

## **NEWS RELEASE**

20 July 2015

### **Anglo American Platinum reports strong performance in the context of commodity price pressure**

*Managing the business for the current environment*

Anglo American Platinum Limited ('Anglo American Platinum' or 'the Company') today reported results for the six months ended 30 June 2015.

Despite a steep decline in the dollar prices for most metals, the financial performance of the Company improved significantly over the comparative period in 2014, which was impacted by the five month long industrial action. Headline earnings increased to R2.5 billion from R157 million in the first half of 2014 and headline earnings per share were 936 cents per share compared to 164 cents per share.

Net sales revenue increased 7% to R29.9 billion (2014: R27.8 billion) due primarily to increased sales volume, up 11% to 1.16Moz, and the impact of the weakening Rand/ US dollar exchange rate. The average US dollar basket price per platinum ounce sold decreased [13%] in 1H 2015 to [\$2,157], as the strong dollar and macro-economic factors outweighed market fundamentals, whilst the average realised Rand basket price per platinum ounce was 3% weaker at R25,748.

The operational improvements and cash control initiatives introduced over the last two years resulted in all of the asset complexes in the portfolio being cash positive, and net debt declined R1.9 billion from the December 2014 close of R14.6 billion.

Total equivalent refined platinum production increased 55% to 1,108 koz versus the first half of 2014. On a strike-adjusted basis, and accounting for mines closed in 2014, equivalent refined production year-on-year showed operational momentum, and production closure was offset by improved operational performance. Mogalakwena mine continued its particularly strong performance, with a further improvement in production to 201koz, up 9%. Rustenburg mines including Western Limb Tailings Retreatment was up 10% on a strike adjusted basis. Optimisation to take out marginal ounces, plus section 54 stoppages meant Union and Amandelbult were down 10% and 12% respectively on a strike adjusted basis, but will now ramp up to optimal output according to the optimisation plans at the mines. Unki production increased by 6% and production from joint ventures and associates, inclusive of both mined and purchased production, decreased by 4%.

CEO of Anglo American Platinum, Chris Griffith said, "We continue to manage the business for a low price environment and the operational momentum we have now established means that the financial position of Anglo American Platinum is much improved. While we are pleased with our performance, in the context of the commodity downturn we continue to take decisive action to reduce costs. Cash conservation and capital discipline remain key. Our safety target remains one of zero harm. However, we must report the deaths of Mr. Michael Malesa and Mr. Joseph Khesa. Our sincere condolences go to their family, friends and colleagues."

"We remain committed to pursuing our strategy, focusing on core assets and exiting those assets we have identified as non-core. In respect of the previously announced exit from the Rustenburg and Union mines, we are still working on both options for divestment – an IPO or a trade sale, and, while it

makes sense for us to do so, will keep both options open. Our focus from the outset has been to identify the right option for the business, its stakeholders and shareholders and that remains our ambition.

## **Outlook**

Looking ahead, cost inflation remains a challenge, with labour, electricity and foreign currency denominated input costs under continued inflationary pressure. The global platinum market remain in deficit while the macro and price environment will remain challenging.

The Company's project portfolio has been re-evaluated in the current commodity price and weak demand environment and as a result all expansionary projects are delayed. The capital expenditure forecasts for the year have been revised down to between R4.0 and 4.5billion, excluding production costs, capitalized waste stripping and interest.

We believe the current global macro-economic environment will continue to weigh down on the market fundamentals, leaving a challenging price environment. We will continue to manage the business for the low price environment.

## **Finance Director**

Mr. Ian Botha commenced his role as Finance Director on 1 May 2015, joining the Company from his previous role as Group Financial Controller at Anglo American plc based in London.

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## **About Anglo American Platinum**

Anglo American Platinum Limited is a member of the Anglo American plc Group and is the world's leading primary producer of platinum group metals. The company is listed on the Johannesburg Securities Exchange (JSE). Its mining, smelting and refining operations are based in South Africa. Elsewhere in the world, the Group owns Unki Platinum Mine in Zimbabwe and is actively exploring in Brazil. Anglo American Platinum has a number of joint ventures with several historically disadvantaged South African consortia as part of its commitment to the transformation of the mining industry. Anglo American Platinum is committed to the highest standards of safety and continues to make meaningful and sustainable difference in the development of the communities around its operations.

[www.angloamericanplatinum.com](http://www.angloamericanplatinum.com)

Anglo American is a global and diversified mining business that provides the raw materials essential for economic development and modern life. Our people are at the heart of our business. It is our

people who use the latest technologies to find new resources, plan and build our mines and who mine, process and move and market our products – from bulk commodities and base metals to precious metals and diamonds (through De Beers) – to our customers around the world. Our diversified portfolio of products spans the economic development cycle and, as a responsible miner, we are the custodians of precious resources. We work together with our key partners and stakeholders to unlock the long-term value that those resources represent for our shareholders, but also for the communities and countries in which we operate – creating sustainable value and making a real difference. Our mining operations, growth projects and exploration and marketing activities extend across southern Africa, South America, Australia, North America, Asia and Europe.

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