

ANGLO AMERICAN PLATINUM

2016 ANNUAL RESULTS PRESENTATION

15 FEBRUARY 2017



PGI – Platinum wedding bands

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AGENDA

- Overview of 2016
- Operations
- Financials
- Markets
- Strategy
- Outlook

OVERVIEW OF 2016

CHRIS GRIFFITH, CHIEF EXECUTIVE OFFICER



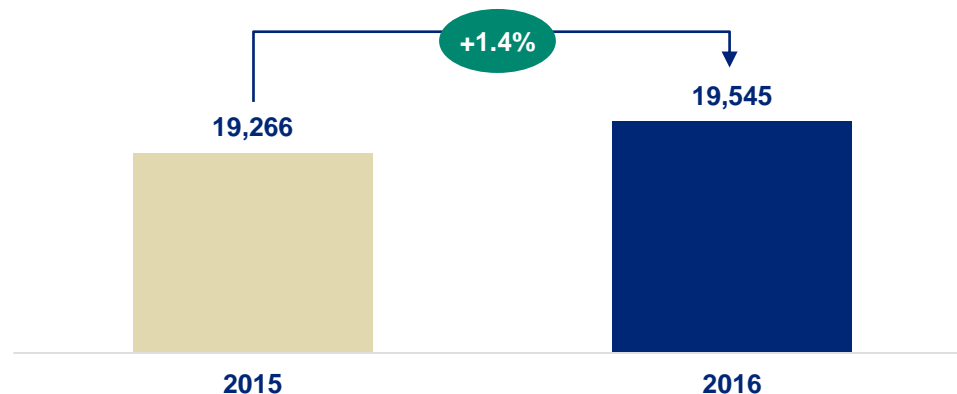
Hydraulic shovel loading a truck at Mogalakwena Mine

OVERVIEW OF 2016

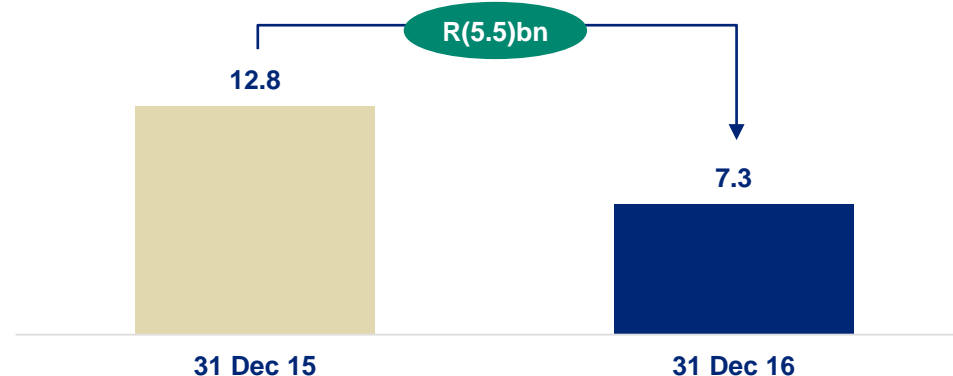
Delivering change...building a resilient business...

- Zero harm remains the priority
- PGM pricing remained weak
- Strong operational performance up 2%
- Unit cost increase of only 1.4%
- R3.5 billion of free cash flow generated from operations
- Net debt reduced by R5.5 billion to R7.3 billion
- Solid earnings per share of R7.13
- Significant progress in repositioning the portfolio

Unit cost (Rand / platinum ounce) ⁽¹⁾



Net debt profile (R billion)



...and positioning for the future

OPERATIONAL REVIEW

CHRIS GRIFFITH, CHIEF EXECUTIVE OFFICER



Amandelbult Chrome Plant

SAFETY, HEALTH & ENVIRONMENT

Disappointing fatality performance...

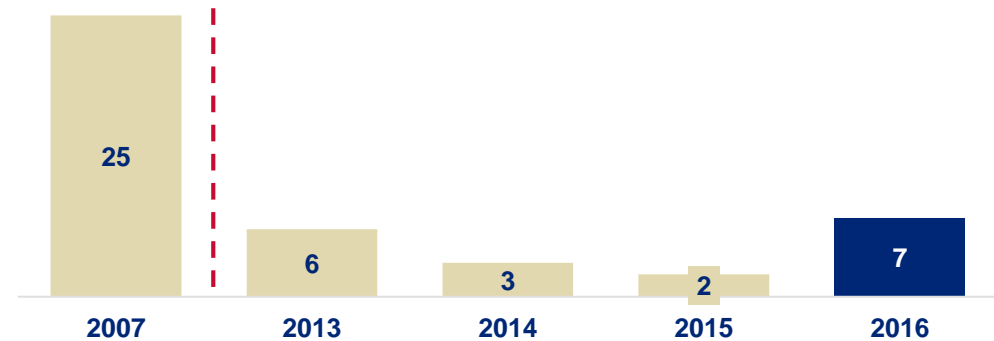
Safety

- Tragically, 7 fatalities occurred during 2016
- Overall safety trend showing strong improvement
 - LTIFR ⁽²⁾ reduced by 26% to 0.73
 - TRCFR ⁽³⁾ reduced by 31% to 1.05
- Section 54 stoppages continue to impact production

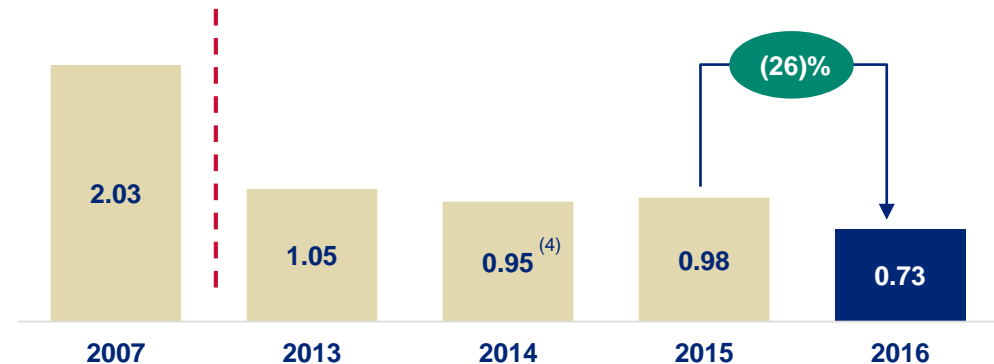
Health & Environment

- Effective disease management programmes resulted in significant reduction in HIV and TB related deaths
- No significant environmental incidents

Number of fatalities – own mine operations



Lost time injury frequency rate (LTIFR) ⁽²⁾



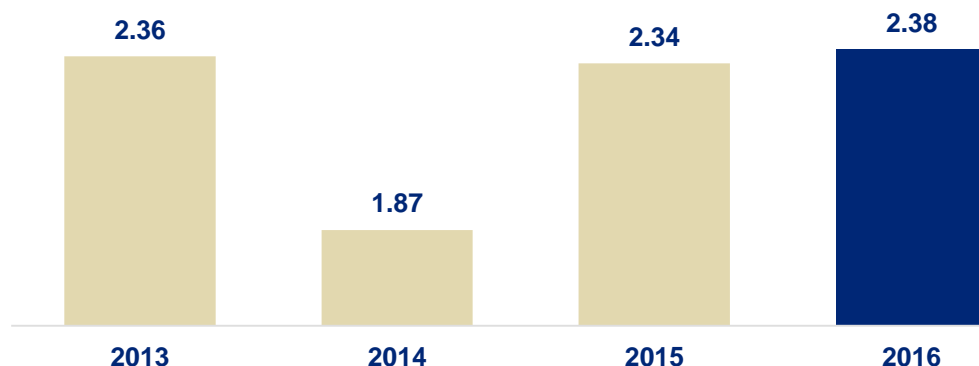
...remain committed to zero harm

OPERATIONAL PERFORMANCE IN 2016

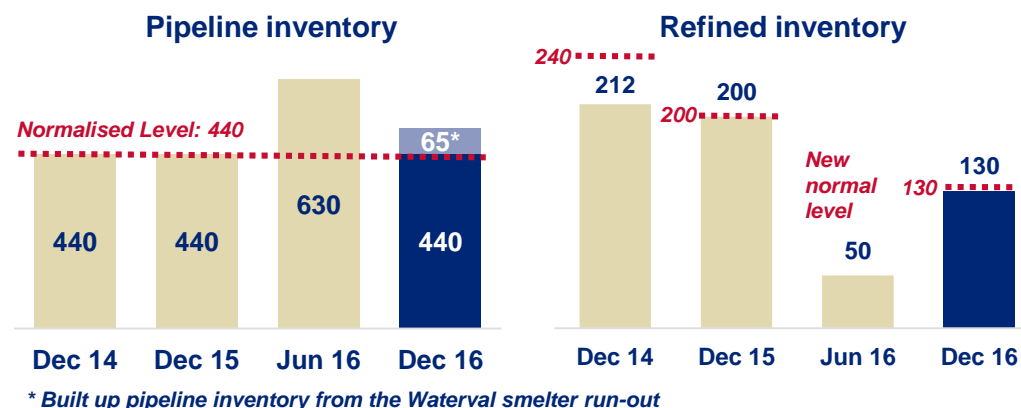
Efficiencies improving at operations...

- Total platinum production up 2% to 2.38 million ounces
- Retained own mine operations up 5% to 956,000 ounces
 - Mogalakwena up 5% to 412,000 ounces
 - Amandelbult up 7% to 467,000 ounces
 - Unki up 12% to 75,000 ounces
 - Twickenham placed on care and maintenance
- Joint ventures total production up 2% to 785,000 ounces
- Non-core operation Union up 7% to 151,000 ounces
- Total production from Rustenburg down 4% (including purchase of concentrate post sale)
- Pipeline inventory impacted by Waterval smelter run-out
- New normalised refined inventory levels at c.130,000 ounces

Total platinum production (million ounces) ⁽⁵⁾



Pipeline & refined platinum inventory ('000 ounces)



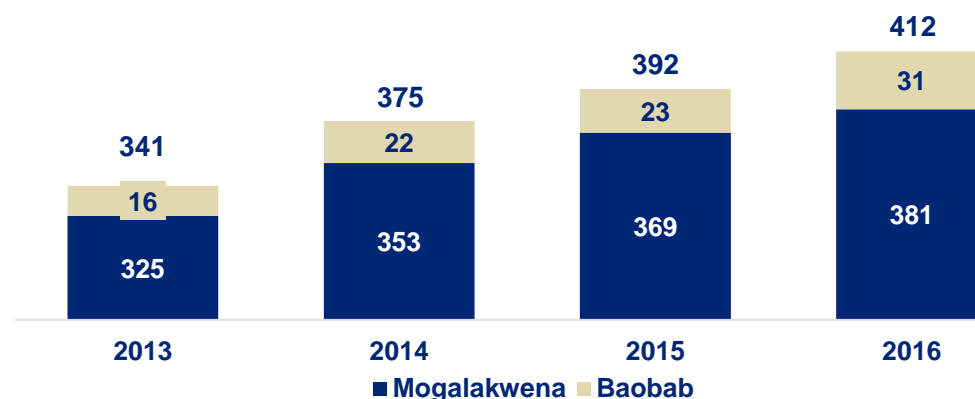
...leading to an increase in profitable production

MOGALAKWENA

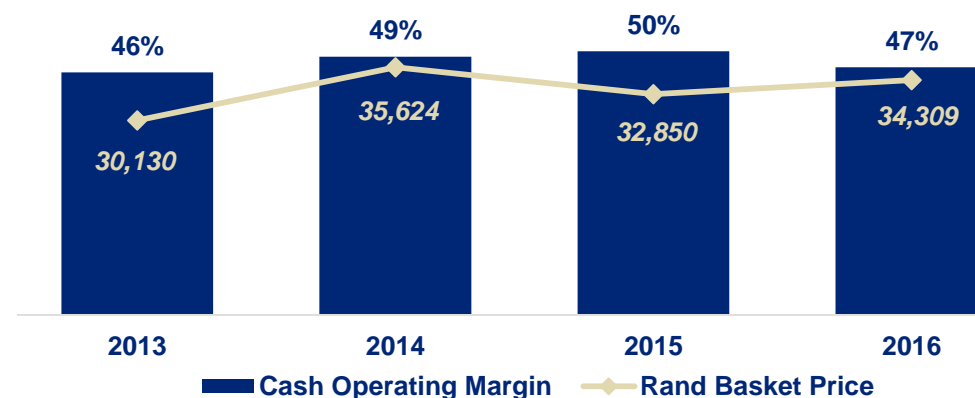
Another record performance...

- Award winning safety performance – 6 million fatality free shifts
- Record production performance:
 - Total production up 5% to 412,000 ounces
 - Total tonnes milled up 8%
- Baobab continued to deliver value, with production up to 31,000 ounces
 - Secured full use and operational control for 3 years on completion of the sale of the Pandora JV
- Highest rand basket price in the portfolio of R34,309 per platinum ounce
- Maintained strong cash operating margin
- R3.2 billion operating free cash flow

Platinum production ('000 ounces) ⁽⁵⁾



Cash operating margin (%) ⁽⁶⁾



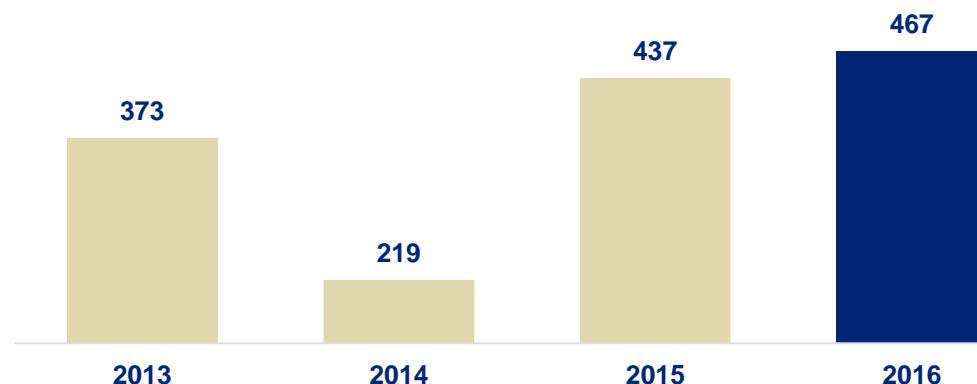
...through increased operational efficiencies, without the need for growth capital

AMANDELBULT

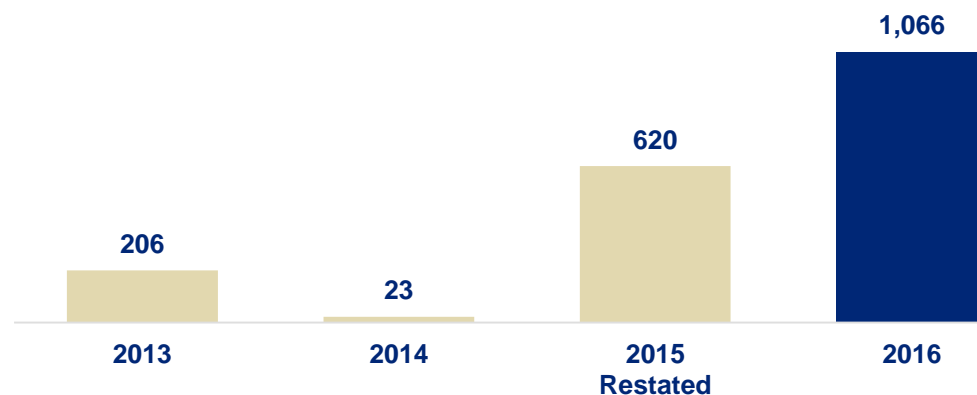
Success visible in production performance...

- Tragically 2 fatalities in 2016
- Strong production performance up 7%:
 - Improved operational efficiencies in underground mining
 - Open pit production added 41,000 ounces
- Chrome plant commissioned on time and on budget
 - 235,000 tonnes of chrome concentrate produced
 - Payback period of 6 months
- Rand basket price increased 10% with the inclusion of chrome revenue
- Generated R1.1 billion operating free cash flow including R320 million from chrome
- Dishaba UG2 project in progress - limited capital expenditure

Platinum production ('000 ounces) ⁽⁵⁾



Operating free cash flow (R million) ⁽⁷⁾



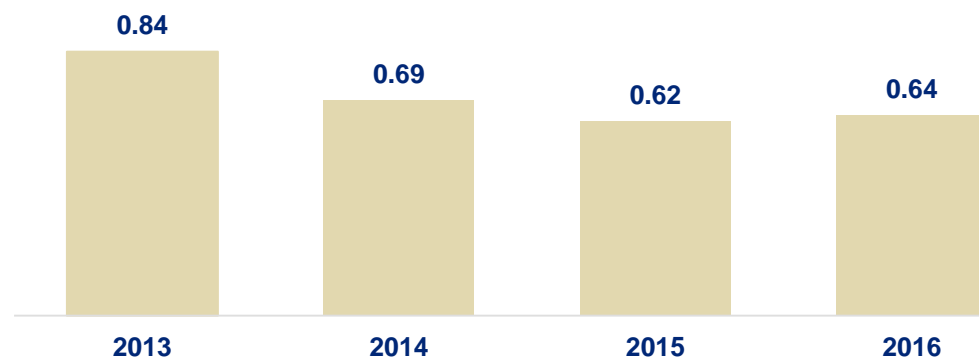
...boosted by value from chrome plant

JOINT VENTURE OPERATIONS

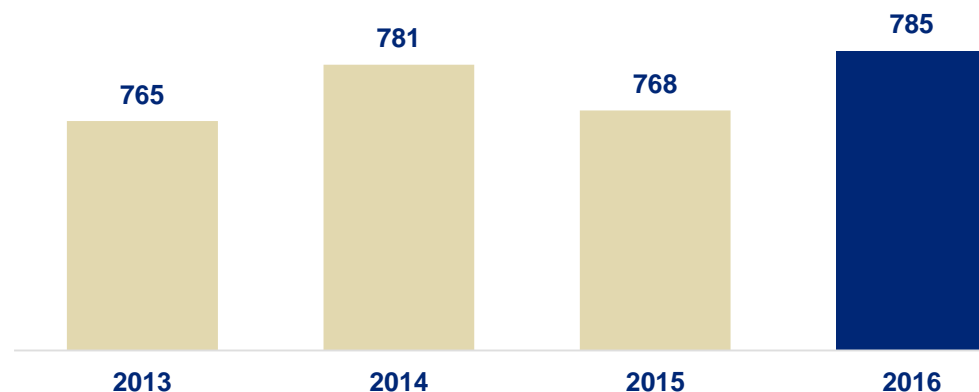
Record production performance...

- Tragically 6 fatalities occurred across the joint venture operations
- LTIFR stable at 0.64 in 2016
- Strong mining performance up 2% to 785,000 ounces:
 - Modikwa up 10% to 115,000 ounces
 - BRPM up 9% to 196,000 ounces
 - Kroondal up 4% to 274,000 ounces
 - Mototolo up 2% to 117,000 ounces
 - Bokoni up 4% to 83,000 ounces - normalised for closure of two unprofitable shafts

Lost time injury frequency rate (LTIFR) ⁽²⁾



Platinum production ('000 ounces) ⁽⁵⁾



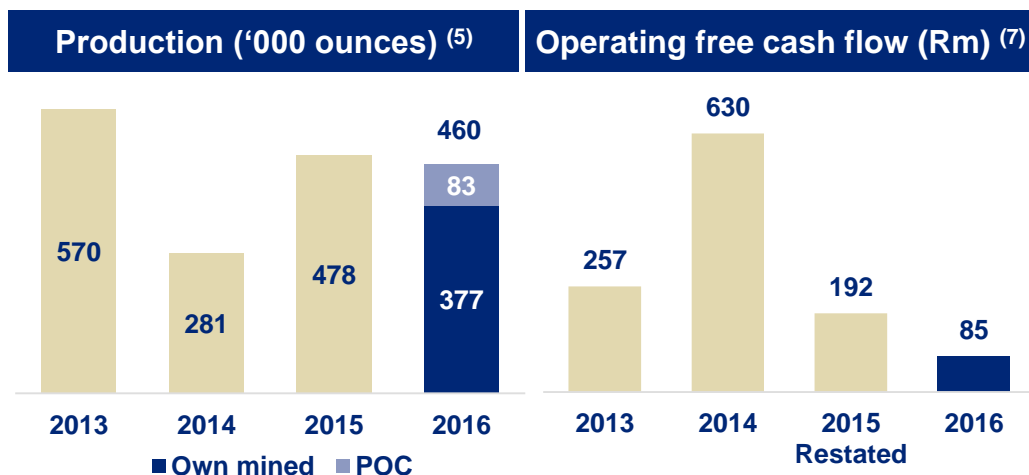
...with increases from all operations

NON-CORE OPERATIONS - RUSTENBURG & UNION

Rustenburg sale complete...operational improvements at Union...

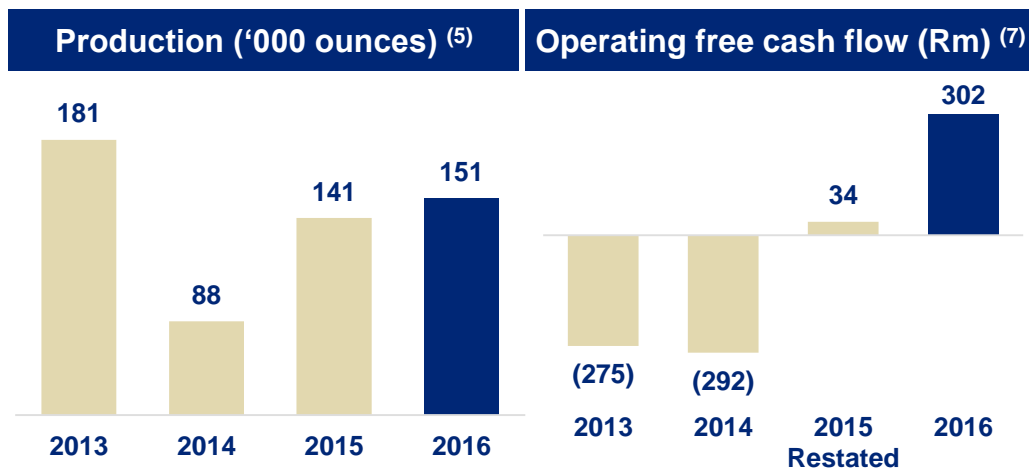
Rustenburg

- Tragically 4 fatalities in 2016
- Total platinum production down 4% to 460,000 ounces
- R85 million operating free cash flow (including purchase of concentrate)



Union

- Tragically 1 fatality in 2016
- Strong platinum production up 7% to 151,000 ounces
- R302 million operating free cash flow



...contributing to free cash flow

REFINED PRODUCTION & SALES VOLUME IN 2016

Refined production impacted by the Waterval smelter run-out...

Refined platinum production

- Platinum refined production down 5% to 2,335 koz
 - Impacted by the Waterval smelter run out by 65,000 ounces
 - Lower stock gain by 70,000 ounces led to lower pipeline inventory to refine
- The PMR has fully made up production after the section 54 safety stoppage in H1 2016

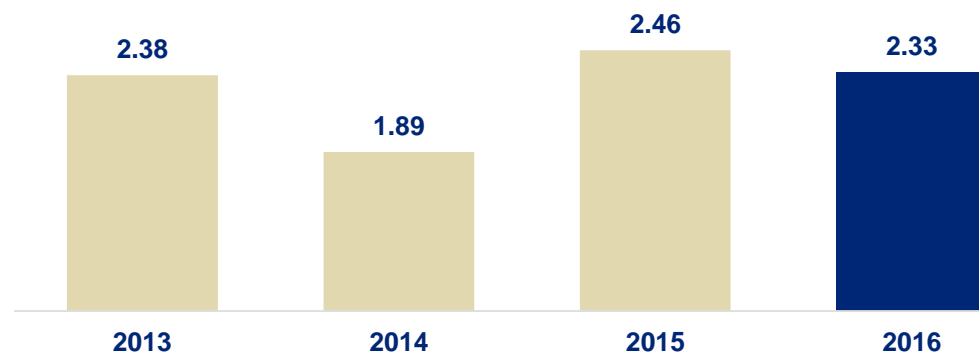
Platinum sales

- Platinum sales down 2% to 2,416 koz

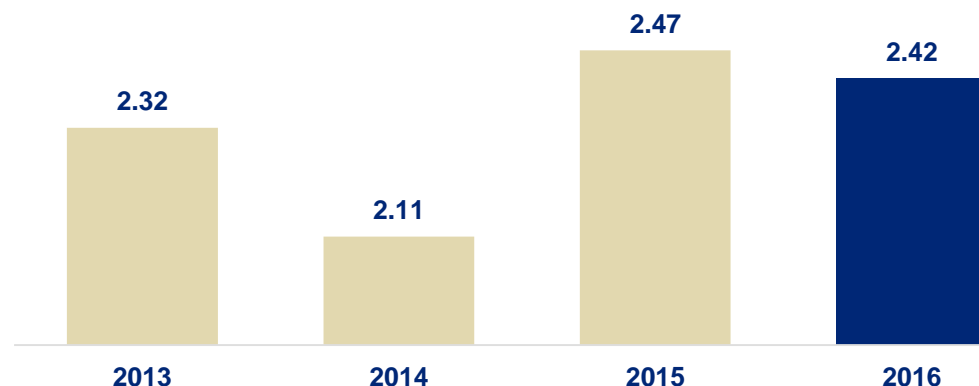
Palladium & Rhodium

- Palladium refined production down 8%
- Rhodium refined production up 4%

Total refined platinum production (million ounces)



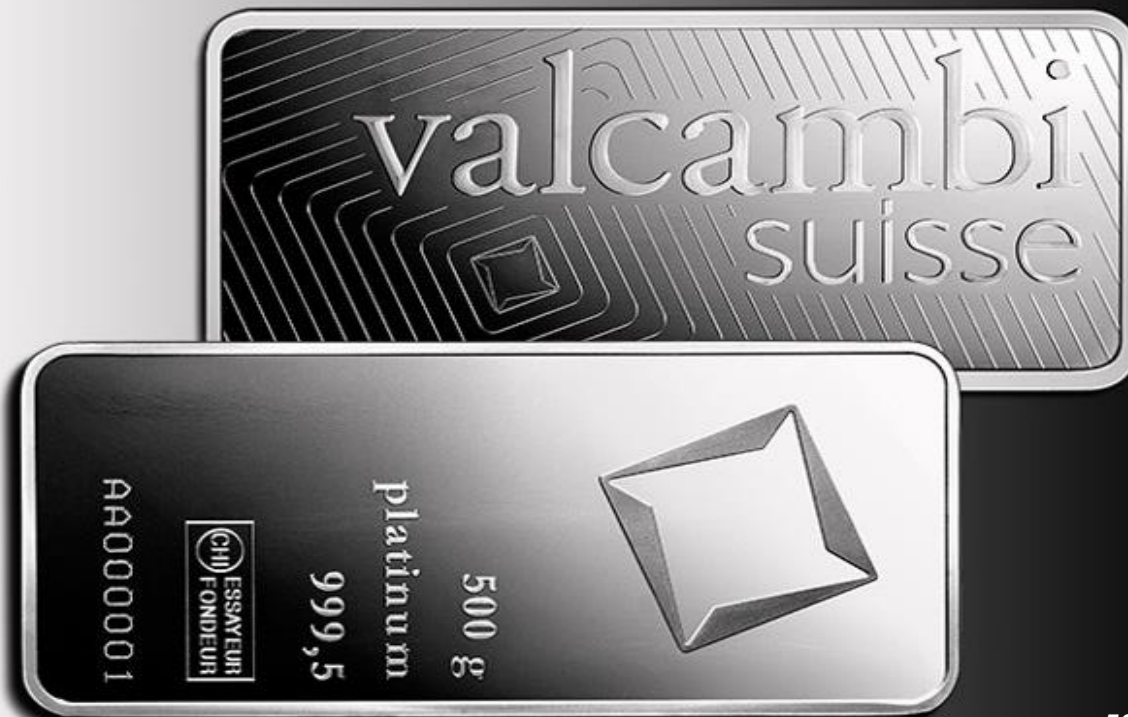
Total platinum sales volume (million ounces)



...drawdown in inventory helped supplement sales in 2016

FINANCIAL REVIEW

IAN BOTHA, FINANCE DIRECTOR

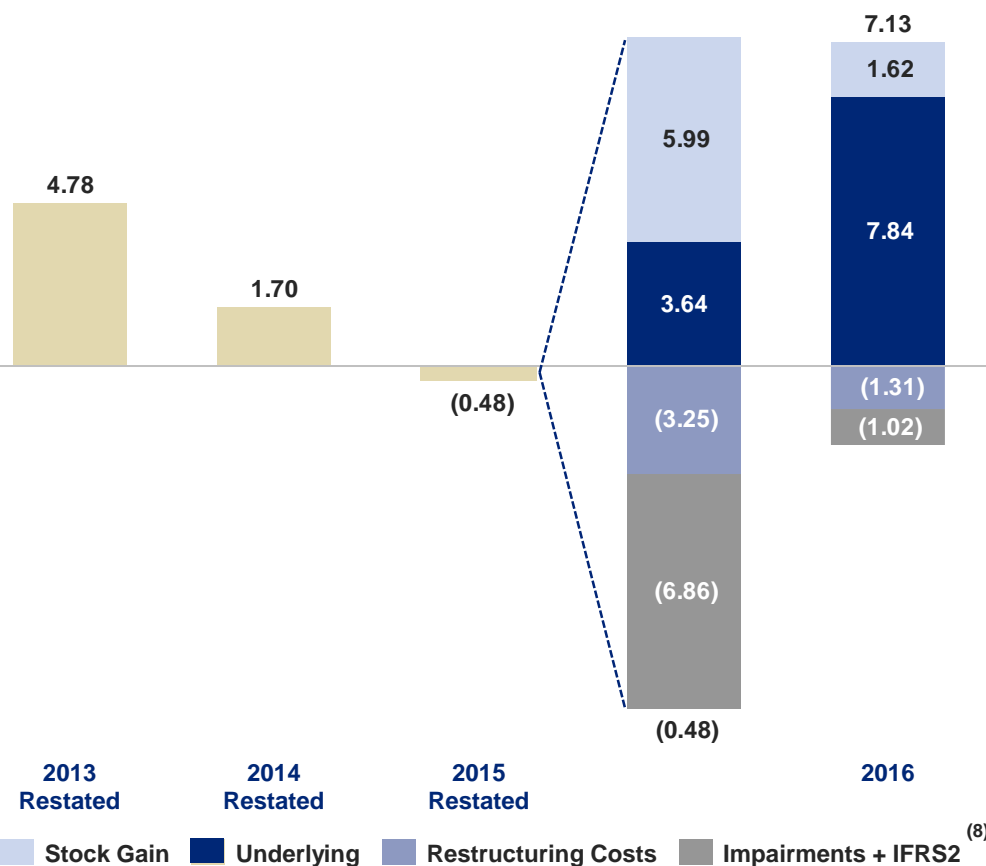


*Valcambi Suisse
500g Platinum Bar*

SUMMARY OF 2016 RESULTS

Balance sheet strengthened...

Headline Earnings per share (Rand/share)



Key financials

R billion	2015	2016
Basket price (Rand / Pt ounce)	24,203	25,649
Sales revenue	59.8	62.0
EBITDA	8.6	9.1
EBIT ⁽⁹⁾	3.4	4.4
Headline earnings	(0.1)	1.9
Project and SIB Capex ⁽¹⁰⁾	3.7	3.4
Net debt	12.8	7.3
Unit costs (Rand / Pt ounce)	19,266	19,545

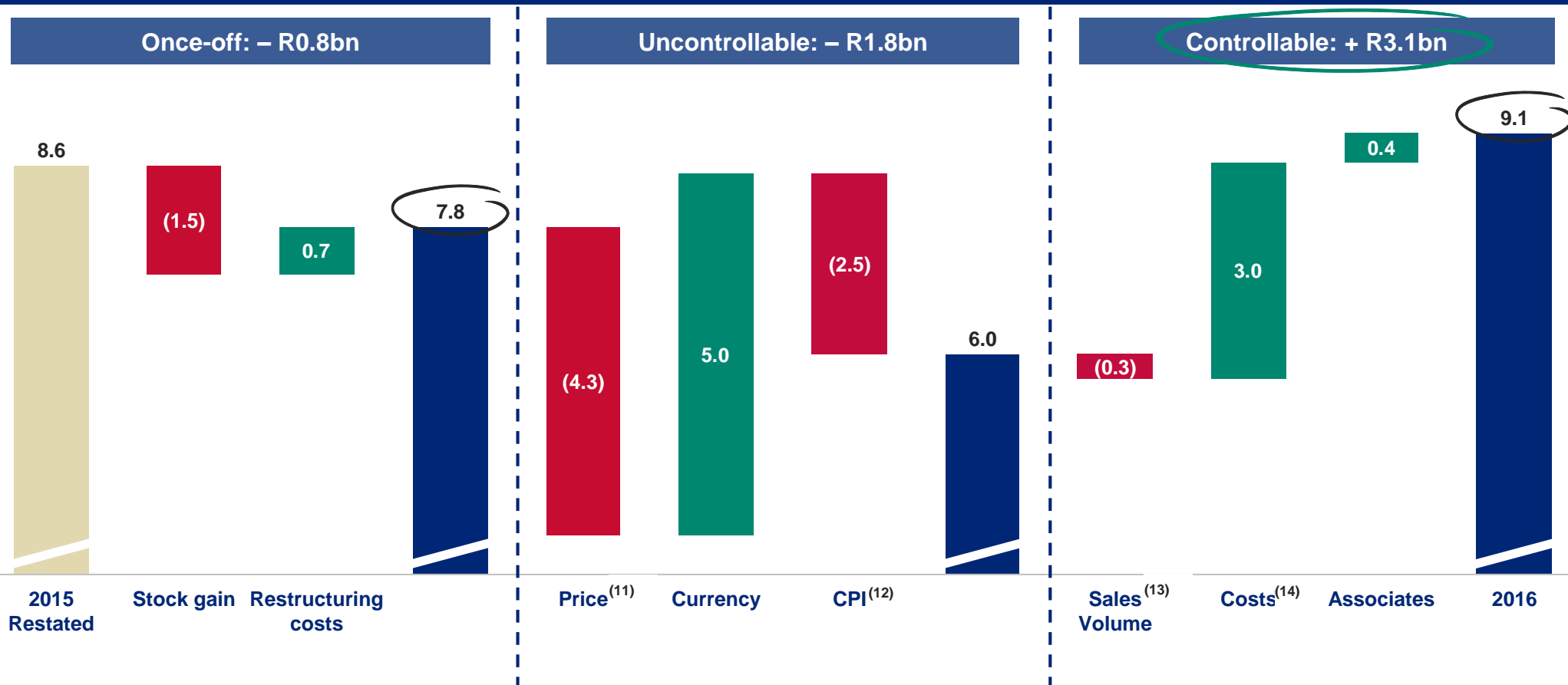
EBITDA, EBIT and Headline earnings restated for 2015

...supported by operational delivery and cash initiatives

EBITDA VARIANCE

Improved earnings from strong cost delivery and weaker Rand...

2016 vs. Restated 2015 (R billion)

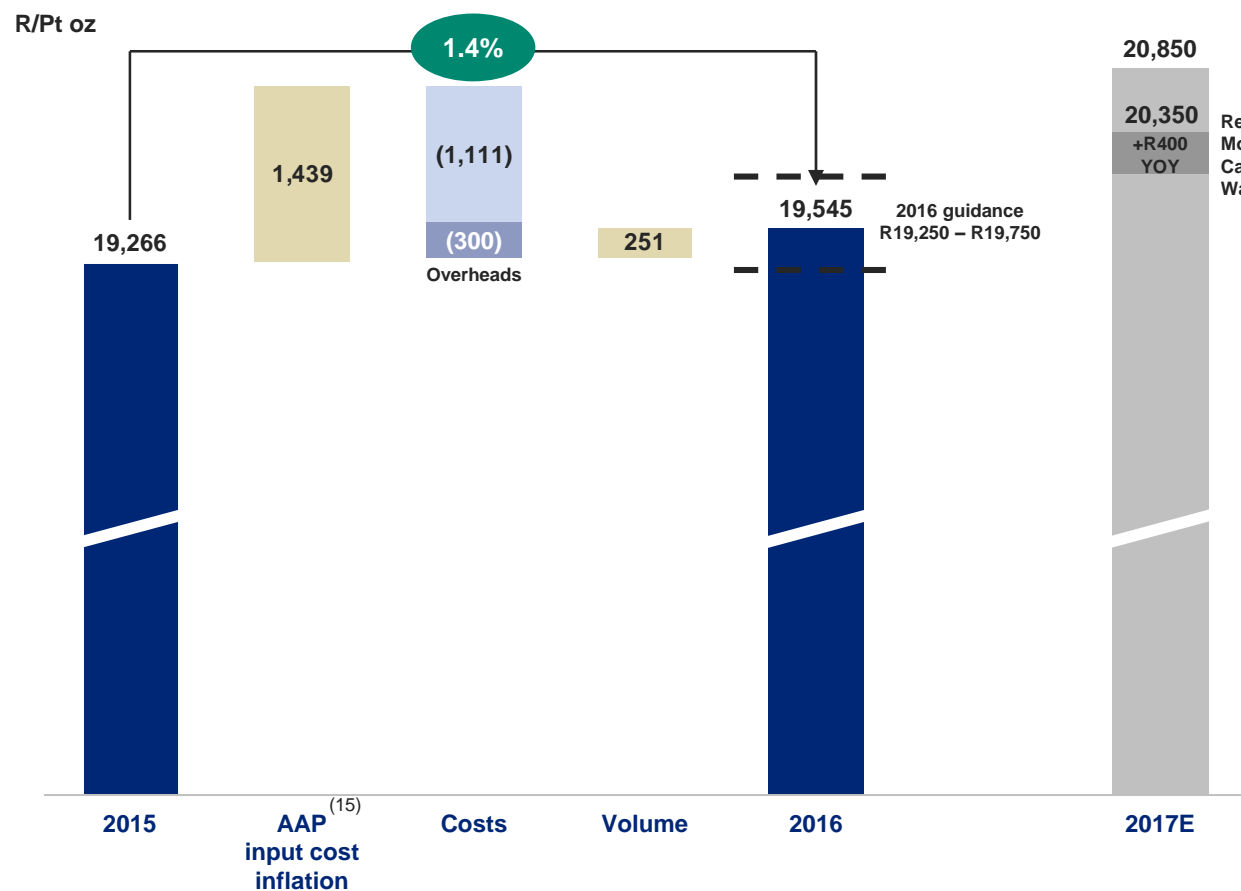


...offset by weaker US Dollar prices and lower stock gain

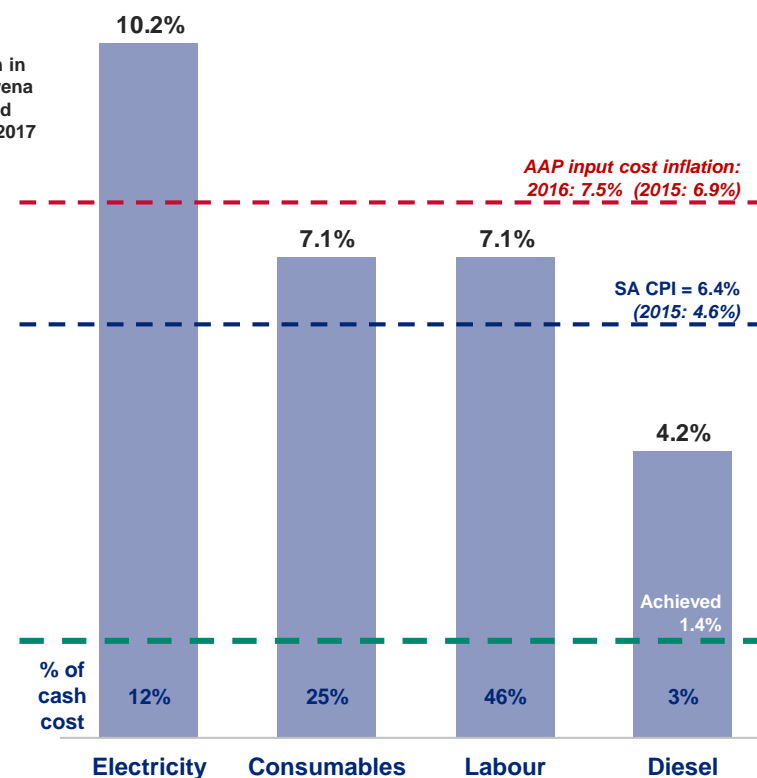
UNIT COST

Cost control keeping unit cost escalation below CPI and input cost inflation...

Unit cash cost escalation



AAP's input cost inflation (%)



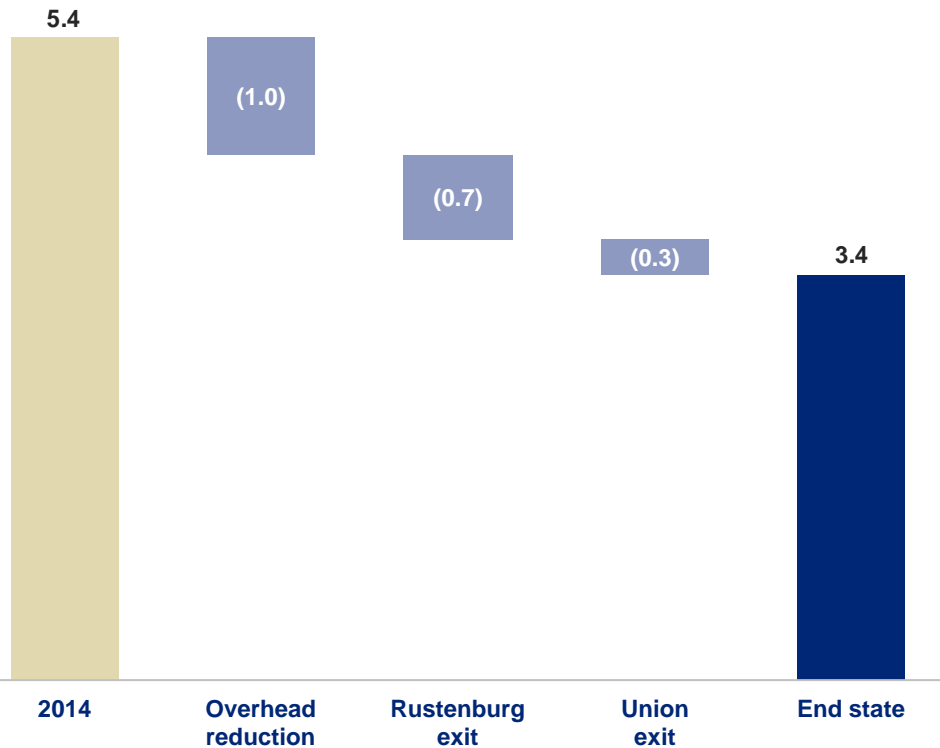
Detailed cash cost % breakdown included in appendices

...supported by operating cost and overhead savings

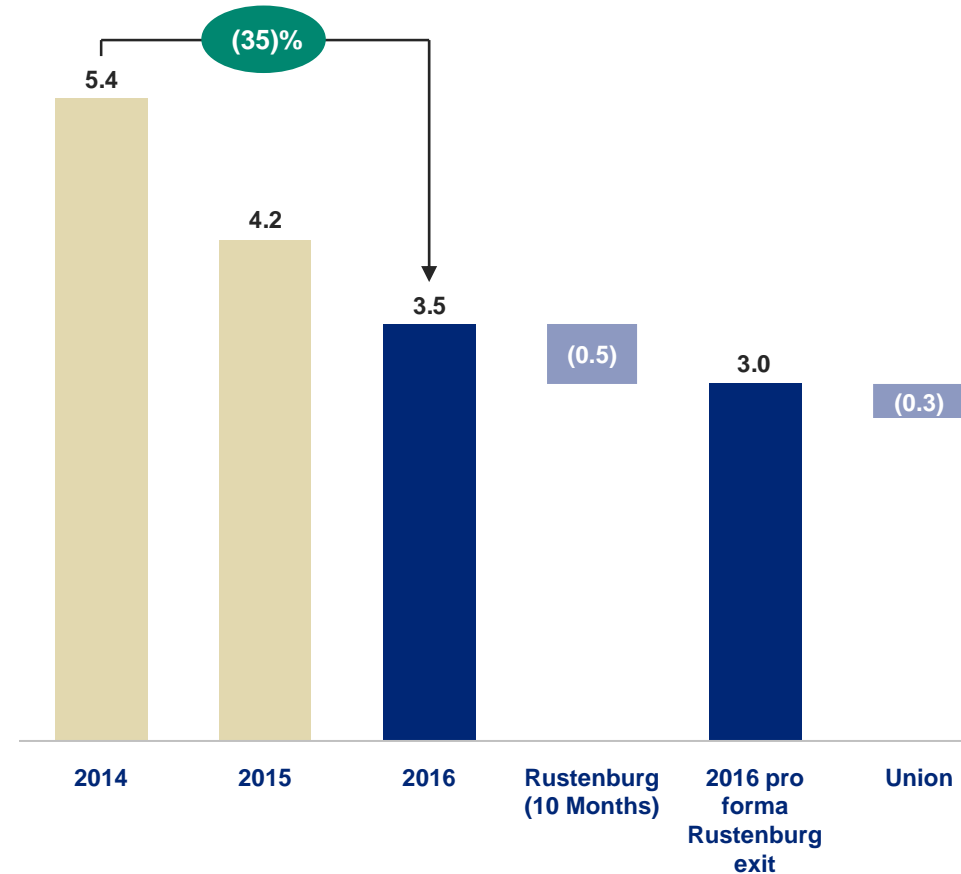
RIGHTSIZING OVERHEADS

R700 million lower than 2015...

The target...



Delivery outperforming target



...with R1.0 billion run rate saving established in Q4 2016

CAPITAL EXPENDITURE

Disciplined capital allocation continues...

- Focus on low capex, fast payback, value accretive projects
- Continued strong SIB governance

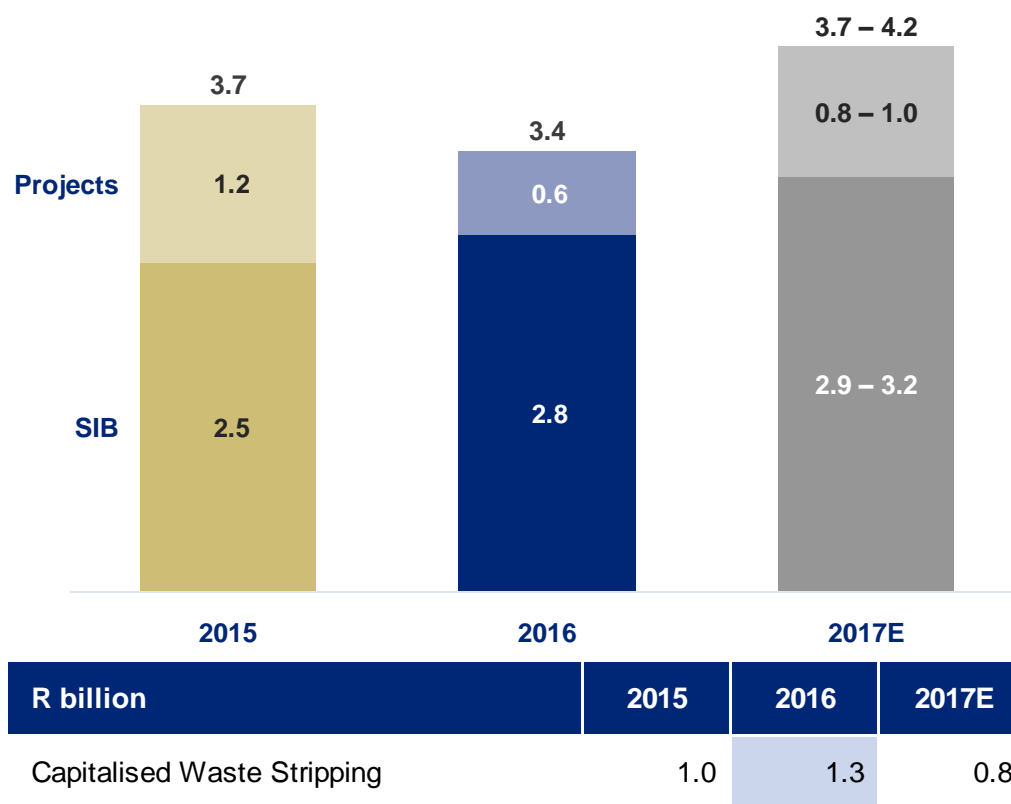
2017:

- Unki smelter
- Dishaba UG2
- Smelter furnace rebuild
- Mogalakwena concentrator optimisation

Near term:

- SO₂ abatement
- Replacement and ore reserve development
- Smelter furnace rebuilds
- No expansion projects until after 2017 and then only if balance sheet allows and market demands metal

Capital expenditure (R billion) ⁽¹⁶⁾

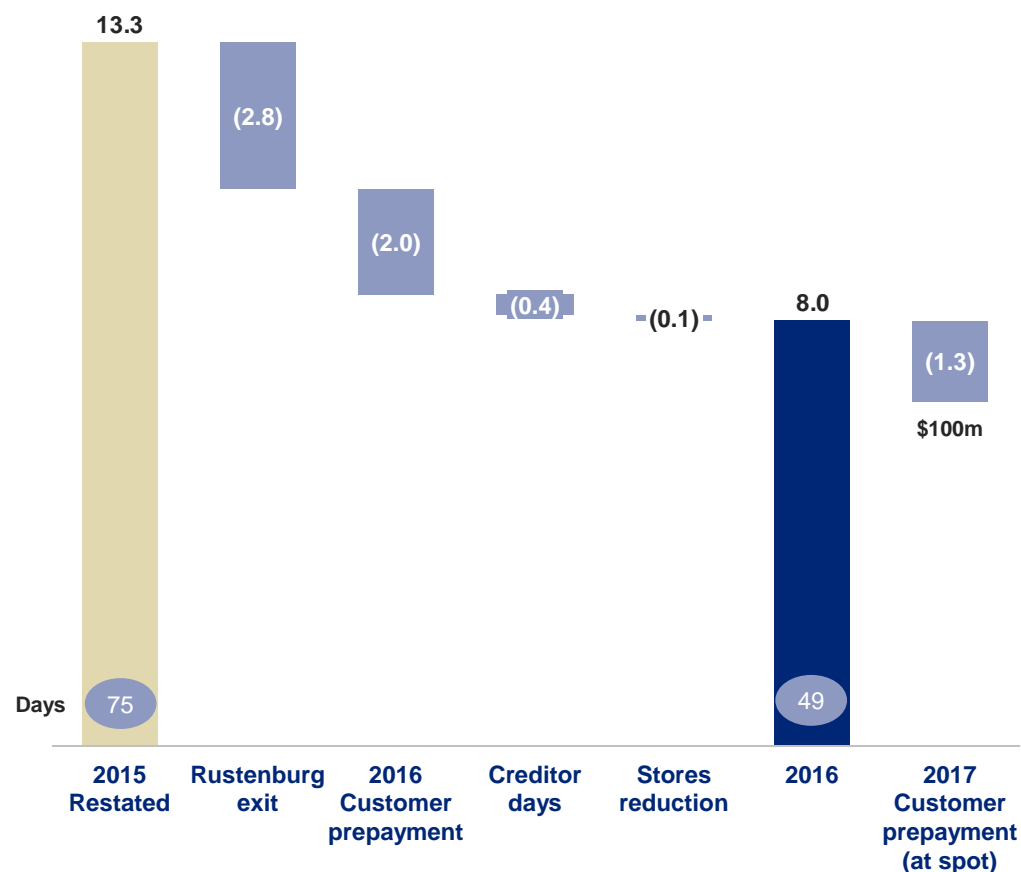


...aimed at maintaining asset integrity and adding value

WORKING CAPITAL

Actively managed down...

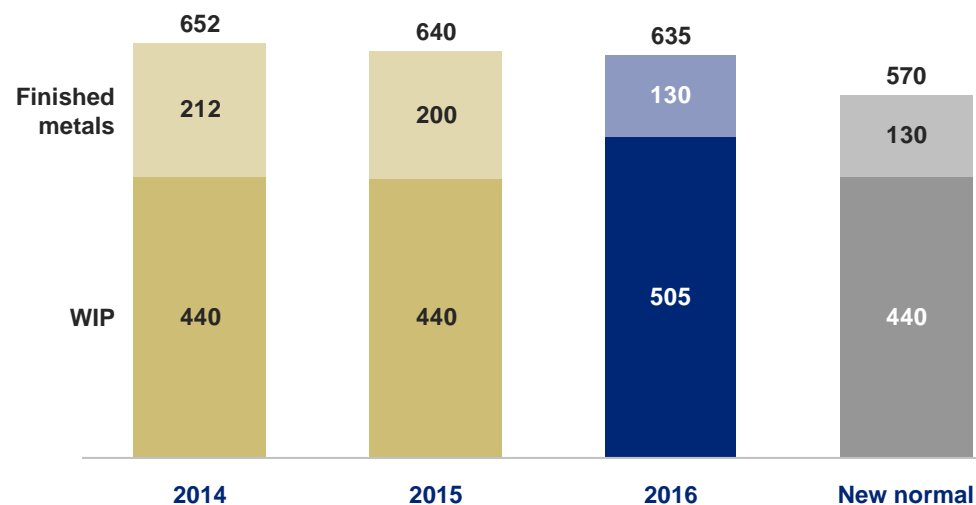
Trade working capital (R billion)



Customer prepayment

- 5 year contract
- c.\$250 million (\$150 million in 2016, c.\$100 million in 2017)
- No incremental cost
- Metal pricing at spot on the date of sale

Inventory reduction ('000 ounces)

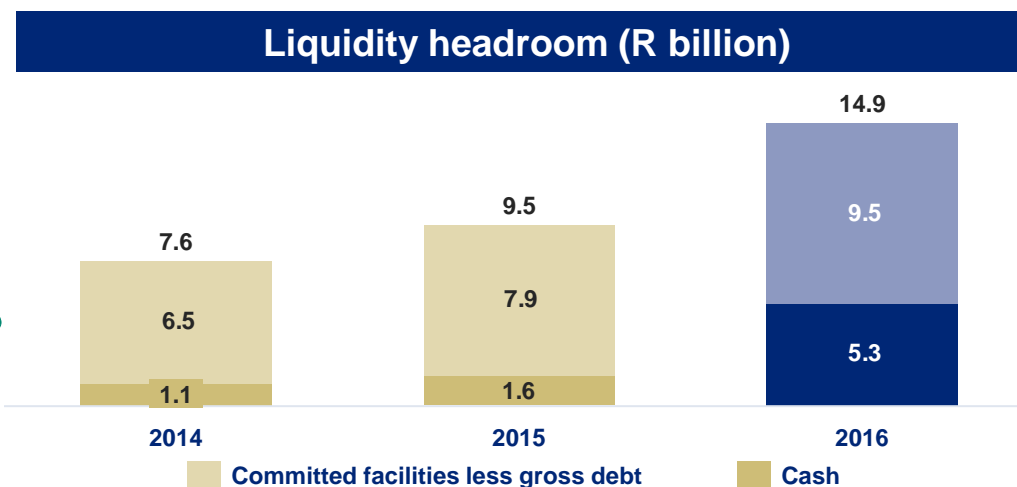
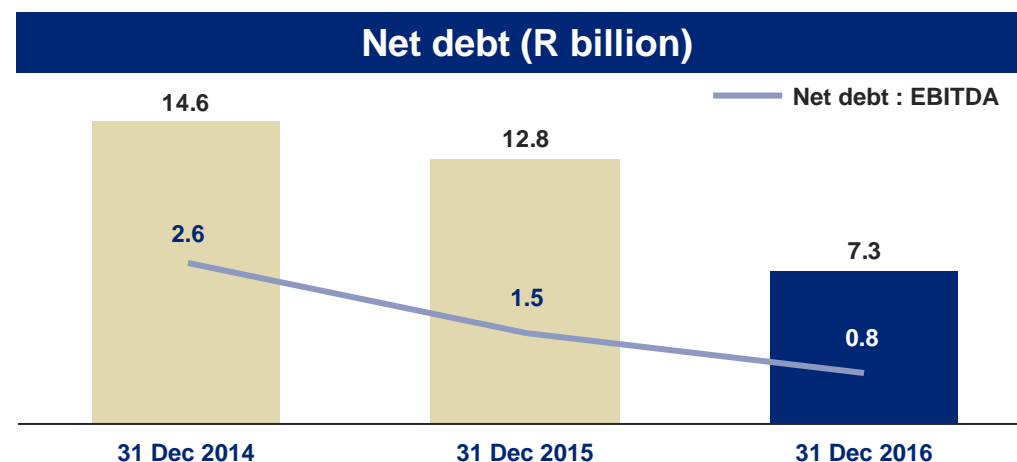


...supported by Rustenburg exit and customer prepayment

NET DEBT

Generated R3.5bn free cash flow from operations...

Net debt (R billion)	
Opening net debt 1 January 2016	12.8
Cash flow from operations	(10.5)
Restructuring costs	0.3
Capex and capitalised waste stripping	4.7
Cash tax paid	1.1
Other	0.9
Free cash flow	(3.5)
Net interest paid	1.4
Customer prepayment	(2.0)
Net cash flow	(4.1)
Rustenburg proceeds after costs ⁽¹⁷⁾	(1.4)
Closing net debt 31 December 2016	7.3
November 2016 VAT (Received in January)	(0.5)
Pro forma 2016 net debt	6.8



...strengthening the balance sheet and increasing liquidity

MARKETS REVIEW

CHRIS GRIFFITH, CHIEF EXECUTIVE OFFICER



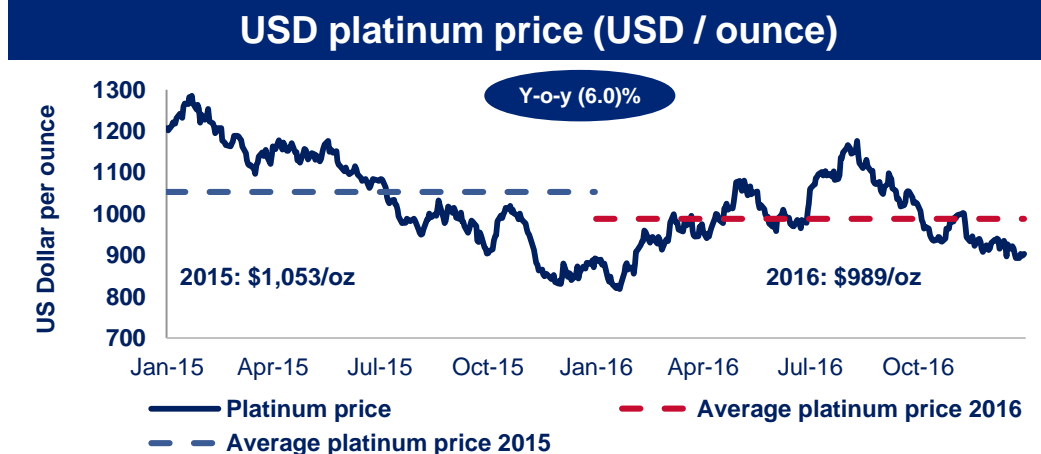
Hydrogenious – Hydrogen supply system for a hydrogen filling station

MARKET PRICES

Average US Dollar PGM prices were lower year-on-year in 2016...

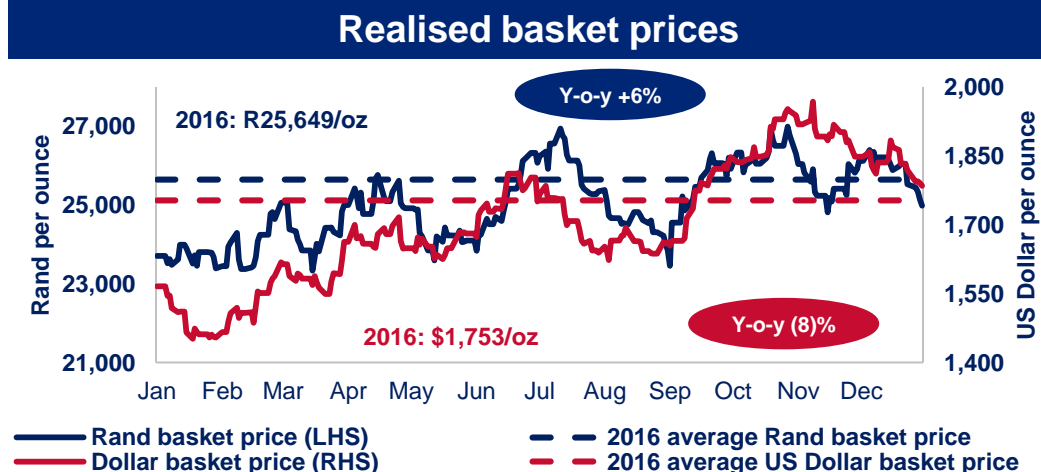
US Dollar platinum price remains below peak 2015 levels

- Average platinum price was down 6% year-on-year
- The platinum price fell in H2 2016 due to a stronger US Dollar and an increase in US interest rates



Realised basket price

- 2016 realised basket prices
 - US Dollar basket down 8% to \$1,753/oz (\$1,905/oz in 2015)
 - Rand basket up 6% to R25,649/oz (R24,203/oz in 2015)



...with US Dollar strength weighing on prices in H2

PLATINUM MARKET

Platinum in deficit in 2016 due to strong industrial and investment demand...

Demand: 0.4% growth

- Higher y-o-y consumption in the automotive, industrial, and investment sectors
- Total number of diesel vehicles sold in Europe increased, despite some moderation in market share as expected
- Chinese jewellery demand fell compared to 2015

Supply: 0.9% growth

- Primary supply decreased largely due to lower sales of stock by South African producers
- Automotive recycling levels increased modestly but remain depressed due to weak prices
- Jewellery recycling was stronger than normal

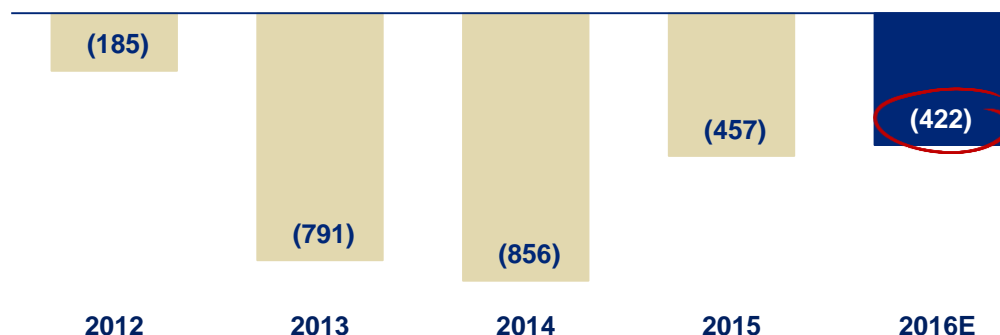
Balance

- Platinum market was in deficit in 2016 with a deficit expected again this year

JM platinum supply & demand 2016 vs 2015 ⁽¹⁸⁾

Thousand Ounces	2015	2016	Y-o-Y	Δ%
Demand				
• Autocat: Gross	3,267	3,318	51	1.6%
• Jewellery: Net	2,829	2,572	(257)	(9.1)%
• Industrial	1,749	1,954	205	12.0%
• Investment	451	487	36	8.0%
	8,296	8,331	35	0.4%
Supply				
• Primary	6,109	6,007	(102)	(1.7)%
• Recycling: Auto & Industrial	1,730	1,902	172	9.9%
	7,839	7,909	70	0.9%
Market Balance				
	(457)	(422)		

JM platinum market balance ('000 ounces) ⁽¹⁸⁾



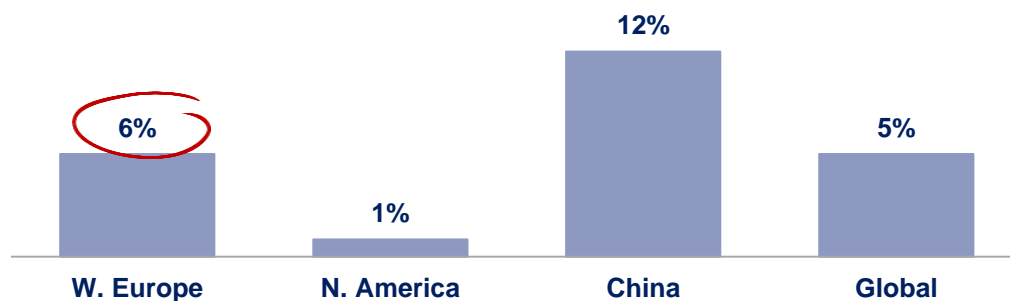
...despite headwinds in automotive and jewellery sectors

PLATINUM MARKET - AUTOMOTIVE

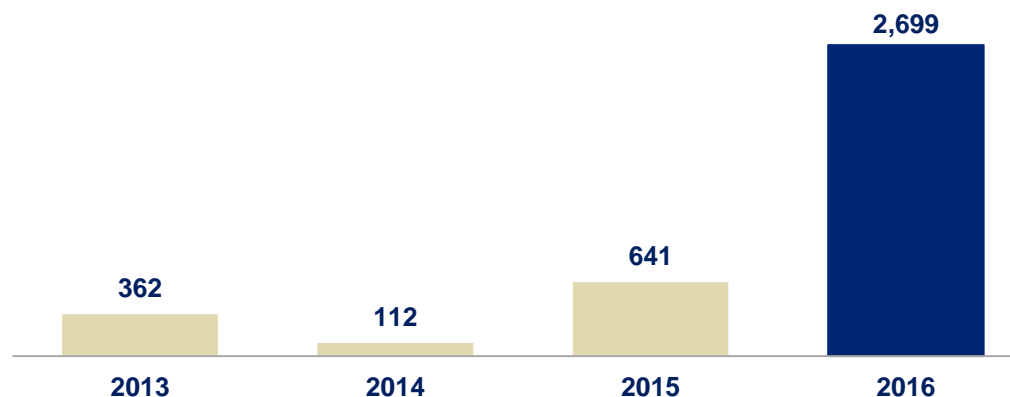
Strong European sales support platinum demand...

- **Autocat demand** grew during 2016:
 - Sales in Western Europe up 6%
 - Slightly higher loadings due to Euro 6b legislation
 - Diesel fell to 49.6% market share, but more vehicles sold than in 2015
- **Heavy Duty Diesel** still a growth market
- **Fuel Cell Electric Vehicles (FCEVs)** – technology developments proceeding well
 - **Infrastructure:** number of fuelling stations rises with aggressive expansion plans in China
 - **Awareness:** Continuing vehicle launches and increased use in public transport

Global light duty vehicle sales (2016 vs 2015) ⁽¹⁹⁾



Global fuel cell electric vehicle sales (units sold) ⁽¹⁹⁾



...despite a slow decline in diesel market share as expected

PLATINUM MARKET - JEWELLERY

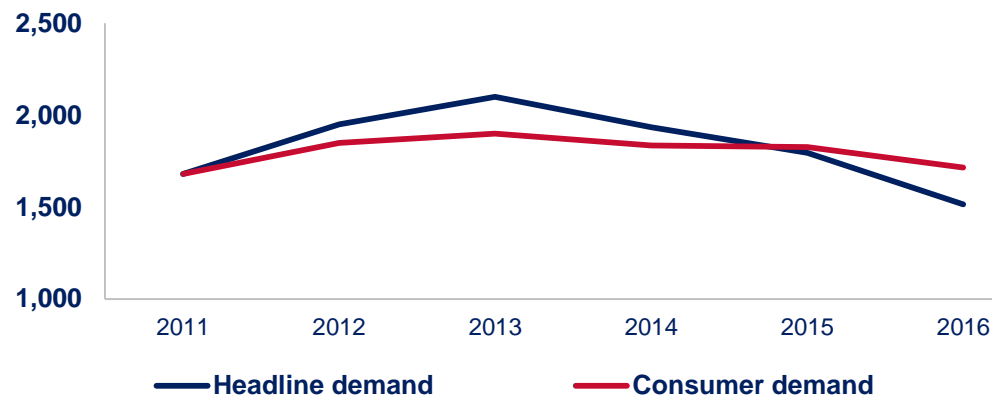
Chinese jewellery demand for gold and platinum weakens in 2016...

- Global jewellery demand fell in 2016
- Chinese jewellery market struggled due to:
 - Destocking
 - Softer consumer confidence
 - Shift in spending patterns
- India demonetisation stalls growth in Q4 but platinum makes headway in the retail sector

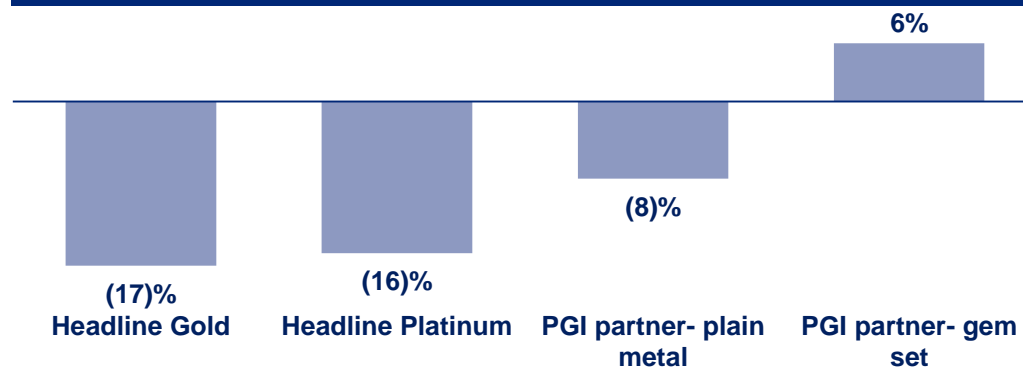
Platinum Guild International (PGI)

- Focus on China continues – with PGI partners outperforming rest of sector
- Evara and Platinum Day of Love initiatives delivering results in India in challenging conditions

Chinese platinum jewellery demand ('000 ounces) ⁽²⁰⁾



Year-on-year Chinese performance ⁽²¹⁾



...while platinum gains market share in India

PLATINUM MARKET – INVESTMENT

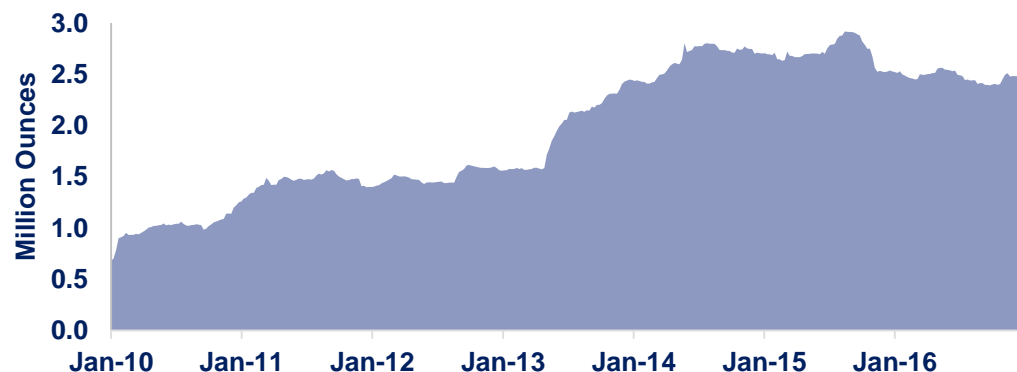
Japanese investment strong again in 2016...

- Overall investment flows healthy last year
 - Platinum ETF holdings stable over the last few years
 - Physical investment in Japanese bars continued to be strong in 2016

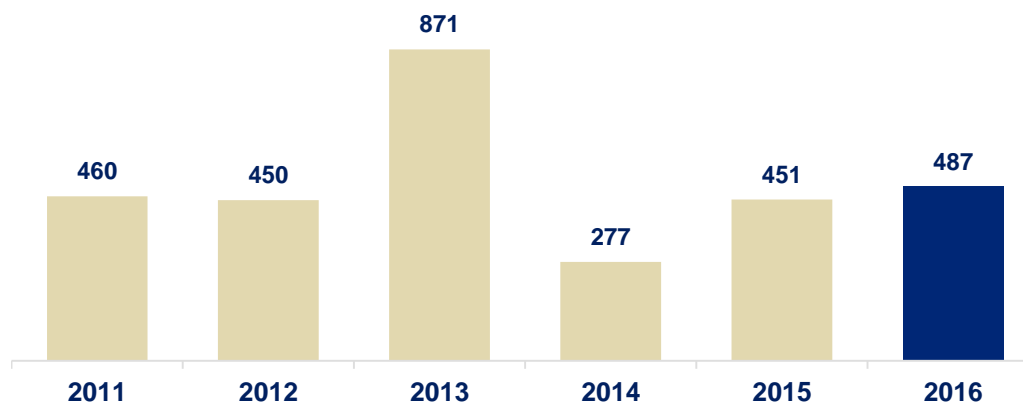
World Platinum Investment Council (WPIC)

- WPIC and The Royal Mint working on a new range of physical platinum investment products
- Austrian Mint issues first platinum coin as part of the Vienna Philharmonic range
- WPIC and Bullion Vault launched a new online market place for physical platinum

Platinum ETF holdings (million ounces) ⁽²²⁾



Annual net investment demand ('000 ounces) ⁽²³⁾



...and market development work widens investment product availability

PALLADIUM MARKET

Palladium in deficit in 2016 due to healthy automotive growth...

Demand: 4.6% growth

- Automotive demand firms with Chinese growth a main driver
- Industrial demand edges lower despite modest global economic growth
- Net investment demand negative for a second year due to ETF disinvestment

Supply: 1.5% growth

- Primary supply almost unchanged in 2016
- Automotive recycling grew by 3.6 per cent but remained below 2014 levels due to lower metal prices

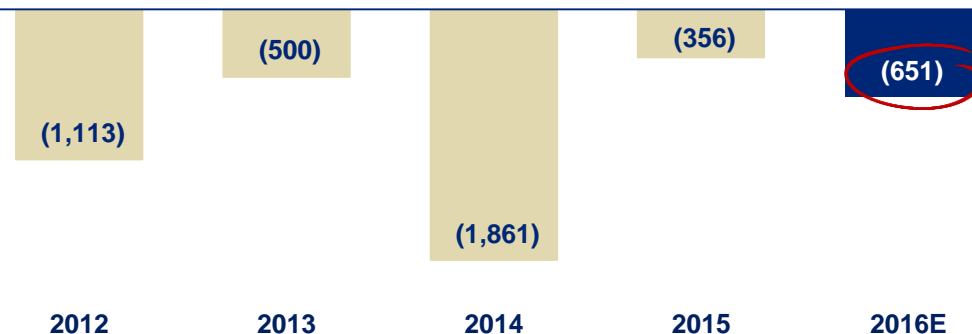
Balance

- Palladium was in a fundamental deficit in 2016 and is expected to be in deficit again in 2017

JM palladium supply & demand 2016 vs 2015 ⁽¹⁶⁾

Thousand Ounces	2015	2016	Y-o-Y	Δ%
Demand				
• Autocat: Gross	7,655	7,840	185	2.4%
• Industrial	2,264	2,202	(62)	(2.7)%
• Investment	(659)	(357)	302	(46.0)%
	9,260	9,685	425	4.6%
Supply				
• Primary	6,444	6,485	41	0.6%
• Recycling	2,460	2,549	89	3.6%
	8,904	9,034	130	1.5%
Market Balance				
	(356)	(651)		

JM palladium market balance ('000 ounces) ⁽¹⁶⁾



...and outlook remains positive

STRATEGY REVIEW

CHRIS GRIFFITH, CHIEF EXECUTIVE OFFICER



Process operator at the Precious Metals Refinery

STRATEGY REVIEW

Three key areas of our strategy...

Our value driven strategy is built around three key deliverables:

1

Repositioning our assets into a value maximising portfolio

- *Positioned in the first half of the cost curve*
- *At least 70% mechanised mining*
- *More highly skilled work force*
- *Safer operations*
- *Less complex organisation*

2

Extracting the full value from our operations – ensuring we optimise each of our assets to their potential

3

Developing the market for PGMs and positioning for the future

- **Market development** – *focus on creating incremental demand for PGMs*
- **Innovation** – *focus on unlocking value through modernisation in mining and processing technology*
- **People and Communities** – *investing in building relationships to create a sustainable and productive environment in which we operate*

...to generate long term value through the cycle

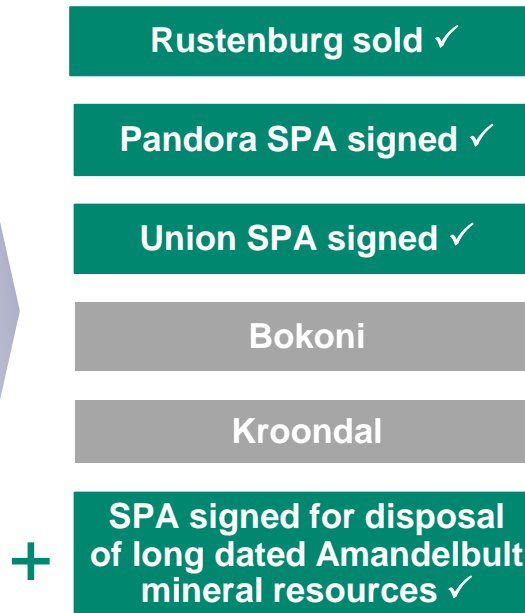
REPOSITIONING THE PORTFOLIO

Restructuring largely complete...repositioning of the portfolio progressing...

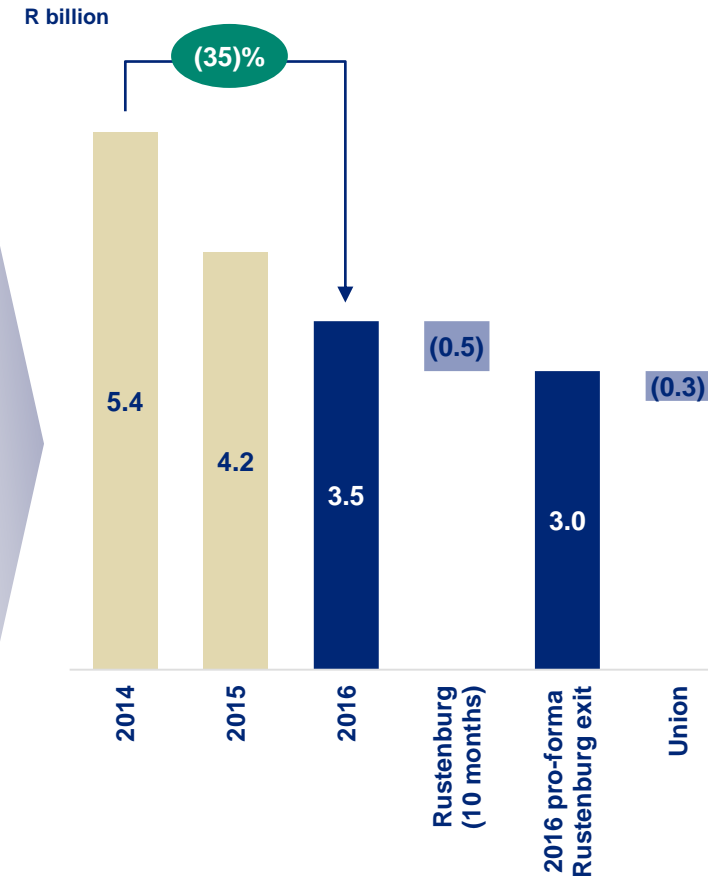
Restructuring since 2013...



...success with repositioning the portfolio...



...and rightsizing the overhead



...and early benefits as a result of rightsizing the overhead

SALE OF UNION MINE & MASA CHROME

Another strategic success in the repositioning strategy...with R400m upfront consideration...

Strategic Rationale

- As announced in 2013, the Union mine is a non-core operation
- Significant effort was made to make the mine profitable including:
 - Closing unprofitable production areas by consolidating two mines into one and closing declines
 - Undertaking restructuring to reduce the labour force by ~1,000 employees
- Created a sustainable operation, with improved cost position and cash generation
- However, the retained portfolio has better capital investment options so the mine remains non-core

Terms of the Transaction

- A subsidiary of Siyanda will purchase the mine from AAP for R400 million cash upfront consideration
- In addition, AAP will participate in 35% of positive cumulative distributable free cash flow for 10 years
- Purchase of concentrate agreement for 7 years and thereafter tolling arrangement for 4E metals for the life of mine
- Conditions precedent include Competition Commission approval and Section 11 approval from the DMR

...further upside consideration potential and life of mine POC and tolling contract

OUTLOOK

CHRIS GRIFFITH, CHIEF EXECUTIVE OFFICER



30 kW off-grid electricity supply system by Hydrogenious Technologies

KEY MESSAGES & 2017 OUTLOOK

Summary of a successful 2016...

Key messages

- Strong operational performance up 2%
- Unit cost increase of only 1.4%
- R3.5 billion of free cash flow generated from operations
- Net debt reduced by R5.5 billion to R7.3 billion
- Solid earnings per share of R7.13
- Significant progress in repositioning the portfolio

Guidance for 2017

- Platinum production between 2.35 – 2.40 million ounces (own mine production constant at c. 960,000 ounces)
- Unit cash cost guidance between R20,350 – R20,850 / platinum ounce
- Capital expenditure guidance between R3.7 billion – R4.2 billion

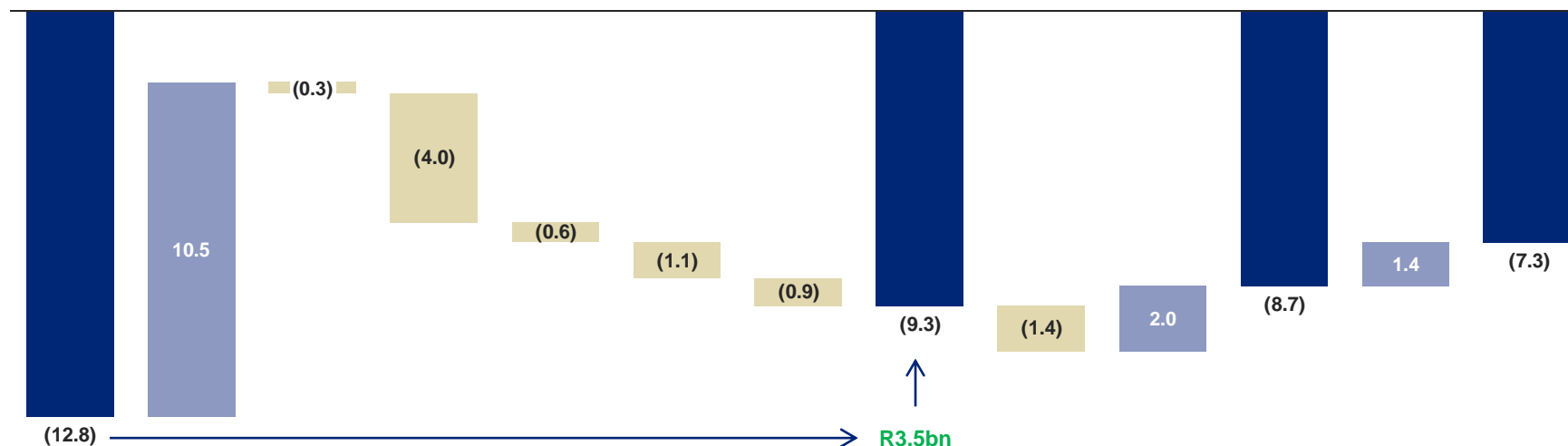
...and more of the same for the year ahead

Q&A

APPENDICES

NET DEBT AND CASH FLOW BY MINE

Stronger Rand basket price...



Operation	Net Debt December 2015	Cash from operations	Restructuring costs	SIB & Waste capital	Project capital	Cash tax paid	Funding of associates & other	Free cash flow	Net interest paid	Customer Prepayment	Net cash flow	Rustenburg proceeds after costs	Net Debt December 2016
Mogalakwena		5,628	2	(2,471)	(35)			3,125					
Amandelbult		1,449	(17)	(383)	(39)		113	1,123					
Unki		224	-	(163)	(81)			(20)					
Twickenham		(238)	(65)	(2)	(13)			(318)					
NMT		(142)	-	(20)	(6)			(168)					
Joint Ventures		1,978	(16)	(419)	(76)			1,467					
Associates		604	-	(42)	0		(760)	(198)					
3rd Parties		167	-	(19)	0			148					
Rustenburg		446	(74)	(374)	(350)			(352)					
Union		361	(78)	(59)	0			224					
Company ⁽²⁴⁾		23	(95)	(95)	(47)	(1,125)	(218)	(1,557)	(1,394)	2,015		1,356	
	(12,769)	10,500	(342)	(4,047)	(648)	(1,125)	(865)	3,473	(1,394)	2,015	4,094	1,356	(7,319)

...mines cash positive

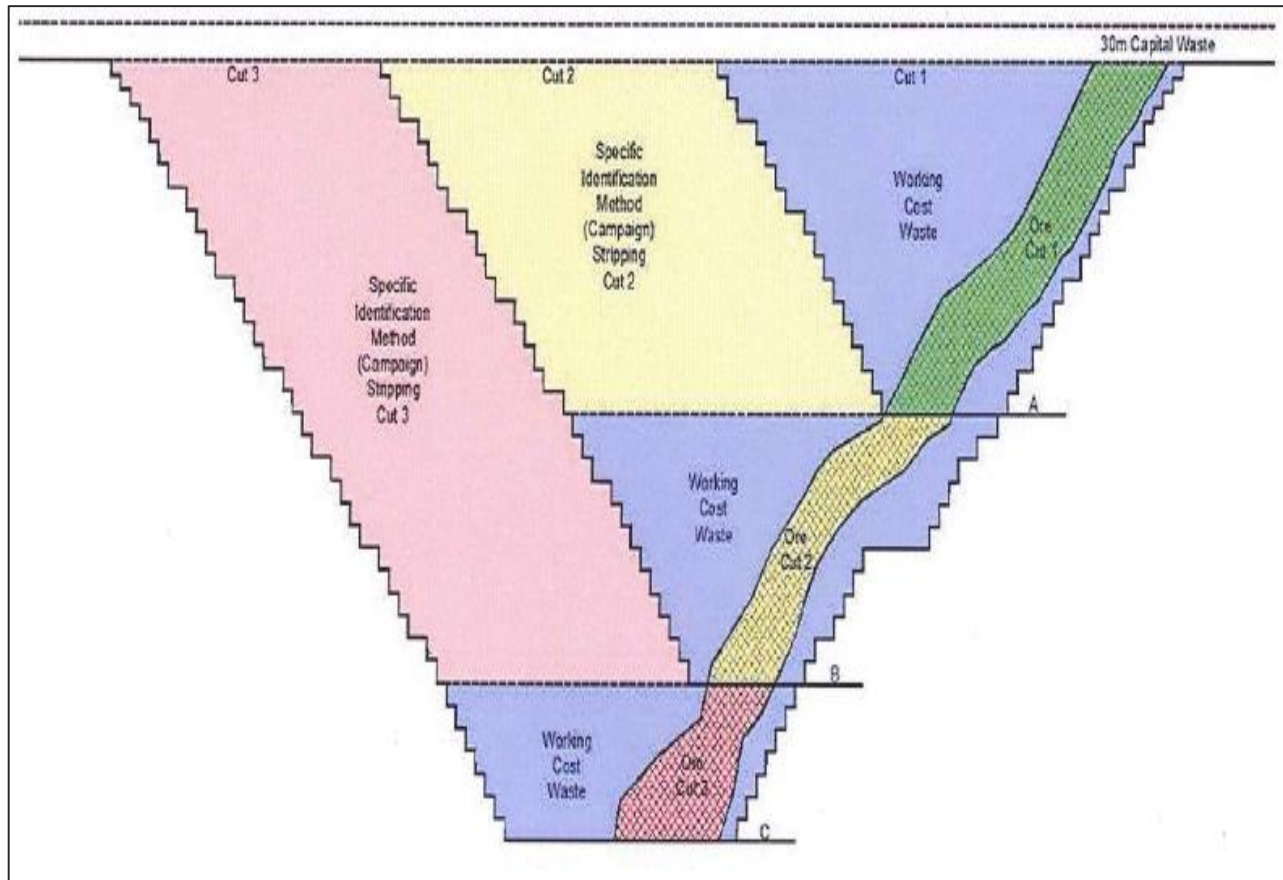
COST BREAKDOWN

	Labour	Contractors	Consumables	Diesel	Electricity	Sundries and Water
Conventional mines	60%	5%	17%	1%	7%	10%
Mechanised mines	40%	25%	20%	4%	4%	7%
Open pit	18%	4%	43%	10%	12%	12%
Company	40%	6%	24%	3%	12%	15%
Company ex Rtb	37%	5%	26%	3%	13%	16%

- Non ZAR – 10% of total costs
 - 100% at Unki
 - Circa 25% at Mogalakwena

MOGALAKWENA WASTE STRIPPING

Waste stripping at Mogalakwena will continue...tonnes mined will remain the same...



- Waste Stripping is the process of removing mine waste material (overburden) in order to gain access to ore deposit
- Waste stripping in the production phase, which provides improved access to ore, is recognised as a stripping asset i.e. capitalised
- This stripping asset is depreciated on a unit of production basis over the life of the orebody to which it improves access. Ongoing operational stripping is expensed as incurred
- The annual waste stripping tonnes are determined based on the mining plan and the extraction strategy, this can change during any financial year and as a result will impact the capital tonnes mined
- Capitalise to extent that it provides access to future ore (incl. pre-production)

...however capitalised amount will decrease in 2017

PLATINUM MARKET – AUTOMOTIVE

Trend towards greater electrification of the drivetrain will continue...

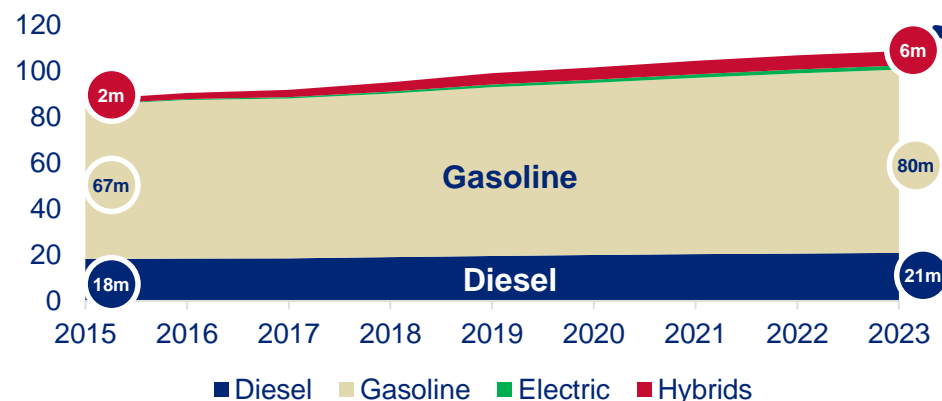
Automotive market expected to grow

- Internal combustion engine market expected to grow despite lower market share in the future
- PGM demand forecast to be robust over this timescale
- China offering subsidies for electric vehicles

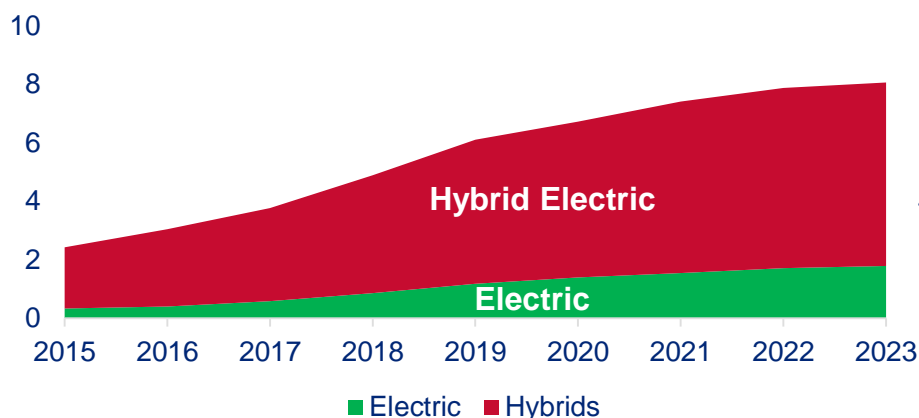
Electrification will increase

- Alternative powertrain penetration forecast to be 8% by 2023
- Hybrid electric vehicles will account for the majority of electric drive trains
- Hybrid electric vehicles contain similar amounts of platinum group metals to conventional vehicles

Forecast annual light duty vehicle production (millions) ⁽¹⁹⁾



Forecast electric vehicle penetration rates (millions) ⁽¹⁹⁾



....but PGM autocatalyst market expected to grow

ANNOUNCED SALE AND PURCHASE AGREEMENTS

Major milestones completed in the restructuring of the portfolio...

Sale of 42.5% stake in the Pandora joint venture

- Signed a sale and purchase agreement to dispose of a 42.5% stake in Pandora mine to JV partner Lonmin plc on 10 November 2016
- Proceeds made up of:
 - Deferred payment of R400 million in nominal terms over 6 years; and
 - Full use and operational control of Baobab concentrator for a 3 year period, unlocking further potential at Mogalakwena mine through guaranteed increased processing capacity
- Allow AAP to integrate the Baobab operation into supply chain activities, resulting in cost reduction opportunities
- Anticipated completion in 2017

Sale of resources within Amandelbult mining right

- On 11 October announced disposal of mineral resources within the Amandelbult mining right and surface properties to Northam
- Consideration comprising R1 billion cash and an ancillary mineral resource within Northam's Zondereinde mining right, bordering Amandelbult
- The transaction will allow realisation of value for resources that were not in the mine plan, contributing to deleveraging the balance sheet
- In addition, the mineral resource acquired provides further flexibility for the placement of future infrastructure of next generation replacement
- Anticipated completion in 2017

...adding further value to Anglo American Platinum

FOOTNOTES

- (1) Unit cost on a produced metal in concentrate basis
- (2) Lost time in jury frequency rate (LTIFR) based per 200,000 hours worked
- (3) TRCFR is total recordable case frequency rate
- (4) 2014 LTIFR normalised for the 5 month long strike
- (5) Total platinum production is on a metal in concentrate basis
- (6) Cash operating margin is defined as (revenue less cash operating costs) / revenue
- (7) Operating free cash flow is defined as free cash flow for operating mines after full overhead allocation, SIB capex, capitalised waste stripping and minorities. It is presented before project capex and one-off restructuring costs
- (8) Impairment and IFRS2 includes impairments for Bokoni and IFRS2 charge for Amandelbult Chrome Plant
- (9) EBIT is Earnings before interest and tax including pre-tax profits and losses from associates normalised for impairments
- (10) Project and SIB capital expenditure excludes Capitalised waste stripping and Interest capitalised. 2016 capital excludes Rustenburg for November and December 2016
- (11) Price variance calculated as increase/(decrease) in Dollar price multiplied by current period sales volume
- (12) Inflation variance calculated using CPI on prior period cash operating costs that have been impacted directly by inflation
- (13) Sales volume variance calculated as increase/(decrease) in sales volume multiplied by prior period cash margin
- (14) Costs include cash operating costs, inventory movements and depreciation
- (15) AAP Mining inflation is CPI and inflation above CPI as experienced by AAP based on its basket of costs
- (16) Capital expenditure excludes capitalised waste stripping and Interest capitalised
- (17) Rustenburg disposal proceeds offset by transaction costs
- (18) Johnson Matthey data as of PGM Market Report November 2016
- (19) Source: LMC Automotive
- (20) Headline demand as measured by Johnson Matthey. Consumer demand based on Company estimates
- (21) Source: Johnson Matthey, World Gold Council, Platinum Guild International
- (22) ETF publically available data
- (23) Johnson Matthey data as of PGM Market Report November 2016 & November 2015
- (24) Company costs includes mainly marketing expenses, Corporate SIB expenditure and Twickenham new mining technology