



MVELAPHANDA RESOURCES LIMITED
UNAUDITED INTERIM RESULTS
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

FEATURES

- Booyensdal Transaction concluded
- Basic earnings increase to 228cps from 114cps loss
- Strong operational performance from Northam
- Balance sheet robust – provides options for further value unlock



GROUP BALANCE SHEET

As at R'000	Notes	Unaudited 31 December 2008	Reviewed 31 December 2007	Audited 30 June 2008
ASSETS				
Non-current assets				
GFI-SA loan	2	4,617,000	4,846,000	5,080,000
Investment in associate companies		53,775	943,771	1,074,617
Property, plant and equipment	3	9,715,971	577	483
Goodwill		-	75,869	75,869
Environmental and social investments		99,125	-	-
Deferred taxation		40,178	39,109	57,170
Total non-current assets		14,526,049	5,905,326	6,288,139
Current assets				
Inventories		680,944	-	-
Accounts receivable and prepayments		181,811	44,330	63,865
Cash and cash equivalents	4	1,318,037	1,708,949	1,919,586
Total current assets		2,180,792	1,753,279	1,983,451
Non-current assets classified as held for sale				
Booyensdal Platinum project		-	315,892	315,892
Available for sale investments		368	8,903	7,047
Total non-current assets classified as held for sale		368	324,795	322,939
TOTAL ASSETS		16,707,209	7,983,400	8,594,529
EQUITY AND LIABILITIES				
Share capital and reserves				
Minority interest in Northam Platinum Limited		3,582,517	-	-
Total share capital and reserves		10,320,040	5,586,721	6,093,342
Non-current liabilities				
Preference share funding (Booyensdal Transaction)	5	2,000,000	-	-
*A ordinary shares (held by Afripalm 2)		700	700	700
Senior bank loan (GFI-SA)		-	69,946	-
Mezzanine finance (GFI-SA)	6	-	1,727,108	-
Long-term provisions		76,801	19,254	23,733
Deferred taxation	7	1,375,472	102,515	136,445
Total non-current liabilities		3,452,973	1,919,523	160,878
Current liabilities				
Short-term portion of preference share funding (Booyensdal Transaction)	5	346,648	-	-
Short-term portion of senior bank loan (GFI-SA)		69,946	314,949	230,736
Short-term portion of mezzanine finance (GFI-SA)	6	1,959,892	-	1,839,477
Accounts payable and accruals		228,711	42,998	79,522
Short-term provisions		223,445	119,209	173,407
Current taxation payable		105,554	-	17,167
Total current liabilities		2,934,196	477,156	2,340,309
TOTAL EQUITY AND LIABILITIES		16,707,209	7,983,400	8,594,529

GROUP INCOME STATEMENT

R'000	Notes	Unaudited 6 months to 31 December 2008	Reviewed 6 months to 31 December 2007	Audited 12 months to 30 June 2008
OPERATING MINING INCOME DERIVED FROM NORTHAM (FOUR MONTHS)				
Sales revenue		940,509	-	-
Cost of sales		(760,454)	-	-
OPERATING MINING PROFIT DERIVED FROM NORTHAM SINCE ACQUISITION (FOUR MONTHS)		180,055	-	-
OTHER OPERATING INCOME				
Earnings from associate companies		12,343	92,636	303,948
- Northam Platinum Limited (equity accounted results for two months)		27,033	94,993	308,550
- Trans Hex Group Limited		(14,690)	(2,357)	(4,602)
Investment income		317,272	300,021	620,254
Interest earned on GFI-SA loan		218,703	218,703	437,405
Other interest earned		98,569	81,318	182,849
Net sundry income		44,149	201	4,054
Total operating profit		553,819	392,858	928,256
NON-MINING OPERATING EXPENSES				
Exploration and project development costs		(6,235)	(5,735)	(12,032)
Corporate expenses		(14,611)	(13,898)	(51,220)
Share-based incentive costs	8	52,015	(9,388)	(90,021)
Finance costs		(283,870)	(165,643)	(331,850)
- Senior bank loan (GFI-SA)		(12,160)	(28,060)	(48,118)
- Mezzanine finance (GFI-SA)		(154,843)	(137,583)	(282,882)
- Coupon on preference shares (Booyensdal Transaction)		(116,867)	-	-
- Other		-	-	(850)
PROFIT BEFORE OTHER (EXPENSES)/INCOME		301,118	198,194	443,133
OTHER (EXPENSES)/INCOME				
Impairment due to the difference between market value and book value of Trans Hex Group Limited		(125,306)	(2,835)	(32,542)
Difference between market value and purchase consideration on the Booyensdal Transaction	3	2,691,273	-	-
Impairment due to the difference between market value and book value of Northam assets	3	(1,192,038)	-	-
Impairment write-down on goodwill	3	(1,498,908)	-	-
Impairment write-back on Tirisano mine project		-	-	19,891
Loss on revaluation of financial instruments - GFI-SA loan		(463,000)	(483,952)	(252,382)
- GFI-SA loan		(463,000)	(427,000)	(193,000)
- Trans Hex Group Limited forward purchased shares		-	(56,952)	(59,382)
Costs associated with the Impala Transaction		(13,688)	-	-
Loss on disposal of Etruscan shares		(3,013)	-	-
(LOSS)/PROFIT BEFORE TAXATION		(303,562)	(288,593)	178,100
TAXATION				
- Normal		(84,502)	(11,479)	(39,151)
- Deferred	7	521,956	62,241	46,372
NET PROFIT/(LOSS)		133,892	(237,831)	185,321
Profit/(loss) attributable to:				
- Owners of Mvelaphanda Resources Limited		487,781	(237,831)	185,321
- Minority interest in Northam Platinum Limited		(353,889)	-	-
NET PROFIT/(LOSS)		133,892	(237,831)	185,321
EARNINGS/(LOSS) PER ORDINARY SHARE (cents)				
- Basic	9	228	(114)	89
- Headline	9	1,110	(112)	93
- Diluted		226	(114)	86

ABRIDGED GROUP SEGMENTAL RESULTS*

R'000	Unaudited 6 months to 31 December 2008	Reviewed 6 months to 31 December 2007	Audited 12 months to 30 June 2008
Net profit/(loss) after taxation			
- Platinum	574,074	92,383	301,301
- Gold	(348,377)	(319,419)	(89,837)
- Diamonds	(145,785)	(56,596)	(71,351)
- Other	53,980	45,801	45,208
NET PROFIT/(LOSS)	133,892	(237,831)	185,321

* A detailed segmental income statement is available on the company's website: www.mvelares.co.za

GROUP CASH FLOW STATEMENT

R'000	Unaudited 6 months to 31 December 2008	Reviewed 6 months to 31 December 2007	Audited 12 months to 30 June 2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/(utilised in) operations	331,459	(35,768)	(85,547)
Interest received	317,272	300,021	620,254
Finance costs	(96,807)	(60,742)	(114,582)
Taxation paid	(176,503)	(18,587)	(22,633)
Net cash generated by operating activities	375,421	184,924	397,492
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received	1,078	145,982	220,998
Additions to property, plant and equipment	(236,450)	(148)	(181)
Acquisition of Booyensdal (Booyensdal Transaction)	(2,388,423)	-	-
Acquisition of Northam shares (Booyensdal Transaction)	(1,596,864)	-	-
Take-on cash balance from Northam Platinum Limited	1,379,240	-	-
Additions to township development	(11,280)	-	-
Proceeds on disposal of assets	3,659	12,500	14,768
Net cash (utilised in)/generated by investing activities	(2,849,040)	158,334	235,585
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of preference shares (Booyensdal Transaction)	2,500,000	-	-
Capital repayment in respect of preference shares (Booyensdal Transaction)	(220,000)	-	-
Capital repayment in respect of senior bank loan (GFI-SA)	(160,790)	(147,530)	(301,688)
Net proceeds from shares issued	-	9,895	84,871
Dividends paid to Northam Platinum Limited minority shareholders	(247,616)	-	-
Contribution from minority shareholders	476	-	-
Net cash generated by/(utilised in) financing activities	1,872,070	(137,635)	(216,817)
Net (decrease)/increase in cash and cash equivalents	(601,549)	205,623	416,260
Cash and cash equivalents at beginning of the period	1,919,586	1,503,326	1,503,326
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,318,037	1,708,949	1,919,586

GROUP STATEMENT OF CHANGES IN EQUITY

R'000	Total
Restated balance at 30 June 2007	5,814,376
Attributable loss for the period	(237,831)
Equity compensation reserve	2,452
Net proceeds from shares issued	9,895
Equity accounted portion of share-based payments of associates	1,974
Equity accounted portion of foreign currency translation reserve	(119)
Equity accounted portion of fair value adjustment on available-for-sale financial assets	(49)
Unrealised loss on revaluation of listed investments	(3,977)
Reviewed balance at 31 December 2007	5,586,721
Attributable profit for the period	423,152
Equity compensation reserve	1,634
Net proceeds from shares issued	74,975
Equity accounted portion of share-based payments of associates	1,808
Equity accounted portion of foreign currency translation reserve	(629)
Equity accounted portion of fair value adjustment on available-for-sale financial assets	5,401
Unrealised profit on revaluation of listed investments	280
Audited balance at 30 June 2008	6,093,342
Attributable profit for the period	487,781
Equity compensation reserve	1,633
Shares issued (Booyensdal Transaction)	147,171
Portion of share-based payments of Northam attributable to Mvela Resources shareholders	6,573
Equity accounted portion of foreign currency translation reserve	(254)
Equity accounted portion of cash flow hedges	1,299
Unrealised loss on revaluation of listed investments	(22)
Unaudited balance at 31 December 2008	6,737,523

NOTES

1. Basis of preparation
 These condensed consolidated financial statements have been prepared on the historical cost basis, except for financial instruments that are fair valued, in accordance with the group's accounting policies which are consistent with those adopted in the financial year ended 30 June 2008 and which are compliant with International Financial Reporting Standards ("IFRS") and in accordance with IAS 34 "Interim Financial Reporting", the South African Companies Act, 1973, as amended, and the JSE Listings Requirements.

The increase in Mvela Resources' shareholding in Northam to 63%, requires that Northam, as a subsidiary of Mvela Resources, be fully consolidated in Mvela Resources' financials from the end of August 2008. In keeping with previous practice, Northam has been equity accounted until the end of August 2008 and reported numbers for the six months ended 31 December 2008, reflect equity accounting of 22% of Northam for the first two months of the period (resulting in Northam contributing R27 million to equity accounted "Earnings from associated companies") and full consolidation of Northam's financial results for the final four months, resulting in fully consolidated "Operating mining income derived from Northam" of R180 million. As a result, like for like comparisons with the six month period ended 31 December 2007 are difficult.

R'000	Unaudited 31 December 2008	Reviewed 31 December 2007	Audited 30 June 2008
2. GFI-SA loan			
Loan advanced to GFI-SA	4,139,000	4,139,000	4,139,000
Unrealised fair value adjustment at end of the period	478,000	707,000	941,000
GFI-SA loan at fair value	4,617,000	4,846,000	5,080,000

The value of this investment is derived from Gold Fields' share price. The decrease in the value of the GFI-SA loan to R4.6 billion from R5.0 billion (as at 30 June 2008) is primarily attributable to the decrease in the Gold Fields' share price from R99.50 (as at 30 June 2008) to R91.90 (as at 31 December 2008). Upon repayment of the loan on 17 March 2009, the group will receive 50 million Gold Fields shares.

3. Acquisition of Northam Platinum Limited
 On 20 August 2008, Mvela Resources acquired 53.1 million Northam Platinum Limited (Northam) shares and 50% of Booyensdal, from Anglo Platinum Limited, for a total consideration of R4 billion. Subsequently, Mvela Resources sold 100% of Booyensdal to Northam, resulting in Mvela Resources gaining a controlling interest of 62.8% in Northam. (The Booyensdal Transaction).

The difference between the deemed purchase price (being the fair value of the assets acquired on the effective date of acquisition) and the actual purchase consideration of R4 billion paid for the Booyensdal Transaction, was calculated at R2.7 billion and is accounted for as a credit in the Income Statement.

The difference between Mvela Resources' share of the fair value of Northam's net assets acquired at date of acquisition and the deemed purchase price, resulted in goodwill of R1.5 billion.

The significantly weaker outlook for global growth and PGM demand and the impact this had on metal prices reduced the fair value of Northam's assets at 31 December 2008. This resulted in an impairment provision of R1.2 billion and a goodwill write-off of R1.5 billion.

R'000	Unaudited 31 December 2008	Reviewed 31 December 2007	Audited 30 June 2008
4. Cash and cash equivalents			
Cash and cash equivalents attributable to:			
Mvela Resources Group	587,346	1,708,949	1,919,586
Northam Platinum Limited	730,691	-	-
Total cash and cash equivalents	1,318,037	1,708,949	1,919,586

5. Preference share funding
 The preference share funding, originally amounting to R2.5 billion, was advanced by Nedbank Limited pursuant to the Booyensdal Transaction that was concluded in August 2008. The preference shares are redeemable over a period of 5.5 years at a dividend rate of 73% of the South African Prime overdraft lending rate. The short-term portion represents a capital repayment of R280 million plus accrued dividends of R66.6 million as at 31 December 2008.

NOTES CONTINUED

R'000	Unaudited 31 December 2008	Reviewed 31 December 2007	Audited 30 June 2008
6. Mezzanine finance			
Loan advanced to Mvela Gold	1,086,000	1,086,000	1,086,000
Net interest capitalised at beginning of the period	753,477	536,208	536,208
Net interest capitalised during the period	120,415	104,900	217,269
Mezzanine finance at fair value	1,959,892	1,727,108	1,839,477

The Mezzanine finance was advanced to Mvela Gold in March 2004 as part of the funding package on the Gold Fields transaction. The Mezzanine finance is repayable on 17 March 2009.

7. Deferred tax
 The deferred tax provision on the balance sheet mainly relates to the deferred tax raised on the fair value adjustment on the Northam assets acquired pursuant to the Booyensdal Transaction. The deferred tax credit on the income statement mainly relates to the impairment provision on the Northam assets.

8. Share-based incentive costs
 The reversal of the cost is primarily attributable to the decrease in the share price of Mvela Resources from R64.95 (as at 30 June 2008) to R23.00 (as at 31 December 2008).

R'000	Unaudited 6 months to 31 December 2008	Reviewed 6 months to 31 December 2007	Audited 12 months to 30 June 2008
9. Earnings/(Loss) per ordinary share are calculated as follows:			
(a) Basic earnings/(loss) per share (cents)	228	(114)	89
Attributable profit/(loss)	487,781	(237,831)	185,321
Weighted average number of shares in issue	214,095,848	208,893,109	209,167,285

R'000	Unaudited 6 months to 31 December 2008	Reviewed 6 months to 31 December 2007	Audited 12 months to 30 June 2008
(b) Headline earnings/(loss) per share (cents)	1,110	(112)	93
Attributable profit/(loss)	487,781	(237,831)	185,321
Attributable loss/(profit) on sale of assets	3,016	-	(3,881)
Attributable impairment write-downs	1,884,679	2,835	12,651
Headline earnings/(loss)	2,375,476	(234,996)	194,091
Weighted average number of shares in issue	214,095,848	208,893,109	209,167,285

10. Post balance sheet events
 Northam Platinum Limited declared an interim dividend of 38 cents per share to be paid on 9 March 2009. This will represent a cash inflow of R85.8 million for the Mvela Resources Group.