



ABOUT ROYAL BAFOKENG HOLDINGS

Royal Bafokeng Holdings (Pty) Limited (RBH) is the primary investment vehicle of the Royal Bafokeng Nation (RBN), a community of approximately 300,000 Tswana-speaking people with substantial, minerals-rich land holdings in South Africa's North West Province.

The company was established in 2006 through the merger of Royal Bafokeng Resources – set up in 2002 to manage the community's mining interests – and Royal Bafokeng Finance – formed in 2004 to develop a diversified, non-mining asset base.

RBH's overall business objective is to maximise the returns on its investments to provide the RBN community with sustainable, long-term benefits.

OUR INVESTMENT AND SOCIAL STRATEGY

To achieve this, the company has developed a two-pronged strategy – to acquire interests in businesses that will generate exceptional long-term returns and to use this as a base for carefully diversifying the investment portfolio.

A major focus for RBH is to support RBN's Vision 2020 and Masterplan. The latter has as its goal the creation of a competitive, thriving, vibrant and self-

sufficient community over the next 30 years. The Masterplan projects a doubling of the population and sees dependency on mining for economic growth reducing from its current level of 80% to around 60% by the mid-2030s.

DEVELOPING OUR PORTFOLIO

RBH has investments spread across the resources, industrial, services, sports, manufacturing and financial sectors. At the end of its 2007 financial year, the assets under RBH management were valued at R33.5 billion – an increase of R9 billion on the previous year.

Since the end of the 2007 financial year, one specific transaction has been initiated which underscores RBH's determination to diversify into strategic, new growth sectors. South Africa's largest mobile phone company, Vodacom, has selected RBH and Thebe Investment to share 45% of its R7.5 billion empowerment share issue. The transaction will be completed in the second half of 2008.

Key transactions concluded in 2007 were:

- 13.4% in Impala Platinum Holdings (Implats);
- 12.5% in Metair Investments;



- an increase, from 26% to 55%, in MB Technologies;
- 30% in Praxima Payroll Systems;
- 30% in Zaptronix;
- 65% in South African Coal Mining Holdings; and,
- through wholly owned Royal Bafokeng Sports, 51% in Premier Soccer League Club Platinum Stars and 49.9% in Platinum Leopards Rugby

SOCIAL INVESTMENTS

All of the shares of RBH are held by the RBN, which also has social delivery entities. The Royal Bafokeng Administration (RBA) functions as a municipality, providing utility and social services to the community, as well as promoting local economic development. The Royal Bafokeng Institute concentrates on educational initiatives.

Income generated from the RBN's commercial interests is invested in infrastructural development and in the members of the RBN. In the past decade, more than R2 billion has been spent on roads, utilities, schools, clinics and other public amenities. This has benefited not only the Bafokeng, but other people living in the North West Province.



2007 HIGHLIGHTS

- Asset value rises 37% to R33,5 billion
- Completion of Implats royalty-for-equity swap
- Royal Bafokeng Sports starts operating as a subsidiary
- Extended investment portfolio across a range of industries

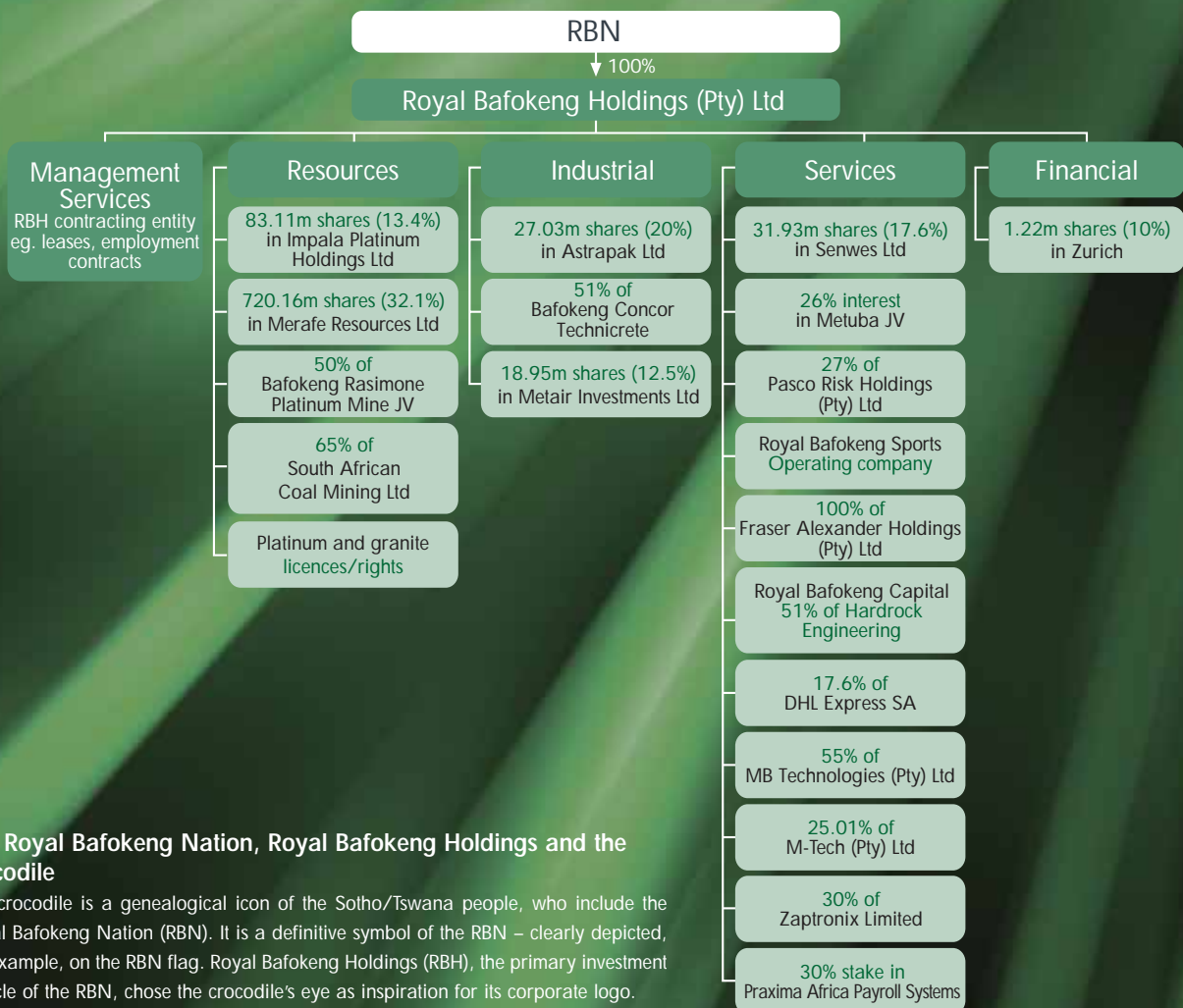
Directors

Kgosi Leruo Molotlegi	– Chairman
Niall Carroll	– Chief Executive Officer
Andrew Jackson	– Executive Director
Khumo Seopela	– Executive Director
Thabo Mokgalaha	– Non-executive Director
Steve Phiri	– Non-executive Director
Tshidi Nyama	– Non-executive Director

Executives

Gillian Kettaneh	– Executive: Corporate
Mpueleng Pooe	– Executive: Public Affairs
Pieter Rörich	– Executive: Corporate Finance
Lucas Ndala	– Executive Finance

GROUP STRUCTURE AT 31 DECEMBER 2007



RBH'S CONTRIBUTION TO SOCIAL DEVELOPMENT

RBH's sole shareholder is the RBN. RBH's profits are either re-invested or deployed into programmes administered by the social delivery entities of the RBN. In addition, RBH has its own corporate social investment (CSI) programme. One senior manager and one middle manager contribute 50% of their working time to the company's CSI activities and to liaison on CSI issues with partner companies in which RBH is invested.

During 2007, RBH spent R5.3 million on health, education and capacity-development initiatives for the benefit of our ultimate shareholders, the RBN. However, it goes further than this, and RBH positively encourages its partner companies to be involved in CSI initiatives that complement those of RBH itself.

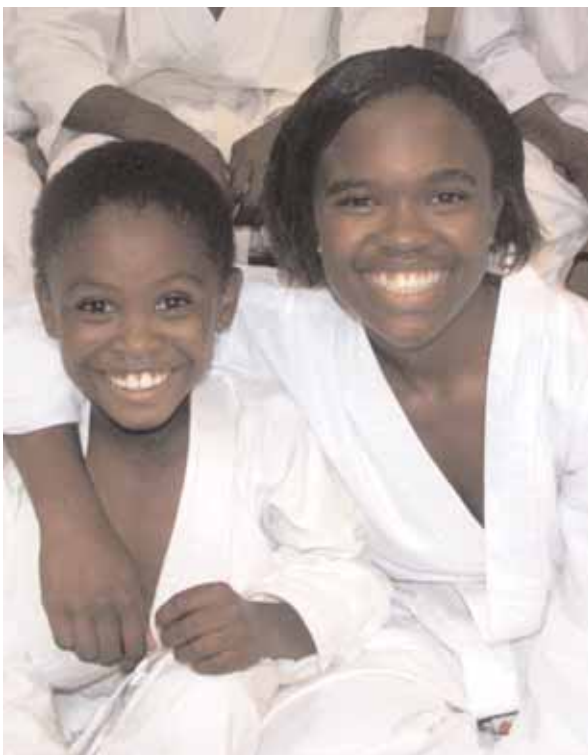
CAPACITY DEVELOPMENT

Over time, RBH's partner companies are becoming increasingly involved in social initiatives such as providing bursaries and training

opportunities. In 2007 as part of the capacity-development initiative, RBH seconded several of its own employees to companies in which it is invested. The benefits are numerous: RBH employees gain valuable work experience and closer bonds are forged between RBH and its partner companies. RBH partners also offer on-the-job training to RBN youth.

In 2007 non-governmental and community-based organisations in the Bojanala district of the North West Province and within the RBN were assisted, chiefly in training. Planning and implementation are under way for the Wizzit/RBH Joint Venture which will provide basic banking services to the RBN through cellular technology.

RBH is also engaged with its corporate partners in the development of procurement opportunities for RBN small, medium and micro enterprises (SMMEs).



SPORT

Sport is a key element in the Royal Bafokeng's Masterplan for socio-economic development. Royal Bafokeng Sports (RBS) started operating in January 2007 as a subsidiary of RBH. Its mandate is to generate financial and social returns from the development of RBN's sporting assets. The most important of these is the 40,000-seat Royal Bafokeng Stadium, one of the 10 national venues for the FIFA World Cup 2010, which is currently undergoing a multi-million rand upgrade.

Major RBH/RBS initiatives furthering soccer as a national sporting code is their 51% shareholding in Platinum Stars Football Club, sponsorship of leading world soccer trade fair Soccerex and of the annual Nelson Mandela Challenge, and funding of Samba Soccer, a development programme from which thousands of school children have already benefited.

The acquisition of the Leopards Rugby franchise forms part of RBS's contribution to transformation and development in the code. Plans include the establishment of a rugby academy in the Rustenburg valley.

Other sports currently the focus of RBS development initiatives include athletics martial arts, and netball

ABOUT THE ROYAL BAFOKENG NATION



HEALTH

Health is a primary focus of RBH's CSI strategy and, as a first step, a baseline study into health services and priority needs in the RBN was commissioned. The results indicated that the health needs of the community are large and greater co-ordination among the various role-players is critical in order to make the best use of scarce resources and to avoid duplication. In particular, greater co-ordination with government services is essential.

During the second half of 2007, RBH, together with RBA and RBN, developed a regular communication process with the Department of Health at provincial, district and sub-district level. RBN and the department are working towards a memorandum of agreement – a general statement of the governing principles of a public-private partnership.

In parallel, RBH has commissioned health consultants Aurum Institute for Health Research to begin work on a detailed situational analysis of the Bafokeng Community Health Centre and the services it delivers to the RBN. The objective of the project is for the centre to improve its delivery of primary health services, and to start providing anti-retroviral treatment (ART) and mental health services.

EDUCATION

Education is another area that forms an important part of the CSI strategy and a number of projects in this sector were initiated and/or supported in 2007.

RBH has made a substantial commitment to a Phokeng-based internet research facility, including an offer to employ four people to work on the project.

Both RBH and MB Technologies donated equipment to the Royal Bafokeng Institute's project to 'bring the world' into maths and science classrooms. A mobile library has been started for RBN schools, while discussions with author and publisher are under way for the production of a Setswana dictionary.

CULTURE

Early in 2007, RBH announced a three-year, R2,4 million sponsorship of The Black Tie Ensemble a Tshwane-based organisation that promotes an appreciation of opera, particularly amongst historically disadvantaged South Africans. In terms of the sponsorship, BTE conducts an outreach programme to RBN schools and villages; training for choirmasters; and specialised coaching in singing, music and lifeskills for a core of youngsters identified as having particular promise.



The Royal Bafokeng Nation (RBN) is a 300,000-strong community of black South Africans, based largely in North West province. The RBN owns 1,200km² of land which hosts the world-renowned Bushveld Complex, the richest known reserve of platinum group metals and chrome in the world. The RBN leases portions of this land to, or conducts joint mining operations with some of the world's largest mining companies such as Impala Platinum, Anglo Platinum and Xstrata.

The RBN is a legal entity, led by Kgosi Leruo Molotlegi. The RBN, which is part of the Sotho-Tswana people, trace its origins to central Africa. Its people migrated southwards over more than a millennium to settle in the valley between the Pilanesberg Mountains and Rustenburg in the North West Province of South Africa.

Throughout its 800-year history, the RBN prevailed over many hardships, rivalries and battles. In the mid-1850s the Bafokeng were displaced from their ancestral lands by European settlers. It was the visionary Kgosi August Mokgatle who in 1866 began securing the Bafokeng's patrimony by purchasing the land they occupied historically. He bought land through the Lutheran Mission Society who held it in trust for the Bafokeng people. In 1869, when diamonds were discovered in Kimberley, Kgosi Mokgatle sent young men to work on the mines and repatriate their earnings to enable the Bafokeng to buy more land.

The RBN has a well-established governance structure that incorporates both traditional leadership and democratically elected representatives.



VISION 2020

Vision 2020 has been developed with the aim of enabling the RBN to become a self-sufficient community by the end of the second decade of the 21st century. This ambitious goal will be achieved only if the development of the RBN's communal assets and human capital is maximised so that the economic empowerment of individuals within the community is advanced. RBN's Vision 2020 is a long-term plan to address the challenges faced by the Bafokeng people by creating opportunities for the people of the region over the next two decades to become economically self-sufficient participants in the regional and national economy. RBH is one of the delivery mechanisms through which the RBN's Vision 2020 will be fulfilled.



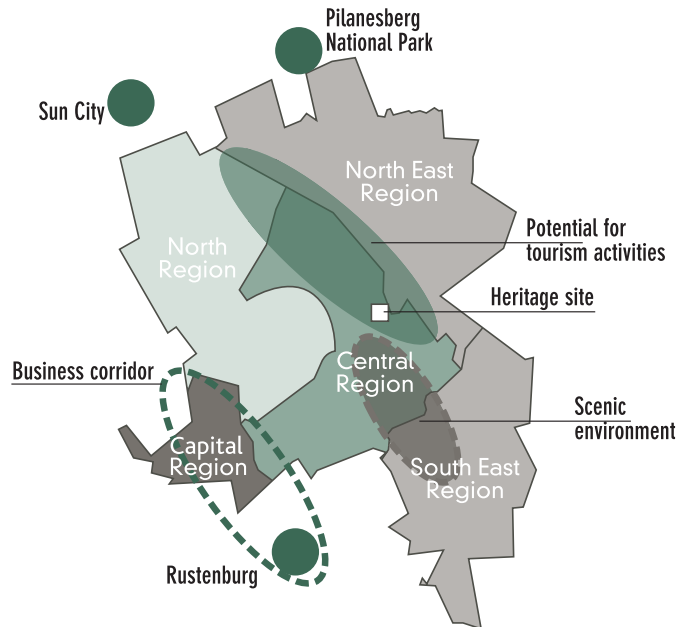
THE MASTERPLAN

The Masterplan, the physical embodiment of Vision 2020, was launched in August 2006. The plan, devised in conjunction with Singapore-based urban design consultants Surbana, is aimed at creating an environment in which people live with dignity and have access to facilities – health, education, recreation and employment – thus enabling them to maximise their abilities and talents.

The 30-year Masterplan is based on a detailed assessment of the opportunities offered and constraints imposed by the 1,200km² of the land owned and controlled by the Royal Bafokeng and sets the direction of development by the year 2035. The plan takes into account the population on RBN land more than doubling to 700,000 people and aims to reduce dependency on mining for economic growth. Mine boundaries, state- and privately-owned land are recognised as possible developmental constraints, but the proximity of Rustenburg to Bafokeng land opens up the potential for the development of a ‘business corridor’ linking the former with the latter. A major road, which traverses a portion of RBN land, is seen as an axis for the development of tourism activities between Sun City and the Pilanesberg National Park in the north and historic and scenic sites in the south.

RBN land has been demarcated into five distinct regions:

- the Capital Region to the south-east around Phokeng, providing ‘an attractive, vibrant and thriving cosmopolitan’ environment;
- the Central Region, providing quality housing, recreational attractions and employment opportunities;



- the North Region, providing ‘quality living’ in a mining environment;
- the North-east Region, providing ‘an attractive residential area amidst a natural agro-setting with comprehensive facilities’; and
- the South-east Region, providing access to nature.

A plan to safeguard land for future development is in place. By 2035, it is anticipated that some 240km², or 20% of RBN land will have undergone substantial development. Of the area developed by that time, the lion’s share – 49% – will be for housing, 30% for infrastructure, 9% for services, 5% for manufacturing, 4% for tourism, 2% for ‘green’ facilities, and 1% for commercial activities. A major developmental focus is a four-cornered regional art, design and sports hub, linking

manufacturing, retail and trade, tourism and public services.

A structured plan prioritises land division, distribution of key infrastructure, facilities, housing, major road and transport networks and the scheduling of development into three 10-year phases between 2006 and 2015, 2015 and 2025 and 2025 and 2035. From this structure plan, development guidelines will be established and implementation strategies set. This plan is ambitious and will take time to implement. If successful, it will benefit not only the Royal Bafokeng, but the entire region and the country as a whole.

In order to ensure the success of the plan, the RBN will partner with government, development agencies and major corporates who identify with the vision.



rbh
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