

ANGLO AMERICAN PLATINUM – PGM MARKETING STRATEGY

BARCLAYS PGM THOUGHT LEADERSHIP FORUM



AGENDA

1

Successful at driving value to date

2

We believe a step change is needed on fuel cells and jewellery

- Fuel cells
- Jewellery

OUR EVOLUTION FROM A PASSIVE MODEL TO A CUSTOMER, MARKET CENTRIC MODEL HAS BEEN SUCCESSFUL AT DRIVING VALUE

Significant value has been added in the
past 2 years

Sales Strategy

- 1 Negotiation of new contract structures
- 2 Implementation of new distribution channels
- 3 Accelerated progress on minor metal sales
- 4 Team reorganised & upskilled

Market Development

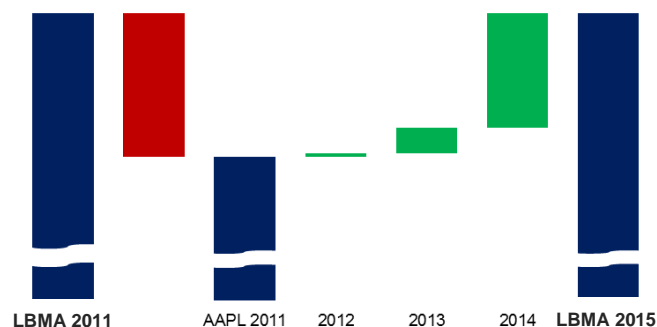
- 4 Team reorganised & upskilled
- 5 Increased PGI focus on high value opportunities
- 6 Established & gained traction on new initiatives (WPIC, PGM Investment Programme)

Amplified own market development spend by leveraging 3rd party monies

SHORT TERM VALUE FROM NEW CONTRACTS

Platinum Contracts

2015 Forecast impact of revised contracts *

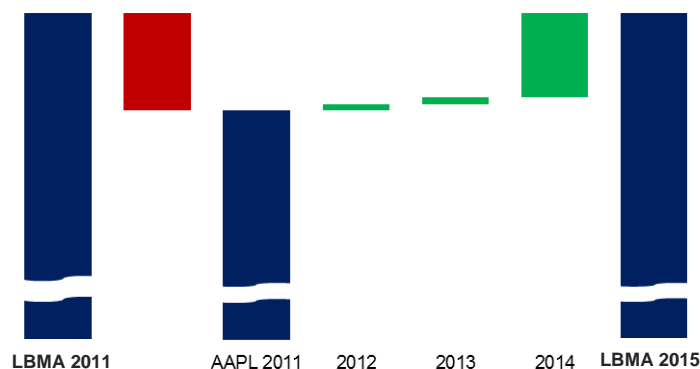


- Platinum sales contracts with unfavourable terms have been renegotiated
- 2014 saw the expiry of the last discounted contracts for Platinum
- Contract and discretionary sales will result in 2015 achieved prices being in line with LBMA benchmark

* US\$/oz revenue – indicative values only

Palladium Contracts

2015 Forecast impact of revised contracts *



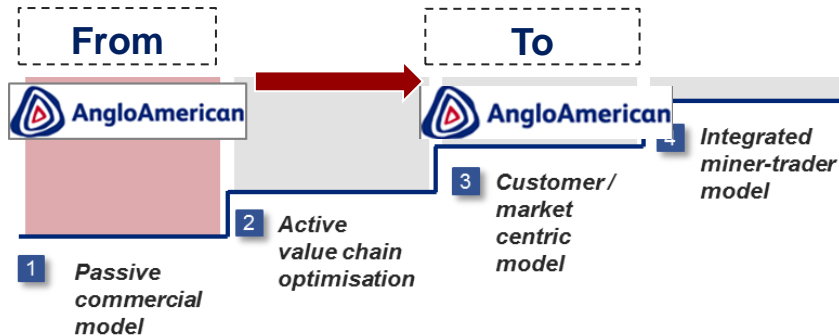
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- Contract and discretionary sales will result in 2015 achieved prices being in line with LBMA benchmark

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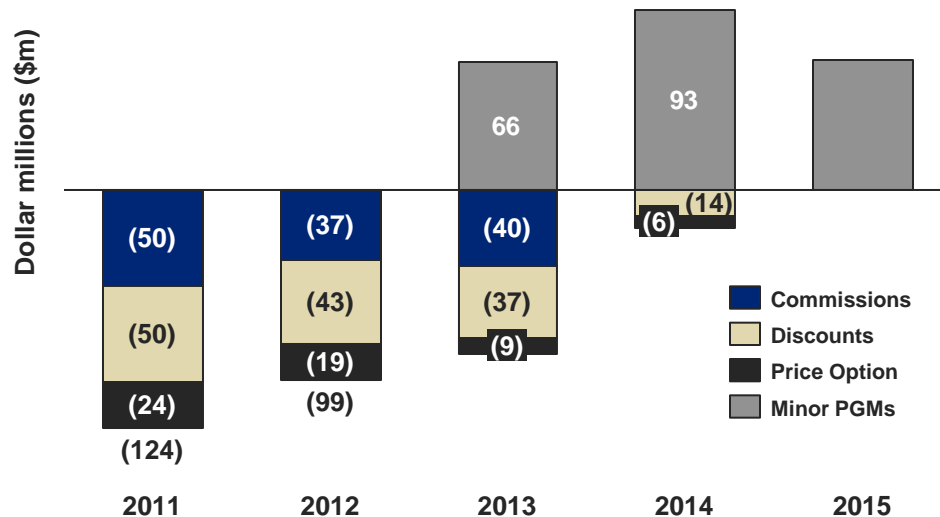
SHORT TERM VALUE FROM CUSTOMER DIVERSITY

Continuing to add new channels to market – automotive relationships doubled in 2014

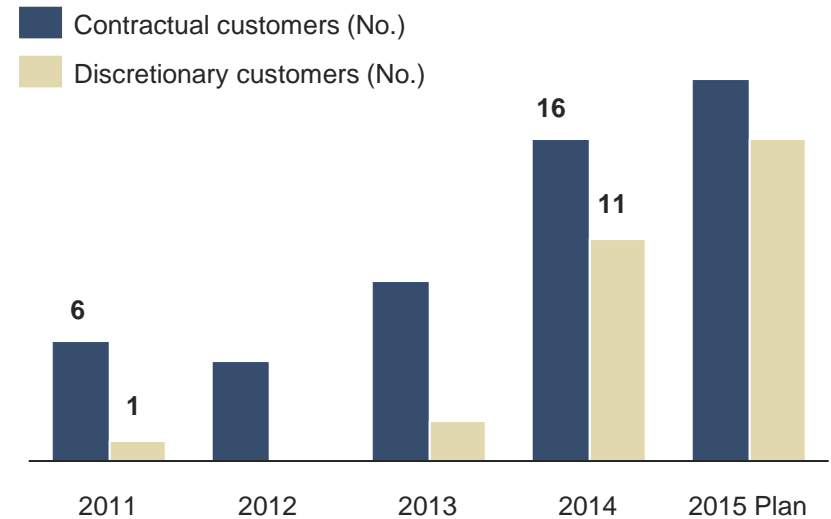
Our Changing Marketing Model



2011 -2015 Impacts on EBIT



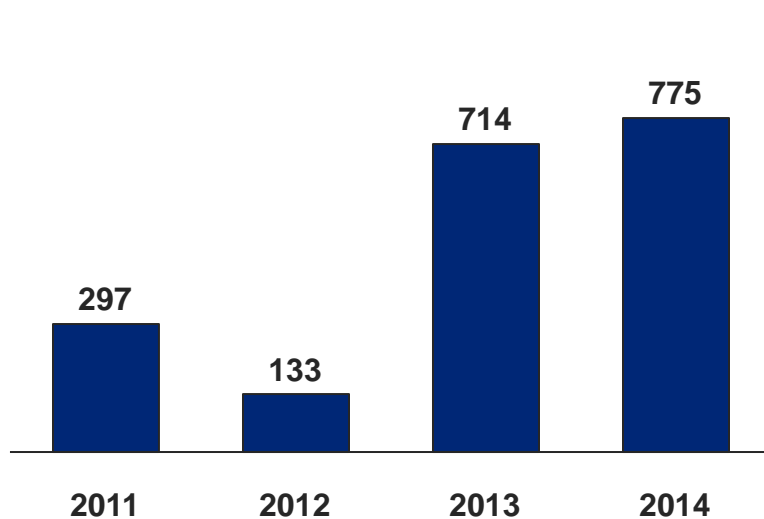
Success in growing customer base



- Automotive relationships more than doubled in 2014
- 16 new customers added in 2014 increasing our exposure to the market as well as providing additional channels to market for discretionary sales & improved market intelligence
- This trend has continued into 2015 with new channels and new opportunities

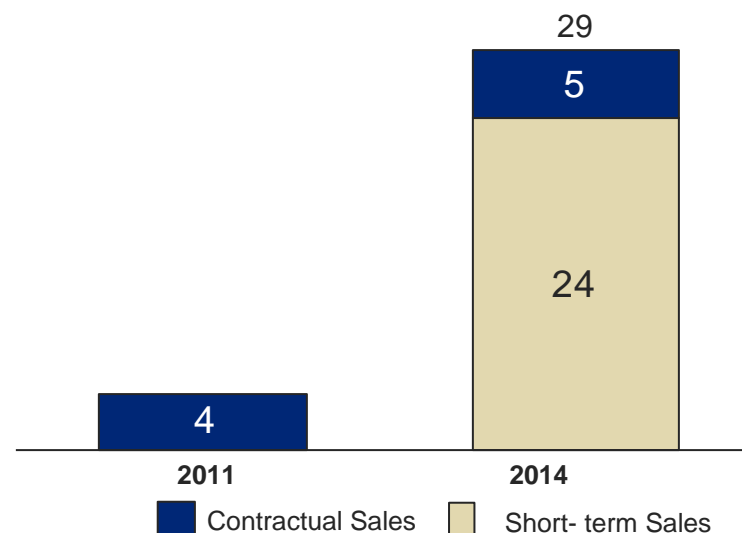
MATERIAL SHORT-TERM VALUE UPLIFT FROM DIRECT SALES OF MINOR METALS TO NEW CUSTOMERS IN GROWTH MARKETS & APPLICATIONS

Iridium & Ruthenium Performance



Sales volume: Iridium + Ruthenium (ounces)

Targeted Sales Channels

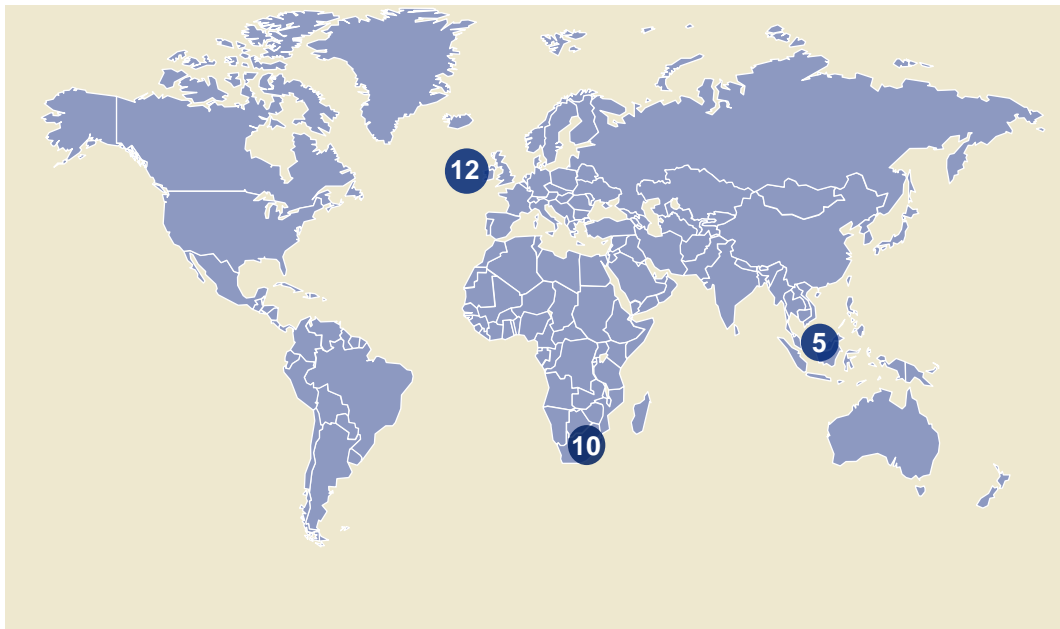


- Historical practice and contract structure limited Anglo American Platinum from competing for minor metals market share
- Direct sales to customers in 2013 and 2014 significantly increased revenue and profit contribution from minor metals
- 2012: US\$49m, 2013: US\$103m
- 2014: US\$142m

- Critical success factors have been:
 - Asian presence
 - Willingness to compete
 - Closer contact with market and end-users
- 2 of the 29 customers are end consumers, an area of focus for 2015

HEADCOUNT REBALANCED AND UPSKILLED - CLOSER TO KEY MARKETS, IN LINE WITH THE PLATINUM REVIEW TARGETS

Head count rebalanced and upskilled....



...which has allowed us to

Sales Strategy

- Increase customer diversity and channels to market
- Renegotiate contracts removing discounts and commissions
- Significantly improve direct sales of minor metals

Market Development

- Execute on direct market development initiatives
- Improve market insights and intelligence

PGI REFOCUSSED ON PRORITY MARKETS WITH POSITIVE RESULTS

- Three European offices closed down
- 20% headcount reduction
- Reduction of programmes in non-priority markets
- Re-focus of spend on priority markets and segments
- **China:**
 - Focus on growing bridal segment (maintain lead bridal position in tier 1 and 2 cities; establish Pt bridal ritual in tier 3 and 4 cities)
- **India:**
 - Focus on bridal (dual gifting) and men's jewellery opportunities
- Head office moved from London to Hong Kong

PLATINUM GUILD
INTERNATIONAL



Platinum unveils Evara for modern bride and groom

Chennai, Jan 13: Beautifully crafted to last a lifetime, Evara Platinum Blessings is a new range of bridal jewellery for the bride and groom of today that offers parents, in-laws and the elders of the family, an opportunity to bless the couple with everlasting love.



The name Evara is rooted in Sanskrit and stands for blessings and design with a Platinum bond that holds together multiple strands, symbols of the coming together of two families to create a

yet traditional designs in necklaces, earrings, bangles and bracelets for the bride and groom, yet elegant chokes and bangles in fluid shapes for the groom. The 'singular' focal point of every Platinum EVARA piece is the 'Platinum bond' showcased with a soft contoured wire form with multiple strands passing through. The Platinum Evara

wedding occasions. So post marriage, right from a procession or a new venture to a baby shower or an anniversary and so on, key milestones are designed with blessings and made of precious platinum. Prices range from Necklaces starting from INR 80,000 - 500,000, Bangles / Bracelets: Starting









NEAR TERM PRIORITIES FOR WORLD PLATINUM INVESTMENT COUNCIL

1. Increase targeted market contact
2. Improve analyst, commentator & media reports
3. Accelerate implementation of market development initiatives
4. Supporting consistent communication with metal market



PLATINUM QUARTERLY

PGM INVESTMENT PROGRAMME EXPANDED AND FIRST INVESTMENTS MADE UNDER NEW STRUCTURE

| Investments made in 2014 | | | | | | |
|--------------------------|---|--|--|--|--|---|
| Company | Altergy Systems  | Clean Energy  | Ballard Power Systems  | Primus Power  | Food Freshness  | Hydrogenious Technologies  |
| Industry | PEM Fuel Cells; global | PEM Fuel Cells; Sub-Sahara | PEM Fuel Cells; global | Battery Storage; global | Food freshness; global | Hydrogen storage; global |
| Entry date | 29 June 2010 | 29 June 2010 | 27 March 2013 | 24 Dec 2013 | 16 April 2014 | 18 July 2014 |
| % equity | ~ 5% | 40% | < 4.0% | 23% | 10% | 26.5% |

**Total
portfolio**

**Cost
\$34m**

**Carrying
Value
\$38m**

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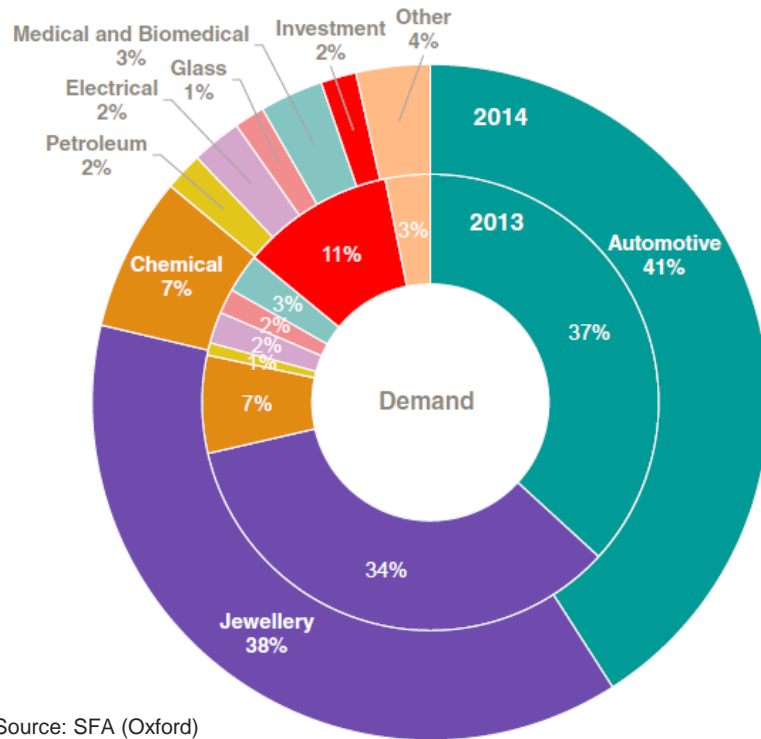
We believe a step change is needed on fuel cells and jewellery

- **Fuel cells**
- Jewellery

THE AUTOMOTIVE SECTOR IS CRITICAL TO THE PGM INDUSTRY

Currently the automotive sector accounts for ~40% of Platinum demand

Demand end use shares, 2014 vs. 2013 (by volume)



Source: SFA (Oxford)

The automotive sector accounts for ~55% of the value pool

| | | | | |
|-------------------------|-------|--------|-------|------------|
| Price (USD/oz) | 1145 | 795 | 1135 | |
| Gross Demand (2014 koz) | Pt | Pd | Rh | % of Value |
| Autocat | 3 394 | 7 296 | 844 | 55% |
| Jewellery | 2 984 | 300 | | 19% |
| Industrial | 1 839 | 2 079 | 196 | 21% |
| Investment | 300 | 837 | | 5% |
| Sum | 8 517 | 10 512 | 1 040 | 100% |

Source: Johnson Matthey

Automotive demand is critical to the future success of Platinum

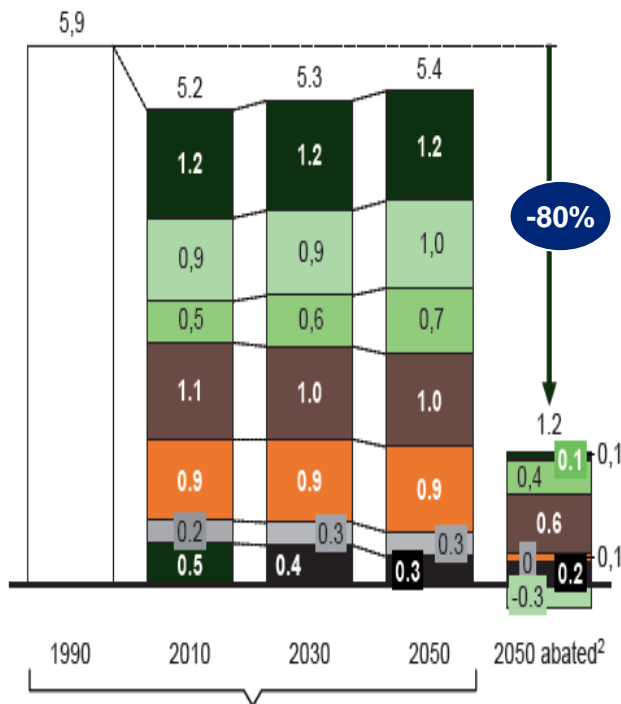
GLOBAL MACRO TRENDS FORCING A SHIFT IN MIX OF POWERTRAINS

EU targeting CO₂ reduction of 80% by 2050

To meet EU target, road transport must achieve 95% decarbonisation

This is possible only if electric vehicles are part of the mix

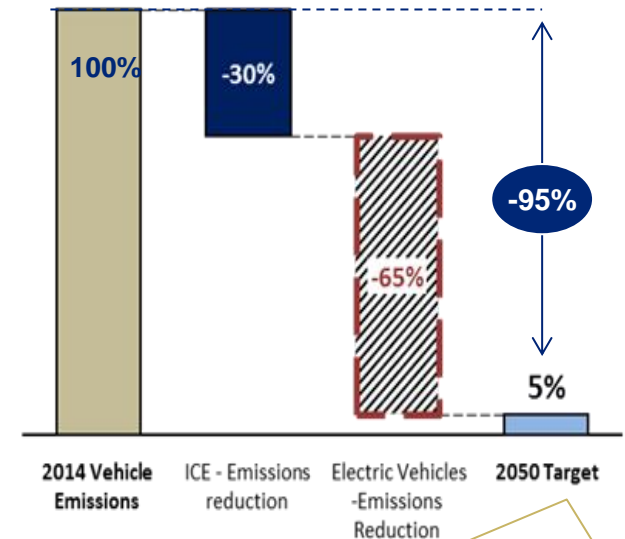
EU-27 total GHG emission¹ - Gt CO₂e per year



Source: IEA forecasts

| Sector | Total abatement |
|-----------------------|----------------------------|
| Power | 95-100% |
| Road transport | 95% |
| Air & sea transport | 50% |
| Industry ³ | 40% |
| Buildings | 95% |
| Waste | 100% |
| Agriculture | 20% |
| Forestry | |
| | -0.25 Gt CO ₂ e |

ICE's have potential to reduce current CO₂ footprint in EU by a further 30% through improved efficiency → insufficient to achieve targets



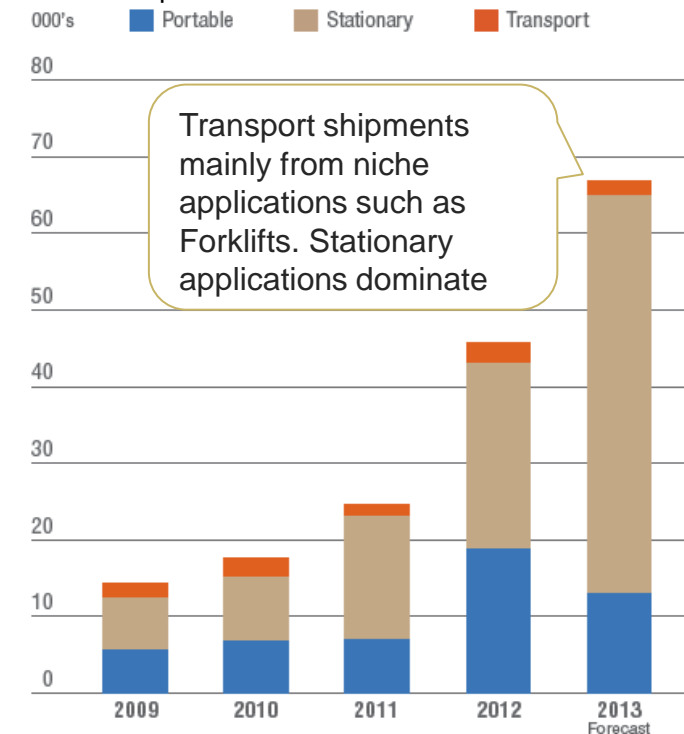
Electrification of powertrain will have to occur to achieve 2050 targets in Europe

The global drive to reduce CO₂ emissions is driving the electrification of the power train

FUEL CELL ELECTRIC VEHICLES PRESENT A SIGNIFICANT OPPORTUNITY FOR PLATINUM DEMAND GROWTH

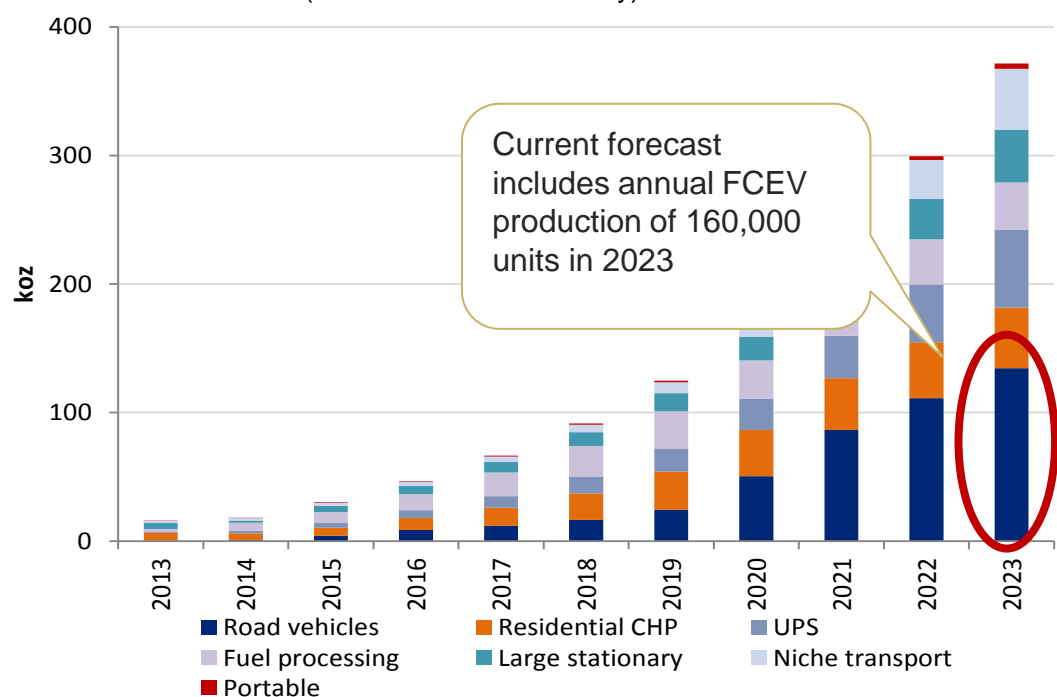
To date stationary applications have dominated fuel cell shipments

Fuel cell shipments 2009-2013



Automotive use represent the biggest opportunity for growth and overall Pt demand from fuel cells

Platinum in fuel cells (Source: Johnson Matthey)



Automotive sector is the main driver of future PGM demand from fuel cells → In the long run, the success of FCEVs will be a game changer

FUEL CELL VEHICLES ARE SUCCESSFULLY OVERCOMING THE THREE MAIN OBSTACLES IN THE ADOPTION PROCESS

1

Cost competitiveness



Fuel cells applications must achieve at least cost parity when compared to competing technologies.

2

Consumer acceptance



Consumer perception around safety, and other misconceptions around the technology must be addressed

3

Infrastructure accessibility



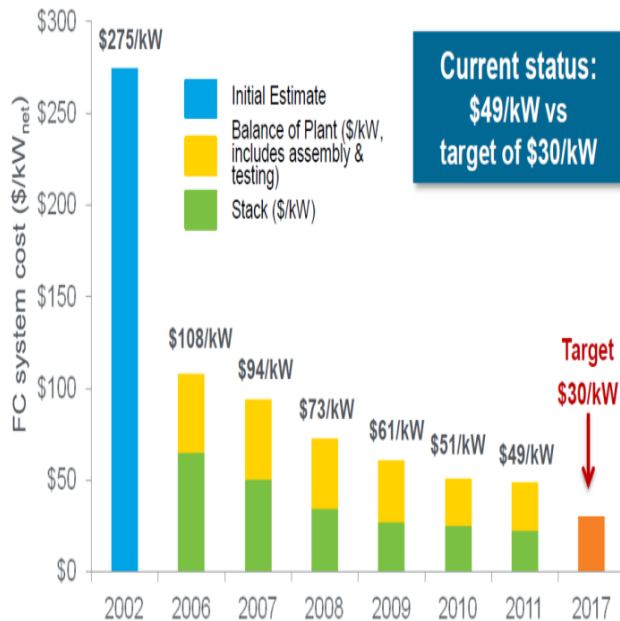
Supporting infrastructure must be conveniently accessible

These barriers are already being addressed by industry, interest groups and governments across the world. Further opportunities exist to accelerate market adoption

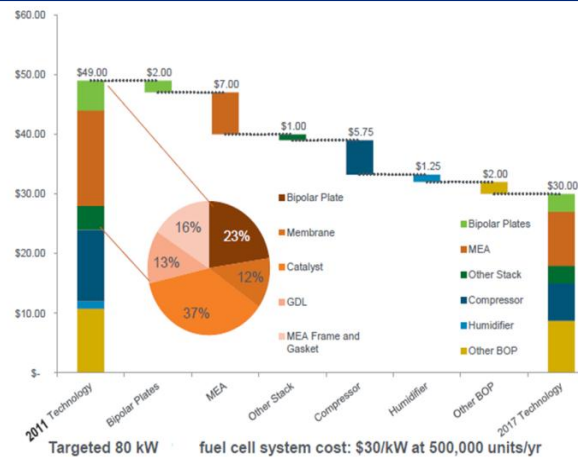
COST COMPETITIVENESS: FC SYSTEM COST STEADILY DECREASED TO REACH ~\$49/KW; PLANS IN PLACE FOR FURTHER INCREMENTAL IMPROVEMENTS

Projected transportation fuel cell system cost

FC system cost projected to high-volume - 500K units per yr.



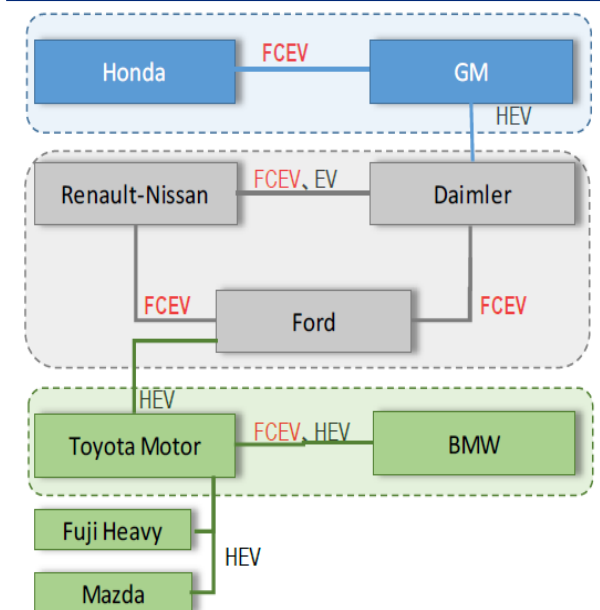
Cost targets achieved by reducing stack cost...



"Platinum is not the problem anymore, it can be seen as an investment if it is recycled"

Benno Andreas Schott, Technical development Fuel cell vehicles, Volkswagen. Japan FC Expo, Feb 2015

...and through economies of scale

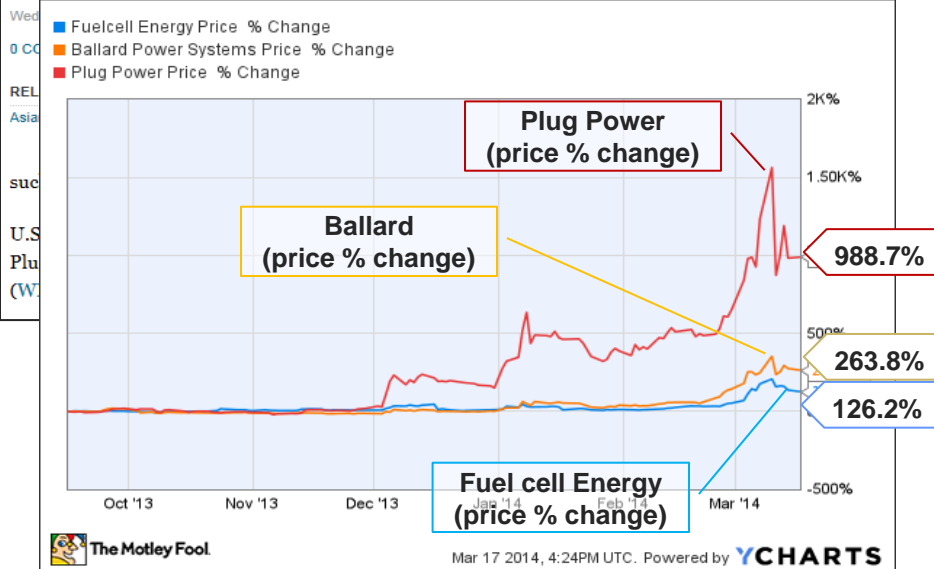


GOVERNMENT AND INDUSTRY LED INITIATIVES ARE CHANGING INVESTOR AND CONSUMER PERCEPTION

Investors are again
backing fuel cells and hydrogen

Fuel Cell shares jump as investors bet on clean power

BY CHUCK MIKOLAJCZAK, GARIMA GOEL AND SNEHA BANERJEE



Industry led demonstrations
tackling consumer & investor misperception



Driven by the concentration of Government and industry support, there are some key markets where fuel cells are likely to be successful early on

AUTOMOTIVE FUEL CELL PRODUCT – PERFORMANCE DRIVES CONSUMER UPTAKE

PERFORMANCE

- FCEVs ideal for longer distances & mid-larger vehicles
- FCEVs & PHEVs comparable to ICEs on driving performance

RE-FUELLING

- Minutes to re-fuel FCEVs
- Hours to re-fuel BEVs

COST

- Currently FCEVs are relatively expensive
- Cost reductions - improved technology & industry collaboration

| | ix35 - FCEV | ix35 - Diesel |
|------------------|------------------------------|---------------------|
| Fuel Cost | £7.9 - £15/kg H ₂ | £1.15 - £1.50/litre |
| Range | ~570km | ~700km |
| Fuel Cost per km | 8-15p/km | 10-12p/km |

- Mass production drive economies of scale
- Hyundai ix35 \$70,000 – forecast FCEV prices < \$20,000 by 2025

RANGE

- FCEVs average ~570km
- BEVs only average ~150km – 250km

SAFETY

- FCEVs as safe as ICEs and EVs
- Comply with all the same on-road safety standards as petrol, diesel and BEVs



HYDROGEN INFRASTRUCTURE

HYDROGEN INFRASTRUCTURE PLANS

- **JAPAN**
 - 100 hydrogen re-fuelling stations by end 2015
 - 1,000 by 2025
- **CALIFORNIA**
 - Currently 60 hydrogen refuelling stations
 - Further 49 are under development
 - Depending on the size of the stations, 100 H2 stations support 40 000 - 60 000 FCEVs.
- **UK**
 - 15 hydrogen refuelling stations by end 2015
 - An initial national network of 68 stations planned
- **GERMANY**
 - 15+ hydrogen refuelling stations by end 2015
 - Expand to ~400 stations by 2023
- **DENMARK**
 - Complete network by end 2015



PARTNER IN FUEL CELL TECHNOLOGY

HYDROGEN FUELLED
ZERO HARMFUL EMISSIONS
PLATINUM CATALYST INSIDE



Real Mining. Real People. Real Difference.

SOURCES OF HYDROGEN

ENERGY

- GRID POWER
- NUCLEAR
- RENEWABLES

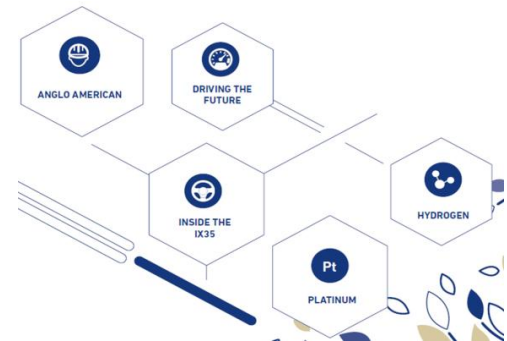
ELECTRICITY

HYDROGEN



ENERGY

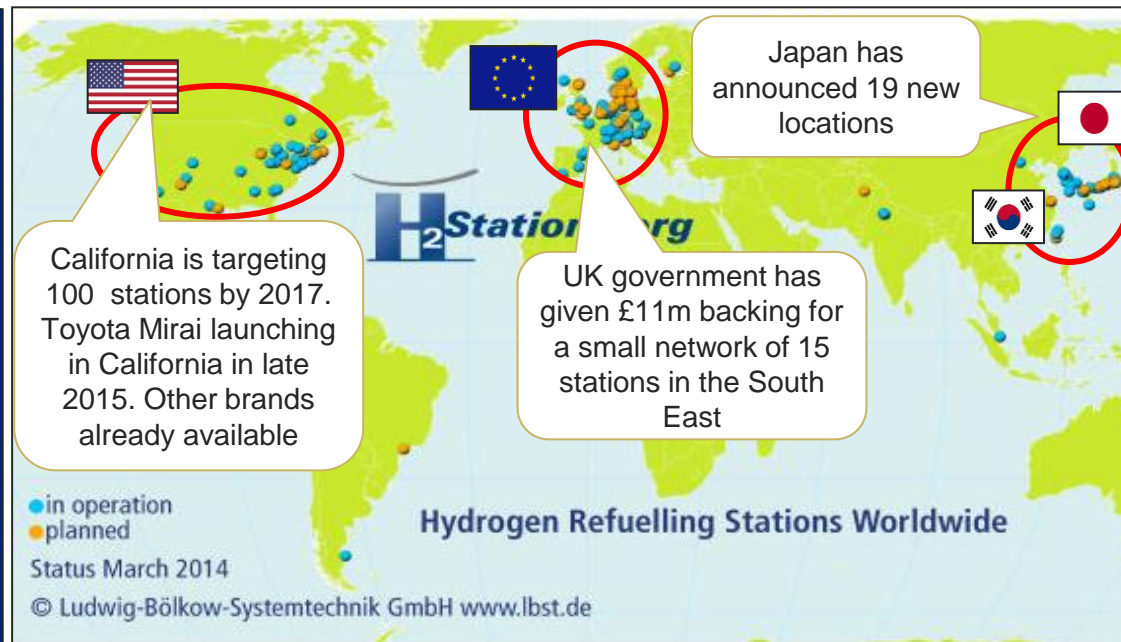
- COAL
- METHANE
- FOSSIL FUELS



HYDROGEN INFRASTRUCTURE: AUTO OEMS CONCENTRATE FCEV MARKETING IN LOCATIONS WHERE INFRASTRUCTURE IS COMMITTED AND OPERATIONAL...

Infrastructure roll-out being led by governments globally with firm commitments in the EU, Japan & US

Eleven new hydrogen stations opened across the world in 2013, bringing the total number of hydrogen stations in operation to 186 as of March 2014

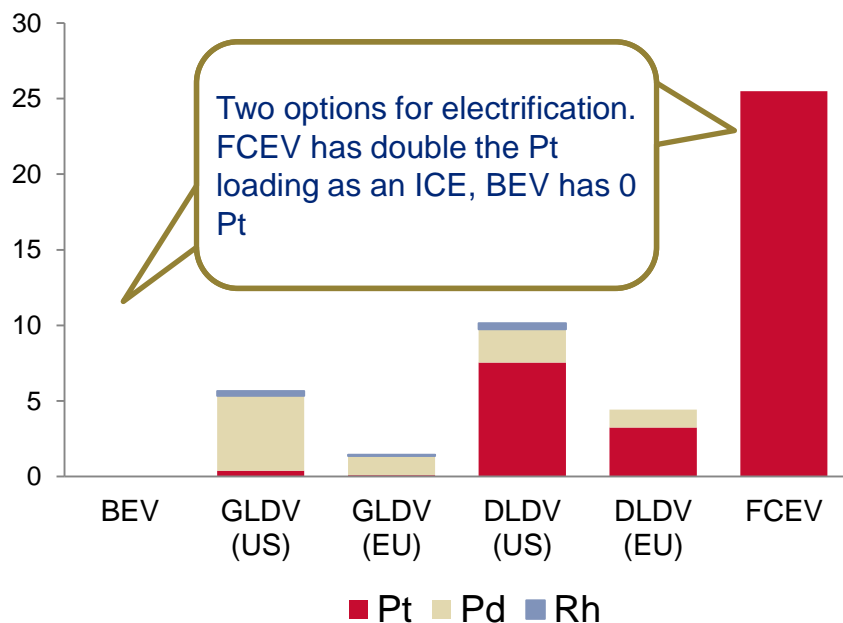


Of the 95 planned hydrogen stations, for which locations have already been determined: 26 are in North America, two in South America, 23 in Asia, and 44 in Europe, twelve of which are in Germany

FUEL CELL VEHICLES REPRESENT A SIGNIFICANT OPPORTUNITY FOR PLATINUM DEMAND

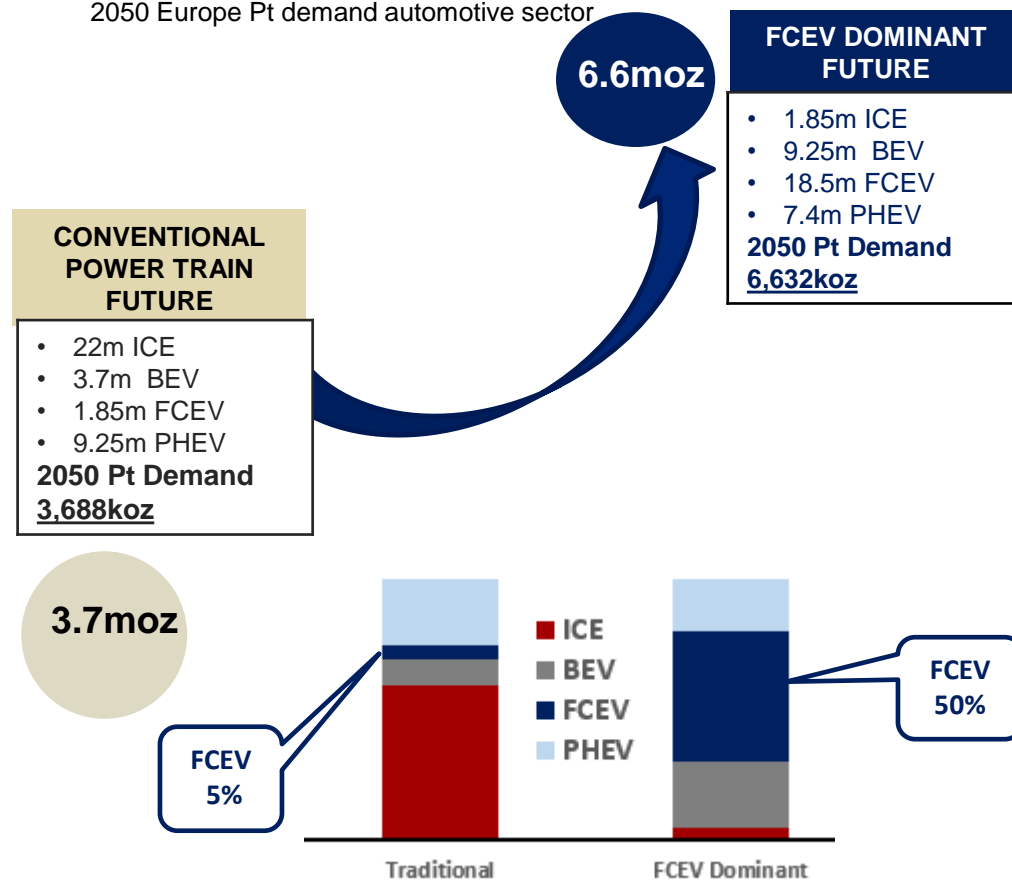
BEV's (No Pt) and FCEV's (Pt +) are the future of powertrain mix

Grams PGM by powertrain for light duty vehicles (2011 loadings)



Fuel Cell Electric Vehicles – significant growth opportunity beyond conventional powertrain

2050 Europe Pt demand automotive sector



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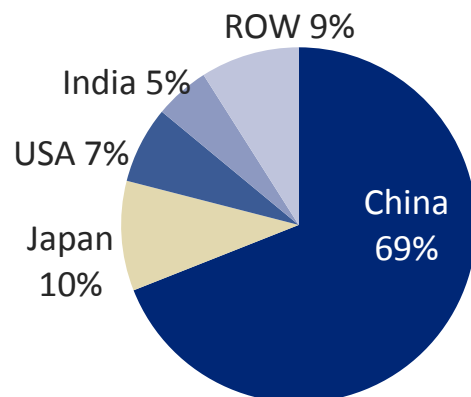
2

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- Fuel cells
- **Jewellery**

CHINA IS CRITICAL TO LONG TERM FUTURE JEWELLERY DEMAND – UNDERSTANDING OF OPPORTUNITIES IS IMPORTANT

Gross demand (100% = 3m oz)



- China continues to dominate global Pt jewellery demand
- Weak 2014 market influenced by
 - Slowing economy
 - Cautious consumer behaviour
 - Fall in 24K gold sales causing reduced store traffic
 - Retailers reduced Pt stock
 - Reports of mainland store closures
- Going forward, market dynamics have implications for Pt jewellery
 - Decelerating economic growth
 - Decline in gold sales
 - More competitive retail landscape

| ('000 oz) | Retail sales growth 2013-2014 | Retailer outlook 2015 |
|-----------|-------------------------------|-----------------------|
| China | -3.0% | 0% |
| India | +28.0% | +23% |
| Japan | +3.3% | +1% |
| USA | +8.0% | +7% |

PIVOTAL POINT IN CHINA: SEGMENTS SUPPORTED BY PGI PROGRAMMES BUOYANT, DECLINE IN NON-SUPPORTED SEGMENTS

Plain platinum

- **-6%** in 2014
- Key segment, 70% of volume



Partners, bridal

| | Chow Tai Fook | Luk Fook |
|------------|---------------|-------------|
| Pair rings | +24% | +30% |
| Solitaire | +41% | +17% |

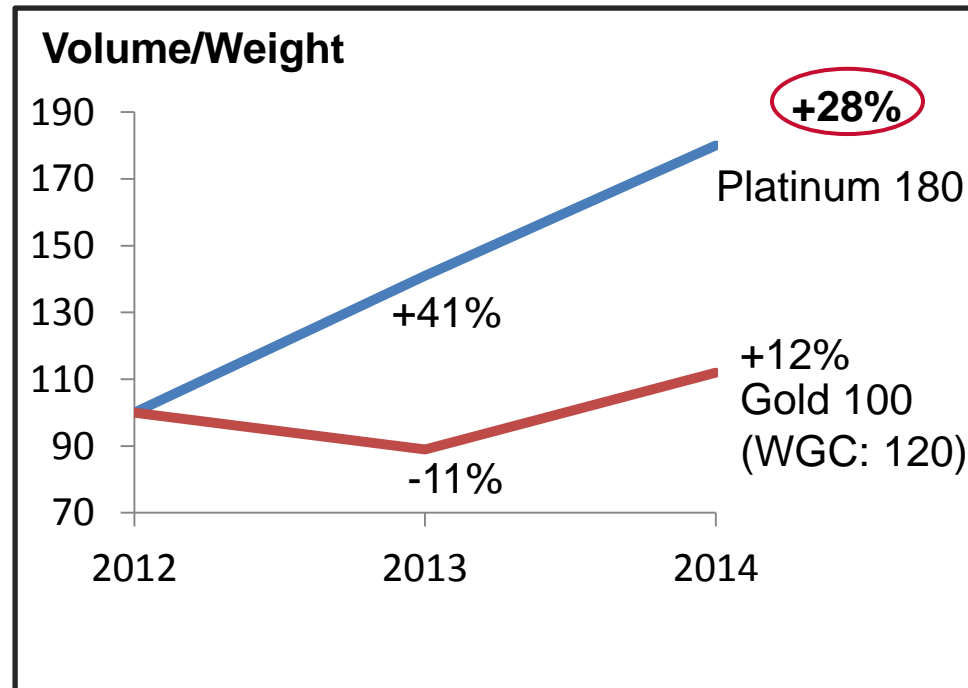


Partners

- **+11%** in 2014
- Based on Chow Tai Fook and Luk Fook programmes



INDIA MARKETING SUCCESS TO BE APPLIED TO CHINA

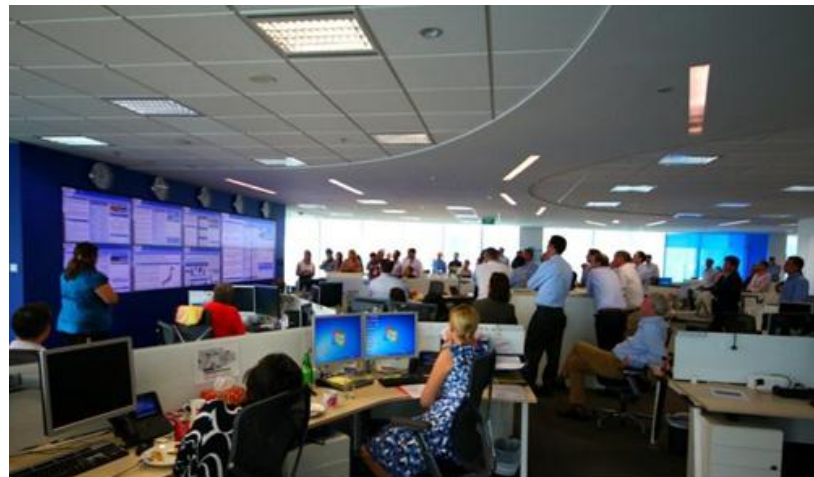


Success factors

- PGI thought leadership
- Compelling insight-based marketing concept
- 3 year commitment
- Co-creation & co-investment with trade

CONCLUSION

- Sales activities and contracting structures deliver near term value
- Market development spend is critical to maintaining and growing demand
- Fuel cell electric vehicle represent a significant upside opportunity ~ 500 koz additional ounces by 2024.
- Jewellery demand can be grown further by additional activity by PGI in China and India



THANK YOU