of full production from the initial phase of this mine complex. Free cash flow should improve rapidly as project capex rolls off and production and prices increase in CY16, with Northam poised to increase low-cost ounces if PGM prices should rise further. We highlight dilutionary risk, however, from the cumulative preference shares, issued by Zambezi Platinum (Northam's BEE investor), which are guaranteed by Northam and due in May 2025. These are accruing cumulative preference dividends at a rate of prime plus 350bps and represent potential to dilute ordinary shareholders should Northam be required to redeem them/be called on its guarantee. With a positive operational outlook but premium valuation, we rate Northam a Hold.

Valuation

We value Northam on a sum-of-the-parts DCF basis using a WACC of 14% and applying a 1x DCF exit multiple to derive our target price. For CY16 we use a platinum price forecast of US\$940/ounce and a ZAR/USD forecast of 15.89.

Risks

Upside and downside risks for Northam include Rand-PGM prices and operational performance, considering the changes to the company's operating strategy, including: Zondereinde's increased UG2 mining, furnace upgrade, Booyendal North expansion, Booyendal Merensky and Booyendal South projects. The company's ability to control operating and capital costs is also a source of upside and downside risk.



Northam: Changes to estimates

We have tweaked our Northam forecasts slightly and all forecast changes are in the low single-digit percentages.

Figure 34: Changes to estimates, FY16E-FY18E

Year ending June		FY16e	FY17e	FY18e
Group refined platinum sales	000oz	264	278	289
Previous		264	278	289
% chg		0.0%	0.0%	0.0%
Rand basket price (4E)*	R/4E oz	12,102	13,567	14,061
Previous		12,102	13,567	14,061
% chg		0.0%	0.0%	0.0%
Cash operating cost	R/4E oz	10,611	11,019	11,716
Previous		10,611	11,243	11,921
% chg		0.0%	-2.0%	-1.7%
Revenue	Rm	6,414	7,679	8,152
Previous		6,458	7,732	8,212
% chg		-0.7%	-0.7%	-0.7%
EBITDA	Rm	816	1,547	1,531
Previous		815	1,548	1,545
% chg		0.2%	-0.1%	-0.9%
Operating profit	Rm	393	1,080	1,013
Previous		391	1,081	1,027
% chg		0.3%	-0.1%	-1.4%
Headline earnings	Rm	-354	-22	-389
Previous		-354	-22	-379
% chg		-0.2%	0.7%	2.5%
Headline EPS	SAcps	-101	-6	-111
Previous		-101	-6	-108
% chg		-0.2%	0.7%	2.5%
Adjusted headline earnings	Rm	535	990	858
Adjusted headline earnings	SAcps	105	194	168
Previous		105	194	170
% chg		0.1%	0.0%	-1.1%
Cash from operations	Rm	1,043	1,409	1,319
Previous		1,035	1,414	1,331
% chg		0.7%	-0.4%	-0.9%
Capex	Rm	1,260	980	833
Previous		1,260	990	849
% chg		0.0%	-1.1%	-1.8%
Free cash flow	Rm	-248	430	486
Previous		-255	424	482
% chg		-3.0%	1.3%	0.8%
Net debt / (cash)	Rm	4,910	5,509	6,286
Previous		4,917	5,522	6,303
% chg		-0.2%	-0.2%	-0.3%

Source: Deutsche Bank, Company Data



Model updated:07 June 2016

Running the numbers

Sub-Saharan Africa

South Africa

Platinum

Northam

Reuters: NHMJ.J

Bloomberg: NHM SJ

Hold

Price (7 Jun 16) ZAR 44.25

Target Price ZAR 35.00

52 Week range ZAR 19.30 - 49.50

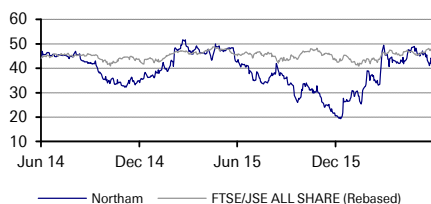
Market Cap (m) ZARm 15,482

USDm 1,039

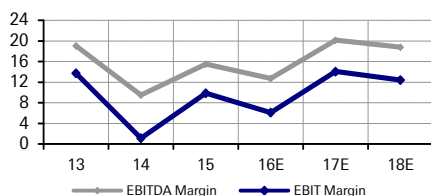
Company Profile

Northam Platinum owns and operates 100% of the Zondereinde mine on the Western Limb of the South African Bushveld Complex. Zondereinde has a steady-state capacity of 300k p.a. PGM (4E) ounces. 2016 is also the first calendar year of full production from the first phase of Booyendal North, a mechanised UG2 mine on the Eastern Limb. While the first phase will produce around 160kozpa PGM (4E) ounces; there is potential for higher production from 1) an expansion of Booyendal North; 2) a Merensky mine, and/or 3) Booyendal South..

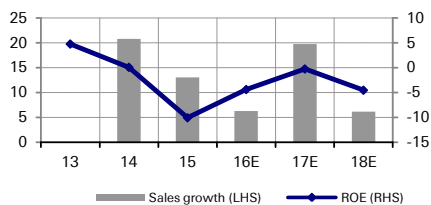
Price Performance



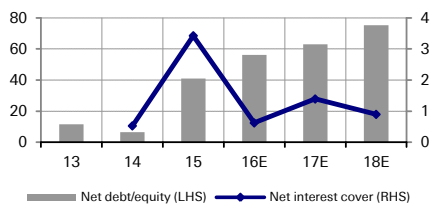
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 30-Jun

2013 2014 2015 2016E 2017E 2018E

Financial Summary

DB EPS (ZAR)	1.36	0.02	-2.03	-1.01	-0.06	-1.11
Reported EPS (ZAR)	1.32	0.02	-2.64	-1.13	-0.06	-1.11
DPS (ZAR)	0.00	0.00	0.00	0.00	0.00	0.00
BVPS (ZAR)	28.2	29.1	23.5	25.2	25.2	24.0
Weighted average shares (m)	383	391	392	350	350	350
Average market cap (ZARm)	12,639	16,012	16,500	15,482	15,482	15,482
Enterprise value (ZARm)	13,406	16,272	19,993	20,186	20,779	21,550

Valuation Metrics

P/E (DB) (x)	24.2	nm	nm	nm	nm	nm
P/E (Reported) (x)	25.0	nm	nm	nm	nm	nm
P/BV (x)	1.13	1.56	1.71	1.75	1.76	1.84
FCF Yield (%)	nm	nm	nm	nm	2.8	3.1
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
EV/Sales (x)	3.0	3.0	3.3	3.1	2.7	2.6
EV/EBITDA (x)	15.9	32.1	21.4	24.7	13.4	14.1
EV/EBIT (x)	22.1	264.7	33.6	51.4	19.2	21.3

Income Statement (ZARm)

Sales revenue	4,421	5,339	6,036	6,414	7,679	8,152
Gross profit	842	507	936	816	1,547	1,531
EBITDA	842	507	936	816	1,547	1,531
Depreciation	235	446	340	423	467	518
Amortisation	0	0	0	0	0	0
EBIT	608	61	596	393	1,080	1,013
Net interest income/(expense)	15	-116	-174	-629	-775	-1,127
Associates/affiliates	14	3	29	5	6	6
Exceptionals/extraordinaries	0	0	-1,551	0	0	0
Other pre-tax income/(expense)	60	97	232	76	53	53
Profit before tax	697	46	-868	-156	363	-55
Income tax expense	169	26	166	239	385	334
Minorities	23	10	2	0	0	0
Other post-tax income/(expense)	0	0	0	0	0	0
Net profit	505	9	-1,036	-395	-22	-389
DB adjustments (including dilution)	17	-1	241	41	0	0
DB Net profit	522	9	-795	-354	-22	-389

Cash Flow (ZARm)

Cash flow from operations	400	709	196	1,014	1,409	1,319
Net Capex	-1,743	-894	-1,098	-1,260	-980	-833
Free cash flow	-1,342	-185	-901	-246	430	486
Equity raised/(bought back)	2	579	0	0	0	0
Dividends paid	-22	-11	-4	0	0	0
Net inc/(dec) in borrowings	1,516	-134	4,596	-1,372	0	0
Other investing/financing cash flows	39	118	-218	-31	0	0
Net cash flow	194	367	3,472	-1,649	430	486
Change in working capital	-281	271	-221	46	-59	-67

Balance Sheet (ZARm)

Cash and other liquid assets	299	666	4,138	2,489	2,919	3,405
Tangible fixed assets	11,931	11,940	12,702	13,537	14,049	14,364
Goodwill/intangible assets	0	0	0	0	0	0
Associates/investments	495	497	276	248	253	259
Other assets	1,633	1,638	2,035	1,888	2,108	2,236
Total assets	14,358	14,741	19,151	18,162	19,330	20,264
Interest bearing debt	1,551	1,418	7,906	7,441	8,469	9,732
Other liabilities	1,991	1,931	2,028	1,899	2,060	2,121
Total liabilities	3,542	3,349	9,935	9,340	10,530	11,853
Shareholders' equity	10,806	11,386	9,216	8,822	8,800	8,411
Minorities	10	5	0	0	0	0
Total shareholders' equity	10,816	11,392	9,216	8,822	8,800	8,411
Net debt	1,253	752	3,768	4,952	5,551	6,328

Key Company Metrics

Sales growth (%)	nm	20.8	13.0	6.3	19.7	6.2
DB EPS growth (%)	na	-98.4	na	50.2	93.9	-1,689.1
EBITDA Margin (%)	19.1	9.5	15.5	12.7	20.1	18.8
EBIT Margin (%)	13.7	1.2	9.9	6.1	14.1	12.4
Payout ratio (%)	0.0	0.0	nm	nm	nm	nm
ROE (%)	4.8	0.1	-10.1	-4.4	-0.2	-4.5
Capex/sales (%)	39.5	16.8	18.3	19.6	12.8	10.2
Capex/depreciation (x)	7.4	2.0	3.2	3.0	2.1	1.6
Net debt/equity (%)	11.6	6.6	40.9	56.1	63.1	75.2
Net interest cover (x)	nm	0.5	3.4	0.6	1.4	0.9

Source: Company data, Deutsche Bank estimates

Patrick Mann

+27 11 775-7282

patrick.mann@db.com

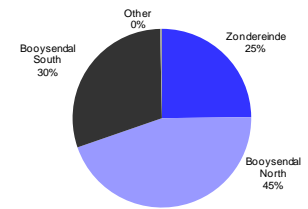


NORTHAM OPERATIONAL SUMMARY DATA

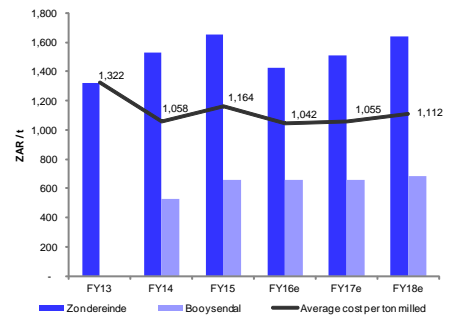
JUNE YEAR END

ASSUMPTIONS		FY13	FY14	FY15	FY16e	FY17e	FY18e
ZAR/USD		8.90	10.43	11.48	14.84	16.39	16.14
Platinum (US\$/oz)		1,552	1,432	1,248	936	923	960
Total tonnes milled	kt	FY13	FY14	FY15	FY16e	FY17e	FY18e
Zondereinde		2,116	1,724	1,860	2,110	2,170	2,170
Booysendal		nm	1,517	1,786	2,111	2,500	2,650
Total		2,116	3,241	3,647	4,221	4,670	4,820
Average Headgrade (4E)	g/t	FY13	FY14	FY15	FY16e	FY17e	FY18e
Zondereinde		4.9	5.0	4.9	4.9	4.8	4.8
Booysendal		nm	2.6	2.6	2.7	2.7	2.7
Average		4.9	3.9	3.8	3.8	3.7	3.6
Platinum refined	koz	FY13	FY14	FY15	FY16e	FY17e	FY18e
Zondereinde		207	190	186	172	176	176
Booysendal		-	46	65	92	102	113
Total		207	236	250	264	278	289
Zondereinde Production	kt	FY13	FY14	FY15	FY16e	FY17e	FY18e
UG1 tonnes milled		958	804	796	870	870	870
UG2 tonnes milled		1,158	920	1,064	1,240	1,300	1,300
Total		2,116	1,724	1,860	2,110	2,170	2,170
UG2 as a % of total	%	54.7%	53.4%	57.2%	58.8%	59.9%	59.9%
Cash cost per tonne milled (incl conc. and smelt)	R / t	FY13	FY14	FY15	FY16e	FY17e	FY18e
Zondereinde		1,322	1,526	1,650	1,424	1,509	1,638
Booysendal		nm	527	658	661	661	681
Average cost per ton milled		1,322	1,058	1,164	1,042	1,055	1,112
Cash cost per 4E ounce	R / oz	FY13	FY14	FY15	FY16e	FY17e	FY18e
Zondereinde		10,508	12,270	12,643	11,298	11,996	13,007
Booysendal		nm	11,169	9,337	9,403	9,703	9,703
Average		10,508	9,875	12,262	10,612	11,044	11,713
CAPEX	Rm	FY13	FY14	FY15	FY16e	FY17e	FY18e
Zondereinde		350	361	303	732	680	480
Booysendal		1,500	540	799	528	300	353
Total		1,850	901	1,102	1,260	980	833

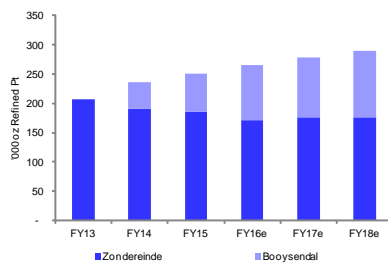
NPV	ZARm	Per share
Zondereinde	R 3,450	R 9.9
Booysendal North	R 6,246	R 17.9
Booysendal South	R 4,171	R 11.9
Other	R 43	R 0.1
Net (debt)/cash	R -3,685	R -10.5
NAV	R 10,225	R 29
Rolled forward at cost of equity		R 34



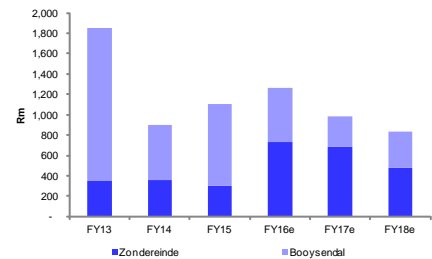
Graph 1 - Cash cost per tonne milled



Graph 2 - Forecast Production: Refined Pt ounces



Graph 3 - Capex spend per mine



Source: Company data, Deutsche Bank estimates, DataStream



RBPlat, Hold, R42

Investment Thesis

Outlook

RBPlat is one of the best positioned producers in the industry: a net cash position, production is predominately high-margin Merensky, fully empowered in terms of South Africa's BEE requirements and enviable labour relations relative to the other producers. However, the low prices are weighing on RBPlat, and its low-cost high-margin project, Styldrif, is on slow-development given the low price environment. The project can deliver low-cost potential ounces when/if prices recover, however this may not be soon enough to offset production declines from BRPM South Shaft, nor is it fundable from only operational cash flows and the current environment is not conducive for tapping capital markets. In light of these factors and a fair valuation, we have a Hold rating for RBPlat.

Valuation

We value RBPlat using a DCF, using a WACC of 13% and applying a 1x DCF exit multiple to derive our target price. For CY16 we use a platinum price forecast of US\$940/ounce and a ZAR/USD forecast of 15.89.

Risks

Upside/Downside risks include Rand-PGM prices, cost and capex control, particularly in light of the revised timeline for Styldrif; the timing of the delivery of Styldrif and/or the final Styldrif design; unit cost control at the Boschkopie mine, particularly considering the upcoming South Shaft closure (c.1/3 of production scheduled to close in 2018). Downside risks include the availability of electrical-power as a result of delays to Eskom's substations being built which are critical to Styldrif's completion and/or load-curtailement as a result of electricity shortages in South Africa; concentrator performance as the sole existing concentrator is being upgraded while remaining fully operational.



RBPlat: Changes to estimates

Our medium-term financial forecasts for RBPlat have been negatively impacted by the delayed ramp-up of the Styl drift project. We have also delayed the timing of when the company stops capitalising revenue and costs for Styl drift and begins expensing these, however this is an estimation uncertainty. HEPS is impacted by these significant sources of financial uncertainty.

However, our assessment of the cost-advantage of a mechanised mine and the cost inflation it faces over the longer term has benefitted our longer-term valuation.

Production 5% lower in FY18E on ramp-up of Styl drift

Figure 35: Changes to estimates, FY16E-FY18E

Yr ending December		FY16e	FY17e	FY18e
Pt metal in concentrate	000oz	206	229	239
Previous		200	226	252
% chg		2.9%	1.2%	-5.1%
Cash unit cost per Pt ounce (Boschkoppie only)	R/oz	14,867	15,999	17,286
Previous		15,790	16,404	16,864
% chg		-5.8%	-2.5%	2.5%
Revenues	Rm	3,667	3,889	3,919
Previous		4,007	3,786	5,717
% chg		-8.5%	2.7%	-31.4%
Gross profit	Rm	435	402	292
Previous		556	142	809
% chg		-21.7%	>100%	-63.9%
EBITDA	Rm	731	707	587
Previous		1,046	608	1,342
% chg		-30.1%	16.3%	-56.3%
Profit before tax	Rm	355	240	-55
Previous		506	21	429
% chg		-29.8%	>100%	<-100%
HEPS	Rps	0.91	0.60	-0.14
Previous		1.27	0.05	1.08
% chg		-28.3%	>100%	<-100%
Operating cash flow	Rm	666	651	687
Previous		824	610	1,126
% chg		-19.2%	6.6%	-39.0%
Capex	Rm	1,258	1,625	1,763
Previous		1,198	1,882	1,889
% chg		5.0%	-13.6%	-6.7%
Free cash flow	Rm	-592	-975	-1,076
Previous		-374	-1,272	-764
% chg		-58.4%	23.4%	-41.0%
Net cash/(debt)	Rm	325	-649	-1,726
Previous		544	-728	-1,492
% chg		-40.2%	-10.8%	15.7%

Source: Deutsche Bank, Company Data

Revenues impacted by delaying Styl drift's transition from a project (capitalising revenue and costs) to an operation (recognising revenue and costs in the income statement).



Model updated:07 June 2016

Running the numbers

Sub-Saharan Africa

South Africa

Platinum

RBPlat

Reuters: RBPJ.J

Bloomberg: RBP SJ

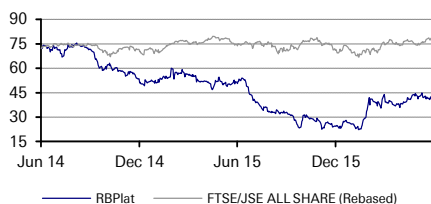
Hold

Price (7 Jun 16)	ZAR 43.01
Target Price	ZAR 42.00
52 Week range	ZAR 22.35 - 54.00
Market Cap (m)	ZARm 8,240
	USDm 553

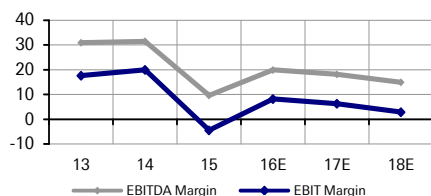
Company Profile

RBPlat is a black-owned, -controlled and -managed mid-tier platinum group metals producer. RBPlat owns 67% of the BRPM joint venture mine, with JV partner, Amplats. The BRPM JV is a well-established, shallow Merensky reef producer on the Western Limb of the Bushveld Complex. The company's strategy is to achieve operational excellence from its operating assets, to deliver organic growth from its Styldrift project, and to pursue selective M&A.

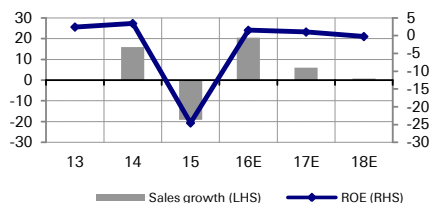
Price Performance



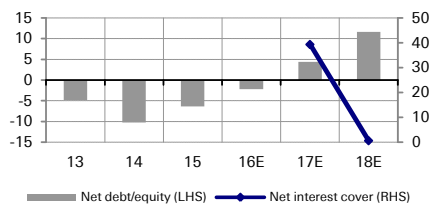
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

	2013	2014	2015	2016E	2017E	2018E
Financial Summary						
DB EPS (ZAR)	1.73	2.38	-0.83	0.87	0.60	-0.14
Reported EPS (ZAR)	1.73	2.38	-15.89	0.87	0.60	-0.14
DPS (ZAR)	0.00	0.00	0.00	0.00	0.00	0.00
BVPS (ZAR)	72.2	75.3	57.0	57.9	58.5	58.4
Weighted average shares (m)	164	185	192	192	192	192
Average market cap (ZARm)	9,152	12,091	7,969	8,240	8,240	8,240
Enterprise value (ZARm)	12,507	14,513	10,616	11,565	12,597	13,660
Valuation Metrics						
P/E (DB) (x)	32.3	27.5	nm	49.2	71.3	nm
P/E (Reported) (x)	32.2	27.5	nm	49.2	71.3	nm
P/BV (x)	0.82	0.70	0.47	0.74	0.74	0.74
FCF Yield (%)	nm	nm	nm	nm	nm	nm
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
EV/Sales (x)	3.8	3.9	3.5	3.2	3.2	3.5
EV/EBITDA (x)	12.4	12.2	36.1	15.8	17.8	23.3
EV/EBIT (x)	21.8	19.3	nm	38.5	51.2	120.3

Income Statement (ZARm)

Sales revenue	3,251	3,768	3,045	3,667	3,889	3,919
Gross profit	1,035	1,300	389	866	864	765
EBITDA	1,007	1,188	294	731	707	587
Depreciation	372	370	367	368	394	405
Amortisation	61	65	62	62	67	69
EBIT	574	753	-135	301	246	114
Net interest income/(expense)	39	91	81	55	-6	-169
Associates/affiliates	0	0	0	0	0	0
Exceptionals/extraordinaries	0	0	-4,466	0	0	0
Other pre-tax income/(expense)	0	0	0	0	0	0
Profit before tax	613	845	-4,520	355	240	-55
Income tax expense	165	246	-753	102	67	-15
Minorities	164	158	-722	86	57	-13
Other post-tax income/(expense)	0	0	0	0	0	0
Net profit	284	441	-3,045	167	116	-27
DB adjustments (including dilution)	0	0	2,885	0	0	0
DB Net profit	284	441	-160	167	116	-27

Cash Flow (ZARm)

Cash flow from operations	908	1,427	619	666	651	687
Net Capex	-1,036	-1,676	-2,018	-1,258	-1,625	-1,763
Free cash flow	-129	-249	-1,399	-592	-975	-1,076
Equity raised/(bought back)	0	1,479	0	0	0	0
Dividends paid	0	0	0	0	0	0
Net inc/(dec) in borrowings	0	0	0	0	750	3,000
Other investing/financing cash flows	252	-138	452	0	0	0
Net cash flow	123	1,091	-947	-592	-225	1,924
Change in working capital	-134	50	612	-102	-24	295

Balance Sheet (ZARm)

Cash and other liquid assets	773	1,864	918	325	101	2,024
Tangible fixed assets	9,621	10,890	10,130	11,020	12,251	13,609
Goodwill/intangible assets	8,966	8,907	6,744	6,682	6,615	6,546
Associates/investments	0	0	0	0	0	0
Other assets	1,458	1,843	1,968	2,279	2,384	2,099
Total assets	20,818	23,504	19,759	20,306	21,351	24,279
Interest bearing debt	0	0	0	0	750	3,750
Other liabilities	4,831	5,308	5,275	5,561	5,682	5,650
Total liabilities	4,831	5,308	5,275	5,561	6,432	9,400
Shareholders' equity	11,858	13,910	10,920	11,096	11,211	11,185
Minorities	4,128	4,286	3,564	3,650	3,707	3,694
Total shareholders' equity	15,986	18,196	14,484	14,746	14,918	14,879
Net debt	-773	-1,864	-918	-325	649	1,726

Key Company Metrics

Sales growth (%)	nm	15.9	-19.2	20.4	6.1	0.8
DB EPS growth (%)	na	37.9	na	na	-30.9	na
EBITDA Margin (%)	31.0	31.5	9.7	19.9	18.2	15.0
EBIT Margin (%)	17.6	20.0	-4.4	8.2	6.3	2.9
Payout ratio (%)	0.0	0.0	nm	0.0	0.0	nm
ROE (%)	2.4	3.4	-24.5	1.5	1.0	-0.2
Capex/sales (%)	31.9	44.5	66.3	34.3	41.8	45.0
Capex/depreciation (x)	2.4	3.9	4.7	2.9	3.5	3.7
Net debt/equity (%)	-4.8	-10.2	-6.3	-2.2	4.4	11.6
Net interest cover (x)	nm	nm	nm	nm	39.3	0.7

Source: Company data, Deutsche Bank estimates



RBPLAT OPERATIONAL SUMMARY

DECEMBER YEAR END

15-21E

ASSUMPTIONS		FY14	FY15	FY16e	FY17e	FY18e	FY19e	FY20e	FY21e	CAGR
ZARUSD		10.87	12.94	15.93	16.77	15.38	13.36	13.11	14.63	2.1%
Platinum	US\$/oz	1,386	1,056	939	890	1,030	1,250	1,390	1,450	5.4%
Basket price per 4E oz	R/4E oz	13,301	11,105	13,038	13,779	14,413	14,917	15,932	18,661	9%
Basket price per Pt oz	R/Pt oz	19,842	17,256	20,152	21,297	22,276	23,055	24,624	28,842	9%

Present values:	Rm
Operational NPV (100% basis)	11,249
Impala Royalty agreement	69
Less corporate costs, royalties	-1,992
Enterprise Value	9,325
(Less debt), add cash in JV	326
NAV, 100% basis	9,651
RBPlat shareholders, 2/3rds	6,434
(Less debt), add cash in RBPlat	531
Value of RBPlat to shareholders in	6,965
Number of shares in issue	192
NAV/share	36
Rolled forward at Ke	42
DB target price (ZAR/share)	34.00

Tonnes milled, source:	kt	FY14	FY15	FY16e	FY17e	FY18e	FY19e	FY20e	FY21e
BRPM		2,479	2,461	2,461	2,478	2,388	1,438	1,380	1,380
Styldrift				400	600	810	1,522	2,080	2,700
Total tonnes milled		2,479	2,461	2,861	3,078	3,198	2,960	3,460	4,080

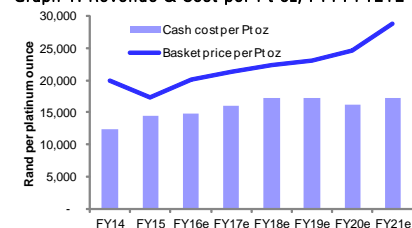
Pt in concentrate	koz	FY14	FY15	FY16e	FY17e	FY18e	FY19e	FY20e	FY21e
BRPM		190	177	182	183	176	106	101	101
Styldrift				24	47	63	118	161	209
Total Pt in concentrate		190	177	206	229	239	224	263	310

Cost metrics		FY14	FY15	FY16e	FY17e	FY18e	FY19e	FY20e	FY21e
Cash operating costs	Rm	2,452	2,645	2,789	3,012	3,141	3,856	4,269	5,334
ZAR / tonne milled	R / t	957	1,066	1,099	1,179	1,273	1,303	1,234	1,307
ZAR / Pt oz	R / oz	12,463	14,504	14,867	15,999	17,286	17,246	16,261	17,205

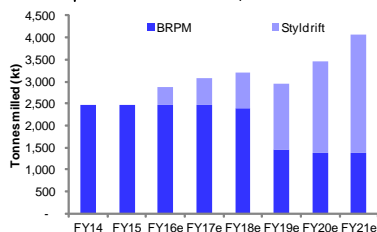
BRPM only incl. Styldrift

CAPEX	Rm	FY14	FY15	FY16e	FY17e	FY18e	FY19e	FY20e	FY21e
SIB		154	112	108	175	213	368	414	533
Replacement & expansion		1,569	1,897	1,150	1,450	1,550	1,500	1,000	-
Total Capex		1,724	2,009	1,258	1,625	1,763	1,868	1,414	533

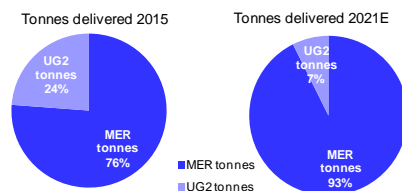
Graph 1: Revenue & Cost per Pt oz, FY14-FY21E



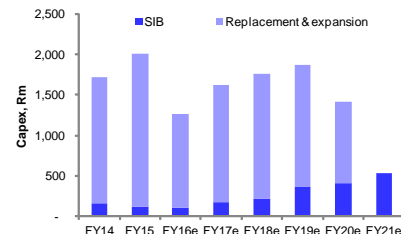
Graph 3 - Tonnes milled, FY14-FY21E



Graph 4 - Source of tonnes, FY15 vs. FY21E



Graph 2 - Capex FY14 to FY21e



Source: Company data, Deutsche Bank estimates, DataStream



Sibanye, Hold, R40

Investment Thesis

Outlook

Sibanye is making significant free cash flow in 2016 at current Rand-Gold prices, on our estimates. In a strong signal of its view on its cash-generation ability, it declared a higher-than-policy dividend for the FY15 year. It is making the most of the higher Rand-Gold prices to re-invest in existing operations, increasing capex to extend the life of Kloof and Driefontein (deepening projects) and is going ahead with the Burnstone project. In platinum, the acquisitions it is making (Aquarius, 1H16; and Rustenburg, expected end CY16), provide entry into an industry where we see attractive longer term fundamentals and forecast rising Rand-PGM-prices. Sibanye, with a relatively strong balance sheet and cash inflows from gold, is in a unique position to weather the current low Rand-PGM-prices and sustain/grow its position in the platinum sector. We see a balance of upside/downside risks at the current share price: Hold.

Valuation

We derive our target price from a life-of-mine DCF model, using a WACC of 11% and applying a 1x exit multiple to our NAV. For CY16 we use a gold price forecast of US\$1,195/ounce; a platinum price forecast of US\$940/oz; and a ZAR/USD forecast of 15.89. (Rand-Gold price of c.R612,000 per kilogram).

Risks

Upside/downside risks include: substantially different cash flows from base case estimates as a result of further corporate action and/or investments in projects in the pipeline; Rand and PGM-prices different to forecasts; entry into new commodity-production markets (such as coal) also poses both an upside and downside risk to valuation. Downside risks exist from production interruptions from safety incidents and labour relations unrest.



Sibanye: Changes to estimates

We have tweaked our operational forecast for Sibanye. Earnings are impacted by a greater extent owing to us adjusting our forecast tax rate lower. The effective tax rate was 36% in 2014 and 41% in 2015 owing to non-deductible expenses which we do not model in future.

Figure 36: Changes to estimates, FY16E-FY18E

Year end December		2016e	2017e	2018e
Gold Production	koz	1,610	1,579	1,540
Previous		1,613	1,583	1,544
% chg		-0.2%	-0.2%	-0.3%
Rand gold price	R/kg	612,206	663,884	630,255
Cash costs gold	R/kg	358,144	378,781	390,388
Previous		351,027	370,994	380,354
% chg		2.0%	2.1%	2.6%
All in sustaining costs, Gold	R/kg	425,919	458,352	475,982
Previous		421,107	449,845	464,739
% chg		1.1%	1.9%	2.4%
Revenue	Rm	32,233	46,475	45,494
- Gold		30,273	32,608	30,710
- Platinum		1,960	13,867	14,784
Previous		32,007	45,089	43,242
% chg		0.7%	3.1%	5.2%
EBITDA	Rm	13,030	15,912	14,093
- Gold		12,946	14,731	12,878
- Platinum		83	1,181	1,216
Previous		13,837	16,095	13,373
% chg		-5.8%	-1.1%	5.4%
HEPS	R/share	4.96	6.15	5.30
Previous		4.77	5.33	4.05
% chg		4.0%	15.4%	30.8%
DPS	R/share	1.24	1.54	1.33
Previous		1.43	1.60	1.22
% chg		-13.3%	-3.8%	9.0%
Free cash flow	Rm	5,214	4,405	4,339
Previous		4,667	3,415	3,076
% chg		11.7%	29.0%	41.1%
Net debt/(cash)	Rm	3,018	(1,615)	(4,909)
Previous		3,652	125	-1,830
% chg		-17.4%	<-100%	>100%

Source: Deutsche Bank, Company Data

8 June 2016

Platinum

Platinum



Model updated:08 June 2016

Running the numbers

Sub-Saharan Africa

South Africa

Mining

Sibanye Gold

Reuters: SGLJ.J

Bloomberg: SGL SJ

Hold

Price (7 Jun 16) ZAR 47.00

Target Price ZAR 40.00

52 Week range ZAR 13.66 - 61.20

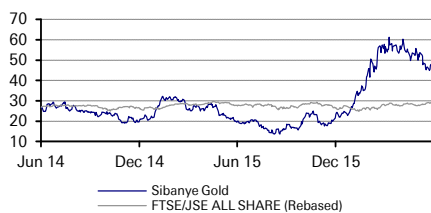
Market Cap (m) ZARm 43,059

USDm 2,890

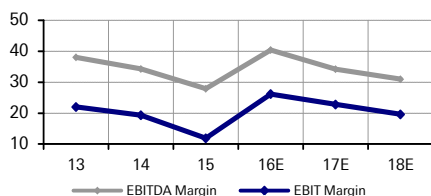
Company Profile

Sibanye Gold owns and operates underground gold mines in South Africa - Kloof, Driefontein, Beatrix (which were previously wholly owned by Gold Fields Limited) and the acquired Cooke operations. Sibanye also has potential production in the Burnstone mine, through acquiring Wits Gold in 2014.

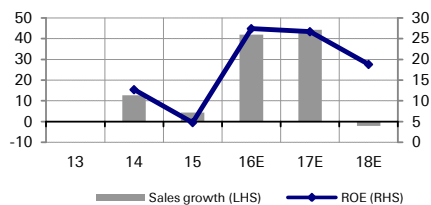
Price Performance



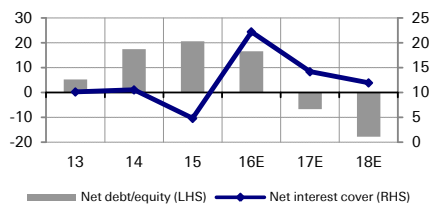
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

2013 2014 2015 2016E 2017E 2018E

Financial Summary

DB EPS (ZAR)	3.15	1.70	0.74	4.96	6.15	5.30
Reported EPS (ZAR)	2.30	1.86	0.79	4.96	6.15	5.30
DPS (ZAR)	1.12	1.12	1.00	1.24	1.54	1.33
BVPS (ZAR)	12.8	16.7	16.4	19.8	26.3	30.1
Weighted average shares (m)	734	836	912	916	916	916
Average market cap (ZARm)	8,128	19,430	20,495	43,059	43,059	43,059
Enterprise value (ZARm)	8,114	21,742	23,414	45,754	40,961	37,550

Valuation Metrics

P/E (DB) (x)	3.5	13.7	30.4	9.5	7.6	8.9
P/E (Reported) (x)	4.8	12.5	28.6	9.5	7.6	8.9
P/BV (x)	0.96	1.35	1.40	2.37	1.79	1.56
FCF Yield (%)	46.1	9.4	4.4	12.1	10.2	10.1
Dividend Yield (%)	10.1	4.8	4.5	2.6	3.3	2.8
EV/Sales (x)	0.4	1.0	1.0	1.4	0.9	0.8
EV/EBITDA (x)	1.1	2.9	3.7	3.5	2.6	2.7
EV/EBIT (x)	1.9	5.2	8.7	5.4	3.9	4.2

Income Statement (ZARm)

Sales revenue	19,331	21,781	22,717	32,233	46,475	45,494
Gross profit	7,358	7,469	6,337	13,030	15,912	14,093
EBITDA	7,358	7,469	6,337	13,030	15,912	14,093
Depreciation	3,104	3,255	3,637	4,586	5,315	5,170
Amortisation	0	0	0	0	0	0
EBIT	4,254	4,214	2,700	8,444	10,597	8,924
Net interest income/(expense)	-420	-400	-562	-380	-747	-747
Associates/affiliates	52	-471	116	158	160	117
Exceptionals/extraordinary	-1,294	-63	-230	-105	0	0
Other pre-tax income/(expense)	-636	-945	-1,109	-1,091	-1,283	-802
Profit before tax	1,955	2,335	915	7,026	8,727	7,492
Income tax expense	256	828	377	2,459	3,055	2,622
Minorities	6	-45	-179	23	40	14
Other post-tax income/(expense)	0	0	0	0	0	0
Net profit	1,692	1,552	717	4,544	5,633	4,856
DB adjustments (including dilution)	617	-134	-42	0	0	0
DB Net profit	2,310	1,418	675	4,544	5,633	4,856

Cash Flow (ZARm)

Cash flow from operations	6,632	5,058	4,174	9,413	10,514	9,901
Net Capex	-2,889	-3,228	-3,280	-4,200	-6,110	-5,562
Free cash flow	3,744	1,830	894	5,214	4,405	4,339
Equity raised/(bought back)	17,246	0	0	0	1,500	0
Dividends paid	-272	-1,005	-658	-1,392	-1,272	-1,311
Net inc/(dec) in borrowings	-19,328	-673	-21	3,668	0	0
Other investing/financing cash flows	-189	-1,081	-60	-3,753	0	267
Net cash flow	1,201	-930	155	3,736	4,633	3,294
Change in working capital	569	215	-668	398	-335	-46

Balance Sheet (ZARm)

Cash and other liquid assets	1,492	563	717	4,453	9,086	12,380
Tangible fixed assets	15,151	22,704	22,132	25,478	26,250	26,352
Goodwill/intangible assets	0	737	737	737	737	737
Associates/investments	515	295	168	322	482	599
Other assets	2,837	3,623	4,512	5,270	6,535	6,479
Total assets	19,995	27,922	28,266	36,260	43,090	46,547
Interest bearing debt	1,991	3,170	3,804	7,471	7,471	7,471
Other liabilities	8,581	9,766	9,477	10,633	11,563	11,461
Total liabilities	10,572	12,936	13,281	18,104	19,034	18,932
Shareholders' equity	9,423	14,986	14,985	18,159	24,060	27,619
Minorities	2	0	0	0	0	0
Total shareholders' equity	9,423	14,986	14,985	18,159	24,060	27,619
Net debt	499	2,607	3,086	3,018	-1,615	-4,909

Key Company Metrics

Sales growth (%)	nm	12.7	4.3	41.9	44.2	-2.1
DB EPS growth (%)	na	-46.1	-56.4	570.5	24.0	-13.8
EBITDA Margin (%)	38.1	34.3	27.9	40.4	34.2	31.0
EBIT Margin (%)	22.0	19.3	11.9	26.2	22.8	19.6
Payout ratio (%)	48.6	60.3	127.2	25.0	25.0	25.0
ROE (%)	nm	12.7	4.8	27.4	26.7	18.8
Capex/sales (%)	15.0	14.9	14.7	13.0	13.1	12.2
Capex/depreciation (x)	0.9	1.0	0.9	0.9	1.1	1.1
Net debt/equity (%)	5.3	17.4	20.6	16.6	-6.7	-17.8
Net interest cover (x)	10.1	10.5	4.8	22.2	14.2	11.9

Source: Company data, Deutsche Bank estimates

Patrick Mann

+27 11 775-7282

patrick.mann@db.com



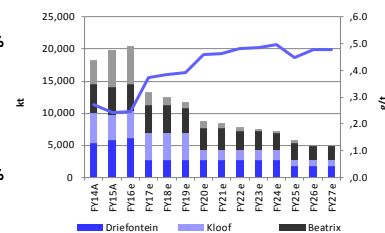
SIBANYE GOLD OPERATIONAL SUMMARY

DECEMBER YEAR END

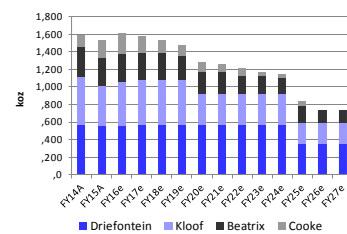
ASSUMPTIONS	FY15A	FY16e	FY17e	FY18e	FY19e	
ZARUSD	12.94	15.93	16.77	15.38	13.36	4-yr CAGR
Gold (US\$/oz)	1,161	1,195	1,231	1,275	1,317	(2015 - 2019)
Rand-Gold (Rand per kilogram)	482,931	612,206	663,884	630,255	565,452	
Gold PRODUCTION, tonnes milled	FY15A	FY16e	FY17e	FY18e	FY19e	
Driefontein	5,772	6,166	2,700	2,700	2,700	
Kloof	3,977	4,205	4,168	4,168	4,168	
Beatrix	4,319	4,126	4,336	4,336	3,933	
Cooke	5,793	5,972	2,021	1,250	950	
Total group	19,861	20,470	13,225	12,454	11,751	-12.3%
Average grade, g/t	FY15A	FY16e	FY17e	FY18e	FY19e	
Driefontein	3.0	2.8	6.5	6.5	6.5	
Kloof	3.5	3.7	3.8	3.8	3.8	
Beatrix	2.3	2.4	2.2	2.2	2.2	
Cooke	1.1	1.2	3.0	3.9	3.9	
Total group	2.4	2.4	3.7	3.8	3.9	12.9%
PRODUCTION, gold koz	FY15A	FY16e	FY17e	FY18e	FY19e	
Driefontein	558	558	565	565	565	
Kloof	452	498	510	510	510	
Beatrix	325	324	309	309	282	
Cooke	201	230	195	155	118	
Total group	1,536	1,610	1,579	1,540	1,475	-1.0%
TOTAL CASH COSTS, \$/oz	FY15A	FY16e	FY17e	FY18e	FY19e	
Driefontein	756	649	657	748	894	
Kloof	837	670	663	755	901	
Beatrix	819	754	756	860	1,029	
Cooke	1,141	904	851	916	971	
Weighted average	843	713	702	790	928	2.4%
TOTAL ALL-IN COSTS, \$/oz	FY15A	FY16e	FY17e	FY18e	FY19e	
Driefontein	912	775	785	896	1,074	
Kloof	1,051	817	844	964	1,156	
Beatrix	982	890	897	1,011	1,215	
Cooke	1,309	1,005	953	1,043	1,143	
Weighted average	1,035	870	893	1,014	1,164	3.0%
TOTAL CAPEX, Rm	FY15A	FY16e	FY17e	FY18e	FY19e	
Driefontein	994	1129	1218	1291	1368	
Kloof	1130	1042	1480	1569	1665	
Beatrix	597	593	610	644	620	
Cooke	337	240	211	167	119	
Total group	3,058	3,004	3,518	3,672	3,772	5.4%
SUMMARY FINANCIALS, Rm, DBE prices	FY15A	FY16e	FY17e	FY18e	FY19e	FY20e
Rand-Gold (Rand per kilogram)	482,931	612,206	663,884	630,255	565,452	572,766
Revenue	22,717	32,233	46,475	45,494	44,724	43,742
- Gold	22,717	30,273	32,608	30,710	26,995	24,511
- Platinum		1,960	13,867	14,784	17,729	19,231
EBITDA	6,337	13,030	15,912	14,093	11,340	11,326
- Gold	6,337	12,946	14,731	12,878	9,604	9,241
- Platinum		83	1,181	1,216	1,736	2,085
EBITDA margin	28%	40%	34%	31%	25%	26%
Capex	(3,345)	(4,200)	(6,110)	(5,562)	(5,716)	(5,339)
- Gold	(3,567)	(3,857)	(4,424)	(3,709)	(3,846)	(3,432)
- Platinum		(342)	(1,686)	(1,853)	(1,870)	(1,907)
Free cash flow	829	5,214	4,405	4,339	2,598	2,979
Net debt/(cash)	3,086	3,018	(1,615)	(4,909)	(6,726)	(8,788)
Normalised HEPS	1.34	4.96	6.15	5.30	3.84	4.18
DPS	1.00	1.24	1.54	1.33	0.96	1.04

NPV	Rm	R/Sh
NPV of Gold	31,607	35
Rustenburg platinum	1,738	2
AQP FV-purchase	615	1
Net Debt/(cash)	3,018	3
Equity Value	30,941	34
No. of shares	909	
Value per share		34
Ke		13.0%
FY1 Divi yield		1.2
Target Price		37

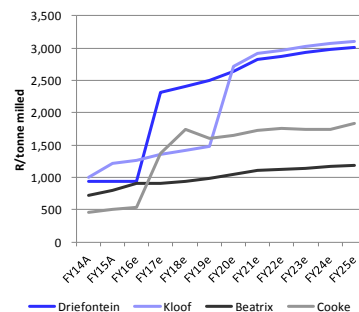
Graph 1 - Tonnes and grade profile to FY27e



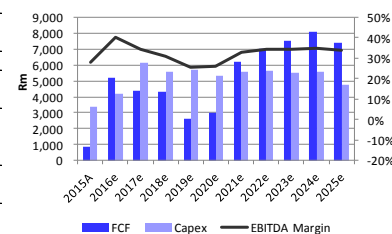
Graph 2 - Production profile to FY27e



Graph 3 - Cash cost profile to FY25e



Graph 4 - Cashflow and margins to FY25e



SUMMARY FINANCIALS, Rm, SPOT	FY15A	FY16e	FY17e	FY18e	FY19e	FY20e
Revenue	22,717	31,875	43,912	45,445	48,474	47,365
- Gold	22,717	30,021	30,218	30,880	31,010	28,511
- Platinum		1,854	13,695	14,564	17,464	18,854
EBITDA	6,337	12,672	13,350	14,045	15,090	14,950
- Gold	6,337	12,694	12,341	13,049	13,619	13,242
- Platinum		(22)	1,009	996	1,471	1,708
EBITDA margin	28%	40%	30%	31%	31%	32%
Capex	(3,345)	(4,196)	(6,098)	(5,562)	(5,733)	(5,360)
- Gold	(3,567)	(3,857)	(4,424)	(3,709)	(3,846)	(3,432)
- Platinum		(338)	(1,674)	(1,853)	(1,888)	(1,928)
Free cash flow	829	4,986	2,791	4,325	4,856	5,127
Net debt/(cash)	3,086	3,220	(13)	(3,494)	(7,321)	(11,005)
Normalised HEPS	1.34	4.73	4.52	5.18	6.13	6.47
DPS	1.00	1.18	1.13	1.30	1.53	1.62

Source: Company data, Deutsche Bank estimates, Reuters



Lonmin, Sell, R23

Investment Thesis

Outlook

As a marginal producer, our price forecasts (based on marginal costs) leave Lonmin leaking cash slowly but steadily over time. Lonmin's position as the marginal producer with a single mine complex also leaves the group's balance sheet vulnerable to both operational risks (strikes, safety stoppages, operational failures) as well as to prices declining further. We believe higher-than-forecast prices (i.e. above marginal cost) are unlikely in the medium term given the well-supplied PGM metals market; and alternative sources of metal for end-users from recycling and above-ground stocks. Lonmin has performed operationally, assisted by its high ore reserve availability, and has no further obvious levers to pull in our view. Management has already made the tough decision to lower production: output from the Marikana complex will reduce by 100koz to 650kozpa over FY16 and FY17 as the Hossy and Newman Shafts are closed and some of the smaller, contractor-operated mines are put onto care-and-maintenance. We see a concentration of downside risks to being exposed to the high-cost producer in an industry under pressure, and with low-prices expected to persist for the medium term we have a Sell recommendation.

Valuation

Our price target is derived by applying a 1x multiple to the group's DCF valuation, based on company management performance, relative to the broader Metals and Mining peer group. Our life-of-mine cash flows are discounted at a WACC of 10.0% (Beta 1.4, ERP 6%).

Risks

Risks include a weaker-than-expected rand and/or higher-than-expected PGM prices leading to stronger-than-forecast cash flow, taking pressure off the balance sheet. Additional risks include corporate action or an approach for Lonmin given its distressed position; better-than-expected production as a result of unexpected improvements in productivity; grades; recoveries or a combination of the above.



Lonmin: Changes to estimates

Figure 37: Changes to estimates, FY16E-FY18E

Yr end September		FY16e	FY17e	FY18e
Refined platinum production	koz	717	668	654
Previous		717	668	654
% chg		0.0%	0.0%	0.0%
R basket incl base metals	R/PGM oz	11,314	12,536	12,950
Previous		11,314	12,536	12,950
% chg		0.0%	0.0%	0.0%
Total C1 cash costs	R/PGM oz	10,381	10,227	10,301
Previous		10,381	10,227	10,301
% chg		0.0%	0.0%	0.0%
Revenue	US\$m	1,039	968	1,038
Previous		1,039	968	1,038
% chg		0.0%	0.0%	0.0%
Underlying EBITDA	US\$m	100	116	165
Previous		100	116	165
% chg		0.0%	0.0%	0.0%
Net Profit/(Loss)		-1	2	35
Previous		-1	2	35
% chg		0.0%	0.0%	0.0%
Attributable profit		0	1	30
Previous		0	1	30
% chg		0.0%	0.0%	0.0%
Underlying diluted EPS	USc	(1.1)	0.5	10.7
Previous		(1.1)	0.5	10.7
% chg		0.0%	0.0%	0.0%
Cash from operations	US\$m	-2	122	136
Previous		-2	122	136
% chg		0.0%	0.0%	0.0%
Total Capex	US\$m	80	67	137
Previous		80	67	137
% chg		0.0%	0.0%	0.0%
Net debt/(cash)	US\$m	-113	-168	-167
Previous		-113	-168	-167
% chg		0.0%	0.0%	0.0%

Source: Deutsche Bank, Company data



Model updated: 16 May 2016

Running the numbers

Sub-Saharan Africa

South Africa

Platinum

Lonmin Plc

Reuters: LONJ.J

Bloomberg: LON SJ

Sell

Price (7 Jun 16) ZAR 40.27

Target Price ZAR 23.00

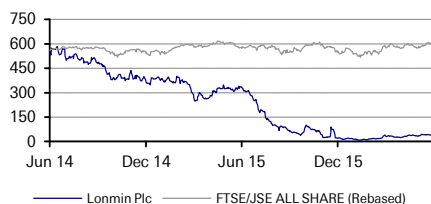
52 Week range ZAR 8.70 - 337.40

Market Cap (m) ZARm 10,052
USDm 675

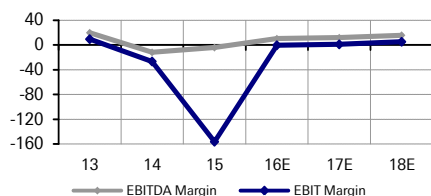
Company Profile

Lonmin specialises in the mining of PGMs (platinum group metals). The group operates a number of platinum mines, concentrators, smelters and a refinery in its core Marikana operations, all situated in the Bushveld Igneous Complex of South Africa. The company's target is to produce 700koz in FY16, and 650kozpa in the two years thereafter.

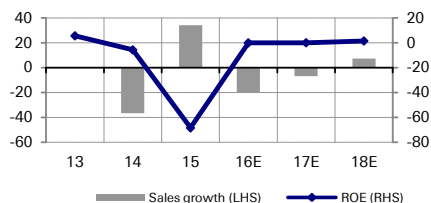
Price Performance



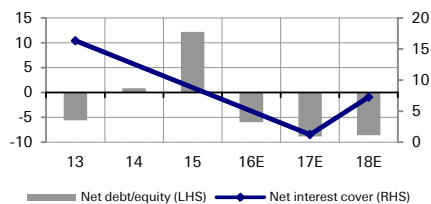
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 30-Sep

2013 2014 2015 2016E 2017E 2018E

Financial Summary

DB EPS (USD)	0.20	0.05	-0.16	-0.01	0.01	0.11
Reported EPS (USD)	0.31	-0.33	-2.86	0.00	0.01	0.11
DPS (USD)	0.00	0.00	0.00	0.00	0.00	0.00
BVPS (USD)	6.4	5.7	2.8	8.1	7.1	7.2
Weighted average shares (m)	532	570	582	250	282	282
Average market cap (USDm)	31,245	32,518	14,024	675	675	675
Enterprise value (USDm)	30,779	32,304	13,953	313	259	264

Valuation Metrics

P/E (DB) (x)	287.8	nm	nm	nm	528.6	25.2
P/E (Reported) (x)	189.0	nm	nm	nm	528.6	25.2
P/BV (x)	10.11	6.60	1.13	0.34	0.38	0.37
FCF Yield (%)	nm	nm	nm	nm	7.2	nm
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
EV/Sales (x)	20.2	33.5	10.8	0.3	0.3	0.3
EV/EBITDA (x)	101.2	nm	nm	2.9	2.2	1.6
EV/EBIT (x)	209.4	nm	nm	nm	22.2	4.7

Income Statement (USDm)

Sales revenue	1,520	965	1,293	1,039	968	1,038
Gross profit	304	-113	-52	107	116	165
EBITDA	304	-113	-52	107	116	165
Depreciation	157	142	1,966	109	104	109
Amortisation	0	0	0	0	0	0
EBIT	147	-255	-2,018	-2	12	56
Net interest income/(expense)	-9	-64	-239	-10	-9	-8
Associates/affiliates	4	-6	-5	-2	0	0
Exceptionals/extraordinaries	0	0	0	0	0	0
Other pre-tax income/(expense)	-2	-1	0	0	0	0
Profit before tax	140	-326	-2,262	-14	2	48
Income tax expense	-58	-123	-363	-13	1	14
Minorities	32	-15	-238	-1	0	5
Other post-tax income/(expense)	0	0	0	0	0	0
Net profit	166	-188	-1,661	0	1	30
DB adjustments (including dilution)	-57	219	1,567	-3	0	0
DB Net profit	109	31	-94	-3	1	30

Cash Flow (USDm)

Cash flow from operations	16	-116	-12	-2	122	136
Net Capex	-159	-93	-136	-80	-67	-137
Free cash flow	-143	-209	-148	-82	55	-1
Equity raised/(bought back)	824	1	3	395	0	0
Dividends paid	-11	-37	-19	0	0	0
Net inc/(dec) in borrowings	-742	175	331	-355	0	0
Other investing/financing cash flows	-42	12	10	-15	0	0
Net cash flow	-114	-58	177	-57	55	-1
Change in working capital	-223	32	60	-49	16	-8

Balance Sheet (USDm)

Cash and other liquid assets	201	143	320	263	318	317
Tangible fixed assets	2,908	2,882	1,477	1,450	1,412	1,440
Goodwill/intangible assets	502	497	94	94	94	94
Associates/investments	466	392	147	138	138	138
Other assets	539	451	391	375	347	358
Total assets	4,616	4,365	2,429	2,320	2,309	2,347
Interest bearing debt	0	172	505	150	150	150
Other liabilities	1,006	811	404	270	258	261
Total liabilities	1,006	983	909	420	408	411
Shareholders' equity	3,409	3,233	1,629	2,010	2,012	2,042
Minorities	201	149	-109	-110	-110	-106
Total shareholders' equity	3,610	3,382	1,520	1,900	1,901	1,936
Net debt	-201	29	185	-113	-168	-167

Key Company Metrics

Sales growth (%)	nm	-36.5	34.0	-19.6	-6.8	7.3
DB EPS growth (%)	na	-73.6	na	92.9	na	2,000.8
EBITDA Margin (%)	20.0	-11.7	-4.0	10.3	11.9	15.9
EBIT Margin (%)	9.7	-26.4	-156.1	-0.2	1.2	5.4
Payout ratio (%)	0.0	nm	nm	0.0	0.0	0.0
ROE (%)	5.6	-5.7	-68.3	0.0	0.1	1.5
Capex/sales (%)	10.5	9.6	10.5	7.7	6.9	13.2
Capex/depreciation (x)	1.0	0.7	0.1	0.7	0.6	1.3
Net debt/equity (%)	-5.6	0.9	12.2	-5.9	-8.8	-8.6
Net interest cover (x)	16.3	nm	nm	nm	1.2	7.3

Source: Company data, Deutsche Bank estimates

Patrick Mann

+27 11 775-7282

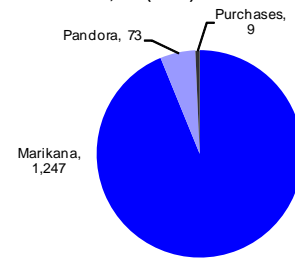
patrick.mann@db.com



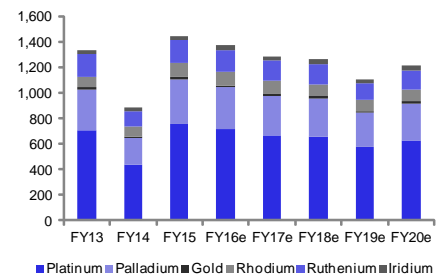
LONMIN OPERATIONAL AND FINANCIAL SUMMARY DATA - SEPTEMBER YEAR END

ASSUMPTIONS	FY13	FY14	FY15	FY16e	FY17e	FY18e	FY19e	FY20e	Valuation	USD Mn	US\$/Sh	R/Sh
ZAR/USD	9.24	10.55	12.01	15.36	16.67	15.72	13.86	13.17				
Platinum (USD/oz)	1,519	1,413	1,095	923	905	995	1,195	1,355	Mining operations:			
Palladium (USD/oz)	709	787	718	563	656	727	863	915	Marikana & Pandora (100%)	529	1.87	29.8
Rhodium (USD/oz)	1,110	1,093	998	700	723	743	825	888	Less: JV minorities	95	0.34	5.4
Gold (USD/oz)	1,508	1,132	1,487	1,262	1,231	1,264	1,306	1,348	Total operations	433	1.54	24.5
PGM Basket Price, ZAR/ 6E oz	10,115	10,456	10,207	10,811	12,007	12,395	12,981	13,623	Corporate	-68	-0.24	-3.8
PGM Basket Price, USD/ 6E oz	1,097	995	849	706	720	788	937	1,034	Exploration	-69	-0.24	-3.9
PGMs in concentrate (koz)									Less: Net debt/(cash)	-114	-0.40	-6.4
Marikana	1,320	679	1,336	1,247	1,216	1,192	1,048	1,155	Total to shareholders	411	1.46	23.2
Pandora	79	37	74	73	82	80	66	65				
Purchases	6	7	10	9	9	9	8	9				
Total PGMs	1,405	725	1,420	1,329	1,307	1,280	1,123	1,229				
Refined production (koz)												
Platinum	709.0	436.2	759.7	717.1	667.9	654.0	575.7	626.8				
Palladium	320.5	210.5	350.3	325.1	312.4	305.8	268.9	293.0				
Gold	19.0	12.4	18.2	18.1	17.9	17.4	16.1	16.3				
Rhodium	81.0	78.5	102.5	107.4	94.5	92.8	80.1	89.7				
Ruthenium	177.6	114.6	183.9	167.0	157.0	154.1	133.2	149.0				
Iridium	29.1	29.9	32.7	38.1	37.4	36.7	31.7	35.5				
Total PGMs	1,336.1	882.1	1,447.4	1,372.8	1,287.1	1,260.8	1,105.8	1,210.3				
Nickel (kt)	3.5	1.8	3.7	3.5	3.1	3.1	2.7	3.0				
Copper (kt)	2.2	1.0	2.3	2.1	1.9	1.9	1.6	1.8				
Refined sales (koz)												
Platinum	695.8	441.7	751.6	730.1	667.9	654.0	575.7	626.8				
Palladium	313.0	212.5	347.9	332.3	312.4	305.8	268.9	293.0				
Gold	18.4	13.1	19.2	19.2	17.9	17.4	16.1	16.3				
Rhodium	77.6	81.1	92.5	114.6	94.5	92.8	80.1	89.7				
Ruthenium	168.3	121.9	192.5	170.1	157.0	154.1	133.2	149.0				
Iridium	28.8	29.8	30.1	38.4	37.4	36.7	31.7	35.5				
Total PGMs	1,302.0	900.1	1,433.9	1,404.7	1,287.1	1,260.8	1,105.8	1,210.3				
Nickel (kt)	3.6	2.3	3.7	3.5	3.1	3.1	2.7	3.0				
Copper (kt)	2.1	1.4	2.1	2.1	1.9	1.9	1.6	1.8				
Cash costs (PGM)												
Cash cost, ZAR/ 6E oz	9,183	13,539	10,339	10,381	10,227	10,301	11,122	10,885				
Cash cost, USD/ 6E oz	994	1,284	861	676	614	655	802	826				
Financials (US\$m)												
Underlying EBITDA	321	194	21	100	116	165	146	243				
Operating cash flow	16	-116	-12	-2	122	136	121	172				
Capex	159	93	136	80	67	137	186	240				

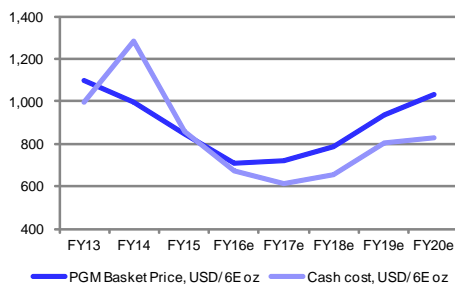
PGMs in concentrate, koz (2016F)



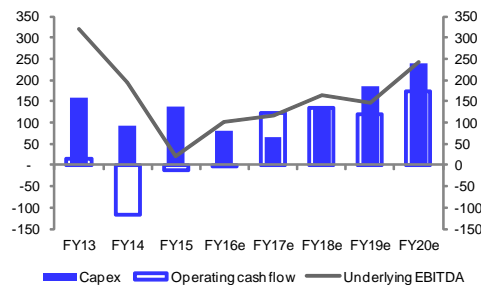
Refined production, koz



Cash cost profile



Financials, US\$m



Source : Company data, DB estimates



Appendix 1

Important Disclosures

Additional information available upon request

Disclosure checklist			
Company	Ticker	Recent price*	Disclosure
Amplats	AMSJ.J	388.87 (ZAR) 7 Jun 16	NA
Impala Platinum	IMPJ.J	46.71 (ZAR) 7 Jun 16	3
Northam	NHMJ.J	44.25 (ZAR) 7 Jun 16	14
RBPlat	RBPJ.J	43.01 (ZAR) 7 Jun 16	NA
Sibanye Gold	SGLJ.J	47.00 (ZAR) 7 Jun 16	6,9

*Prices are current as of the end of the previous trading session unless otherwise indicated and are sourced from local exchanges via Reuters, Bloomberg and other vendors. Other information is sourced from Deutsche Bank, subject companies, and other sources. For disclosures pertaining to recommendations or estimates made on securities other than the primary subject of this research, please see the most recently published company report or visit our global disclosure look-up page on our website at <http://gm.db.com/ger/disclosure/DisclosureDirectory.eqsr>.

Important Disclosures Required by U.S. Regulators

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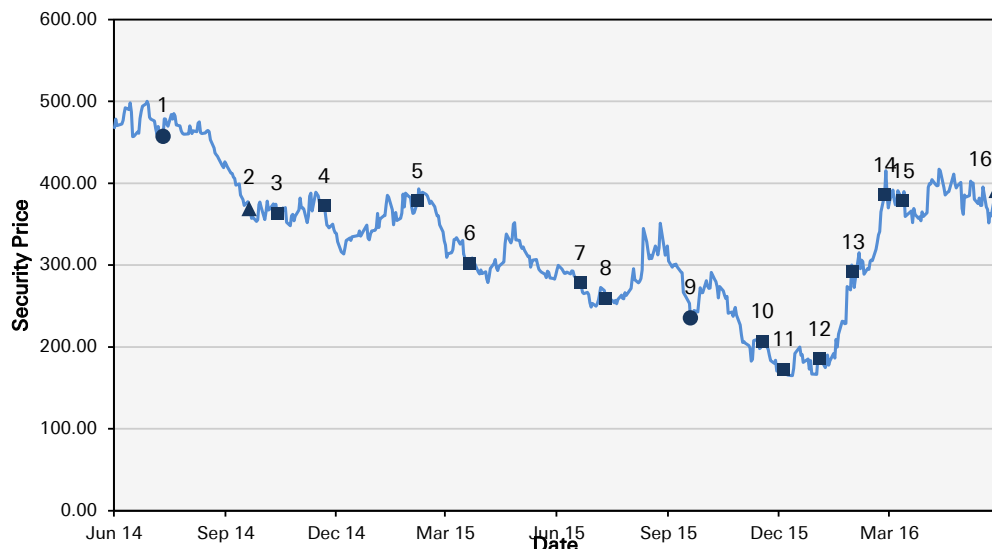
Analyst Certification

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst about the subject issuers and the securities of those issuers. In addition, the undersigned lead analyst has not and will not receive any compensation for providing a specific recommendation or view in this report. Patrick Mann



Historical recommendations and target price: Amplats (AMSJ.J)

(as of 6/7/2016)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

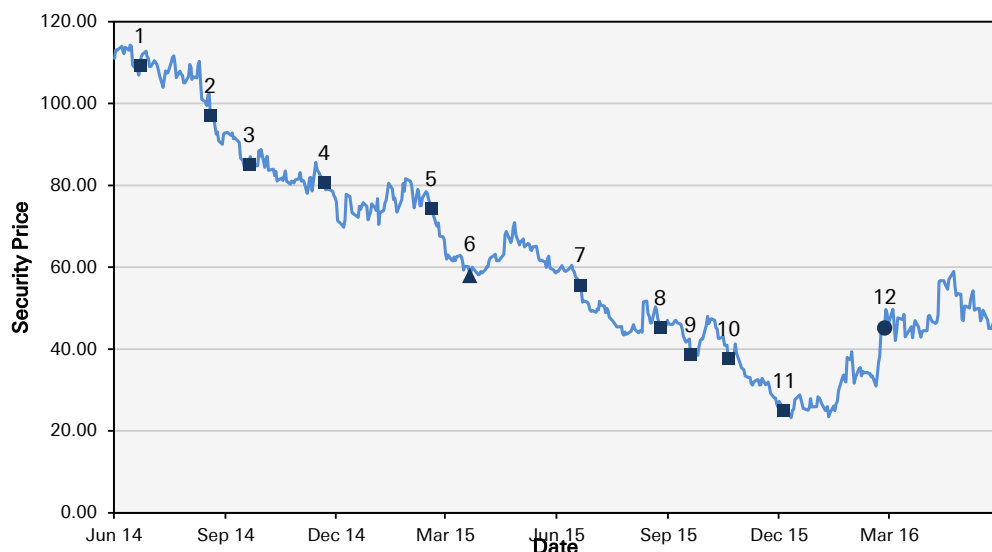
*New Recommendation Structure as of September 9,2002

**Analyst is no longer at Deutsche Bank

1.	21/07/2014:	Downgrade to Hold, ZAR480.00 Patrick Mann	9.	29/09/2015:	Downgrade to Hold, Target Price Change ZAR240.00 Patrick Mann
2.	30/09/2014:	Upgrade to Buy, Target Price Change ZAR455.00 Patrick Mann	10.	27/11/2015:	Hold, Target Price Change ZAR230.00 Patrick Mann
3.	23/10/2014:	Buy, Target Price Change ZAR465.00 Patrick Mann	11.	15/12/2015:	Hold, Target Price Change ZAR180.00 Patrick Mann
4.	01/12/2014:	Buy, Target Price Change ZAR500.00 Patrick Mann	12.	13/01/2016:	Hold, Target Price Change ZAR170.00 Patrick Mann
5.	16/02/2015:	Buy, Target Price Change ZAR520.00 Patrick Mann	13.	10/02/2016:	Hold, Target Price Change ZAR260.00 Patrick Mann
6.	31/03/2015:	Buy, Target Price Change ZAR480.00 Patrick Mann	14.	07/03/2016:	Hold, Target Price Change ZAR350.00 Patrick Mann
7.	30/06/2015:	Buy, Target Price Change ZAR340.00 Patrick Mann	15.	22/03/2016:	Hold, Target Price Change ZAR385.00 Patrick Mann
8.	21/07/2015:	Buy, Target Price Change ZAR315.00 Patrick Mann	16.	07/06/2016:	Upgrade to Buy, Target Price Change ZAR430.00 Patrick Mann

Historical recommendations and target price: Impala Platinum (IMPJ.J)

(as of 6/7/2016)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

*New Recommendation Structure as of September 9,2002

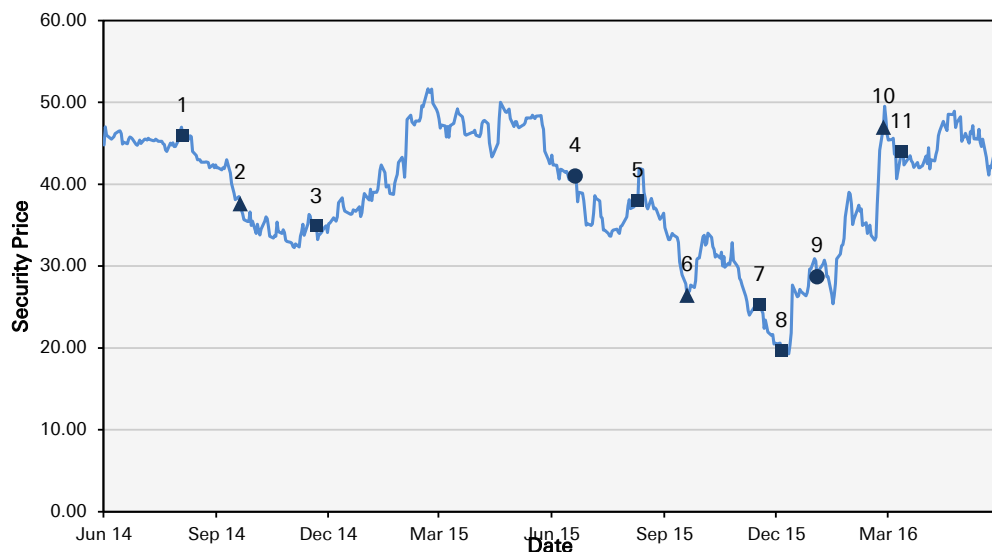
**Analyst is no longer at Deutsche Bank



1. 02/07/2014:	Hold, Target Price Change ZAR120.00 Patrick Mann	7. 30/06/2015:	Buy, Target Price Change ZAR80.00 Patrick Mann
2. 29/08/2014:	Hold, Target Price Change ZAR110.00 Patrick Mann	8. 04/09/2015:	Buy, Target Price Change ZAR75.00 Patrick Mann
3. 30/09/2014:	Hold, Target Price Change ZAR100.00 Patrick Mann	9. 29/09/2015:	Buy, Target Price Change ZAR60.00 Patrick Mann
4. 01/12/2014:	Hold, Target Price Change ZAR115.00 Patrick Mann	10. 30/10/2015:	Buy, Target Price Change ZAR57.00 Patrick Mann
5. 27/02/2015:	Hold, Target Price Change ZAR100.00 Patrick Mann	11. 15/12/2015:	Buy, Target Price Change ZAR40.00 Patrick Mann
6. 31/03/2015:	Upgrade to Buy, ZAR100.00 Patrick Mann	12. 07/03/2016:	Downgrade to Hold, ZAR40.00 Patrick Mann

Historical recommendations and target price: Northam (NHMJ.J)

(as of 6/7/2016)



Previous Recommendations

Strong Buy
Buy
Market Perform
Underperform
Not Rated
Suspended Rating

Current Recommendations

Buy
Hold
Sell
Not Rated
Suspended Rating

*New Recommendation Structure as of September 9,2002

**Analyst is no longer at Deutsche Bank

1. 14/08/2014:	Hold, Target Price Change ZAR50.00 Patrick Mann	7. 27/11/2015:	Hold, Target Price Change ZAR26.00 Patrick Mann
2. 30/09/2014:	Upgrade to Buy, Target Price Change ZAR45.00 Patrick Mann	8. 15/12/2015:	Hold, Target Price Change ZAR18.00 Patrick Mann
3. 01/12/2014:	Buy, Target Price Change ZAR55.00 Patrick Mann	9. 13/01/2016:	Downgrade to Sell, ZAR18.00 Patrick Mann
4. 30/06/2015:	Downgrade to Sell, Target Price Change ZAR32.00 Patrick Mann	10. 07/03/2016:	Upgrade to Hold, Target Price Change ZAR37.00 Patrick Mann
5. 20/08/2015:	Sell, Target Price Change ZAR34.00 Patrick Mann	11. 22/03/2016:	Hold, Target Price Change ZAR36.00 Patrick Mann
6. 29/09/2015:	Upgrade to Hold, Target Price Change ZAR27.00 Patrick Mann		



Historical recommendations and target price: RBPlat (RBPJ.J)

(as of 6/7/2016)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

*New Recommendation Structure as of September 9,2002

**Analyst is no longer at Deutsche Bank

1.	02/07/2014:	Hold, Target Price Change ZAR65.00 Patrick Mann	7.	05/08/2015:	Hold, Target Price Change ZAR40.00 Patrick Mann
2.	05/08/2014:	Hold, Target Price Change ZAR70.00 Patrick Mann	8.	29/09/2015:	Upgrade to Buy, Target Price Change ZAR36.00 Patrick Mann
3.	30/09/2014:	Hold, Target Price Change ZAR65.00 Patrick Mann	9.	15/12/2015:	Buy, Target Price Change ZAR27.00 Patrick Mann
4.	01/12/2014:	Hold, Target Price Change ZAR70.00 Patrick Mann	10.	07/03/2016:	Downgrade to Hold, Target Price Change ZAR33.00 Patrick Mann
5.	04/03/2015:	Upgrade to Buy, Target Price Change ZAR75.00 Patrick Mann	11.	22/03/2016:	Hold, Target Price Change ZAR34.00 Patrick Mann
6.	30/06/2015:	Downgrade to Hold, Target Price Change ZAR55.00 Patrick Mann			



Historical recommendations and target price: Sibanye Gold (SGLJ.J)

(as of 6/7/2016)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

*New Recommendation Structure as of September 9,2002

**Analyst is no longer at Deutsche Bank

1. 16/12/2014:	Hold, Target Price Change ZAR21.00 Patrick Mann	7. 27/11/2015:	Upgrade to Buy, Target Price Change ZAR22.00 Patrick Mann
2. 31/03/2015:	Downgrade to Sell, Target Price Change ZAR17.00 Patrick Mann	8. 15/12/2015:	Downgrade to Hold, Target Price Change ZAR25.00 Patrick Mann
3. 30/06/2015:	Upgrade to Hold, Target Price Change ZAR18.00 Patrick Mann	9. 13/01/2016:	Hold, Target Price Change ZAR26.00 Patrick Mann
4. 06/08/2015:	Hold, Target Price Change ZAR17.00 Patrick Mann	10. 07/03/2016:	Hold, Target Price Change ZAR46.00 Patrick Mann
5. 29/09/2015:	Hold, Target Price Change ZAR18.00 Patrick Mann	11. 22/03/2016:	Hold, Target Price Change ZAR41.00 Patrick Mann
6. 07/10/2015:	Hold, Target Price Change ZAR19.00 Patrick Mann		

Equity rating key

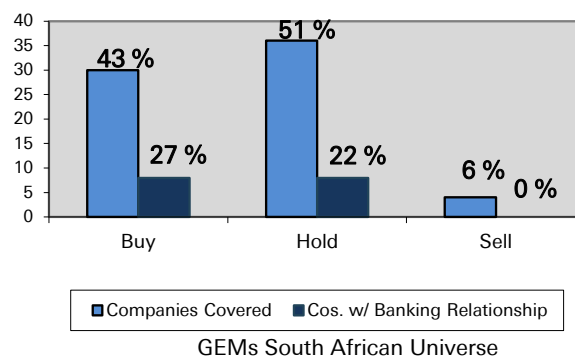
Buy: Based on a current 12- month view of total share-holder return (TSR = percentage change in share price from current price to projected target price plus projected dividend yield) , we recommend that investors buy the stock.

Sell: Based on a current 12-month view of total share-holder return, we recommend that investors sell the stock

Hold: We take a neutral view on the stock 12-months out and, based on this time horizon, do not recommend either a Buy or Sell.

Newly issued research recommendations and target prices supersede previously published research.

Equity rating dispersion and banking relationships





Regulatory Disclosures

1. Important Additional Conflict Disclosures

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David Folkerts-Landau

Chief Economist and Global Head of Research

Raj Hindocha
Global Chief Operating Officer
Research

Michael Spencer
Head of APAC Research
Global Head of Economics

Steve Pollard
Head of Americas Research
Global Head of Equity Research

Anthony Klarman
Global Head of
Debt Research

Paul Reynolds
Head of EMEA
Equity Research

Dave Clark
Head of APAC
Equity Research

Pam Finelli
Global Head of
Equity Derivatives Research

Anthony Klarman
Global Head of
Debt Research

Paul Reynolds
Head of EMEA
Equity Research

Dave Clark
Head of APAC
Equity Research

Pam Finelli
Global Head of
Equity Derivatives Research

Anthony Klarman
Global Head of
Debt Research

Paul Reynolds
Head of EMEA
Equity Research

Dave Clark
Head of APAC
Equity Research

Pam Finelli
Global Head of
Equity Derivatives Research

Andreas Neubauer
Head of Research - Germany

Stuart Kirk
Head of Thematic Research

International locations

Deutsche Bank AG

Deutsche Bank Place
Level 16
Corner of Hunter & Phillip Streets
Sydney, NSW 2000
Australia
Tel: (61) 2 8258 1234

Deutsche Bank AG

Große Gallusstraße 10-14
60272 Frankfurt am Main
Germany
Tel: (49) 69 910 00

Deutsche Bank AG

Filiale Hongkong
International Commerce Centre,
1 Austin Road West, Kowloon,
Hong Kong
Tel: (852) 2203 8888

Deutsche Securities Inc.

2-11-1 Nagatacho
Sanno Park Tower
Chiyoda-ku, Tokyo 100-6171
Japan
Tel: (81) 3 5156 6770

Deutsche Bank AG London

1 Great Winchester Street
London EC2N 2EQ
United Kingdom
Tel: (44) 20 7545 8000

Deutsche Bank Securities Inc.

60 Wall Street
New York, NY 10005
United States of America
Tel: (1) 212 250 2500
