



FOCUS:

OPERATING SMARTER





Top image
Polokwane Smelter is one of our three primary smelting operations. Here, Borch Khoza (supervisor) and Henry Bester (safety officer) survey the smelter from the flash driers.

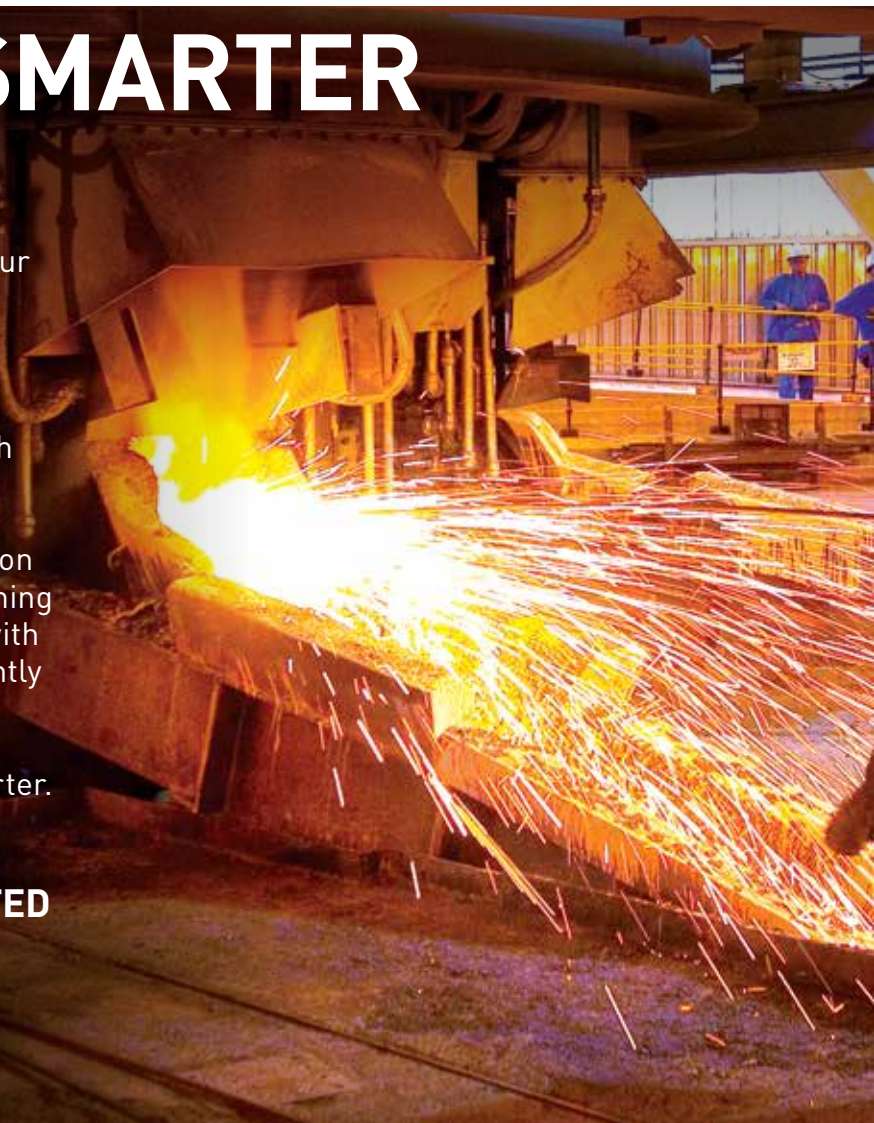
Bottom image
Polokwane Smelter furnace tapping.

FOCUS:

OPERATING SMARTER

The theme of our 2014 Integrated Report is Operating Smarter. In 2014, we continued our transition from a volume-driven to a value-driven strategy in order to deliver a sustainable, competitive and profitable business. In practice this means that as a company, we are focused on improving cash flow and earnings by driving margins. The reduction of operating costs and the maximisation of sales underpins our focus on margins. We believe that through repositioning the business to align baseline production with long-term demand, focusing capital efficiently on a high-quality portfolio of assets and maintaining flexibility for long-term growth options, that we are indeed Operating Smarter.

ANGLO AMERICAN PLATINUM LIMITED
Integrated Report 2014



Cover images

Located in the Limpopo Province, Mogalakwena Mine is the largest open-pit platinum mine in the world, with a life of mine in excess of 50 years. Three open pits are currently in operation at depths between 45 and 245 metres. The low-cost and highly-mechanised method of open pit truck and shovel mining is employed, enabling us to operate smarter.



HIGHLIGHTS

OPERATING PROFIT

(2013: R1.97bn)

R843 million

HEADLINE EARNINGS

(2013: R1.45bn)

R786 million

LTIFR

per 200,000 hours worked

(2013: 1.05)

0.69

WAGES AND BENEFITS

R14.1bn paid to employees 2013

R12.3 billion*

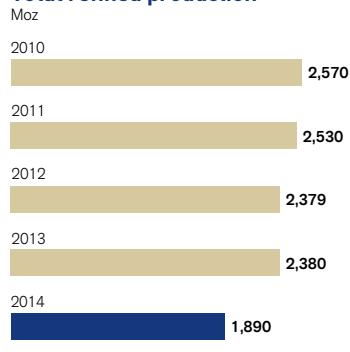
** This was impacted by the no work, no pay policy adopted during the strike.*

EQUIVALENT REFINED PLATINUM PRODUCTION

(2013: 2.38Moz)

1.84 Moz

Total refined production



Note: All performance metrics were impacted materially by the five-month strike.



LIVING OUR VALUES



SAFETY

We take personal accountability to ensure that we work and live safely



CARE AND RESPECT

We treat each other with respect and dignity in words and action



INTEGRITY

We walk the talk – our actions are consistent with our words



ACCOUNTABILITY

Individual accountability drives team and business accountability



COLLABORATION

We align and collaborate across functions to ensure collective high performance



INNOVATION

Innovation is key to our future and is a central part of our drive for sustainability

OTHER SOURCES OF INFORMATION

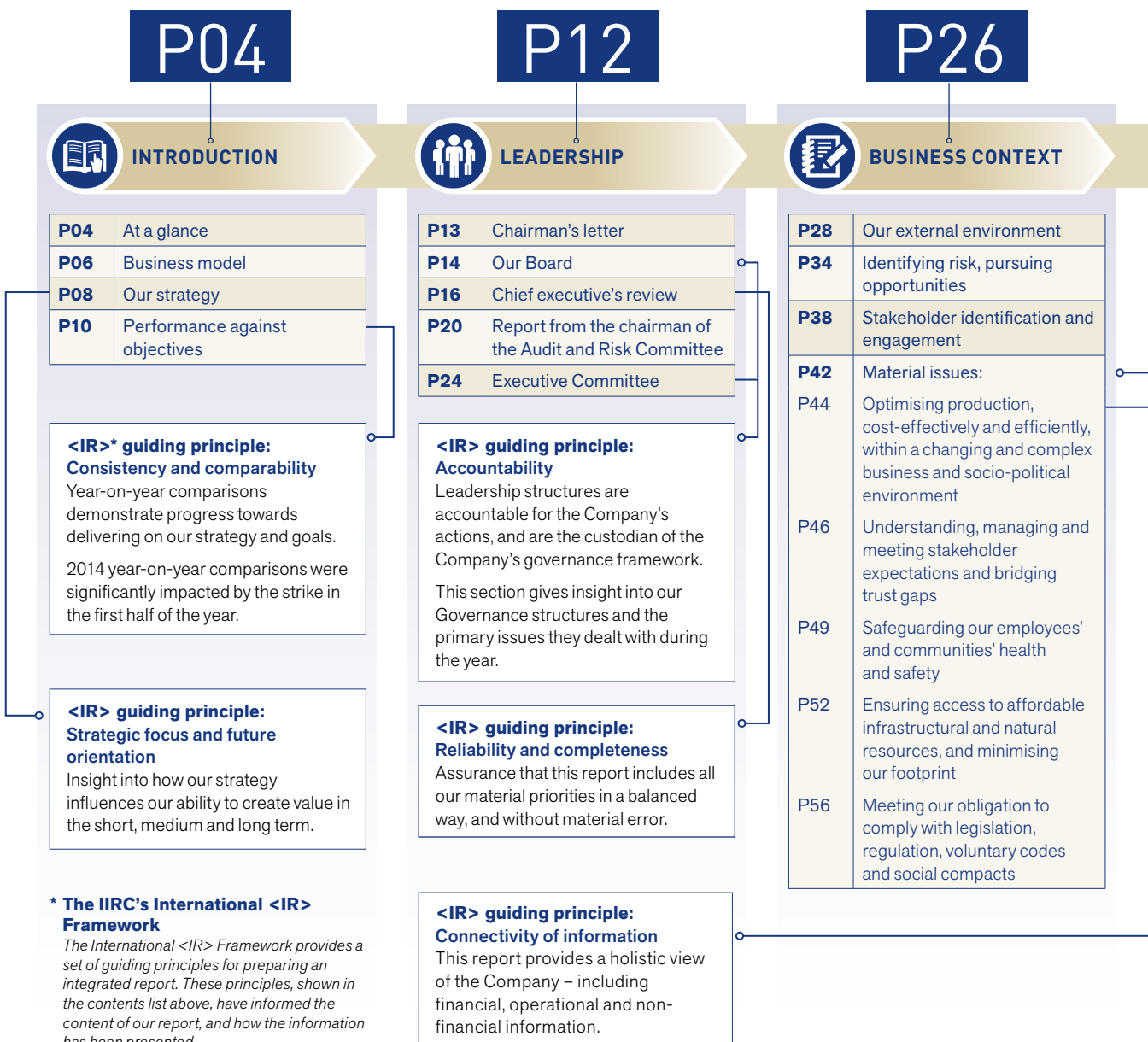


You can find this report as well as our Sustainable Development Report, Annual Financial Statements and additional information about Anglo American Platinum Limited on our corporate website.

For more information www.angloamericanplatinum.com/investor/fin/reports.php

NAVIGATING OUR REPORT: CONTENTS

This Integrated Report is our primary report to stakeholders. In it we focus on the linkages and interdependencies between the factors that enable Amplats to create value, both external to the Company and internal. We believe that it represents a holistic and balanced view of the Company, including financial, operational and non-financial information.



GUIDE TO OUR 2014 REPORTS

For the 2014 financial year (1 January 2014 – 31 December 2014), we have prepared the following reports available at www.angloamericanplatinum.com/investor/fin/reports.php



INTEGRATED REPORT



ANNUAL FINANCIAL STATEMENTS



SUSTAINABLE DEVELOPMENT REPORT

INTEGRATED REPORT

The primary document in the suite, the Integrated Report, has been guided by the International <IR> Framework published by the International Integrated Reporting Council (IIRC) in December 2013. We report on the linkages between the factors that enable the Company to create value. It includes our business model and strategy; factors in our external environment which influence our performance and how we respond to these; the risks and opportunities we have identified; how we identify and respond to key stakeholders and their needs; our activities and performance during the year and the outlook for the Company in the medium to long term. This report has been developed primarily for use by shareholders.

ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements presents statutory and regulatory information that must be published in terms of the Company's stock exchange listings. They are prepared in accordance with the International Financial Reporting Standards (IFRS); the South African Companies Act, 71 of 2008, as amended; and the Listings Requirements of the JSE.

SUSTAINABLE DEVELOPMENT REPORT

The Sustainable Development Report has been guided by the G4 guidelines of the Global Reporting Initiative (GRI). It includes non-financial aspects of our business which, if not managed, could have a material impact on our performance and on our business. The report is developed for a wide range of stakeholders, including employees, local communities, non-governmental organisations (NGOs), customers and government.

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PERFORMANCE REVIEW

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P74	Ore reserves and mineral resources review

<IR> guiding principle:
Strategy and resources allocation
 Repositioning and optimising our asset portfolio is critical to delivering on our strategy to create value.

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GOVERNANCE

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P106	Social, Ethics and Transformation Committee report
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<IR> guiding principle:
Basis of presentation
 The development of this report is guided by the International <IR> Framework published by the IIRC, and in line with listing and other regulatory requirements.

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FINANCIAL REVIEW

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AT A GLANCE

Amplats makes a real difference to the people whose lives we touch. We mine metals that make modern life possible, in safe, smart and responsible ways.

Amplats is the world's leading primary producer of platinum group metals (PGMs), extracting some 37% of

the world's newly-mined platinum. The Company is listed on the JSE Limited and has its headquarters in Johannesburg, South Africa. Anglo American plc holds a 79.9% share in the Company. In 2014, our operating profit was R843 million and our earnings were R786 million. Results for the year were negatively impacted by a five-month period of industrial action.

	Unit	2014	2013	% change
OPERATIONAL INDICATORS				
Tonnes milled	000 tonnes	32,995	39,516	(17)
4E built-up head grade	g/t	3.00	3.26	(8)
Equivalent refined Pt ounces ¹	000 Pt oz	1,841.9	2,320.4	(21)
Refined Pt ounces per operating employee	Per annum	23.3	30.0	(22)
REFINED PRODUCTION				
Platinum (Pt)	000 oz	1,889.5	2,379.5	(21)
Palladium (Pd)	000 oz	1,225.4	1,380.8	(11)
Rhodium (Rh)	000 oz	229.4	294.7	(22)
Nickel (Ni)	000 tonnes	20.5	16.8	22
Copper (Cu)	000 tonnes	12.5	8.3	51
FINANCIAL PERFORMANCE				
Net sales revenue	R million	55,612	52,404	6
Net sales revenue	R/oz Pt sold	26,219	22,586	16
Cost of sales	R million	52,968	46,208	15
Cost of sales	R/oz Pt sold	24,983	19,916	25
Cash on-mine costs	R/tonne milled	770	675	14
Cash operating costs	R/oz equivalent refined Pt	22,917	17,053	34
Gross profit on metal sales	R million	2,644	6,196	(57)
Gross profit margin	%	4.8	11.8	(7)
Headline earnings/(loss)	R million	786	1,451	(46)
Net debt	R million	14,618	11,456	28
Debt:equity ratio		1:3.2	1:4.0	(20)
Capital expenditure (including capitalised interest)	R million	6,863	6,346	8
Return on average capital employed (ROCE)	%	1.2	2.7	(2)
Return on average attributable capital employed	%	1.3	3.1	(58)
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)				
Fatalities	Number	3	6	(50)
Lost-time injury-frequency rate	Rate/200,000 hrs	0.69	1.05	(34)
Employees (as at 31 December)	Number	49,763	49,816	-
HDSAs in management	%	61.4	60.0	1
Sulphur dioxide emissions	000 tonnes	15.5	19.2	(19)
GHG emissions, CO ₂ equivalents ²	000 tonnes	5,364	5,936	(10)
Water used for primary activities	Megalitres	22,876	28,311	(19)
Energy use	Terajoules	22,633	24,942	(9)
Number of level 3, 4 and 5 environmental incidents	Number	0	1	(100)
Corporate social investment	R million	236	204	16

¹ Mines' production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Amplats' standard smelting and refining recoveries.

² Excludes Scope 3 emissions.

We own and operate seven mining operations in the Bushveld Complex: the Bathopele, Dishaba, Mogalakwena, Siphumelele, Thembelani, Tumela and Union Mines. We are currently developing the Twickenham Mine and own the Der Brochen, Boikgantsho and Sheba's Ridge Projects.

We also operate the Unki Platinum Mine on the Great Dyke in Zimbabwe and we have an exploration joint venture (JV) in Brazil. We have a number of strategic JVs in which we hold significant interests:

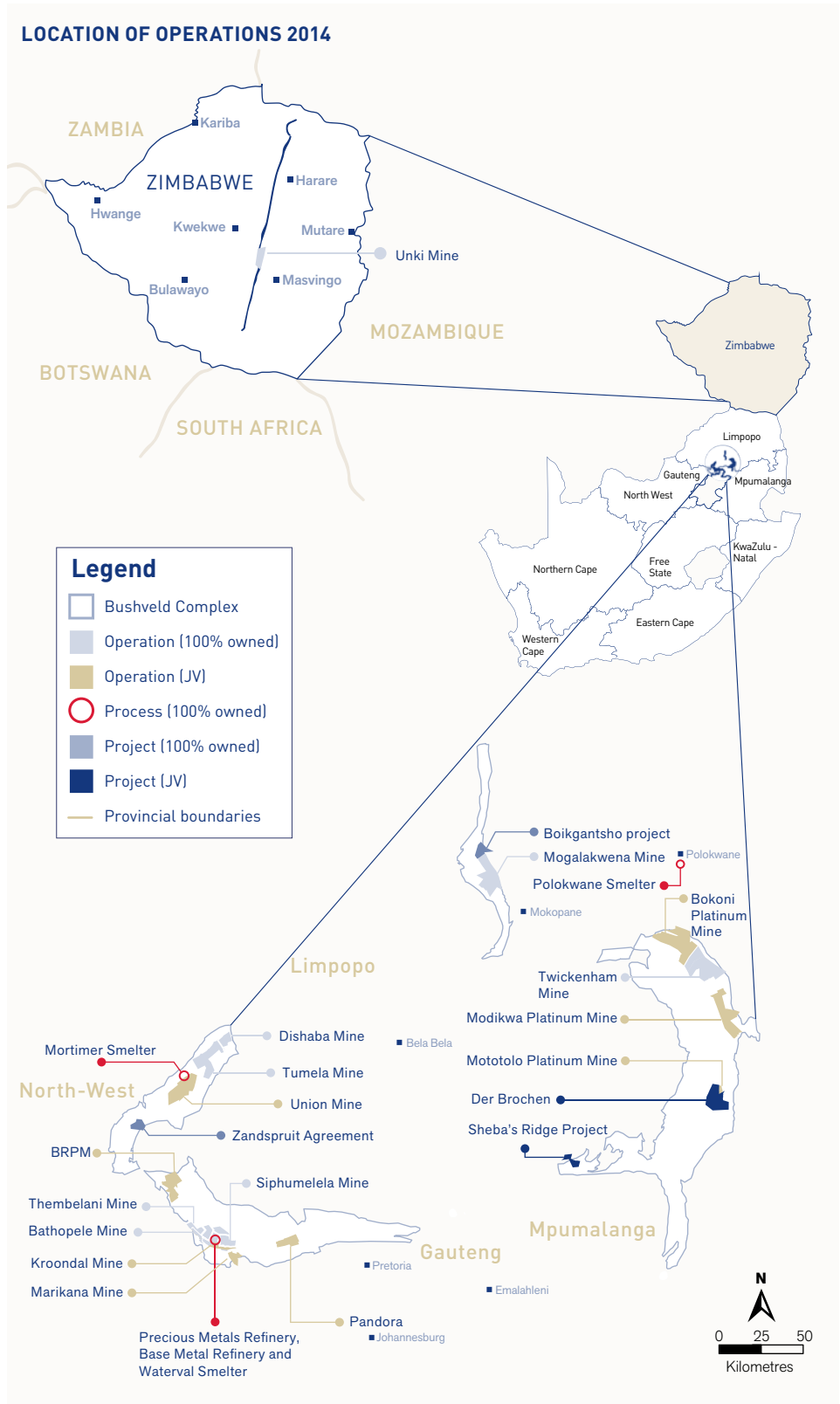
- Bokoni Platinum Mine (49%), with Atlatsa Resources;
- Modikwa Platinum Mine (50%), with African Rainbow Minerals Mining Consortium Limited; and
- Bafokeng-Rasimone Platinum Mine (BRPM) (33%) and the Styldrift project with Royal Bafokeng Platinum.

In addition, Amplats is involved in the following JVs and partnerships:

- the Bakgatle-Ba-Kgafela traditional community holds a 15% share in Union Mine;
- a 42.5% interest in the Pandora JV, with Eastern Platinum Limited (a subsidiary of Lonmin plc) and its partner, the Bapo-Ba-Mogale traditional community, and Northam Platinum;
- the Mototolo Platinum Mine (50%), in a partnership with the Glencore Kagiso Tiso Platinum Partnership; and
- a pooling-and-sharing agreement with Aquarius Platinum (South Africa), covering the shallow reserves of the Kroondal and Marikana Mines that are contiguous with our Rustenburg Mines.

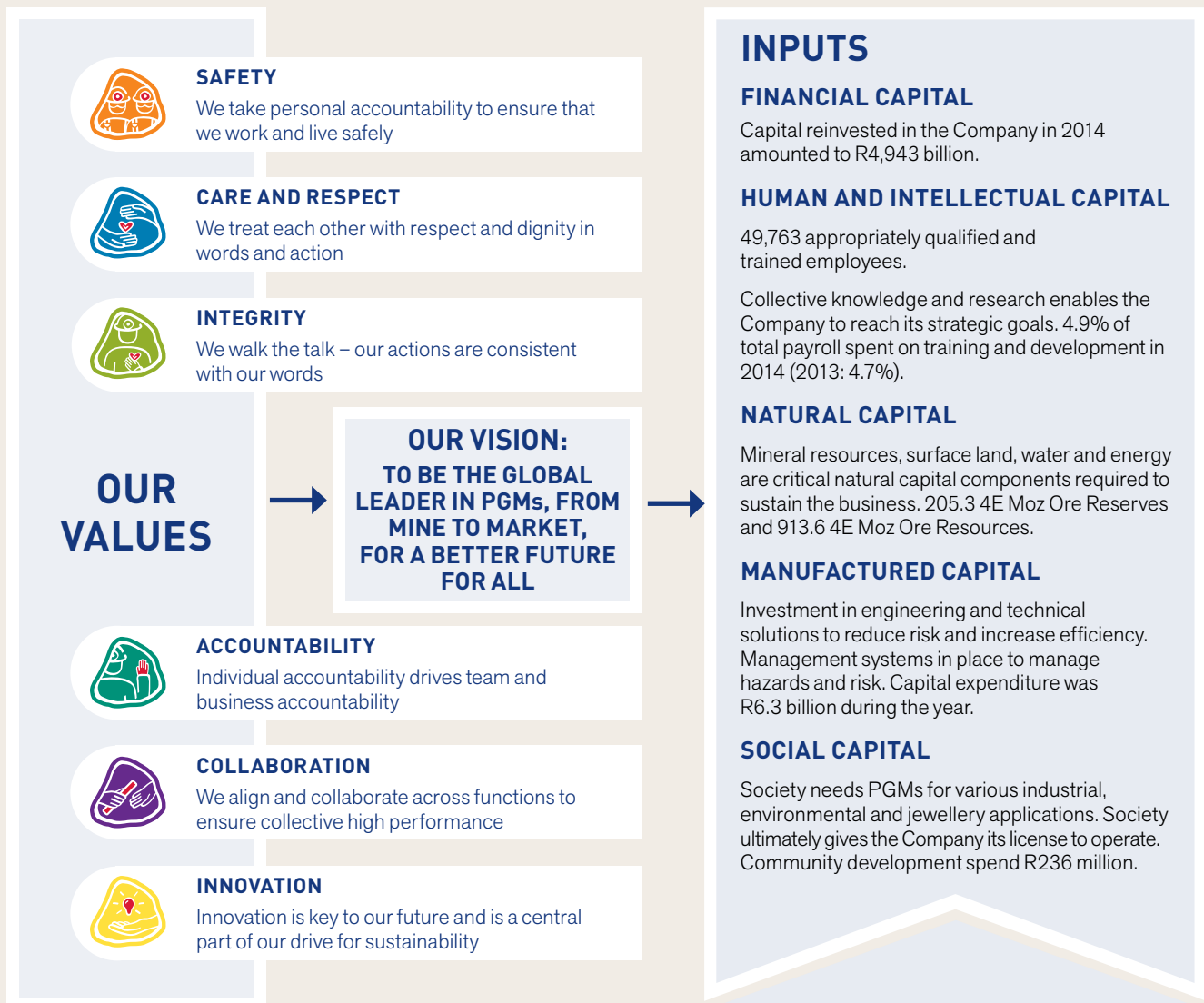
Our smelting and refining operations are wholly-owned through Rustenburg Platinum Mines Limited, treating concentrates from JVs and third parties, as well as our wholly-owned operations.

LOCATION OF OPERATIONS 2014



BUSINESS MODEL

Together we create sustainable value that makes a real difference to our stakeholders.



OUR MATERIAL PRIORITIES



Optimising production, cost-effectively and efficiently, within a changing and complex business and socio-political environment.



Understanding, managing and meeting stakeholder expectations and bridging trust gaps.



Safeguarding the health and safety of our employees and communities.



Ensuring access to affordable infrastructure and natural resources, and minimising our footprint.

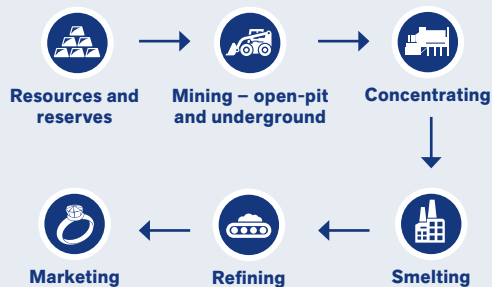


Meeting our obligation to comply with legislation, regulation, voluntary codes and social compacts.

For more information see pages 42 to 57



OUR OPERATING PROCESS



See our operational flow chart on pages 60 to 61

OUTCOMES AND OUTPUTS

FINANCIAL CAPITAL

- R12,304 million to salaries, wages and other benefits, net of tax
- R3,736 million to taxation
- R1,159 million to providers of capital

HUMAN AND INTELLECTUAL CAPITAL

- Average attrition rate for critical and scarce roles in the Company was 6.7% (10.32% in 2013)
- Turnover rate in all other roles was 3.23% excluding VSP (4.96% in 2013)
- To date 20,998 A to D1 employees have an individual development charter, based on identified development needs (2013: 14,078)
- 34 new cases of noise-induced hearing (2013: 68)
- Three fatalities
- 0.69 LTIFR
- All value drivers are supported by technical excellence
- Progress reported in technology development to enhance mechanisation
- Proof of concept of an alternate ore sorting technology (to improve recovery efficiency) being progressed
- Successful deployment of technology to eliminate collisions between locomotives in underground mining
- Progress reported in testing underground fuel-cell locomotives

NATURAL CAPITAL

- Energy consumption decreased by 1.25% to 22.6 petajoules
- Water consumption reduced by 26% to 27.1 million m³
- Waste to landfill 18.11 kilotonnes
- CO₂ emissions 5,364 kilotonnes
- SO₂ emissions 15.46 kilotonnes

MANUFACTURED CAPITAL

Total refined production:

- Platinum 1,889.5 Moz
- Palladium 1,225.4 Moz
- Rhodium 229.4 Moz
- Nickel 28.2 tonnes
- Copper 18.7 tonnes

SOCIAL CAPITAL

Identified sustainability indicators:

- Public healthcare (24,586 received primary healthcare by Company-funded mobile clinics)
- Education (bursaries and graduate in-training programmes provided to 451 people)
- Adult Basic Education and Training (ABET) was provided to 700 employees, 39 contractors and 198 community members
- Infrastructure development (1,300 employee houses built to date)

OUR STRATEGY

VALUE-DRIVEN STRATEGY

In 2014, we continued our change from a volume-driven strategy to a value-driven strategy, and have further aligned our strategic framework with that of Anglo American.

The implementation of the value-driven strategy will deliver a sustainable, competitive and profitable business that is able to deliver value for all stakeholders in the short, medium and long-term. This shift in strategy emanated from the Platinum Review undertaken in 2012 which concluded that the platinum industry had undergone structural supply and demand changes. This led to the value-driven strategy that seeks to:

- reposition our assets into a value optimising portfolio;
- develop the market for platinum group metals; and
- deliver the full potential from our operations through our people.

For progress made on the implementation of the strategy in 2014, see the chief executive's review on page 16.

By following this strategy, we will create a company that:

- delivers the majority of production from mechanised mines;
- operates in the lower half of the cost curve;
- achieves improved margins and return on capital employed (ROCE); and
- offers a more rewarding and overall safer, more sustainable environment for our employees.

The delivery of our strategy will allow us to focus capital efficiently on the remaining portfolio, achieving a more profitable, sustainable and more socially acceptable company in the future. The Company will continue to work closely with stakeholders to ensure optimal outcomes for assets, employees and the South African platinum industry as a whole.

OUR STRATEGY

OUR VISION IS TO BE:

The global leader in platinum group metals, from mine to market, for a better future for all

OUR STRATEGIC IMPERATIVES ARE TO:

- reposition our assets into a value optimising portfolio
- develop the market for platinum group metals
- deliver the full potential from our operations through our people

...in a **values driven** and **socially acceptable** way

OUR STRATEGIC PRIORITIES

 MINING AND PROCESSING EXCELLENCE	 PROJECT EXCELLENCE	 COMMERCIAL EXCELLENCE	 PEOPLE EXCELLENCE	 SUSTAINABILITY EXCELLENCE
Reconfiguration of the asset portfolio, safe and effective management of assets, targeting industry leading productivity and cost performance	Ensuring efficient investments, and effective execution of value accretive projects – on time and on budget	To unlock commercial value by growing the market and increasing sales revenue from all metals	To ensure Amplats has the right people in the right roles doing the right work, are efficient, effective, engaged and are attuned to the culture and values of the organisation	To enable a sustainable business, create a zero harm environment in our operations and build leading community and stakeholder relationships around our operations

OUR VALUE LEVERS

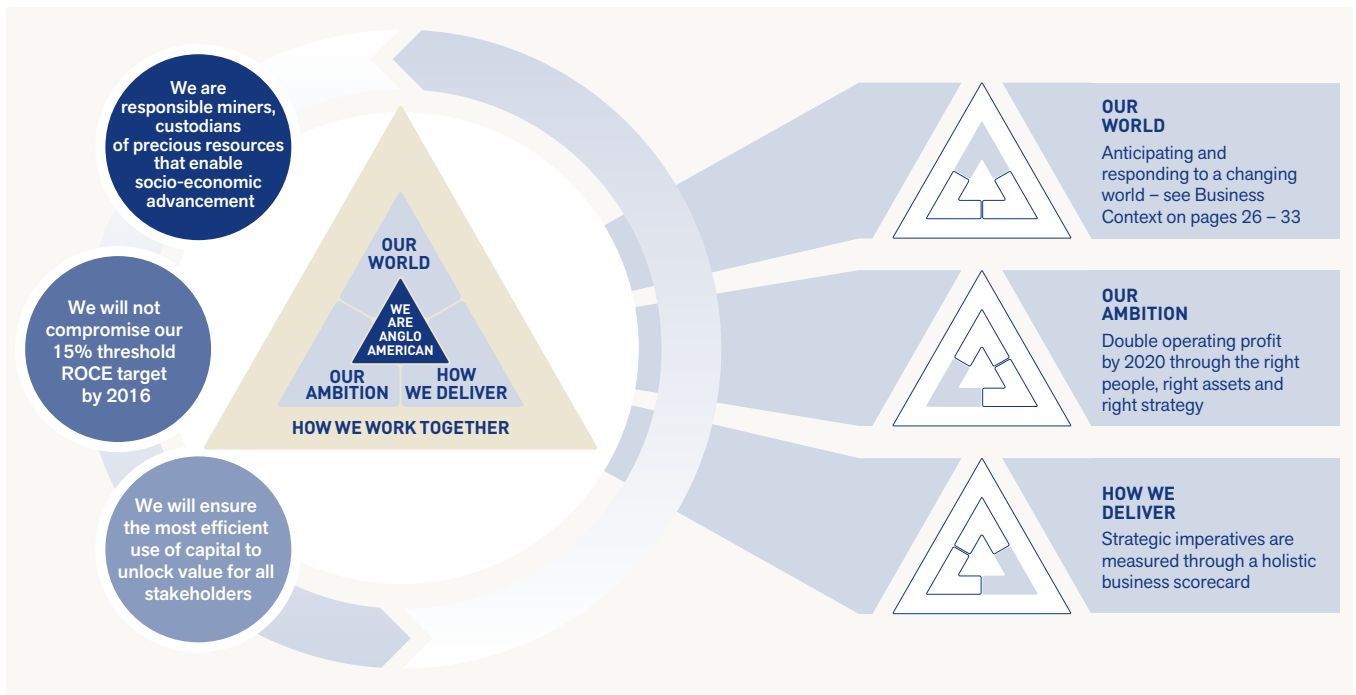
Reconfiguration and optimisation	Prioritised project pipeline	Targeted market development	Organisation structure and effectiveness	Safety, health and environment
Leading productivity	Best practice project design	Global sales	Labour management	Communication
Cost effectiveness	Project execution excellence	Base metals marketing	Sound employee relations climate	Community development
Technology and innovation	Stay in business capital	Market intelligence	People, culture and skills development	Stakeholder engagement and government relations

OUR VALUES

 SAFETY	 CARE & RESPECT	 INTEGRITY	 ACCOUNTABILITY	 COLLABORATION	 INNOVATION
--------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------

ENABLED BY A VALUES-DRIVEN CULTURE, FINANCIAL STRATEGY AND TECHNICAL EXCELLENCE

OUR STRATEGY SUPPORTS ANGLO AMERICAN'S STRATEGIC DIRECTION



UNPACKING THE AMPLATS STRATEGY

Our world

Amplats is the world's **leading supplier** of platinum group metals (PGMs), **reliably fulfilling** a quarter of the world's needs. PGMs are used in pollution control (autocatalysts), jewellery and industrial use.

Our competitive advantage lies in the diversity of **our world class mineral assets** and processing capability. Through our marketing strategy, we actively promote demand for the metals we produce and are responsive to market changes.

We are developing a **socially acceptable organisation** by creating an environment of zero harm while building mutually beneficial relationships with communities, stakeholders and delivering good returns to shareholders.

Our ambition

To achieve our ambition, we will drive value to become the global leader in PGMs. To achieve this, we will:

- reposition our assets into a value optimising portfolio;
- develop the market; and
- deliver the full potential from our operations through our people in a values driven and socially beneficial way.

How we deliver and value success

To succeed, we will focus on our **core mining assets** that have the potential for long-term value creation. We seek mining and operational excellence to achieve safe, effective management of our assets, targeting industry-leading productivity, cost performance and delivery of our plans.

Our simplified and lean structure which will be put in place, will be supported by **people excellence**. We will develop the critical core skills to improve returns.

Our strategic mindset **will be one that is highly competitive**, focusing on innovation and delivery.

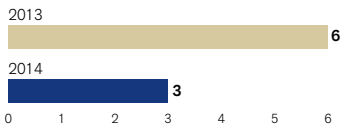
PERFORMANCE AGAINST OBJECTIVES

PERFORMANCE AGAINST OBJECTIVES

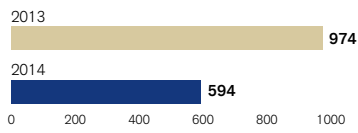
Objective areas	2014 target	2014 achievement	2015 target
Safety and health	Zero fatalities	Three fatalities	Zero fatalities
	Reduce total injuries by 20%	Total injuries reduced by 57%	
	No new cases of noise-induced hearing loss (NIHL)	34 new cases of NIHL	No new cases of NIHL
	Lost time injury frequency rate (LTIFR) lower than 1	0.69	LTIFR lower than 0.9
Financial stability	Produce 2.2 to 2.4 Moz refined platinum	1.9 Moz refined platinum produced, 532,000oz lost during the strike	Produce 2.3 to 2.4 Moz refined platinum
	Maintain costs to below R19,000 per platinum ounce	Cost of R18,494 per platinum ounce after adjusting for the strike	Maintain costs below R19,500 per platinum ounce
	Generate R3.8 billion savings over three years	Achieved savings one year ahead of target	N/A
Mineral policy and legislative compliance	26% ownership of Reserves and Resources by historically disadvantaged South Africans (HDSAs) by 2014	26% achieved and verified by a third party at 34%	Mining Charter review pending
	BEE procurement expenditure of 58%	BEE procurement of 61.3%	BEE procurement expenditure of 60%
	Maintain ISO 14001 certification in 2014	All operations maintained their ISO14001 certification	Maintain ISO 14001 certification in 2014
	All operations to have approved water use licence	All our managed operations have water-use licences, with the exception of our Amandelbult Mine. The licence application continues to be reviewed by the Department of Water and Sanitation (DWS)	All operations to have approved water use licences
Labour relations and our performance	30 refined platinum ounces per employee	23.3 refined platinum ounces per employee	30 refined platinum ounces per employee
	Labour unavailability to be below 15.5% benchmark* <i>* Labour unavailability included all leave, training, absence without permission and absence during unprotected industrial action</i>	Labour unavailability at 36% (due to strike action)	Labour unavailability to be below 15.5% benchmark
Community development	All Socio-economic Assessment Toolbox (SEAT) assessments to be conducted	All SEATs have been conducted	All Socio-economic Assessment Toolbox (SEAT) assessments to be conducted against SEAT 3
	1% pre-tax profit to be spent on community development	R236 million spent on community development, above our 1% pre-tax profit	1% pre-tax profit to be spent on community development
Access to and allocation of natural resources	Reduce energy consumption per unit of production by the end of 2014	We reduced our absolute energy consumption by 9.2%	Reduce absolute energy consumption by 1% to achieve 7% reduction by 2015
	Reduced CO₂ emissions intensity by the end of 2014 per unit of production (tonnes of CO ₂ per tonne of ore milled)	Our emissions intensity was 0.18 m³ compared with 0.16 m³ in 2013	Reduce CO ₂ emissions intensity by 1.9% to achieve 10% reduction by 2015
	Achieve new-water consumption target of 33.1 million m³	Our total new-water consumption decreased from 33.4 million m³ in 2013 to 27.1 million m³ * <i>* The decrease was dominated by the reduction in water demand as a result of the strike.</i>	Achieve an absolute water consumption of 39.4 million m³

2014 performance

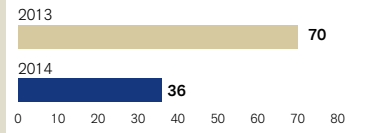
Fatalities



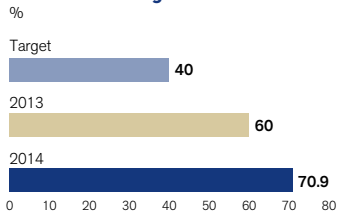
Total injuries



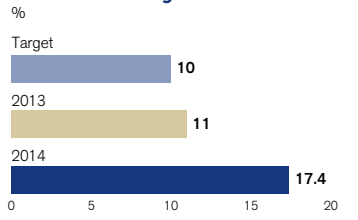
Section 54 stoppages

NET SALES
REVENUE R billionOPERATING
PROFIT R millionCAPITAL
EXPENDITURE R billion

HDSAs in management

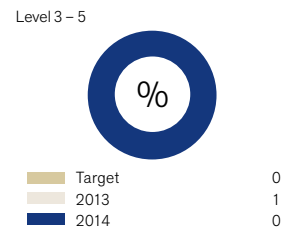


Women in mining*

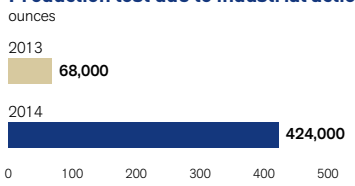


* Includes core disciplines of mining, engineering, projects and metallurgy.

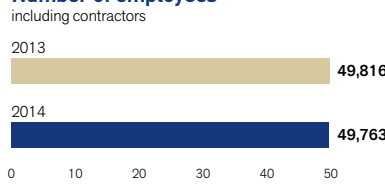
Environmental incidents



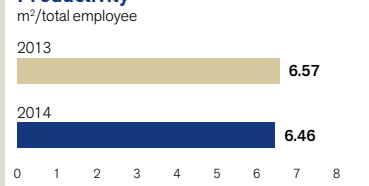
Production lost due to industrial action



Number of employees



Productivity

LOCAL ENTERPRISE
DEVELOPMENT EXPENDITURE
R millionCOMMUNITY
DEVELOPMENT R millionENERGY USE
peta joules (PJ)NEW WATER-
USE INTENSITY
m³/oz PGMs and goldGHG EMISSIONS
CO₂/tonne ore milled
(Scope 1 and Scope 2)



FOCUS:

LEADERSHIP

“OUR MANAGEMENT TEAM IS HIGHLY COMPETENT AND EXPERIENCED – READY TO TAKE US TO THE PLACE WE NEED TO GO.”



CHAIRMAN'S LETTER



VALLI MOOSA
Chairman

After the dust had settled, it became clear that the industry has to undergo a fundamental transformation – a process of modernisation.

Top image
Our School of Mines provides training in respect of all mining competencies. During the year our Board and executive management visited Sipumelele Mine to partake in one of the school's training modules. In focus is chairman Valli Moosa and Dhanasagree Naidoo.

Bottom image
Chief executive, Chris Griffith, attends a safety briefing underground at Tumela Mine.

The first half of 2014 saw what was possibly the most difficult period in our Company's history, following on as it did from the labour relations challenges that began in 2012. In the circumstances, the Company's financial results reflect well on the Company's management.

The five month strike in 2014, together with the events of 2012, are events that cannot simply be characterised as strikes and activities within the field of labour relations. These events constituted a major social uprising against a system which our workers, and the communities they belong to, find unacceptable.

After the dust had settled, it became clear that the industry has to undergo a fundamental transformation – a process of modernisation. We are not proud that the poorest among us had to pay a high price to bring this realisation to light.

South African society does not have sympathy for a mining business model which is based on low skills and low wages; extremely hard work in potentially hazardous conditions; and the system of migrant labour. Society also wants to see a narrowing of the wage gap.

Our response has to be one that is bold, far-sighted and durable. It has to be fundamental – any benefits from a mere plastering over the cracks will be short lived.

Our modernisation strategy has a number of elements.

The first of these is the consistent generation of acceptable returns for our shareholders. Our majority shareholder, Anglo American, has articulated its view on this clearly. Without appropriate returns – and the subsequent attraction and retention of capital – none of the aspirations of other stakeholders can be fulfilled. In recent years, our returns have been far from acceptable. I am confident that, with the implementation of our current strategy, the next few years are likely to see better returns.

The second element is the modernisation of labour relations. We need to steer away from the combative and confrontational relationship between capital and labour that had become a feature of the industry for so many decades. We must commit to never having a repeat of the tumultuous events of recent times. The 'us and them' syndrome needs to end.

This requires a labour force that is given a sense of ownership and responsibility in the fortunes of the Company. Some of the ingredients of this approach are: greater engagement of labour in the overall direction and strategy of the business; an ownership stake in the business; and a decisive end to the archaic migrant labour system.

The third element is the mechanisation of our mining processes. Since the advent of the Industrial Revolution, the debate over the introduction of mechanised and automated processes has raged. However, it is common cause that increased productivity is better for the economy and ultimately for society as a whole. Eventually, all jobs must be dignified and safe. With the current state of technology, mechanisation is both possible and affordable. But, moreover, it is a social and economic imperative.

The fourth element of modernisation is improving our relationship with the communities in which we operate. I am confident that the measures that have been put in place as part of project Alchemy will bear fruit.

This is not just 'pie in the sky' talk. The strategy developed subsequent to the Platinum Review of 2012 focused on first restructuring the business to address the structural changes affecting the platinum industry, then repositioning our Company to focus on those assets that could deliver higher margins and lower costs. Up to 80% of our operations will use more productive mechanised mining methods – with the aim of creating a more socially acceptable and sustainable company. In other words, a more modern company.

As a company, we add a great deal of value to the ore we mine. More than 50% of our capital expenditure is invested in processing and beneficiating our products. And, going beyond that, in addition to our efforts to enhance the market for platinum jewellery, we have also pioneered fuel cell research. We are focused on further work to seek alternative uses for PGMs.

We currently have in place a management team that is itself modern and enlightened while also being highly competent and experienced. I am confident that the current team can take us to the place we need to go.

We are responding positively to the generalised concern in society about income inequality. In the past three years we have granted higher annual increases to our lowest paid staff members as part of our intention to progressively narrow the wage gap.

We are fortunate that there is alignment between the Board, management and shareholders about our strategy going forward.

I would like to thank the chief executive and the management team for having steered the Company through a very testing year.

I would like to express gratitude to our finance director, Bongani Nqwababa, as he leaves us for other pastures. He provided invaluable leadership during the crisis months. At the same time, I would like to welcome Ian Botha to our executive team as finance director.

I would also like to express my gratitude to my fellow directors for fulfilling their responsibilities with diligence and care during this difficult year.

Valli

Valli Moosa

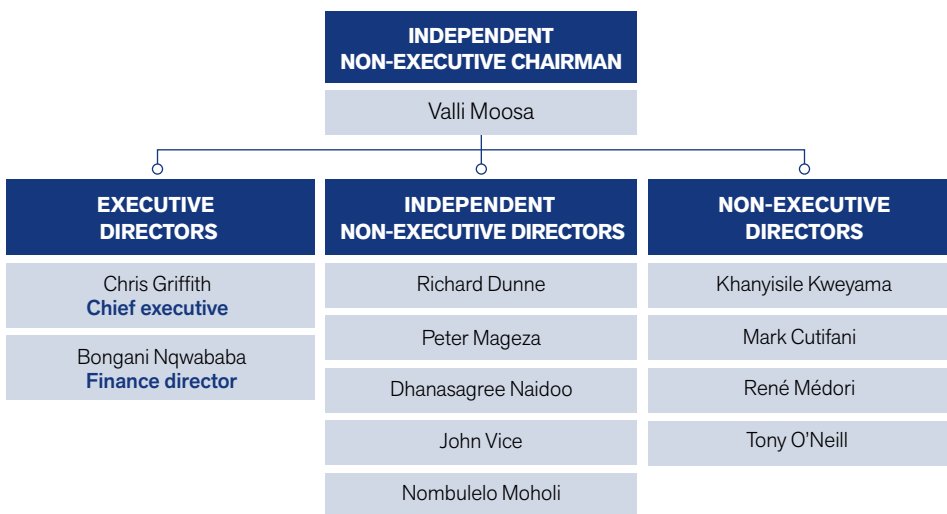
Chairman

Johannesburg
5 February 2015

OUR BOARD

Amplats has a unitary Board comprising 12 directors – one independent non-executive chairman, five independent and four non-executive directors, and two executive directors.

STRUCTURE OF THE BOARD



Board remuneration

The non-executive directors' fees reflect the director's role and membership of the Board and its subcommittees and are in line with market norms. Fees are reviewed every three years and in 2014 our non-executive directors received a 9% increase.

The full remuneration report can be found on pages 88 to 105.

The Board is accountable and responsible for the performance and affairs of the Company.



Valli Moosa



Chris Griffith



Bongani Nqwababa



Richard Dunne

VALLI MOOSA (58)

BSc (Mathematics)

Appointed a director in January 2008.

Chairman:

- Board
- Governance Committee
- Nomination Committee

Member:

- Safety and Sustainable Development Committee
- Social, Ethics and Transformation Committee
- Remuneration Committee

CHRIS GRIFFITH (50)

BEng (Mining) Hons; Pr Eng

Appointed a director and chief executive on 1 September 2012.

Chairman:

- Executive Committee
- Operations Committee

Member:

- Safety and Sustainable Development Committee

BONGANI NQWABABA (48)

BAcc (Hons); CA(Z); MBA

Appointed as finance director in January 2009.

Member:

- Executive Committee
- Operations Committee

RICHARD DUNNE (66) (BRITISH)

CA(SA)

Appointed a director in July 2006.

Chairman:

- Audit and risk Committee
- Remuneration Committee

Member:

- Governance Committee
- Nomination Committee
- Safety and Sustainable Development Committee
- Social, Ethics and Transformation Committee



Detailed curriculum vitae of members of the Board are available on the website at www.angloamericanplatinum.com/about/about_sub/directors.asp

www.angloamericanplatinum.com/about/about_sub/directors.asp



Peter Mageza



Dhanasagree Naidoo



John Vice



Nombulelo Moholi



Khanyisile Kweyama



Mark Cutifani



René Médori



Tony O'Neill

PETER MAGEZA (60)

FCCA (UK)

Appointed a director on 19 July 2013.

Member:

- Audit and Risk Committee
- Governance Committee

DHANASAGREE NAIDOO (42)

BCom; Dip Acc; CA(SA); Masters in Accounting (Taxation)

Appointed a director on 19 July 2013.

Member:

- Audit and Risk Committee
- Governance Committee

JOHN VICE (62)

BCom; CA(SA)

Appointed a director November 2012.

Member:

- Audit and Risk Committee
- Governance Committee

NOMBULELO MOHOLI (54)

BSc Eng

Appointed a director in July 2013.

Chairman:

- Social, Ethics and Transformation Committee

Member:

- Governance Committee
- Remuneration Committee
- Safety and Sustainable Development Committee

KHANYISILE KWEYAMA (50)

BS (Administration); MM (Human Resources)

Appointed a director in October 2012.

Member:

- Governance Committee
- Social, Ethics and Transformation Committee

MARK CUTIFANI (56) (AUSTRALIAN)

BEng (Mining)

Appointed a director on 26 April 2013.

Member:

- Nomination Committee (26 April 2013)

RENÉ MÉDORI (57) (FRENCH)

PhD in Economics

Appointed a director in March 2007.

TONY O'NEILL (57) (AUSTRALIAN)

BEng; MBA

Appointed a director in October 2013.

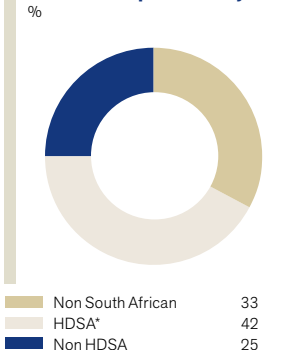
PETER WHITCUTT (49)

BCom (Hons); CA(SA); MBA

Appointed an alternate director to René Médori in May 2007.

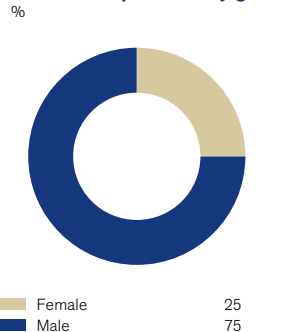
BOARD CHARACTERISTICS

Board composition by race

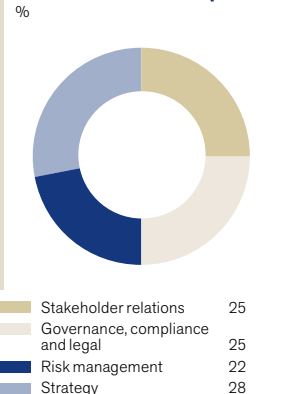


* Historically disadvantaged South African as defined in terms of the Mining Charter

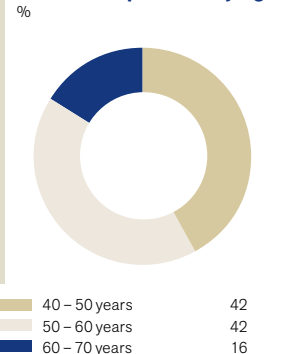
Board composition by gender



Board skills and experience



Board composition by age



CHIEF EXECUTIVE'S REVIEW



CHRIS GRIFFITH
Chief executive

In summary, 2014 was a year of restructuring, repositioning and setting the base for optimisation.

REVIEW OF THE YEAR

The theme of this reporting period is Operating Smarter. In my account of our performance in 2014, and our objectives and strategy for 2015, I hope to share with our stakeholders how we as a Company have adopted this approach in all that we do.

While 2013 was a year in which we executed the restructuring portion of our strategy emanating from the Platinum Review, the 2014 financial year can be divided into two distinct halves from a production perspective. The first half of the year was dominated by the unprecedented five-month strike in the platinum sector, while the second half of the year was dedicated to recovery and regeneration.

In summary, 2014 was a year of **restructuring** (now largely complete), **repositioning** (which is continuing), and **setting the base for the optimisation** of our consolidated retained assets, in the context of improving market fundamentals.

Much has been said and written about the strike – its causes, its impact and the lessons learned. I will touch on this briefly below, and we deal with this in far greater detail in our Sustainable Development Report. What is often overlooked about the year in review, however, was that reporting on the strike overshadowed the excellent operating performance of many of our operating entities, and the solid moves we have made towards the long-term strategic transformation of our business.

Strategy

The Platinum Review concluded in 2012 interrogated the structural challenges that had led to sustained reduction in profitability of the Company. After three decades of growth rates of 5%, demand flatlined as a result of structural changes to the platinum and rhodium markets. Consistently above inflation increases in respect of labour and electricity compounded by declining head grades, increased mining depths and greater capital intensity resulted in sustained pressure on margins and declining profitability over the past four years.

The outcome of the Platinum Review was a clear directive to restructure operations to curtail unprofitable mining, reduce overheads, improve capital efficiency and, at the same time, limit the volume of loss-making metal being placed in an already over-supplied market.

In the first phase of this **restructuring**, which was largely concluded by the end of 2013, we reshaped Rustenburg operations from five to three mines, reducing production from loss-making platinum ounces; consolidated the Union Mine from two mines into one, and announced our intention to exit from this operation; and substantially reduced costs and overheads, across the Company.

The next stage of our strategy – see page 8 – is the **repositioning of the portfolio** announced at the interim results in July, a process that is underway. At the heart of this repositioning is the view that both management time and capital are finite, and that it is better to exit certain assets that can thrive in the hands of a new owner so that they can become successful in their own right.

Bearing our capital constraints in mind, we confirmed our intention to exit from the Union and Rustenburg Mines, either through a sale or by separately listing these entities. We also announced that the Company is assessing its role in the Bokoni and Pandora JVs.

The result of this repositioning process is that we will focus our capital expenditure and management effort on Mogalakwena, Amandelbult, Unki, Twickenham and JV assets Mototolo, Modikwa, Kroondal and BRPM Mines. In adopting this strategy, we will ensure that the Company:

- achieves improved margins and return on capital employed (ROCE);
- operates in the lower half of the cost curve;
- delivers the majority of production from mechanised mines; and
- offers a more rewarding and overall safer, more sustainable environment for employees.

In short, the delivery of this strategy will allow us to **optimise the business** through focusing capital efficiently on the remaining consolidated portfolio and implementing business improvements at retained assets and ultimately achieve a more profitable, sustainable and socially acceptable Company in the future.

We recognise though that there are no quick fixes or rapid exits. We are working closely with stakeholders to ensure the optimal outcomes for the assets we intend to exit, with care and consideration for employees, communities and the South African platinum industry as a whole.

Performance in brief

Despite the rapid resumption of activities at our strike-afflicted operations, our financial performance during the year does not do the Company, its market or its prospects full justice. There are a number of points that stand out:

- **Our significant efforts to improve our safety performance continued, and we can report good progress in our pursuit of zero harm.** That said, it is with sadness that we report the death of three of our colleagues in work-related accidents during the year.

Operating Smarter allowed us to honour our supply commitments to our customers.

The Board and management join me in extending our heartfelt condolences to the families and friends of Mr Willie Smit, Mr Bongile Ludziya and Mr Manito Seneta.

- While around 60% of our mining operations were closed during the five-month strike and this, undoubtedly, played a role in improved performance as measured statistically, it should be noted that the safe shut-down of operations effected during the 48-hour notice period before the strike began, the deployment of employees to attend to repair and maintenance activities during the strike, and the safe resumption of operations post the strike are a tribute to the safety focus of both management and employees. Further, the violence that was the hallmark of the 2012 industrial action in the platinum sector, was thankfully largely absent.
- **Production of around 424,000 ounces of platinum was effectively lost during the five-month strike.** The build-up to steady-state production in the third quarter resulted in a further loss of 108,000 platinum ounces, bringing the total strike-related impact to 532,000 ounces. That this only translated into a marginal decrease in sales of around 205,000 platinum ounces of platinum or 9% from 2013 was as a result of careful management of the production pipeline in advance of the anticipated strike, the solid performance of the operations not affected by the strike and our JVs with production increasing 9% and 2% respectively, and the meticulous build-up to 'normal' production. In effect, Operating Smarter allowed us to honour our supply commitments to our customers.
- Given the largely uninterrupted supply of platinum to customers, it was not a surprise that the platinum price did not spike during the strike, as other producers too continued to supply metal to the market. Global macro-economic factors at play since the latter half of 2013 have had a more tangible effect on the price of platinum and, to a lesser extent, palladium. I will touch on this below.
- **The average US dollar sales price achieved per platinum ounce decreased by 7% to US\$1,386 per ounce (2013: \$1,485),** as above-ground stocks alleviated supply-related concerns. On average, the US dollar basket price per platinum ounce sold increased by 4% to US\$2,413 from the US\$2,326 achieved in 2013, with the tightness of palladium supply resulting in the average price rising by 11% to US\$803. The average rand basket price per platinum ounce, at R26,219, was 16% higher than in 2013, as it was cushioned by a weakening of the average rand/US dollar exchange rate to R10.87: US\$1.00 from the R9.71 average achieved during 2013.
- As a result of lower sales volumes due to the strike, fixed costs at striking operations and costing of the released stock, **headline earnings declined by 45% to R786 million, or R3,01 per share.** Despite this disappointing performance, **Amplats remained the preferred platinum counter among investors, substantially out-performing both its South African peers during the year.**

Creating a sustainable platinum market

Our 2012 Platinum Review revealed significant structural changes in the supply-and-demand fundamentals of global PGM markets. Lower growth in demand for platinum as a result of weak global economic conditions persisted, as did increased metals thrifting. The continued rise in the secondary metal supply from recycled scrap added to the already over-supplied platinum market.

While we continued to be positive about the medium and long-term resilience of our markets, it had become clear to us that we needed to take additional actions to further stimulate demand in addition to reducing supply of loss making ounces to the market. In addition to our role in stimulating jewellery and industrial demand we recognised the importance of developing the platinum investment market. It was with this in mind that, together with five others of the world's leading platinum producers, we launched the World Platinum Investment Council (WPIC), which will work to develop the global market for platinum investment. Together with Aquarius Platinum, Impala Platinum Holdings, Lonmin, Northam Platinum and Royal Bafokeng Platinum, we are funding the WPIC to develop an active investment market for platinum, while making investment in platinum more accessible to a wide array of investors around the world.

WPIC's mandate is to help investors gain a better understanding of platinum investment opportunities. Over time, WPIC will also work with the financial services industry to support existing platinum products and create new investment products. And, as a first step in that process, in December 2014, the WPIC launched its first report conducted by independent experts, SFA (Oxford).

Industry fundamentals tightening

Amplats has, for some time, been commenting on the fact that the cumulative oversupply of platinum in the market since 2006, partly responsible for weak prices, has largely been eliminated and that the level of above-ground inventories has been reduced to 2005 levels. This is due to a combination of once-off events (the industry-wide strikes in 2012, increased ETF purchases in 2013 and the strikes in 2014), as well as an improvement in demand. This view has subsequently been illustrated by independent research which revealed that above-ground stocks (which do not include ETFs, metal held by exchanges or industry working inventories) will be 2.15 million ounces at the end of 2014, significantly down from 4.14 million ounces at the end of 2012.

The conclusion of this research is that the fundamentals of the industry are tightening, with demand exceeding supply in each of the last three years, and pointing to a 2014 global platinum shortfall of 1.1 million ounces. That said, investment demand is at a lower level than in 2013, while autocatalyst and industrial segments have continued to grow. Autocatalyst requirements continue to be the main industrial driver for platinum demand, particularly as automotive manufacturers make the shift to the tighter Euro 6 and Euro VI emission requirements, for light-duty

CHIEF EXECUTIVE'S REVIEW CONTINUED

and heavy-duty vehicles, as legislation takes effect from 2013 to 2015, and the production of heavy-duty vehicles in Europe returns to growth. The jewellery success story of the last decade continues, notably driven by the Chinese and Indian growth markets where platinum continues to establish itself through sustained marketing by retailers and the Platinum Guild International (PGI). Overall industrial demand is projected to be slightly higher in 2015. For more details, see page 31.

Overall platinum demand was lower in 2014 as investment demand was significantly lower than its unprecedented 2013 level. However, the year-on-year decline in supply was greater than the year-on-year decline in demand. As a result, demand again exceeded supply, with a deficit of 1.1 million in 2014.

Getting past the strike

As mentioned earlier a lot has been written about the causes and impact of the five-month strike. In this report, I would rather reflect on how we as a Company have been endeavouring to get past the strike, and have been implementing lessons learned.

On 24 June 2014, we signed a three-year wage agreement with AMCU retrospectively to July 2013. The main principles of the wage agreement include an annual increase of R1,000 per month in basic pay for A- and B-band employees in years one and two and R950 per month in year three, with increases in basic pay of 8% per annum for C- and D1-band employees for years one and two and 7.5% for year three.

The agreement will increase the total labour cost to Company by 10.5% in year one; 7.7% in year two and 7.1% in year three or 8.4% per annum on average over the three-year period. Given that labour costs make up 56% of operating costs, the impact is substantial. It should also be clear why the unaffordable wage demands made by AMCU at the outset could not be met.

That the dispute came to a strike of five-month duration, remains a tragedy. The impact on the Company is clearly evident with a R10.6 billion gross cash impact. The impact on employees is perhaps less so. Conservative estimates are that our employees lost earnings of around R3 billion, a loss which it will take most employees years to recover

from. Consider then the impact of similar losses in earnings by employees of three major companies and the consequences of the strike on the so-called 'platinum belt' that extends from the towns of Brits and Rustenburg to Thabazimbi. This brings some perspective on the massive and very visible impact on communities, suppliers and contractors, municipalities and utility providers, schools, businesses – large and small, formal and informal.

On resolution of the strike, we implemented a return to work programme to re-integrate the workforce at affected operations and included a vigorous safe start-up programme with a focus on medical surveillance, orientation, induction, ensuring safe workplaces and a relationship building process called *Tshiamo* (Tswana for wellbeing). Various humanitarian initiatives were put in place to attend to employees' health issues pre- and post the strike: medical cover for all employees continued for the duration of the strike; food parcels were delivered within affected communities and in the region of 30,000 food and hygiene packs were issued and transport and cash vouchers provided to help employees get to work in the first month after the strike.

In the end, the ramp-up to steady production was achieved a month ahead of schedule, by September 2014.

A high level of indebtedness amongst our employees can contribute to poor safety and health, low morale and productivity and potentially unrealistic wage demands. During the year we appointed Summit Financial Partners to help our employees understand and manage debt. At the same time, we launched the Nkululeko Financial Wellness Programme which offers financial training and debt management. The full case study on this programme can be found in the Sustainable Development Report.

Transformation of the business

I believe that to help us achieve our strategic objectives we need to undergo a cultural transformation, and place equal focus on the people who make up the organisation. By creating a culture of *Tshiamo* with the emphasis on 'taking back our people' and 'taking our people along', and looking after psychological as well as physical wellbeing, we will empower our employees to perform at their best.

I believe that to help us achieve our new strategic objectives we need to undergo a cultural transformation.

Responsible citizenship

For some time, Project Alchemy has been enhancing the benefits to our host communities and key labour-sending areas through a R3.5 billion social development framework for shared ownership. Alchemy was started in 2009 to develop mine communities. It is underpinned by two important tenets: public participation and meaningful engagement. In 2014 this work was recognised as we were awarded Project of the Year for Excellence in Public Participation, at a ceremony hosted by IAP2 Southern Africa (the local affiliate of the International Association for Public Participation).

Going forward, Alchemy will focus on new approaches to community-owned development and social transformation.

Zimbabwe

We continued with our investment into Unki Mine, spending approximately US\$40 million during 2014 on stay-in-business capital and the construction of employee housing.

The Zimbabwean government has amended the Indigenisation and Economic Empowerment Act by devolving the responsibility for approving indigenisation plans for respective line ministries. As a result, little progress was made in implementing the Unki Mine Indigenisation Plan approved in November 2012. Engagement with the Zimbabwean government regarding this continues.

Thanks

I want to offer my thanks to Bongani Nqwababa for his six years of selfless stewardship of our Company's financial affairs, and for being an invaluable colleague to the executive and to me personally since my arrival in this position. I also welcomed to our executive team Indresen Pillay and Seara Macheli-Mkhabela as executive head: projects and corporate affairs respectively. I know they will carry out their critical responsibilities in a manner that further enhances value created by the business.

Lastly, I would like to express my gratitude for the efforts and contribution of our Executive Committee and Board and to all employees throughout the Company. Without them it would not be possible to be the Company that we strive to be.

Outlook

Although refined platinum production is likely to be higher in 2015 as South African mines recover from the 2014 strike, it is unlikely that supply will return to 2013 levels and we are of the view that for a number of years to come the deficit will grow as demand exceeds supply. Producer metal sales are expected to be more in line with production, although some excess stock sales may still occur in the first quarter of 2015, and there will be an increase in metal lock-up in the metallurgical pipeline. Delayed collection in the fourth quarter of 2014 is likely to boost recycling volumes in early 2015, and an anticipated further increase in platinum from scrapped diesel autocatalysts from Europe would lift overall recycling volumes for the year.

In conclusion, my priority for the year ahead will be to ensure that the Company sustains and advances its operational performance while driving ahead with the restructuring and repositioning strategic plans. The planned disposal of our Rustenburg and Union assets and assessments of certain joint ventures will go hand-in-hand with the continuing modernisation of the business, with due regard to the cost containment and disciplined capital spending demanded particularly during these trying times. At the same time, we will continue our work towards the better balancing of supply and demand of our products through market development, as we look to a recovery of international markets to further improve demand.

We look forward to a far better 2015 built on our achievements made in the face of the immense challenges we have faced in the recent past.



Chris Griffith

Chief executive

Johannesburg
5 February 2015

REPORT FROM THE CHAIRMAN OF THE AUDIT AND RISK COMMITTEE



RICHARD DUNNE
Audit and Risk Committee chairman

The Committee reviewed this report and is satisfied with the integrity of its content.

Dear Shareholder

I am pleased to present the Audit and Risk Committee report for the year ended 31 December 2014.

The Committee reviewed the Annual Financial Statements of Amplats for the year ended 31 December 2014 and is of the view that in all material respects the statements comply with the relevant provisions of the Act, the International Financial Reporting Standards, the JSE Listing Requirements, and fairly present the consolidated and separate financial position at that date and the results of operations and cash flows for the year then ended.

The Committee has also satisfied itself of the integrity of the remainder of the Integrated Report. Having achieved its objectives, the Committee has recommended the Annual Financial Statements and Integrated Report for the year ended 31 December 2014 for approval to the Board.

The Board has subsequently approved the Integrated Report and the Annual Financial Statements, which will be open for discussion at the forthcoming annual general meeting.

REPORT OF THE AUDIT AND RISK COMMITTEE

This report is provided by the Audit and Risk Committee (the Committee) appointed in respect of the 2014 financial year of Amplats in compliance with section 94(7)(f) of the Companies Act, No 71 of 2008, as amended.

The Committee is a committee of the Board of directors. In addition to having specific statutory responsibilities to the shareholders in terms of section 94 of the Companies Act, 71 of 2008, it assists the Board in discharging its duties in relation to the Group and makes recommendations to the Board regarding the safeguarding of assets, the operation of adequate systems, controls and reporting processes and the preparation of accurate reporting and financial statements in compliance with all applicable legal and regulatory requirements and accounting standards. The Committee further provides the Social, Ethics and

Transformation (SET) Committee with a written report, as required, on matters relating to internal financial controls, internal audit, and corruption and fraud risks that fall within the Committee's terms of reference for inclusion in the SET Committee's report and any other such function that may be required by the Board.

COMPOSITION

The appointed Committee comprises four independent non-executive directors. Collectively, the members possess the necessary skill and knowledge to equip the Committee to perform its functions. Its statutory duties and general activities are set out in its Board-approved terms of reference. During the year the Committee reviewed its terms of reference and workplan for the ensuing year and agreed that it fulfilled its statutory and regulatory obligations.

The chairman of the Board, the chief executive, finance director, an executive director of Anglo American South Africa, the company secretary, head: risk and assurance, head: finance and performance management, finance controller and the external auditors attend by invitation to provide a co-ordinated approach to all assurance activities. The internal and external auditors have unrestricted access to the Committee. Both the internal and the external auditors have an opportunity to meet with the Committee's members without management being present.

MEETINGS

The Committee held four meetings during the year and attendance at these meetings is set out in the table on page 82.

The Committee also held training workshops during the year i) to obtain greater insight into the Group's critical information technology (IT) systems and disaster recovery plans and ii) to consider the international financial accounting standards specifically impacting the mining industry and the considerations of accounting treatments.

2014 IN OVERVIEW

The Committee has executed its duties and responsibilities during the financial year in accordance with its terms of reference as they relate to the Group's accounting, financial reporting practices and finance function, external audit, internal audit and internal control, integrated reporting, risk management and IT governance.

In respect of the external audit, during the year under review, the Committee, among other matters:

- nominated Deloitte & Touche and J Welch as the external auditor and designated auditor respectively to the shareholders for appointment as auditor for the financial year ended 31 December 2014, and ensured that the appointment complied with all applicable legal and regulatory requirements for the appointment of an auditor;
- approved the external audit engagement letter, the plan and the budgeted audit fees payable to the external auditor;
- reviewed the audit plan, report back and reports;
- evaluated the effectiveness of the auditor and their independence, and evaluated the external auditor's internal quality control procedures;
- obtained the annual written statement from the auditor that their independence was not impaired;
- determined the nature and extent of all non-audit services provided by the external auditor and pre-approved all non-audit services undertaken;
- obtained assurance that no member of the external audit team had been employed by the Company or its subsidiaries during the year;
- obtained assurances from the external auditor that adequate accounting records were being maintained;
- considered whether any reportable irregularities had been identified and reported by the external auditors in terms of the Auditing Profession Act, No 26 of 2005 and determined that there were none; and
- approved the external auditor and the designated independent auditor for each of the Group's South African subsidiary companies taking into consideration the Company's HDSA policies.

The Committee confirms that the auditor and the designated auditor are accredited by the JSE.

In respect of the financial statements, the Committee, among other matters:

- confirmed the going concern as the basis of preparation of the interim and annual financial statements;
- reviewed compliance with the financial conditions of loan covenants and determined that the capital of the Company was adequate;
- examined and reviewed the interim and Annual Financial Statements, and also all financial information disclosed to the public prior to submission and approval by the Board;
- ensured that the Annual Financial Statements fairly present the financial position of the Company and the Group as at the end of the financial year, and also the results of operations and cash flows for the financial year,

and considered the basis on which the Company and the Group was determined to be a going concern;

- considered accounting treatment, significant or unusual transaction and accounting estimates and judgements;
- considered the appropriateness of the accounting policies adopted and changes thereto;
- reviewed the external auditor's audit report;
- reviewed the representation letter, signed by management, relating to the Group financial statements;
- considered any areas of concerns identified, and reviewed any significant legal and tax matters that could have a material impact on the financial statements; and
- met separately with management, external audit and internal audit.

In respect of internal control and internal audit, including forensic audit, the Committee, among other matters:

- reviewed and approved the annual internal audit plan, and evaluated the independence, effectiveness and performance of the internal audit;
- considered the reports of the internal and external auditors on the Group's systems of internal control including financial controls, business-risk management and maintenance of effective internal control systems;
- received assurance that proper and adequate accounting records were maintained and that the systems safeguarded the assets against unauthorised use or disposal thereof;
- reviewed significant issues raised by the internal and forensic audit processes and the adequacy of corrective action in response to significant internal and forensic audit findings;
- assessed the adequacy of the performance of the internal audit function, and assessed the performance of the head of the internal audit function and the adequacy of the available internal audit resources and found them to be satisfactory; and
- based on the above, formed the opinion that there were no material breakdowns in internal control, including in financial controls, business risk management and the maintenance of effective material control systems.

In respect of Information Technology (IT), the Committee has:

- reviewed IT risks and governance;
- received confirmation that information assets were managed effectively;
- reviewed the IT investment criteria and material IT investments; and
- conducted a workshop to familiarise members with the Group's critical IT systems and disaster recovery plans.

REPORT FROM THE CHAIRMAN OF THE AUDIT AND RISK COMMITTEE CONTINUED

In respect of risk management, the Committee:

- reviewed the Group's policies on risk assessment and risk management as they pertain to financial reporting and the going-concern assessment, and found them to be appropriate;
- considered and reviewed the findings and recommendations of the Safety and Sustainable Development (S&SD) Committee; and
- received a written assessment of the effectiveness of the Company's system of internal controls and risk management from the Anglo Business Assurance Services Department of Anglo Operations Proprietary Limited.

In respect of sustainability issues contained in the Sustainable Development Report, the Committee has:

- overseen the process of sustainability reporting and considered the findings and recommendations of the S&SD Committee; and
- provided input to the assessment of the non-financial material issues;
- considered the PwC findings on assurance and made the appropriate enquiries from management; and
- received the necessary assurances through this process that material disclosures are reliable and do not conflict with the financial information.

In respect of legal and regulatory requirements, to the extent they may have an impact on the financial statements, the Committee:

- reviewed with management, legal matters that could have a material financial impact on the Group;
- reviewed with the Company's internal counsel, the adequacy and effectiveness of the Group's procedures to ensure compliance with legal and regulatory responsibilities;
- received a report pertaining to infringements of the Group business principles including complaints received via the Group's Whistleblowing facility line, concerns regarding accounting matters, internal audit, internal accounting controls, contents of the financial statements, potential violations of the law and questionable accounting or auditing matters;
- considered reports provided by management, the internal auditor and the external auditor regarding compliance with legal and regulatory requirements; and
- considered a request from the JSE for further explanation supporting disclosures in the 2013 Annual Financial Statements and reviewed a response from the Company in this regard.

Image
Conrad Van Zyl operates an ultra-low profile remote operated dozer at Bathopele Mine.



In respect of the coordination of assurance activities, the Committee:

- reviewed the plans and work outputs of the external and internal auditors and concluded that these were adequate to address all significant financial risks facing the business; and
- considered the expertise, resources and experience of the finance director and finance function.

In respect of integrated reporting the Committee has:

- considered the Integrated Report and assessed its consistency with operational, financial and other information known to Committee members, and for consistency with the Annual Financial Statements. The Committee is satisfied that the Integrated Report is materially accurate, complete and reliable and consistent with the Annual Financial Statements.
- the Committee, at its meeting held on 3 February 2015, recommended the Integrated Report for the year ended 31 December 2014 for approval by the Board of directors.

INDEPENDENCE OF EXTERNAL AUDITOR

Deloitte & Touche has made the necessary representations to the Committee confirming that:

- the auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefit from the Company;
- the auditor's independence was not impaired by any consultancy, advisory or other work undertaken by the auditor;
- the auditor's independence was not prejudiced as a result of any previous appointment as auditor; and
- the criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies have been met.

After taking the abovementioned factors into account, the Committee is satisfied that Deloitte & Touche is independent of the Group and has recommended to the Board that Deloitte & Touche should be reappointed for the 2015 financial year.

FINANCE DIRECTOR AND FINANCE FUNCTION

The Committee has reviewed an internal assessment conducted on the skills, expertise and experience of Bongani Nqwababa, the finance director, and is satisfied that he has the appropriate expertise and experience to meet his responsibilities in the position. The evaluation also considered the appropriateness of the expertise and adequacy of resources of the Finance function.

Based on the processes and assurances obtained, we believe that the Company's accounting practices are effective.

CONCLUSION

The Audit and Risk Committee is satisfied that it has considered and discharged its responsibilities in accordance with its terms of reference during the year under review.

On behalf of the Committee



Richard Dunne

Chairman
Audit and Risk Committee

Johannesburg
5 February 2015

EXECUTIVE COMMITTEE

The Executive Committee ensures business is conducted in accordance with the principles of openness, integrity and accountability.



Chris Griffith



Bongani Nqwababa



Pieter Louw



Seara Machel-Mkhabela



Lorato Mogaki



July Ndlovu



Indresen Pillay

CHRIS GRIFFITH (50)

BSc Eng (Mining) Hons; Pr Eng

Chief executive

Appointed as director and chief executive in September 2012.

Chairman:

- Executive Committee
- Operations Committee

Member:

- Safety and Sustainable Development Committee (S&SD)

Chris has been with Anglo American plc for 25 years and was the former general manager of Amplats' Amandelbult Platinum Mine and Bafokeng Rasimone Platinum Mine.

BONGANI NQWABABA (48)

BAcc (Hons); CA(Z); MBA

Finance director

Appointed a director in January 2009.

Member:

- Executive Committee
- Operations Committee

Bongani trained as an accountant with Pricewaterhouse Coopers. He resigned in September 2014 and will leave Amplats at the end of February 2015.

PIETER LOUW (54)

BSc Eng (Mining)

Executive head: mining

Appointed as executive head: mining in September 2007.

Pieter is an experienced engineer, manager and director in the mining field, having served in various capacities in the gold, iron ore, coal and base metals industries.

SEARA MACHELI-MKHABELA (43)

BA Law; LL.B; MBA

Executive head: corporate affairs

Appointed as executive head: corporate affairs in July 2014.

A lawyer by profession, with a specific interest in the protection of intellectual property, Seara has 16 years' experience at executive corporate level.

LORATO MOGAKI (45)

BA (Law); Masters Dip (Human Resources Management); MBA

Executive head: human resources

Appointed as executive head: human resources in June 2013.

On the Board of the Mining Qualifications Authority

Member:

- Social, Ethics and Transformation Committee

Lorato joined Amplats in 2005 as Group manager: people development.

JULY NDLOVU (49)

BSc (Hons); MBL; CSEP; BLP

Executive head: process

Appointed as executive head: process technology in September 2007.

July joined Amplats in 2001, where he was first appointed business manager of the Polokwane Smelter, and then to his present position.

Member:

- Social, Ethics and Transformation Committee

INDRESEN PILLAY (43)

BSc (QS)

Executive head: projects

Appointed as executive head: projects in March 2014.

- Director of Amplats subsidiaries.



Vishnu Pillay



Gordon Smith



Dean Pelser



Andrew Hinkly

Member:

- Safety and Sustainable Development Committee

Dean's mining industry experience spans 28 years in gold, coal and PGMs, joining Amplats in 1999. He has extensive experience in management, strategic planning and large-scale project delivery.

GORDON SMITH (56)

BSc Eng (Mining); MSc Eng; MBA; PhD

Executive head: technical

Appointed as executive head: technical in September 2013.

- Registered professional engineer with Engineering Council of South Africa
- Fellow of the Southern African Institute of Mining and Metallurgy and Mine Ventilation Society of South Africa

Gordon has 36 years' minerals industry experience across precious metal, base metal, ferrous metals, chrome, diamond and semi-precious stone, and coal operations, joining Amplats in 2003.

ANDREW HINKLY (50)

BSc Eng (Mining); MBA

Executive head: marketing

Appointed as executive head: marketing in January 2012 and moved during 2014 to the new Commercial Business Unit of Anglo American plc. Andrew offers a marketing service to Amplats.

- Director of Amplats subsidiaries.

Andrew joined Anglo American plc in 2008 as group head: procurement and supply chain. He has extensive global experience in finance, purchasing, strategy and new market development.

Indresen has 20 years' international experience in project management, cost management, procurement on complex building, infrastructure and industrial projects.

VISHNU PILLAY (57)

BSc; MSc

Executive head: joint ventures

Appointed as executive head: joint ventures in January 2011.

Vishnu had 25 years of operational experience with Gold Fields before joining Amplats.

DEAN PELSER (46)

BSc Eng (Mining) Hons

Executive head: safety, health & environment

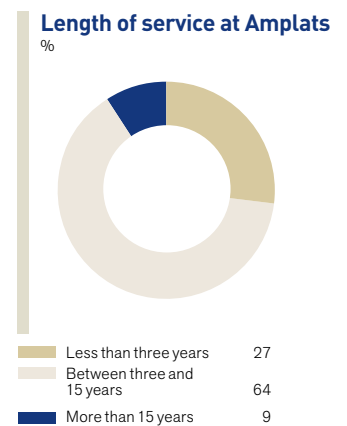
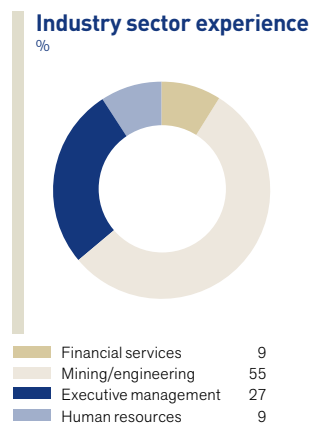
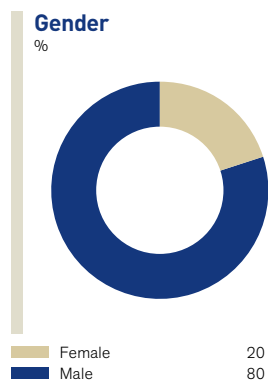
Appointed as executive head: safety, health & environment in February 2013.

Chairman of Lebalelo Water User Association.



Detailed curriculum vitae of members of the Executive Committee are available on our website at www.angloplatinum.com/about/about_sub/directors.asp

EXECUTIVE MANAGEMENT CHARACTERISTICS





FOCUS:

BUSINESS CONTEXT

“WE CONTINUE OUR
WORK TOWARDS THE
BETTER BALANCING OF
SUPPLY AND DEMAND
OF OUR PRODUCTS
THROUGH MARKET
DEVELOPMENT.”





Top image
Tito Sepoloane (metallurgist) and Johnson Hephte (processor) discuss new materials used to further improve the nickel quality at the new tankhouse at RBMR.

Bottom image
An overview of the new nickel tankhouse.

OUR EXTERNAL ENVIRONMENT

A REVIEW OF THE GLOBAL PGM ENVIRONMENT

We believe that the demand fundamentals for the long-term supply of PGMs are attractive due to growth in demand from existing and developing PGM applications and from the stimulation of demand growth in support of sustainable supply. We also recognise price variability associated with short-term variability in PGM demand. In response to this we operate our mines cost-effectively, ensuring their profitability through periods of price variability and exit operations that cannot meet these standards.

Key influences on our global environment:

- 1 PGM demand fundamentals
- 2 PGM prices and contribution
- 3 PGM application dynamics
- 4 Commercial and marketing strategy
- 5 Market development, collaboration and beneficiation

1. PGM demand fundamentals

Demand for products containing PGMs or requiring PGMs for their manufacture, most specifically motor vehicles, chemicals, glass and electrical products, increases in line with global economic growth, technological development and continually tightened environmental legislation. Short-term demand variability may be highly dependent on the specific PGM and the rate of uptake of new technologies. We remain of the view that PGMs continue to provide cost-effective performance in these applications; and that they will continue to do so at price levels above the current depressed levels and the incentive cost of South African mining supply. Significant research and development (R&D) expenditure by a multitude of industrial companies and some producers is likely to maintain cost efficiency in existing applications and to develop additional applications. Sustainability of supply, however, is a necessary condition for continued long-term PGM use.

Owing to platinum jewellery's high consumer-brand equity and the metal's share of the growing pool of consumer disposable income, jewellery demand, at current price levels, will also continue to grow in line with global economic growth. This dynamic is particularly relevant in China, the largest platinum jewellery market. We see capacity and opportunity to increase consumer preference for platinum jewellery for weddings and other special occasions, to ensure that jewellery demand, net of supply from recycled pieces, will continue to grow at higher price levels.

Demand for PGMs for investment purposes, including the visible stocks supporting exchange-traded fund (ETF) products and unmeasured over the counter (OTC) metal holdings in vaults, also provides an opportunity for growth. Broader awareness of long-term demand growth and the sustainability of demand at prices commensurate with sustainability of supply should attract more long-term investors. This will further enhance the buy-and-hold nature of ETF investments and increase the portion of buy-and-hold OTC participants.

Because it allows industrial users to hold less working stock by providing supply and creating demand during periods when primary supply takes time to adjust to changes in industrial demand, the existence of investment stocks is beneficial to the long-term sustainability of the PGM business. The sustainability of supply is compromised when stock provides supply for prolonged periods at levels below the incentive cost of production. The period from 2011 to 2014 exhibited the signs of being such a period.

Demand from autocatalyst and industrial applications is largely price-inelastic, with the key drivers being global economic performance and tightening emissions legislation. Jewellery demand, on the other hand, is price-elastic, with growth in disposable income in China being the key driver.

Investment demand, which depends in part on value-based judgements, is also price-elastic. In the case of platinum, traditional analysis of the supply/demand balance and the incentive cost of production underpins the investment proposition. Palladium and rhodium, however, are by-product metals. In their case, both the cost of production and the supply response to price are indeterminate, with poor visibility of surface-stock levels and affordability in industrial applications.

In 2014 measured platinum demand exceeded supply from mining and recycling for the third consecutive year.

Automotive, jewellery and industrial demand all increased in 2014. However, overall demand was lower as investment demand was significantly lower than its unprecedented 2013 level. Overall supply was down primarily as a result of the five month strike that ended in June 2014. The deficit in 2014 was greater than the deficit in 2013 as the year-on-year decline in supply was greater than the year-on-year decline in demand.

Despite the annual platinum deficit in 2014, the average platinum price declined year-on-year. Consecutive deficits have reduced the level of cumulative above ground stocks available to meet the shortfall between supply and demand. In 2014 supply from these stocks, producer selling from working inventories during the industrial action and weakening of the rand against the US\$ depressed the platinum price.

Palladium demand in 2014 also exceeded supply from mining and recycling for the third consecutive year and the palladium price increased. Palladium demand increased year-on-year due to strong automotive and investment demand growth. The reduction in palladium supply was less than that of platinum as a lower portion of global supply arises from the South African mines that were affected by industrial action.

Rhodium demand exceeded supply for the second consecutive year with total demand flat, reduced supply and a higher average price.

PLATINUM SUPPLY AND DEMAND

(000 oz)	2014	2013
Supply		
South Africa	3,480	4,180
Russia	727	758
North America	364	310
Zimbabwe	384	400
Other	127	135
Total primary supply	5,082	5,783
Autocatalyst recycling	1,300	1,200
Jewellery recycling	820	800
Industrial recycling	28	20
Secondary supply	2,148	2,020
Gross supply	7,230	7,803
Demand		
Autocatalyst: gross	3,210	3,150
Jewellery: gross	3,000	2,970
Industrial: gross	1,850	1,700
Investment	270	870
Gross demand	8,330	8,690
Movement in stock	(1,100)	(887)

PALLADIUM SUPPLY AND DEMAND

(000 oz)	2014	2013
Supply		
South Africa	2,120	2,470
Russia	2,580	2,680
North America	1,070	967
Zimbabwe	300	312
Other	130	148
Total primary supply	6,200	6,577
Autocatalyst recycling	2,200	1,910
Jewellery recycling	110	157
Industrial recycling	470	460
Secondary supply	2,780	2,527
Gross supply	8,980	9,104
Demand		
Autocatalyst: gross	7,290	6,960
Jewellery: gross	300	360
Industrial: gross	2,160	2,200
Investment	900	(8)
Gross demand	10,650	9,512
Movement in stock	(1,670)	(408)

RHODIUM SUPPLY AND DEMAND

(000 oz)	2014	2013
Supply		
South Africa	489	553
Russia	68	85
North America	31	29
Zimbabwe	34	36
Other	5	5
Total primary supply	627	708
Autocatalyst recycling	323	278
Gross supply	950	986
Demand		
Autocatalyst	845	806
Industrial	156	159
Investment	11	57
Total demand	1,012	1,022
Movement in stock	(62)	(36)

Image

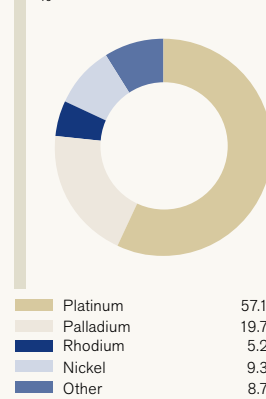
Miss World 2014, Rolene Strauss, wears a platinum crown at the PlatAfrica Awards. Seen here with chief executive, Chirs Griffith and executive head: marketing, Andrew Hinkly.

**2. PGM prices and contribution**

Platinum remained the single largest revenue generator for Amplats, accounting for 57.1% of sales revenue in 2014. Palladium and rhodium accounted for 19.7% and 5.2% of 2014 sales revenue respectively.

The platinum price remained flat during the first half of 2014, as producer selling from normal working inventory and inventory built up ahead of the industrial action met demand, and declined in the second half of the year largely on the back of macro-economic factors impacting currencies and precious metal commodity prices.

The average platinum market price decreased by 6.9% to \$1,385 per ounce with the dollar basket price increasing by 2.9% to \$2,428. The South African rand weakened by 10.2% against the US\$ in 2014, (R10.50/US\$ to R11.57/US\$) leading to an increase of 15.9% in the rand basket price of R26,307 per ounce. The average palladium market price increased by 10.8% to \$803 per ounce (2013: \$725 per ounce). The average rhodium market price rose by 9.9% to \$1,173 per ounce (2013: \$1,067 per ounce).

Revenue split 2014

OUR EXTERNAL ENVIRONMENT CONTINUED

A REVIEW OF THE GLOBAL PGM ENVIRONMENT CONTINUED

3. PGM application dynamics

Autocatalyst

Global light-vehicle sales grew by 3.5% in 2014, to 87.2 million units. Continued gains of 8.3% in China, 5.2% in Western Europe and 5.9% in North America offset the declines of 7.8% in Eastern Europe. 2014 noted a positive turnaround in Western Europe sales with 12 consecutive months of year-on-year growth in relation to 2013 performance.

Gross demand for platinum in autocatalysts increased by 1.9% in 2014, in contrast to the 5.3% decrease in gross demand in 2013. The increase in demand is primarily due to the recovery in the Western European light duty vehicle market. The diesel share in the European market remained steady in 2014 at 49%. However, platinum demand increased due to increased production and increased loadings as a result of the impact of the introduction of Euro 6 and Euro VI emissions legislation for light duty and heavy duty vehicles respectively. Palladium used in autocatalysts increased by 4.7% in 2014, in line with global growth in gasoline vehicle production. The increase in palladium purchases for autocatalysts in China offset weakness in other markets. Gross rhodium use in autocatalysts increased in 2014 as the strong gasoline vehicle growth in China offset weakness in other markets.

Jewellery

In 2014 gross demand in China remained flat. The Chinese platinum jewellery market accounted for 67% of gross global jewellery demand in 2014. Platinum jewellery sales in China in 2014 continued to benefit from higher levels of consumer disposable income and the narrow price premium to gold. However, the weak price in the last quarter dampened consumer interest in purchases and reduced the flow of recycled pieces. The platinum premium over gold reduced to zero at the end of 2014.

The much smaller markets of Europe, North America and the key growth market of India all grew in 2014.

Industrial

In 2014 platinum in industrial applications increased by 150,000oz or 8.8%. This increase is as a result of the growth in chemical and glass applications.

Industrial use of palladium in 2014 declined for the second year in a row by 40,000oz as substitution by base metals and ceramics in dentistry continued in 2014 and palladium chemical applications demand decreased.

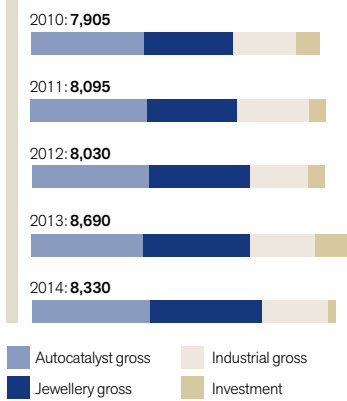
The use of rhodium in industrial applications in 2014 decreased marginally by 3,000oz, owing to weaker consumption primarily in the glass sector and slight weakening in the chemicals sector.

Investment

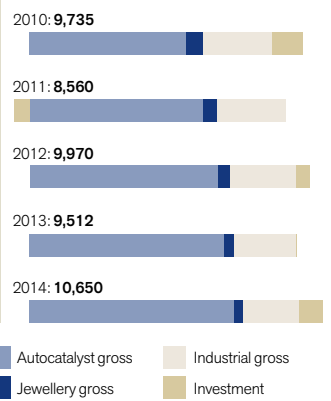
Investment demand for platinum in 2014 amounted to 270,000oz despite the record investment demand in 2013 driven by the increase of over 900,000oz in the new rand-based South African ETF. The growth in investment demand was counter to market expectations that the significant increase in 2013 would reverse in 2014. Growth in 2014 was supported by the launch of a second South African platinum ETF.

Palladium investment demand increased dramatically in 2014 amounting to 900,000oz, in comparison to the negative 8,000oz in 2013. This increase was driven by the launch of two new rand-denominated funds. Growth in the South African funds offset some reduction in holdings in the North American and European markets. Rhodium investment demand decreased by 46,000oz or 80.7% in 2014.

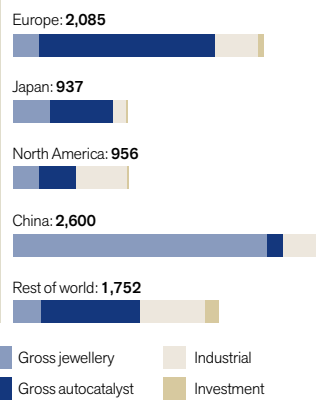
Global platinum demand history
by application (000oz)



Global palladium demand history
by application (000oz)



2014 Global platinum demand
by application per region (000oz)



4. Commercial and marketing strategy

Our commercial strategy adds sustainable value by optimising its key commercial value drivers: contractual terms, risk management, customer portfolio and market-development activities. We obtain robust market intelligence that informs, firstly, the underlying drivers of supply, demand and metal-price projection; and, secondly, opportunities in supply-channel and market development. This is achieved by using information from our customers and participants in the PGM markets.

We benefit from the Anglo American Group's commercial transformation, as an integrated participant in the Group's Commercial Business Unit, co-located in London and Singapore and leveraging best practice and customer-centric commercial excellence.

Benefits resulting from the implementation of our revised commercial strategy in 2012 and 2013 continued in 2014, including the following:

- Significant revenue enhancement from improved contractual terms – from the end of 2013 sales commissions which amounted to R418 million are no longer payable.
- Enhanced market intelligence, firstly through focused programmes involving customers and secondly via increased contact with automakers and market participants.
- The increased size and diversity of our customer portfolio.
- An enhanced focus on market development, in which initiatives increasingly use direct funding or co-investment with development partners and emphasise sustainable demand and South African beneficiation.
- Closer attention to jewellery-market development, to achieve a higher portion of demand in the bridal/special occasion category.

- The identification of new commercial value opportunities – notably in rhodium and minor PGM applications – in 2014.
- The introduction of the World Platinum Investment Council (WPIC), in November 2014.

The commercial strategy for increasing PGM demand includes Platinum Guild International's focus on inelastic jewellery demand in China and India and the WPIC's focus on promoting investment demand. Negotiations with automotive customers to re-introduce rhodium into autocatalysts gained traction in 2014 as did further opportunities in the industrial sector including adoption of new technology such as renewable power support and electrolyzers through a PGM investment programme – \$29m invested to date.

Amplats was instrumental in the establishment and launch in 2014 of a new industry entity, the WPIC, which will work to develop the global market for platinum investment. Anglo American Platinum, Aquarius Platinum, Impala Platinum Holdings, Lonmin, Northam Platinum and Royal Bafokeng Platinum will fund the WPIC to develop an active investment market for platinum, while making investment in platinum more accessible to a wide array of investors around the world.

WPIC will help institutional, high net worth and retail investors gain a better understanding of the platinum investment opportunity through the provision of independent data, information and insight. Over time, WPIC will also work with the financial services industry to support existing platinum products and create new investment products improving access to platinum's investment benefits. We believe that the WPIC will help investors make better informed decisions when it comes to physical platinum and result in a more sustainable platinum investment market.

5. Market development, collaboration and beneficiation

Amplats' global PGM market development initiatives continue to focus on de-risking market demand across the industrial, jewellery and investment demand segments, both in the short- and long-term. South African beneficiation objectives are supported as part of broader market development activities.

The Company invests in market development and beneficiation across five broad areas:

- research into new PGM applications at South African institutions and together with our customers;
- global and local development of platinum jewellery markets;
- product development and commercialisation of platinum-containing fuel cells;
- equity investments in early-stage technologies that use or enable the use of PGMs; and
- stimulating platinum investment demand through the WPIC.

Both Amplats and the Government realise that the development of new PGM products can be enabled only by strengthening research capacity and building skills in the fields of science and engineering. To this end, the Company supported various PGM research programmes at South African institutions during the year including North-West University, University of Cape Town and the Medical Research Council.

Together with other platinum producers, Amplats supports the Platinum Guild International (PGI). The PGI has provided marketing development, sales support and training to all levels of the global jewellery trade for over 30 years. Key targets are the growth markets of China and India. In South Africa we support building capacity in the design and manufacturing of platinum jewellery.

Amplats continues to focus on accelerating the global adoption of Platinum-based Proton Exchange Membrane (PEM) fuel cells.

We believe that there is an opportunity to position South Africa both as a market and as a manufacturing location for fuel cell products. The creation of a fuel cell industry, along with manufacturing, installation and maintenance jobs is aligned with the National Development Plan and Government's industrial development priorities. Amplats, together with its partners, has developed hydrogen fuel cell systems as cost-effective replacements for conventional batteries or diesel engines in underground mining vehicles.

The PGM Investment Programme was created to invest in entities that use or enable the use of PGM-based technology in their products or processes. The programme provides start-up and growth capital to innovators and entrepreneurs during the early-stage development and commercialisation of PGM technology. Amplats established the fund in 2009, with a \$10 million commitment and in 2014 committed a further \$100 million to the fund, with \$20 million to be invested per year over five years.

In the year under review, the Company invested further in California-based Primus Power which is using its funds to further develop its utility-grade electrical energy storage solution called EnergyPod®.

We also invested in Hydrogenious Technologies, a high-tech spin-off from the University of Erlangen – Nuremberg (Germany) (which also holds a stake in Amplats). Hydrogenious is developing technology focused on the safe storage of hydrogen, which is frequently used as an energy storage medium. We also invested in the UK-based company Food Freshness Technology Holdings, which is developing palladium-based ethylene scavenger technology to remove ethylene, an odourless gas that can accelerate ripening of fruit.

OUR EXTERNAL ENVIRONMENT CONTINUED

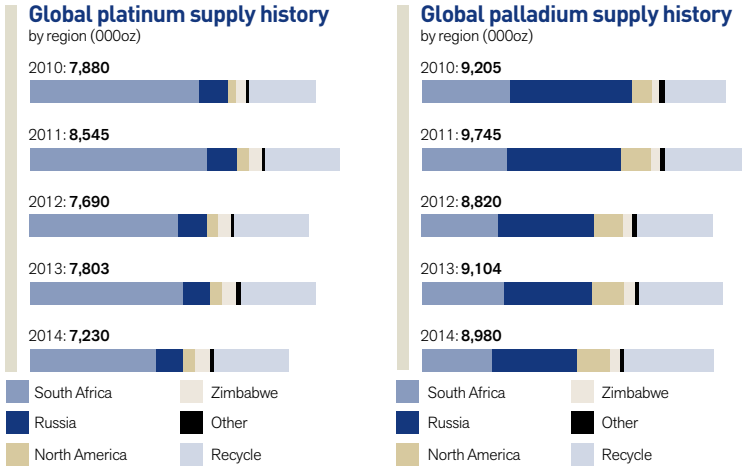


Image
Research being conducted at our research and development laboratory at Crown Mines.



THE SOUTH AFRICAN PGM AND MINING ENVIRONMENT

Key drivers in the South African PGM environment:

- 1 Socio-political aspects
- 2 Community expectations
- 3 Labour market
- 4 Mining Charter compliance
- 5 Infrastructure challenges

1. Socio-political aspects

South Africa's political environment is experiencing robust interaction between the ruling ANC and the two largest opposition parties, the Democratic Alliance and the Economic Freedom Fighters. This should not be confused with a situation of political instability.

Nor should it be confused with a situation where democratic standards are being eroded. The very robustness of the interaction is evidence of the primacy of free speech. And where procedures have been exercised in state structures that might seem to threaten adverse impacts on the institution of free speech, our independent judiciary, at all levels, has proven more than willing and capable of affording protection.

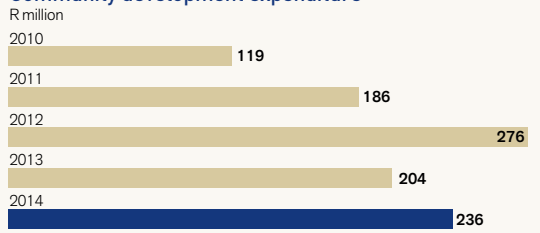
South Africa's stable political situation was demonstrated by the fifth peaceful general election of the democratic era.

2. Community expectations

Issues of physical infrastructure are critical, both for the industry and for the communities resident in mining towns. Government has allocated significant funding to the upgrading of these areas, and we are committed to playing our part through public-private sector partnerships.

Companies continue to face challenges in respect of their social licenses to operate, with many mining regions, particularly platinum regions, experiencing huge influxes of people in search of economic opportunity. The inability of the state and the private sector to meet rising social demands can give rise to grievances on the part of community members, and anger is often directed at both the state and at mining companies.

Community development expenditure



For more information see pages 46 to 48

3. The labour market

Labour relations remains a particular challenge for the economy, with the five-month AMCU platinum strike and a one-month Numsa engineering sector strike standing out as indications of an adversarial situation in 2014.

In his state of the nation address immediately following the election, President Jacob Zuma mandated his deputy, Cyril Ramaphosa, to convene and manage an engagement between government, organised labour and business in a quest to seek solutions to these challenges. An initial gathering was held in early November, and will proceed during 2015. Amplats will be represented through Business Unity SA and the Chamber of Mines.

Labour instability has been exacerbated by inter-union conflict which has become a feature of the labour relations environment. Competition between the NUM and AMCU has already given rise to conflicts in the platinum sector. Business is concerned that competition between unions often manifests in industrial action, some of which is unprotected.

Relationship building with union representatives at all our operations is ongoing. Rebuilding severed trust after the strike and restoring relationships is the focus for 2015.

4. Mining Charter compliance

A prominent issue in the mining sector in 2015 is likely to be the review of the Mining Charter after 10 years of existence. The review will take place under the leadership of new Mineral Resources Minister, Minister Ngoako Ramathodi.

Critical issues likely to be raised are the question of BEE ownership in terms of the Charter, as well as housing and living conditions and local economic development.

Amplats meets the Mining Charter requirements.

For more information see pages 56 to 57

5. Infrastructure challenges

National utility Eskom's ability to balance adequate supply while carrying out necessary maintenance of its aging power generating fleet and while awaiting the completion of the construction of the two new power stations, Medupi and Kusile, has become increasingly strained. Supply of power to mines and industry, as well as to ordinary consumers, is likely to suffer increasing interruptions.

Our operations collaborate closely with Eskom so that power outages can be planned for and operations managed.

For more information see pages 52 to 55

IDENTIFYING RISK, PURSUING OPPORTUNITIES

As a business we try to embed identifying risks to such an extent that it becomes part of everything we do, so that we achieve the full scope of risk management.

INTEGRATING RISK MANAGEMENT INTO THE WAY WE OPERATE

Identifying and managing risk is critical to the success of our business as we anticipate and respond to a changing world. An integrated risk management framework ensures the effective governance of operational and strategic risks. We define risks as situations or actions with the potential to threaten our ability to deliver on our strategic priorities, and ultimately, to create value.

To make sure our process of risk management is exhaustive, we follow a dual 'bottom-up' and 'top-down' approach. Operations identify risks by function and this information is consolidated and considered by the Amplats Executive Committee where the risk issues are compared and aligned to the risks that have been identified from a strategic level. External views are also considered – including risks identified by our customers, investors and the market. Developing ways to avoid (wherever possible) and mitigate risks follow this process.

Within the business we try to embed identifying risks to such an extent that it becomes part of everything we do, so that we achieve the full scope of risk management.

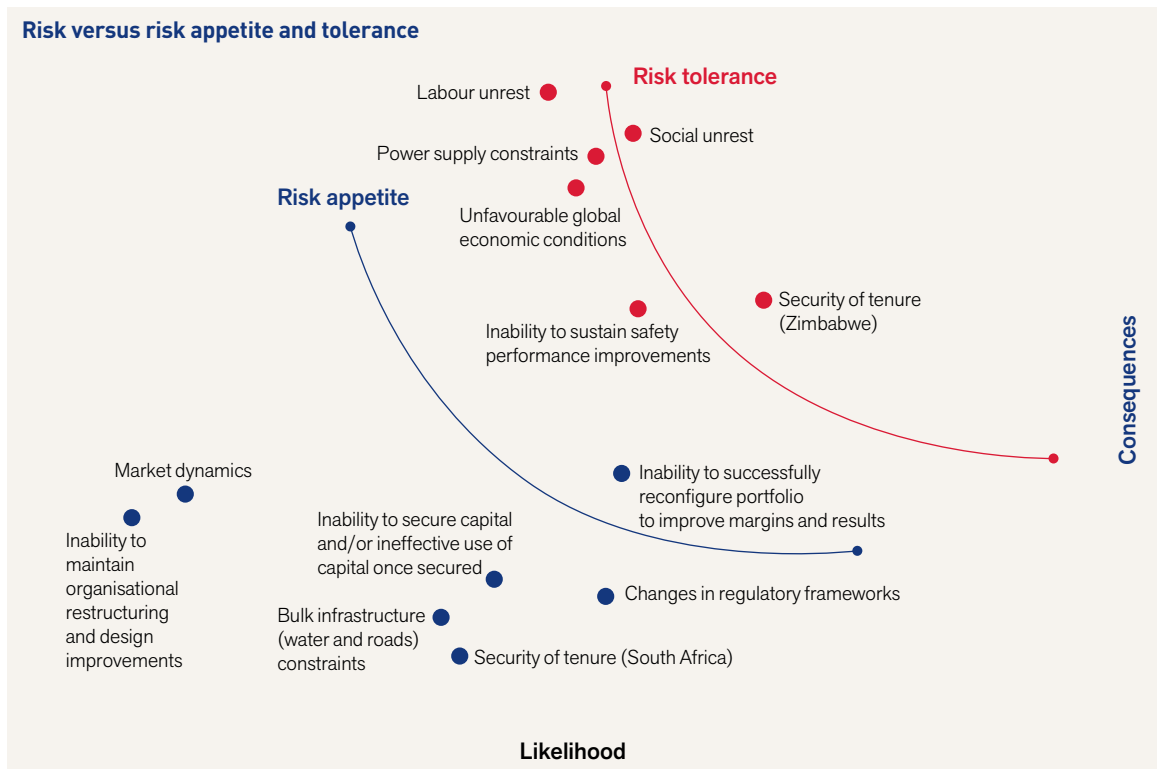
OPPORTUNITIES

Integral to our risk management process is identifying the opportunities associated with risks. Our business model (page 06) and the review of our external environment provide greater insight into how we leverage opportunities and ultimately how we create value.








RISK APPETITE AND TOLERANCE

Risk appetite is a concept that helps guide our risk management activities. It enables the Executive Committee and Board to establish a baseline level of risk the Company is willing to accept, as well as evaluate the likelihood and impact of certain threats. Risk tolerance, on the other hand, refers to the amount of risk that the organisation is able to withstand. Both are core considerations in determining our strategy.







Where risks exceed appetite, mitigating actions must be taken. The diagram below shows where identified risks lie in relation to our appetite and tolerance, and the actions taken for those exceeding our risk appetite are detailed in the table on the following pages.







The table below provides a summary of the key risks facing the business, our mitigating strategies and where these risks fit in with our strategic priorities.

Strategic priority	Risk	Mitigating actions
 <p>Operational excellence</p> <p>Reconfiguration of our asset portfolio, safe and effective management of assets and targeting industry-leading productivity and cost performance.</p> <p>Making use of new technology and innovation to contribute to operational excellence.</p>	<p>Inability to restructure the business to improve margins and returns</p> <p>The restructuring process is largely complete, but what remains is optimising the consolidated mines and new structures that are in place.</p>	<ul style="list-style-type: none"> All optimisation initiatives are tracked and reported.  see page 44
	<p>Inability to successfully reconfigure the portfolio to yield improved margins and returns</p> <p>Repositioning our portfolio will allow us to exit assets that no longer fit with our future strategy, and optimise and grow those that do. By focusing on mainly mechanised operations and open-pit mines, we have the opportunity to reduce our costs, improve safety performance, increase returns and maintain portfolio diversification. Our success in this process will help define the Amplats of the future.</p>	<ul style="list-style-type: none"> The sales preparation process for Union mine has been completed. Employees have been appointed to the relevant work streams.  see page 44
	<p>The inability to maintain production as a result of infrastructure limitations</p> <p>The ability of South Africa's electricity utility, Eskom, to supply adequate power has again come into question during the year, and their maintenance backlog levels remain high. If we experience planned or unplanned power outages, our ability to produce will be constrained.</p>	<p>During the year our appetite threshold with regard to infrastructure limitations was exceeded. By putting in place the following mitigating actions, we have reduced the level of risk to an acceptable level.</p> <ul style="list-style-type: none"> There is ongoing interaction with Eskom to manage the impact of load shedding. Various ways to secure independent power generation are being investigated.  see page 52
 <p>Projects excellence</p> <p>Ensuring efficient investments and effective execution of value accretive projects – on time and on budget.</p>	<p>Selecting the wrong projects in our portfolio to invest in/develop</p> <p>As we move towards becoming a value-driven business, we will reduce the number of assets in our portfolio and focus on those assets that can deliver higher returns. If these assets do not deliver on target, the sustainability of our business will be put at risk.</p>	<ul style="list-style-type: none"> Our portfolio management strategy has been revisited and is being optimised. Rigorous selection processes are applied to capital allocation. Alternative business case methodology being applied.  see page 44
	<p>Inability to execute projects successfully – on time, on budget and to the required quality</p> <p>The failure to meet investment proposal commitments will put the sustainability of the business in jeopardy.</p>	<ul style="list-style-type: none"> Internal reviews are conducted by the Company and the Technical and Sustainability department using a risk-based approach, through various stages of the projects. Project control thresholds are aligned with project approvals and reducing front-end engineering design.
	<p>Bulk infrastructure constraints</p> <p>Water and local infrastructure such as roads and electricity are critical to our operations' ability to produce. Project implementation and execution is dependent on this infrastructure.</p>	<ul style="list-style-type: none"> Water and road initiatives are underway, specifically at Mogalakwena and Unki Mines where longer-term constraints could arise.  see page 52

IDENTIFYING RISK, PURSUING OPPORTUNITIES CONTINUED

Strategic priority	Risk	Mitigating actions
 <p>Commercial excellence Unlocking commercial value by growing the market and increasing sales revenue from all metals.</p>	<p>Unfavourable global economic conditions</p> <p>The platinum price has been weak during the year, and this was compounded by the continued fall in demand for platinum.</p> <p>The price of rhodium is also an area of concern – there is a greater percentage of rhodium in UG2 and output is growing. If this growth exceeds demand, and the price of rhodium falls, we will have excess supply. Conversely, if demand increases we will be in a position to pursue the opportunity to increase sales.</p>	<p>During the year our appetite threshold with regard to global economic conditions was exceeded. By putting in place the following mitigating actions, we have reduced the level of risk to an acceptable level.</p> <ul style="list-style-type: none"> • Future demand can be influenced across multiple demand segments. To reduce risk, we have taken greater responsibility for marketing and stimulating demand (see the discussion on the WPIC on page 31). • As a business we make sure we have a detailed understanding in demand in the market and its potential growth informs our strategy accordingly. <p> see page 28</p>
	<p>Platinum supply and substitution</p> <p>Secondary platinum supply (mainly from recycling) and substitution (using palladium instead of platinum) reduces primary demand. If secondary platinum supply grows faster than expected, prices could decline further and our profitability be compromised.</p>	<ul style="list-style-type: none"> • The viability of entering the recycling value chain is currently undergoing trials to attain insight into the long-term potential.
 <p>People excellence Ensuring that Amplats has the right people in the right roles and that these people are efficient, effective, engaged and attuned to the organisational culture and values.</p>	<p>The inability to effectively implement and maintain organisational restructuring and design improvements</p> <p>The changes made to the structure of the organisation are being embedded – and the implications of the restructuring need to be integrated and maintained for long-term success.</p>	<ul style="list-style-type: none"> • We have put in place a number of controls at operational, functional and Executive Committee level to ensure the changes are embedded throughout the organisation.
	<p>The inability to comply with the revised empowerment codes in South Africa</p> <p>The South African Mining Charter stipulates that all companies must maintain 26% HDSA ownership and 40% HDSA representation in management. The HDSA representation empowerment targets have been revised, particularly in respect of the economically active population profile representation, and failure to meet these revised requirements could impact on our mining licences.</p>	<ul style="list-style-type: none"> • Amplats participates in the Chamber of Mines skills strategy and has planned a research survey to identify potential barriers to achieving these targets. <p> see page 56</p>
	<p>Skills attraction and retention</p> <p>The transition of our strategy and move towards a leaner structure may lead to a loss of skills due to uncertainty (in the short term) and a misalignment between our skills mix, and skills needed to achieve our targets (in the long term).</p>	<ul style="list-style-type: none"> • Our skills strategy and talent management place emphasis on training and development to make sure our employees are equipped with the skills they need to do their work. • Employees receive regular communication about changes in the Company. <p> see pages 47 to 48</p>
	<p>Labour unrest</p> <p>Labour unrest that leads to stoppages, strike action and violence, as was the case during the first half of the year, has an enormously negative effect on our business, and the ability to stop production. The labour climate generally remains in a state of flux within South Africa.</p>	<p>During the year our appetite threshold with regard to labour unrest was exceeded. By putting in place the following mitigating actions, we have reduced the level of risk to an acceptable level.</p> <ul style="list-style-type: none"> • Actively engaging with our employees and the labour unions to rebuild a relationship of trust. • Three-year wage agreement with labour secured. <p> see pages 46 to 48</p>

Strategic priority	Risk	Mitigating actions
 <p>Sustainability excellence Creating sustainable value for all stakeholders – a sustainable business, sustainable communities and sustainable environments.</p>	<p>Employee safety and health</p> <p>Our safety performance has steadily improved, and the inability to maintain this performance would lead to the threat of harm to our employees.</p> <p>Our safety tolerance level remains at zero.</p>	<ul style="list-style-type: none"> • Our various safety initiatives all emphasise our commitment to zero harm. • Short term safety risks such as falls-of-ground, underground transport and moving machinery receive continued focus. • Moving towards mechanised mining methods eliminates many safety risks. <p> see pages 49 to 51</p>
	<p>Social unrest</p> <p>If local communities actively oppose the existence of our operations, our ability to implement and conduct our activities could be threatened. In South Africa there have been rising levels of dissatisfaction amongst communities relating to social delivery, unresolved legacy issues, and a desire to benefit from mining.</p>	<p>During the year our appetite threshold with regard to social unrest was exceeded. By putting in place the following mitigating actions, we have reduced the level of risk to an acceptable level.</p> <ul style="list-style-type: none"> • Amplats can help transform the role of mining in society, and continues to engage with host communities. • Innovative developmental initiatives are in place. • We ensure that all social projects are integrated. • We are currently increasing internal capacity to address social issues. <p> see pages 46 to 48</p>
	<p>Regulatory requirements, uncertainty and compliance</p> <p>Changes in the regulatory requirements in South Africa, specifically relating to the Mining Charter amendments, increases the risk of non-compliance and failure to deliver on our Social and Labour Plans (SLPs). Non-compliance could result in fines/penalties, production interruptions by way of section 54 and section 53 notices issued by the regulator.</p> <p>Changes to land and water legislation and the broader developmental role expected of mining create uncertainty.</p>	<ul style="list-style-type: none"> • Participation with the Chamber of Mines and in regional development forums. • Responsibility for SLP infrastructure project execution has been allocated to our projects department as they have the project management skills to manage large infrastructure projects. • We focus on ensuring compliance with our internal standards, and making sure these are aligned to regulatory compliance. • Engage government and policy makers proactively whilst policy is being drafted. <p> see pages 56 to 57</p>
	<p>Concerns regarding security of tenure</p> <p>The legal protection of our assets in Zimbabwe is a concern, as are increased taxes and beneficiation demands on our products despite power, throughput and cost constraints.</p>	<p>During the year our appetite threshold with regard to security of tenure was exceeded. By putting in place the following mitigating actions, we have reduced the level of risk to an acceptable level.</p> <ul style="list-style-type: none"> • Collaboration with other PGM producers through the Chamber of Mines and lobbying through the South African and Zimbabwean governments.

STAKEHOLDER IDENTIFICATION AND ENGAGEMENT

Understanding and being responsive to our stakeholders is one of our principal priorities.

OUR STAKEHOLDERS: INTEGRAL TO OUR STRATEGY

Effective stakeholder engagement is a prerequisite for the realisation of our strategic objectives.

Our stakeholders are those who may be affected by, or who may have an effect on our Company in a negative or positive way. Our stakeholders are international, national and regional and, in the interests of our long-term sustainable development, we see our stakeholders as partners in development. We are committed to working with our stakeholders in government, business and civil society to promote good governance and the responsible use of mineral wealth.

The need to invest in building mutually beneficial relationships is of increasing importance, given that prior

to the five month strike there was already a trust deficit between certain stakeholders and the Company. Our focus is on re-establishing relationships with our stakeholders in order to rebuild and maintain trust.

In 2013 we undertook a comprehensive exercise to review and update our stakeholder engagement processes. This entailed an initial engagement process across the Eastern Limb and the Western Limb of the Bushveld Igneous Complex as well as reviewing governmental expectations, preferences and regulations impacting the Company's engagement with stakeholders. The outcome of these activities informed the development of stakeholder engagement guidelines, and the development of our stakeholder engagement strategy.

Image
Our employees are key stakeholders in our Company. Here, employees discuss efficiencies at the control room of Polokwane Smelter.



OUR STAKEHOLDER ENGAGEMENT STRATEGY: IN A NUTSHELL

Strategic intent:	Strategic objectives:
<ul style="list-style-type: none"> • To become a partner of choice in integrated and sustainable local economic development in provinces where we operate • To build a reputation for consistent and reliable delivery on commitments made to stakeholders • To effectively engage with stakeholders in obtaining the right to and support for safe and profitable platinum mining 	<ul style="list-style-type: none"> • Quality, standardised and effective engagement with all stakeholders • Being a partner of choice • Delivering stakeholder-specific engagement programmes, appropriately conceptualised, implemented and evaluated • Strengthening our reputation through profiling and thought leadership • Mitigation of social risk and crisis preparedness

We have the following stakeholder groups: investor/analyst community; employees; trade unions; customers; business partners; municipalities; government; NGOs; educational institutions; local communities; communities in labour-sending areas; media; environmental groups; supply-chain partners; and JV partners.

Some of the key issues we have been addressing during the year include:

- job security and the limited opportunities for local recruitment that result from skills gaps;
- reputation and relationship damage to the industry as a result of strike-related violence and conflict;
- industry-wide issues such as migrant labour, and employee housing and accommodation;
- the indebtedness of our employees and helping them understand and manage their debt; and
- communication with the South African Government, our employees, the unions and the communities close to our mines regarding our intended sale of non-core assets.



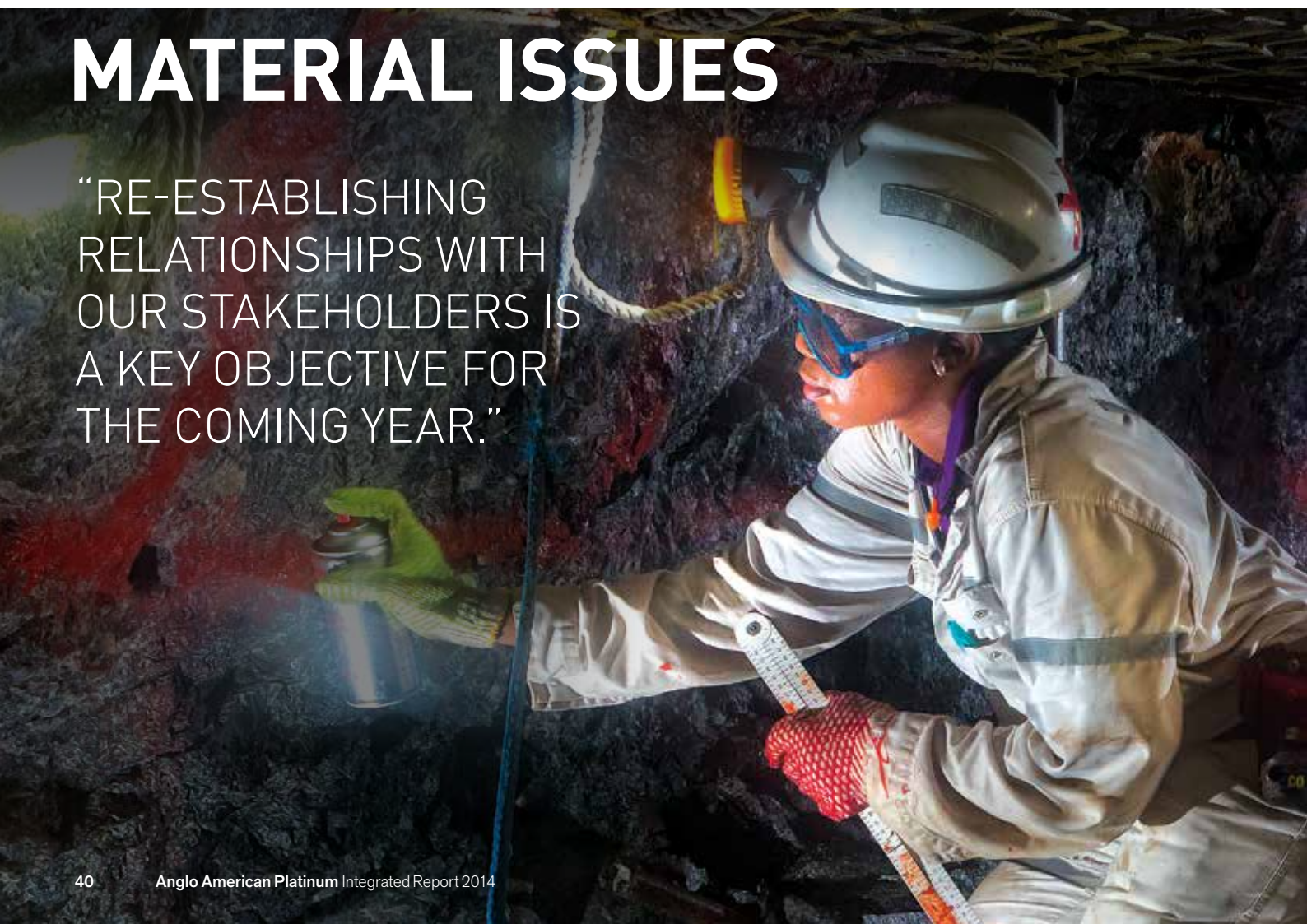
For more details, please go to our Sustainable Development Report or to our website www.angloamericanplatinum.com



FOCUS:

MATERIAL ISSUES

“RE-ESTABLISHING RELATIONSHIPS WITH OUR STAKEHOLDERS IS A KEY OBJECTIVE FOR THE COMING YEAR.”





Top image
Proximity devices have been installed on all locomotives to alert the operators of the proximity of people in the haulage, improving safety.

Bottom image
Marking and securing areas prior to drilling at Dishaba Mine.

MATERIAL ISSUES

We define our most material issues as those that have the greatest real and potential impact – both positive and negative – on the achievement of our business objectives.

IDENTIFYING OUR MATERIAL ISSUES

These may be issues related to our internal or external environments (see page 28), significant risks and opportunities as identified in our integrated risk management process (see page 34), and/or be important to stakeholders (see page 38).


In reviewing our material priorities, we took account of:

- The views, expectations, interests and concerns expressed to us by stakeholders, directly and indirectly, formally and informally.
- Peer reports and industry benchmarks.

- Implicit and explicit messages conveyed by strike action and other labour-relations issues.
- Relevant legislation and regulation, and agreements and commitments, entered into by the Company.
- Media coverage and market reports on the Company, the platinum sector and the industry.
- Our values, policies, strategies, systems, goals and targets.
- Significant risks that could affect our success as identified through our risk management process.
- Views expressed by external stakeholders through direct interviews by an external party. Targeted stakeholders who participated in this process included investors, media and market analysts, NGO leaders and customers.

The ranking and prioritisation of our material issues was reviewed and confirmed first by the Executive Committee, and subsequently by the Board.

Our material priorities at the end of 2014 are presented below, along with case studies that provide some insight into the way in which these priorities are dealt with in practice.


 **Optimising production, cost-effectively and efficiently, within a changing and complex business and socio-political environment** P44

Our business performance is directly linked to actual and anticipated global demand for our metals, which in turn influences current and forecast prices. Legislative amendments and uncertainty contribute to this ever-changing external environment. Internally, rising input costs – most particularly electricity and labour costs – combined with declining productivity as a result of structural issues and unplanned stoppages have placed pressure on margins.

Case study: Flexibolt innovation at Bathopele Mine

Following a safety incident in 2013 at Bathopele Mine, we decided to remove its employees from high-risk tasks and areas, which meant that the installation of rope anchors had to become mechanised. We also realised that we would have to develop the required method ourselves: although equipment exists in the market, it is used for mining activities where the stopping width is much greater than that of Bathopele Mine. Subsequently, the team has produced a product and process that will not only increase safety at the mine, but will also have benefits in terms of costs and productivity.



 For more information see page 48 of the Sustainable Development Report

 **Understanding, managing and meeting stakeholder expectations and bridging trust gaps** P46

We recognise that stakeholders have certain expectations of the Company. These may not all be appropriate or possible to meet, particularly where this applies to large-scale socio-economic development in the context of poor local service delivery. We understand that it is our role to understand and manage stakeholder expectations through credible and effective stakeholder engagement. We also ensure that we live up to the promises we have made and, where it is not possible to do so, that we engage constructively and openly with stakeholders. Some of the issues we need to deal with are: job security and losses, and limited access to jobs for locals as a result of skills gaps; reputational and relationship damage to industry as a result of sector-wide violence and conflict; sector issues such as migrant labour, housing and accommodation.

Case study: Mitigating employee indebtedness

Indebtedness is a serious and complex social challenge in South Africa. Many of our employees are struggling with a level of debt that is difficult to manage, with large amounts being deducted from their monthly wages, by court order, as debt repayments. In 2014 we created an employee financial wellness programme – Nkululeko – to help employees understand and manage their debt.



 For more information see page 35 of the Sustainable Development Report



Safeguarding our employees' and communities' health and safety

P49

We aim to achieve zero harm at our operations and by our operations. We want to eliminate all fatalities, and to sustain the improvements in safety that we have achieved in recent years. We want to prevent and treat occupational health exposure (noise-induced hearing loss, exposure to airborne pollutants), as well as public health related threats such as tuberculosis and HIV/AIDS. We seek to improve the living conditions of employees.

Case study: Working to meet our NIHL targets

We aspire to eliminate noise-induced hearing loss (NIHL) and, as with our zero harm goal, have set target dates for the elimination of NIHL. While these have not yet been met, there has been progress from the more than 1,000 cases diagnosed in 2004 to numbers below 100 since 2008. Our operations are now in the process of rolling out customised earplugs to each exposed employee, where the devices are moulded to each individual's ears. These offer more certain protection to the required level. The expectation is that the efforts of the past years and the present time will bear fruit of a decline, and ultimately the elimination, of the incidence of NIHL.

For more information see page 54 of the Sustainable Development Report



Business context



Ensuring access to affordable infrastructure and natural resources, and minimising our footprint

P52

We will use our natural resources sparingly and responsibly, and minimise our environmental footprint. We will continue to secure access to affordable and reliable electricity supply, while at the same time seeking alternative energy sources. We recognise South Africa's water-supply constraints, and will seek consistent access to water for our current operations as well as expansion projects.

Case study: Managing water supply

South Africa's water resources are increasingly under pressure and water needs to be used with care. We have developed a bulk-water strategy and infrastructural plan to protect, manage and maintain water supplies. Our flagship project is a collaboration with the South African government to provide 1.9 million people with clean water through the Lebolelo Water Scheme and the Flag-Boshielo and De Hoop dams in Limpopo Province.

For more information see page 63 of the Sustainable Development Report



Meeting our obligation to comply with legislation, regulation, voluntary codes and social compacts

P56

We will meet our social, environmental and other licensing obligations. Our approach to the Mining Charter is not just one of ticking the boxes, but of ensuring real transformation. We will meet and entrench our obligation to respect human rights, including rights relating to land issues and sexual harassment. We will contribute to South Africa's beneficiation policy and practice.

Case study: Supporting government's drive to increase local beneficiation

Platinum-based fuel cells provide significant economic and environmental development opportunities by facilitating the provision of clean, reliable and cost-effective power. We are developing a commercial stationary fuel cell home generator, designed to provide efficient, reliable power to rural communities that are not connected to the electricity grid. A field trial is currently under way outside Kroonstad in the Free State; this is a world-first demonstration of a fuel cell mini-grid application for rural electrification. This is fundamental to aligning our beneficiation strategy with the South African government's objectives on beneficiation.

For more information see page 41 of the Sustainable Development Report



MATERIAL ISSUES CONTINUED



OPTIMISING PRODUCTION, COST EFFECTIVELY AND EFFICIENTLY, WITHIN A CHANGING COMPLEX BUSINESS AND SOCIO-POLITICAL ENVIRONMENT



WHAT WE'RE DOING

- Optimising Rustenburg and Union Mines.
- Embracing modern mining technology.
- Focusing on better utilisation of our shafts, concentrators and process facilities.
- Allocating capital expenditure to high performing assets, such as Mogalakwena.
- After the strike came to an end, concentrated effort was placed on bringing operations back into production as quickly as possible. Efforts paid off and production resumed a month ahead of schedule.
- Participating in industry-wide partnerships and new initiatives to stimulate platinum demand.

For us, achieving mining operational excellence means improving productivity across the board.

CHALLENGES

Market challenges: price, demand and costs

In 2012 we initiated the Platinum Review to determine the root causes for a period of sustained under-performance – in the market and within the Company – and to create a sustainable, competitive and profitable platinum business for the long-term benefits of our stakeholders. The review concluded this could no longer be considered a cyclical trough period and the structural changes had fundamentally impacted supply and demand in such a way that price, costs and profitability had all been negatively affected.

For a number of years, platinum supply outstripped demand and an increase in substitution has further reduced demand for primary metals. However, in the past two years demand has exceeded supply but, due to macro-economic global issues, the price has not responded. The price of platinum has continued to remain flat since 2008, while mining and inflation costs have increased at almost double the rate of inflation. The increase in costs is due to a number of factors, including declining grade, increasing mining depths – which lead to greater ventilation, pumping and hoisting costs – and higher input costs for energy, fuel and labour. Costs for the year were 17% higher on 2013 costs. A full review on the market and our external operating environment can be found on pages 28 to 33.

In part, these conditions are causing unsustainable increases in the Company's debt levels – a major concern. Consequently, curtailing production of loss making ounces

clearly was necessary, as was reconfiguring the business to optimise and reshape the portfolio of operations.

Declining productivity

Productivity has been declining in the South African platinum industry – by 0.4% over the past decade. In part this is due to mining deeper and more challenging orebodies with declining grades, but is also due to not getting enough productive blasts per year (which increases overall costs) and a decrease in productivity per worker. The five-month long strike in the first half of 2014 had an enormous impact on our overall productivity. Improving output, and subsequently productivity, drives our strategic value of mining and process excellence.

OPPORTUNITIES

Repositioning our portfolio to create value

The structural change in the market gave rise to the necessity to re-configure Amplats and create a sustainable, competitive and profitable platinum business. In the short-term, this led to restructuring the Company, a process which began in 2013 and is now largely complete:

- Rustenburg has been consolidated from five mines to three;
- Union North and South Mines have been consolidated and unprofitable declines closed;
- the JV portfolio is in the process of being simplified, with options to exit the Pandora and Bokoni JVs being explored; and
- significant cost reduction and productivity enhancements are underway.

Modernisation will play a major role in the Company's future. At our Bathopele Mine hydraulic machines have replaced conventional rock drill operators, and eliminated many of the associated safety risks.

In the medium-term, the restructuring will allow Amplats to transition to a lower-cost, more focused quality portfolio. This means capital can be appropriately allocated to grow core, higher margin and low-cost operations such as Mogalakwena. The new operational model has led to centralising key functions at an operational and functional level, and the leaner structure gives the Company agility so that it can respond to challenges and opportunities more efficiently.

It is within this context that the decision has been taken to exit certain assets, either through a trade sale or separate listing. The disposal process from Union Mine and its concentrator has formally started and we are currently evaluating the interest.

Reducing overhead costs at Rustenburg and Union Mines would result in more profitable operations. We believe the future owners of these mines will be better placed to achieve this.

Using modern mining technology to improve productivity

For us, achieving mining operational excellence means improving productivity across the board. Modernisation will play a major role in the Company's future, specifically at Mogalakwena, Twickenham, Unki and Der Brochen Mines. At our Bathopele Mine hydraulic machines have replaced conventional rock drill operators, and eliminated many of the associated safety risks. We have prototyped a mechanised mine at our operations and the Group will take the knowledge gained and apply it to the remaining portfolio.

While modernisation is vital for improving productivity at our mining operations, so too is improving the skills base in our workforce (see page 46), and making sure that our employees are fit, healthy and able to work (see page 49).

Although the process operations are already highly mechanised utilising sophisticated technology and employing a skilled workforce, we continue to push the envelope when it comes to adopting new processing methods at our smelting and refining operations. In order to get the most out of our assets, we are continually innovating. For example, in our furnace rebuilds, graphite is now used instead of steel on waffle coolers, a technological innovation successfully trailed at Polokwane smelter. This shortens the time taken to complete the rebuild, costs significantly less and ultimately extends the life of use.

Value-driven production

Despite the negative impacts the strike had, those operations not affected by the strike performed well – particularly at Mogalakwena, which delivered a record performance for the year. The open pit operation at Mogalakwena increased output by 20% to 705, 479 ounces. Mogalakwena Mine is the world's lowest-cost platinum-producing mine and is strategically important for the new

portfolio. The planned expansion at Mogalakwena Mine will increase ounces produced to 420,000 ounces per annum by 2018, but importantly, this is within the context of our value-driven strategy, and not just a plan to increase production. These ounces will be more efficiently and cost-effectively produced, owing to, amongst other things, the lower chrome content in the concentrate from the Platreef orebody. The value per platinum equivalent ounce is an average of 50% greater than the Rustenburg assets.

The Twickenham project remains a focus as it offers the potential for shallow mining on both the UG2 and Merensky Reef horizons, meaning the cost of producing ounces is reduced. In 2013 project ramp-up was deferred, and the mine remains operating with minimal capital funding whilst future mine design options are considered.

Maximising value from concentrating, smelting and refining processes

To improve operational efficiencies and cost effectiveness, one needs to analyse what is being done and identify the best way of doing something and how to make improvements. Embedding this way of thinking is part of achieving project excellence and mining and processing excellence – two of our value levers.

Supporting the marketing of our metals

We believe that the industry and in particular our Company can grow PGM demand. We hope to achieve this through co-operation within the industry and establishing partnerships to grow demand for our metals. During the year the WPIC was launched, with the aim to stimulate investor demand for platinum metals. Amplats is a member of the WPIC and through this supports building greater understanding of, and confidence in, the supply and demand fundamentals of the global platinum market. See page 31.

Amplats is also a member of the International Platinum Group Metals Association (IPA) and we participate in the Platinum Guild International (PGI).

OUTLOOK

Despite short-term volatility all indications are that the platinum market is in its strongest position since 2005. The cumulative oversupply in the market since 2006 has largely been eliminated in the past three years, and signs point to demand increasing. Primary supply is unlikely to increase materially in the next few years, and this should lead to an increase in the price for platinum and palladium.

We are now in a position to focus on value and not volume and will continue to reduce costs and improve operating efficiencies. By repositioning our portfolio and exiting the assets that no longer fit the future strategy, we can optimise our business and grow at the appropriate time.

MATERIAL ISSUES CONTINUED



UNDERSTANDING, MANAGING AND MEETING STAKEHOLDER EXPECTATIONS AND BRIDGING TRUST GAPS



WHAT WE'RE DOING

- Re-establishing relationships and building trust which ensures an engaged and productive workforce.
- Helping employees deal with indebtedness which improves security, quality of life, morale and decreases the likelihood of labour unrest.
- Providing the necessary training to our employees to set the organisation up for success in the future as we further embrace mechanisation.

It is our role to understand and manage stakeholder expectations through credible and effective stakeholder engagement.

We recognise that stakeholders have certain expectations of the Company. These may not all be appropriate or possible to meet, particularly where this applies to large-scale socio-economic development in the context of poor local service delivery. We recognise that it is our role to understand and manage stakeholder expectations through credible and effective stakeholder engagement. We also endeavour to live up to the promises we have made. Where we are not able to meet expectations, we engage constructively and openly with stakeholders. Some of the issues we need to deal with are:

- job security;
- limited access to jobs for locals as a result of skills gaps;
- reputational and relationship damage to industry as a result of industrial action; and
- sector issues, such as migrant labour, and lack of housing and accommodation.

CHALLENGES

Job security

We are operating in a difficult macro-economic environment – platinum prices have decreased, costs have escalated and the labour environment has the potential for volatility. South Africa's unemployment levels in 2014 reached the highest levels since 2008 (as reported by Statistics South Africa) and joblessness is one of the most significant challenges facing the country. The organisational restructuring in 2013 resulted in a simplified, leaner structure and a total of 6,892 jobs became redundant. During this process we went to great lengths to ensure job losses were mitigated wherever possible and that the restructuring was carried out in an inclusive way which minimised harm to employees and communities.

Our transition to a value-driven strategy will see the company exiting the Union and Rustenburg Mines and potentially the Pandora and Bokoni JV assets. It is the Company's intention to sell or list these assets – and not to

close them – so as to preserve their ability to deliver value and sustain jobs.

Key to our value-driven strategy is to move towards a greater degree of mechanisation and larger scale, shallower operations. Importantly, rising mechanisation will result in more highly skilled and higher paid jobs being created.

The human cost of the strike

The human cost of the five-month strike was unprecedented in the sector – for employees, their families and for the surrounding communities. Despite the increase received by workers (15% on basic wages and almost 11% on the total package), the cumulative loss of wages during the period will take individual employees many years to recoup, and some may never fully recover the earnings forfeited. A number of issues came to the fore during this time – the need for us to examine how we provide decent housing and accommodation for our employees (including a review of the practice of paying living out allowances (LOAs)); and the high levels of employee indebtedness (including the role of emolument attachment orders (EAOs) and unscrupulous lenders).

Social delivery

Social delivery to mining communities, including the provision of services, decent and affordable housing, healthcare, infrastructure development and job creation, remains a challenge for the mining industry, especially given South Africa's historical socio-economic disparities. Unemployment and income disparity, exacerbated by under-delivery on infrastructure and other socio-economic requirements, has resulted in increasing social tension and demands on government. Mining companies are increasingly being required to shoulder a greater developmental burden in the regions in which they operate and this is proving to be one of the biggest challenges confronting the industry.

Amplats continues to work towards meeting our Mining Charter objectives and allocates 1% of pre-tax profit on

Amplats has always seen the value in investing in training and development – it is a crucial part of the Company's overall human resources development model.

community development projects. In 2014, R236 million was spent on community development, which was above the 1% pre-tax target. As a way to facilitate infrastructure development and the provision of decent housing and accommodation, public-private partnerships are important. For example, we are currently working with Government in the construction of Bokamoso, a housing development project. We are aligning our social and infrastructure investment projects with South Africa's National Development Plan (NDP) for greater impact. See the Sustainable Development Report for a detailed account of our social delivery projects.

Skills shortages within the mining industry

Despite restructuring and simplifying our organisational structure, we continue to experience a lack of critical skills. This is particularly true in highly technical disciplines like engineering, and especially among HDSAs and women. Our transformation strategy is aimed at rectifying these imbalances through recruitment and training and development (details of this below).

Providing returns for our shareholders

Our shareholders expect a positive return on their investments – dividend payments on shares in issue and increases in the Amplats share price. Share price performance is directly related to market sentiment and our financial performance. A number of factors have negatively influenced the market's perception of the South African platinum mining industry, and the labour unrest over the last two years has played a major part in this.

The delivery of a positive return to investors is also a key element of Anglo American's strategy which aspires to drive shareholder returns into the top quartile of the mining industry, and this impacts directly on our strategy. Our value-driven strategy aims at improving revenue, reducing costs and embracing modernisation – all of which will help generate shareholder returns. We also place emphasis on communicating with investors and shareholders about our financial performance.

OPPORTUNITIES

Communicating with employees – real conversations with real people

The platinum belt strike of 2014 brought with it a powerful lesson for mining companies to take back the role of communicating directly with employees. In recent years, unions have assumed this role to a greater degree. More than any other stakeholder group, employees have the ability to influence the long-term success of our business.

We engage in two-way communication with our employees, and this informs key strategic considerations.

Making sure we listen to and deal with employees' concerns is key to maintaining a healthy relationship with our staff. Employee grievances must be dealt with effectively and efficiently – the grievance mechanisms the Company utilises may be found in the Sustainable Development Report 2014. Line managers and human resources staff are trained and tasked with this responsibility. But engagement does not end there.

Everyone in the organisation is responsible for engaging in open and honest dialogue. In particular, our leaders are encouraged to adopt this style of management so that we can re-establish trusting relationships. Part of the cultural transformation we are undergoing is institutionalising a 'serving-and-supporting' leadership culture and the roll-out of this is well underway.

An example of successful direct communication with our employees was the manner in which they were welcomed back to work after the strike. The idea was to change relationships with employees from a state of *tshenyego* (Tswana for hurt) to *Tshiamo* (wellness) to ensure an engaged and productive workforce. The immediate focus post the strike was on re-integration and safety. A number of engagement sessions were held – firstly to provide information packs to explain induction and medical screening procedures, at which time food parcels were also given to employees, and then to reinforce safety standards and procedures with teams working underground. The next steps in changing the nature of our relationships include:

- building relationships between union leadership and management;
- driving visible felt management programmes;
- proactive employee relations programmes, including our Future Forum conversations;
- the roll-out of our values; and
- continuing implementation of the programmes under the former Deputy President's Framework for a Sustainable Mining Industry.

Communication with government, employees, unions and communities has taken on even more importance in light of our intention to sell non-core assets. Initial engagement has begun, and will continue throughout the process. See more about our stakeholder engagement strategy on page 38 and in the Sustainable Development Report.

Developing skills for the future of mining

Amplats has always seen the value in investing in training and development – it is a crucial part of our overall human resources development model. Amplats' training and development programmes aim to ensure that employees have the support they need to improve their competence and knowledge in the workplace and to grow as individuals.

In recent years, there have been many improvements in the technologies used in open cast mining. As the Company moves away from traditional mining methods, and towards mechanised mining, there is an opportunity to provide employees with new skills. In the long-run, this means a change in the nature of jobs and providing the necessary training to our employees now will set the organisation up for success in the future. Our operating and training departments are working together to understand the skills that our workforce will need and have begun aligning recruitment, selection, training, development and remuneration strategies, processes and systems to support the move towards mechanised mining. The transition to modernisation will be done in

MATERIAL ISSUES CONTINUED

UNDERSTANDING, MANAGING AND MEETING STAKEHOLDER EXPECTATIONS AND BRIDGING TRUST GAPS CONTINUED

close and thorough consultation with employees, labour unions and governments as we work together to grow the skills base.

We have a number of training and development programmes in place to improve the level of skills in the mining industry and secure the skills we need to achieve our objectives, including:

- engineering training;
- fast-tracking programmes;
- leadership development;
- young professionals programme; and
- bursaries.

Dealing with employee indebtedness

South Africans from all income groups and across all industries are finding themselves overwhelmingly indebted and many Amplats employees, particularly in the Rustenburg area, are no exception. Indications are that excessive indebtedness contributes to poor safety and health, low morale and productivity, and unrealistic wage demands. During the year, Amplats appointed Summit Financial Partners to help employees understand and manage their debt. At the same time the Company offers financial training to all employees through an initiative called the Nkululeko Financial Wellness Programme. Currently, we are challenging a law firm and administration company involved in debt administration and maintaining a constitutional challenge against the legal fees charged for collecting debt. It is hoped that this will help those trapped in a cycle of debt from being exploited by unscrupulous lenders.

Housing and migrant labour

South Africa's mining industry has historically relied on migrant labour from other South African provinces and neighbouring countries. Historically, migrant workers were accommodated in single-sex barrack-style hostels, and separated from their families for long periods of time. The mining industry recognised the need to address the living conditions of its employees and has gradually upgraded these. Today housing and accommodation targets, as enshrined in the Mining Charter, are the provision of family

housing units or acceptable single accommodation. During the year, we met the target of transforming hostels – 6,398 employees are currently accommodated in single accommodation villages (SAV), and 1,497 in mobile accommodation units.

To promote and facilitate home ownership, Amplats has an employer-assisted housing scheme in place. The idea behind the scheme is to purchase residential land and install bulk infrastructure on this land. Employees are then allocated stands to build their own houses, and provided with our financial support and assistance in acquiring home loans. During the year, 350 employees participated in the scheme, and the benefits have extended beyond the individual: families too benefit from being integrated into the broader community and from access to infrastructure, education and health facilities. The community benefits from increased economic activity, skills development and job creation.

During the year, living out allowances (LOAs) of R1,840 per month were provided to 26,000 employees. LOAs were introduced to provide employees living in hostels with alternative accommodation choices and were intended to support rental payment. Unintended social consequences of the LOA have arisen as employees use the funds to supplement the money sent to their families or for other spending. These employees often then choose to, or due to financial constraints are forced to, live in large impoverished informal settlements which have grown rapidly in the last decade around mines and were a focus of instability and unrest during the strike. A review of the LOA, and the negative unintended consequences is underway.

OUTLOOK

Re-establishing relationships with our stakeholders and making sure we continue to build relationships with new stakeholders are key objectives for the coming year. To make sure we understand and meet stakeholder expectations, we will continue to engage constructively – and make sure that this communication is aligned to our values of care and respect, integrity, accountability and collaboration.



SAFEGUARDING OUR EMPLOYEES' AND COMMUNITIES' HEALTH AND SAFETY



WHAT WE'RE DOING

- Harnessing new technologies to reduce safety risks associated with the use of equipment.
- Creating a culture of operational discipline and compliance.
- Embracing the process of *Tshiamo* (wellness).

We aim to achieve zero harm at our operations and by our operations. We want to eliminate all fatal accidents, and to sustain the improvements in safety that we have achieved in recent years.

We aim to achieve zero harm at our operations and by our operations. We want to eliminate all fatal accidents, and to sustain the improvements in safety that we have achieved in recent years. We want to prevent and treat occupational health exposure (noise-induced hearing loss, exposure to airborne pollutants), as well as public health related threats such as pulmonary tuberculosis (TB) and HIV/AIDS. We seek to improve the living conditions of employees.

CHALLENGES

Primary risks

Rock falls underground (falls-of-grounds (FOGs)) and transport risks remain our primary safety risks. Other main risks include dangers in handling equipment and worker fatigue. Our approach to risk is outlined in the Anglo American Group Safety Way, a framework of roles and responsibilities supported by a set of safety principles and mandatory standards. It creates a systematic framework for managing hazards and their associated risks, and complies with the requirements of the international OHSAS 18001:2007 and IOSO 14001 standards. This underpins the delivery of our safety strategy, which is founded on three key principles: a mindset of zero harm; the elimination of repeat incidents; and the consistent application of simple, non-negotiable standards.

Our strategy focuses on the following four main areas:

- Implementing management systems to eliminate and mitigate risk.
- Investing in engineering and technology solutions, with a focus on eliminating or reducing the risks associated with the use of equipment.
- Creating a culture of operational discipline and compliance, with all employees taking ownership of their own safety and that of their colleagues, supported by managers and directors.
- Promoting trusted relationships and well-being in the workplace.

In memoriam

We extend our sincere condolences to the families, friends and colleagues of the three employees who died in the course of their work at Anglo American Platinum Limited during 2014. We remember:

- Mr Willie Smit, who was electrocuted at our Waterval Smelter on 9 April 2014.
- Mr Bongile Ludziya, who died following an incident involving moving equipment at Khuseleka Shaft, Thembelani Mine, on 15 August 2014.
- Mr Manito Seneta, who died in a fall-of-ground incident at Dishaba Mine on 11 September 2014.

For each incident resulting in loss of life or a critical injury, an independent investigation is conducted and remedial actions are taken.

Ensuring safe mine shutdown and start up

Following the strike, emphasis was placed on the safe return-to-work plan which focused on the re-integration of the workforce at the operations and a safe start-up. As soon as the strike notice was served in January 2014, the operations commenced with safe shutdown procedures – preparation for the affected operations being closed during the strike. Considerable planning and effort went into ensuring that safety was not compromised, especially once work resumed. In collaboration with diverse stakeholders, including the DMR, we ensured the safe return to work of our employees. The strike nonetheless impacted on our safety performance, including several of our leading indicators.

MATERIAL ISSUES CONTINUED

SAFEGUARDING OUR EMPLOYEES' AND COMMUNITIES' HEALTH AND SAFETY CONTINUED

Improving the health of employees following the strike

The health and wellness of our employees contributes to a safe and productive workforce. The strike impacted the health of many of our employees as thousands of certificates of fitness expired and hundreds of employees on chronic medication defaulted from treatment despite attempts to ensure the on-going supply of chronic medication. At the end of the strike, a cross-functional plan was implemented to ensure employees' safe return to work. This included a safe start-up process, a risk-based medical-screening process, and distribution of nutrition and hygiene packs. The medical process included the following activities:

- over 10,000 employees went through a medical screening process;
- approximately 15,000 expired medical certificates were renewed following assessments;
- sixty-one new cases of TB were diagnosed and treated;
- employees were given groceries and hygiene packs; and
- defaulters on antiretrovirals were supported and restarted on treatment.

OPPORTUNITIES

Identifying, reporting and monitoring leading safety risks

To enhance our risk management, we are moving from a more limited safety, health and environment (SHE) focus to a broader business approach. We have made steady progress in managing safety over the last few years and are encouraged by an improved performance in our major risk areas. In 2014 we performed better than our targets for all key lagging safety-performance indicators.

Our fatal-injury frequency rate (FIFR), which was influenced by the limited production during the protracted strike, improved to 0.006 in 2014, from 0.010 in 2013. Our total recordable case frequency rate (TRCFR), which includes any injury that requires any treatment, improved to 1.22 (2013: 1.83) and our lost-time injury-frequency rate (LTIFR) was 0.69 (2013: 1.05). Categories of injury management that require particular attention include transportation and falling objects.

Harnessing new technology to reduce exposure to safety risks

New technologies are being implemented to reduce risks associated with operational activities. These include, for example, anti-collision technology for underground trackless equipment, a flexibolt mechanism that was developed to remove employees from risk when installing anchor roof bolts in the mechanised environment, and enhancements on winch signalling devices.

A key focus is to modernise our operations progressively. This will present significant safety and health benefits by limiting employee exposure to potentially harmful interactions with machinery, and with potentially harmful emissions and noise levels. This type of technology provides exactly the type of benefits we hope to realise through our modernisation strategy – it has a positive impact on safety, production and cost. For the full case study on the flexibolt at Bathopele Mine and automated winch at Dishaba Mine see our Sustainable Development Report.

Of course, mechanisation presents a different set of risks that come with the machine/person interface, and improved safety performance does not call for complacency. We will continue to build on ways to mitigate safety risks associated with whatever mining method is used.

Image
Installing a flexibolt at Bathopele Mine.



New technologies are being implemented to reduce risks associated with operational activities.

Preventing and treating occupational health exposure

The management of occupational health forms the foundation of our health strategy. Our approach is driven through the application of two disciplines:

- 1) **Occupational hygiene:** proactively identifying sources of, and possible exposure to, health hazards in the workplace; profiling the risks associated with these; and controlling employees' exposure to hazards.
- 2) **Occupational medicine:** monitoring the health of employees.

Noise reduction

To mitigate exposure to excessive noise we focus on eliminating noise at source (silencing noisy equipment) and the use of modern protection devices. Noise reduction plans intensified during the year and the noise sources exceeding 110dB(A) were reduced due to upgrading equipment. In total, 52% of our employees were reported to be working in environments with noise levels in excess of the OEL of 85 dB(A) on a daily basis (2013: 62%). In 2014, we recorded 34 new cases of NIHL (2013: 68), with rock-drill operators accounting for 39% of new cases.

Managing TB and HIV/AIDS

Testing (through our wellness programme) is the entry point to our comprehensive programme of prevention, care,

support and treatment for HIV and AIDS. In 2014, we tested and counselled 41,822 employees and 33,601 contractors (2013: 34,238 and 27,424 respectively). Owing to the strike impacting on the uptake of voluntary counselling and testing (VCT) in the first half of 2014, the wellness team intensified VCT campaigns from August to December.

The percentage of estimated HIV-positive employees enrolled in our treatment programme has increased steadily, from 57% in 2011 to 78% in 2014, and we aim to improve on this further. The annual number of new HIV infections within our workforce increased to 334 in 2014 (from 319 in 2013).

In 2014, 476 new cases of TB were reported (357 of which were HIV positive), giving an annual incidence rate of 927 per population of 100,000 (2013: 1,427 per 100,000). This rate remains in line with the national average and well below the mining-industry average.

OUTLOOK

Effectively managing health and safety risks in the workplace protects our employees, enhances our productivity and helps us maintain our licence to operate. We will continue to embed and reinforce our safety strategy and broaden its risk management philosophies to encompass all our business activities.

Image

Sylvia Nonyane and Sandy Osborne discussing the possible increase in efficiencies made possible by using a sample analysis instrument upgrade.



MATERIAL ISSUES CONTINUED



ENSURING ACCESS TO AFFORDABLE INFRASTRUCTURE AND NATURAL RESOURCES, AND MINIMISING OUR FOOTPRINT



WHAT WE'RE DOING

- Reducing our energy consumption by 15% by the end of 2015 from a 2004 baseline.
- Investigating and using alternative sources of energy to reduce our reliance on electricity and diesel – this reduces our cost base and reliance on these two sources, and reduces our GHG emissions.

We are on track to meet our 2015 energy and carbon-reduction objectives and targets.

OPPORTUNITIES

Optimally managing and conserving both water and energy are important business priorities for Amplats. By doing so we contribute towards retaining our legal and social licences to operate, and potentially deliver long-term benefits to stakeholders and the public at large.

Energy and climate change – reducing costs, securing supply, limiting exposure

Mining and processing operations are energy-intensive. Energy made up 86% of our utility cost in 2014, representing around 11% of our operating cost base in 2014 (2013: 91% and 11% respectively). Further, more than 90% of our greenhouse gas (GHG) emissions are indirect, as we source electricity from coal-fired power facilities operated by our national energy utility, Eskom. Electricity costs have risen sharply in recent years and, of even greater concern is Eskom's inability to deliver a consistent energy supply in line with current contractual obligations, and in meeting future energy demands. Our second most important source of energy is diesel, and this too presents risks in terms of cost and supply.

The opportunities for Amplats lie in our ability to optimise and reduce our energy usage, so that we are able to curtail operating costs and secure immediate and future energy supply. Our pursuit of renewable energy will contribute towards achieving these aims. And, in combination, these efforts will improve our carbon efficiency, and reduce our exposure to punitive taxation.

Following the Platinum Review in 2012, Amplats allocated R30 million towards energy reduction and energy efficiency initiatives, to achieve our target of a 7% reduction in energy consumption by the end of 2015. We are on track to meet our 2015 energy and carbon-reduction objectives and targets. A 20% decrease in electricity consumption this year is mainly attributed to a shutdown in production at

the Rustenburg, Union and Amandelbult operations for 22 weeks of 2014, during the strike.

While a 15% reduction in our energy usage (from 2014) will translate into a 8.5% reduction in GHG emissions over the same period, a further 3% reduction in emissions will be required to meet our GHG emissions target. To achieve this we need to increase our use of emission-free energy.

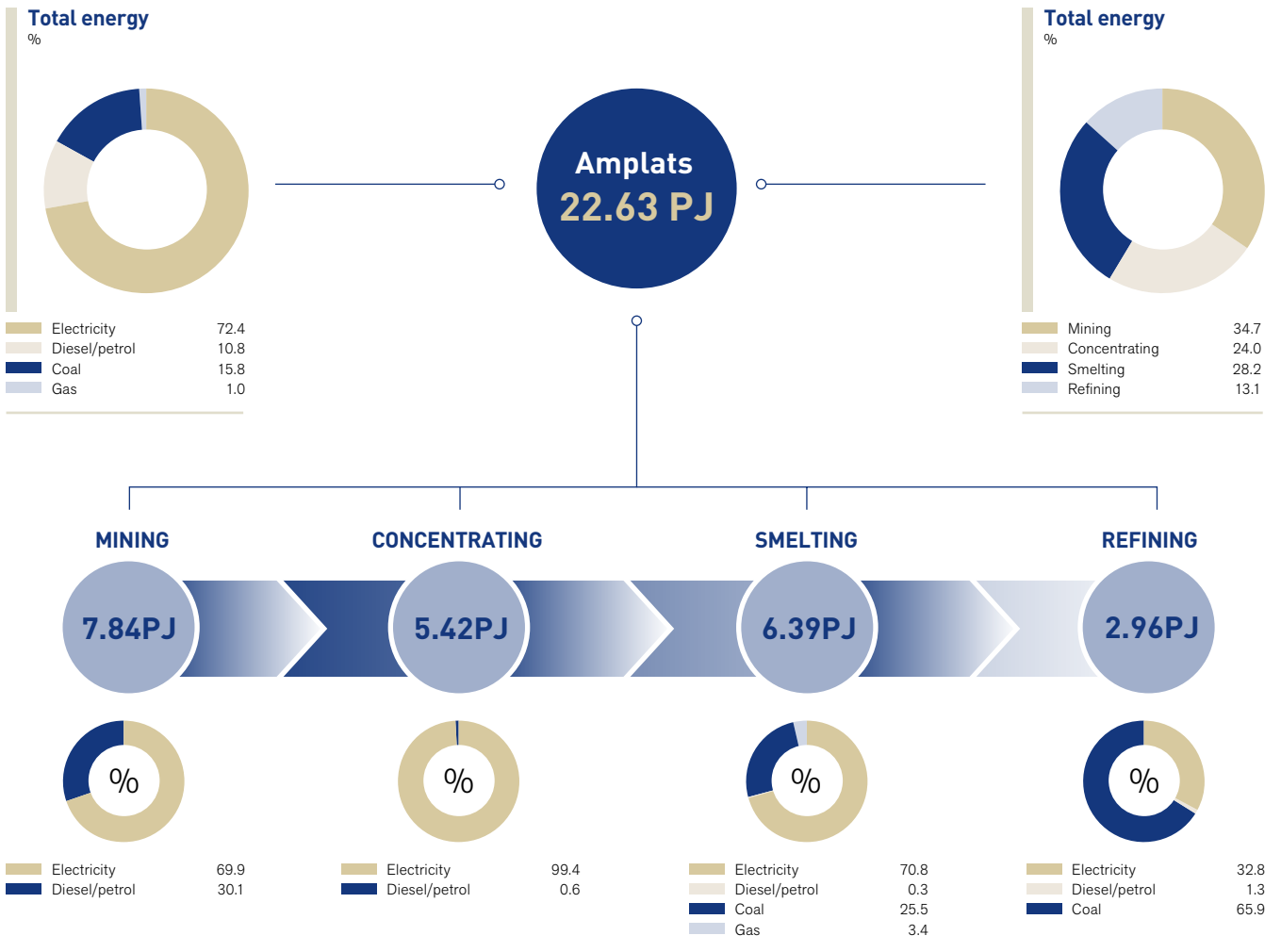
In 2014, we consumed 22.63 million GJ of energy (2013: 24.94 million GJ). Our total Scope 1 and Scope 2 greenhouse gas (GHG) emissions consequently declined by 9.6% to 5.4 Mt of carbon dioxide equivalent emissions (CO₂e) (2013: 5.94 Mt CO₂e). More than 90% of our GHG emissions are indirect, and attributable to our consumption in South Africa of the electricity generated by the national power utility Eskom.

Our emissions intensity (tonnes of CO₂ per tonne of ore milled) in 2014 was 0.18, as compared with 0.16 in 2013. We continue to implement energy-efficiency-enhancement projects and to track the associated energy-consumption reductions. The total of 42 projects completed to date accounted for energy savings in 2014 of 315,603 million GJ (2013: 20,813 million GJ), equivalent to a 1.25% reduction against our business as usual consumption in 2014. The resultant avoided-energy cost is estimated at R456 million during the year.

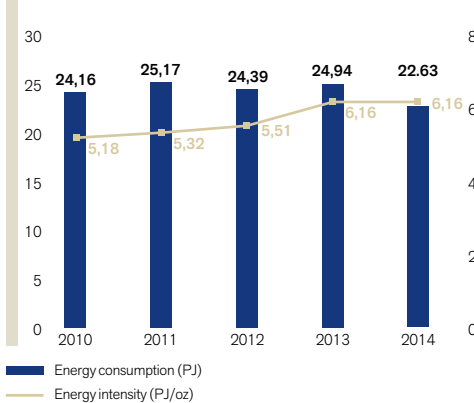
Developing green applications of PGMs

We invest in researching new ways in which platinum can be used to reduce harm to the environment. For example, in the automotive sector PGMs are used in exhaust systems, specifically autocatalysts, to reduce noxious gases being released into the atmosphere. Platinum-based fuel cells provide significant environmental development opportunities by facilitating the provision of clean power. See our Sustainable Development Report for more information.

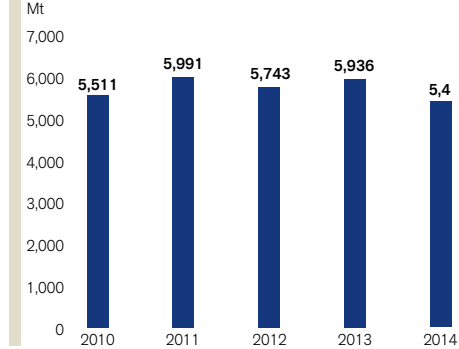
TOTAL ENERGY USED IN 2014



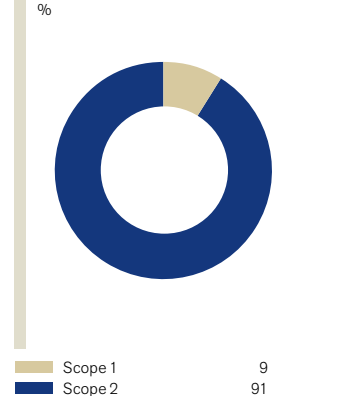
Energy consumption and intensity



CO₂ emissions – Scope 1 and 2



Scope 1 vs Scope 2 emissions



MATERIAL ISSUES CONTINUED

ENSURING ACCESS TO AFFORDABLE INFRASTRUCTURE AND NATURAL RESOURCES, AND MINIMISING OUR FOOTPRINT CONTINUED

Water – securing supply

Water is an essential component of our operations and is used in mining, concentrating, smelting and refining of our metals, and for domestic use on and around our facilities. Most of our operations are located in water-scarce areas, and this scarcity is exacerbated by poorly developed public water-related infrastructure. Further, the mining industry and other sectors of the economy, along with communities, are increasingly competing for the same limited water supply. Responsible water-source management, combined with the water-use hierarchy of at-source reduction, re-use and recycling, is an increasingly important component of our water-use strategy.

While we have secured access to sufficient water supply for the continuation of our business, our water-supply strategy takes into consideration 20-year supply scenarios, and incorporates current life of mine estimates. Our long-term aim is our drive towards zero potable water use in our process operations, excluding domestic demand.

In terms of our 10-year water management (to 2020) we are making our operations water-resilient; investing in water-treatment and other relevant technological innovation; and building infrastructure in public-private sector partnerships. Particular aspects of this strategy include developing new water sources and securing alternative water resources for mutual benefit; as well as identifying and securing post-consumer domestic effluent for use as industrial grade water. Our bulk-water programme and infrastructural plan is aimed at managing, maintaining and protecting the water supply for our operations and, where possible, the communities around us.

Water consumption

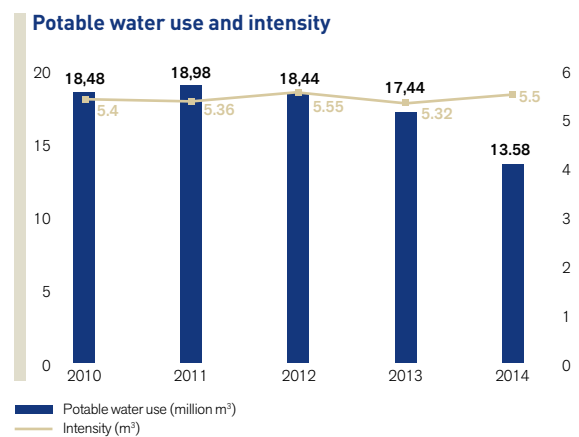
Our total new-water consumption decreased from 33.4 million m³ in 2013 to 27.1 million m³ in 2014. The decrease was dominated by the reduction in water demand as a result of the strike. By the end of 2014 we had achieved an estimated 26% water saving against our projected water usage.

Our new-water intensity was 10.9 m³ in 2014, exceeding the target of 10.7 m³ by 2%; water used for primary activities increased by 5%, from 8.8 m³ in 2013 to 9.2 m³ in 2014; and the potable water-use intensity increased by 3% to 5.5 m³ (2013: 5.3 m³). Our performance was impacted by production losses and operational disruptions during the strike.

Potable water, used for both primary and non-primary activities, is sourced from water utilities such as Rand Water, Magalies Water, Lepelle Northern Water and the Rustenburg Municipality. In no instances do our abstractions account for more than 3% of the average annual yield of these water sources. Currently, potable water accounts for 50% of our total water requirements (2013: 51%). No water source, ecosystem (such as a Ramsar-listed wetland) or habitat is materially affected by our extraction and use of water. No significant water incidents were reported in 2014.

Out of our operational water requirements, 65% were met by recycling/re-using water (2013: 60%) from internal sewage plants, tailings return-water dams, mine service water and other internal water sources, such as pollution control and stormwater dams. Total recycled water used in 2014 was 51.4 million m³, compared to 50.2 million m³ in 2013.

Our absolute water consumption target for 2015 is 39.4 million m³ and our 2015 WETT target is 9.53% water savings (2.5 million m³) against the 2020 business as usual projected demand of 26.7 million m³. The sale of the Rustenburg and Union assets will influence the WETT business-as-usual demands. The water consumption intensity for 2015 is expected to increase to 11.37 m³/ounce of PGM and gold as a result of a lower production forecast.



For further information, see our Sustainable Development Report – page 62.

Security of energy supply and rising prices are significant material risks for our operations in both South Africa and Zimbabwe.

CHALLENGES

Water scarcity

We are mindful that almost all of our operations are located in water-stressed or water-scarce regions, and that the competition for these scarce water sources will remain. Water-related risks related to climate change are considered as part of our overall climate change strategy.

All our managed operations have water-use licences, with the exception of our Amandelbult Mine, whose licence application continues to be reviewed by the Department of Water and Sanitation (DWS). We engage regularly with the DWS on the review process and seek to assist in expediting the obtaining of the outstanding licence.

Energy efficiency

Security of energy supply and rising prices are significant material risks for our operations in both South Africa and Zimbabwe. The planned implementation of a carbon tax in South Africa in 2016 would introduce a higher carbon cost for our business. Our projected growth through shallower openpit mines that are more mechanised will potentially add further pressure due to increased levels of GHG emissions and carbon costs resulting from greater hydrocarbon requirements.

The South African operations work closely with Eskom and participate in demand-side management programmes. We seek to improve operational and design efficiencies,

incorporating best practice technology and processes. In 2014 we committed to investing R36 million on energy-efficiency projects. A focal area is our participation in collaborative efforts to develop platinum-based fuel-cell technology. See the case study on this in our Sustainable Development Report.

Risk and adaptation management

In South Africa and Zimbabwe, where security of energy supply presents an acute risk, our operations periodically assess their preparedness for power disruption. The first unit of Eskom's new coal-fired Medupi Power Station is expected to become commercially operative in 2015 and will partially alleviate the pressure on the country's power system.

OUTLOOK

In 2015 we reaffirm our commitment to use natural resources sparingly and responsibly, and minimise our environmental footprint through effective implementation of our environmental management programmes which are certified to ISO14001. We will continue to secure access to affordable and reliable electricity supply, while at the same time seeking alternative energy sources. We recognise South Africa's water-supply constraints, and will seek consistent access to water for our current operations as well as expansion projects.

Image
The evaporation plant at Precious Metals Refinery.



MATERIAL ISSUES CONTINUED



MEETING OUR OBLIGATION TO COMPLY WITH LEGISLATION, REGULATION, VOLUNTARY CODES AND SOCIAL COMPACTS



WHAT WE'RE DOING

- When we announced plans to further restructure the Company, including the intended sale of a number of operations, we had preceded that by engagement with the Minister of Mineral Resources, senior government leaders and other stakeholders on the detail, rationale and likely consequences of the decision. As a result, the announcement was met largely with understanding rather than hostility.
- In 2014 we commenced testing the world's first power grid driven by fuel cells as an alternative electricity source. This technology could provide electricity to remote areas in South Africa, and stimulate platinum demand.

Beneficiation is an important part of our strategy and focuses on identifying new and sustainable applications for our metals.

CHALLENGES

Legislative compliance

Mining companies are regulated by a broad range of legislation and regulation, some generic to the entire world of business (such as the Companies Act, the Employment Equity Act and the Skills Development Act), and some specific to mining. The nature of mining means mining companies need to comply with a range of environmental legislation, notably water permitting and air quality controls. Mining and exploration permits are issued in terms of the Minerals and Petroleum Resources Development Act (MPRDA) which governs a range of technical and socio-economic issues, including the Mining Charter.

Regulatory uncertainty, specifically relating to the proposed amendments to the MPRDA, has had an impact on investment in the South African mining sector, and increases our risk of non-compliance.

OPPORTUNITIES

Mining Charter compliance

We believe we are in full compliance with the pillars of the Mining Charter. We have:

- met our reporting obligations to the DMR;
- carried out transactions with a number of companies to meet the 26% target of BEE ownership;

- ensured that employees living in company accommodation enjoy single quarters conditions, converted hostels to family units and made various other progress in meeting housing goals;
- endeavoured to meet BEE procurement targets, and are succeeding in most categories;
- met or exceeded employment equity targets;
- fully met the Charter's environmental management and health and safety targets; and
- continued to pursue beneficiation opportunities, the most recent in the field of fuel cells.

While we naturally ensure that we meet all our legal obligations in regard to Charter compliance, our approach is intended to take us beyond a legalistic form of compliance, to ensure that we make a substantive difference. Our company, our majority shareholder and most of our industry, through the Chamber of Mines, is of the view that the Charter, whose drafting and development we have been actively involved in, is a necessary and desirable instrument for dealing with the mining industry's legacy in the workplace and in surrounding communities. We are fully aware of the challenges that we face, and that we have not always effectively met them. That only makes us more determined to meet our and society's goals.

Voluntary codes to which Amplats is committed

ICMM

Anglo American is a founding member of the International Council on Mining and Metals (ICMM). As a business unit of the Group, we have adopted and comply with the ICMM's 10 principles for sustainable development.

UNGPs

The United Nations Guiding Principles on Business and Human Rights aspects are incorporated into our policies and management systems through the SEAT process. However we are aware that they need to be methodically and more fully implemented.

UNGC

Anglo American plc is a member company of the United Nations Global Compact (UNGC). As one of Anglo American plc's business units, we have adopted the compact's principles and comply with them.

VPSHR

Anglo American is a member company of the Voluntary Principles on Business and Human Rights (VPSHR). We, as a business unit, adopt the principles and comply accordingly. All protection service employees and contractors whose activities involve the protection of assets, are trained by an independent service provider and this includes training of the local South African Police Service. The training specifically deals with the Voluntary Principles, use of force, crowd control and escalation of force.

EITI

Anglo American plc has supported the Extractive Industries Transparency Initiative (EITI), which was launched at the World Summit on Sustainability in Johannesburg in 2002 to combat corruption, and which requires companies to report on all disbursements to governments.

Contributing to South Africa's beneficiation strategy

Beneficiation is an important part of our strategy and focuses on identifying new and sustainable applications for our metals. In order to be successful, collaboration and alignment with a large number of different stakeholders is required. In South Africa, beneficiation opportunities arise across the spectrum of the market-development scope. As a result, Amplats has played a variety of roles in beneficiation to boost the use of PGMs. This is achieved by establishing a balanced pipeline of product-development portfolios; facilitating the commercialisation of products; enhancing our relationship with Government; and enabling greater acceptance of our activities by communities through our involvement in their development.

In finding new applications and uses for PGMs, we fund R&D programmes at various institutions and across a wide spectrum of research areas. This is fundamental to aligning our beneficiation strategy with the South African government's objectives. During the year we commenced testing the world's first power grid driven by fuel cells as an alternative electricity source for remote areas where expanding the national grid would be too costly. The prototype is being tested in 34 households at the Naledi Trust community near Kroonstad and if successful will see the technology being rolled out with a pilot test of 200 to 300 units in villages across the country in the future.

We are also testing the use of platinum fuel cell technology in mining equipment.

The development of this new industry could support job creation, knowledge transfer and export opportunities if it proves viable and gains government support.

Reputation management

The way companies are run determines not just their financial performance – if run well, they contribute to prosperity of the country in which they operate and inspire the trust of their workforce and customers. And therein lies an opportunity for Amplats – complying with legislation, regulation, voluntary codes and social compacts is a way to ensure that all business practices are conducted responsibly and have a positive impact on the areas in which we operate. The market, and our stakeholders, recognise this, and maintaining a good reputation will positively influence their perception of Amplats.

OUTLOOK

In respect of all applicable legislation, as a responsible corporate citizen, Amplats is committed to unconditional compliance. The Company is also committed to complying with a range of voluntary codes and guidelines designed to manage more effectively the social and environmental risks of mining.



FOCUS:

PERFORMANCE REVIEW



Top image
A hydraulic shovel at
work at Mogalakwena
North.

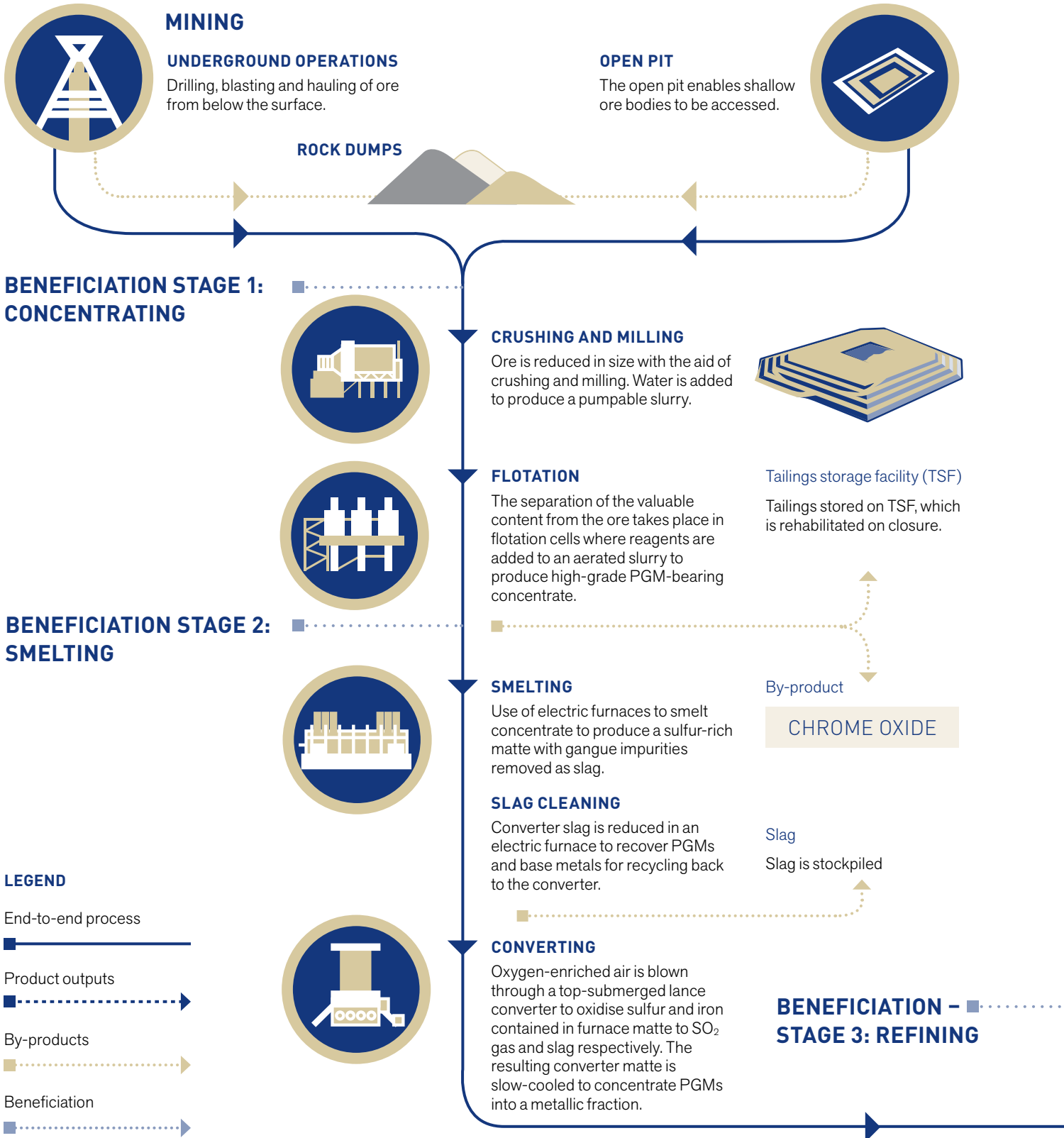
Bottom image
Drilling, load and haul
operations at
Mogalakwena's
north pit.

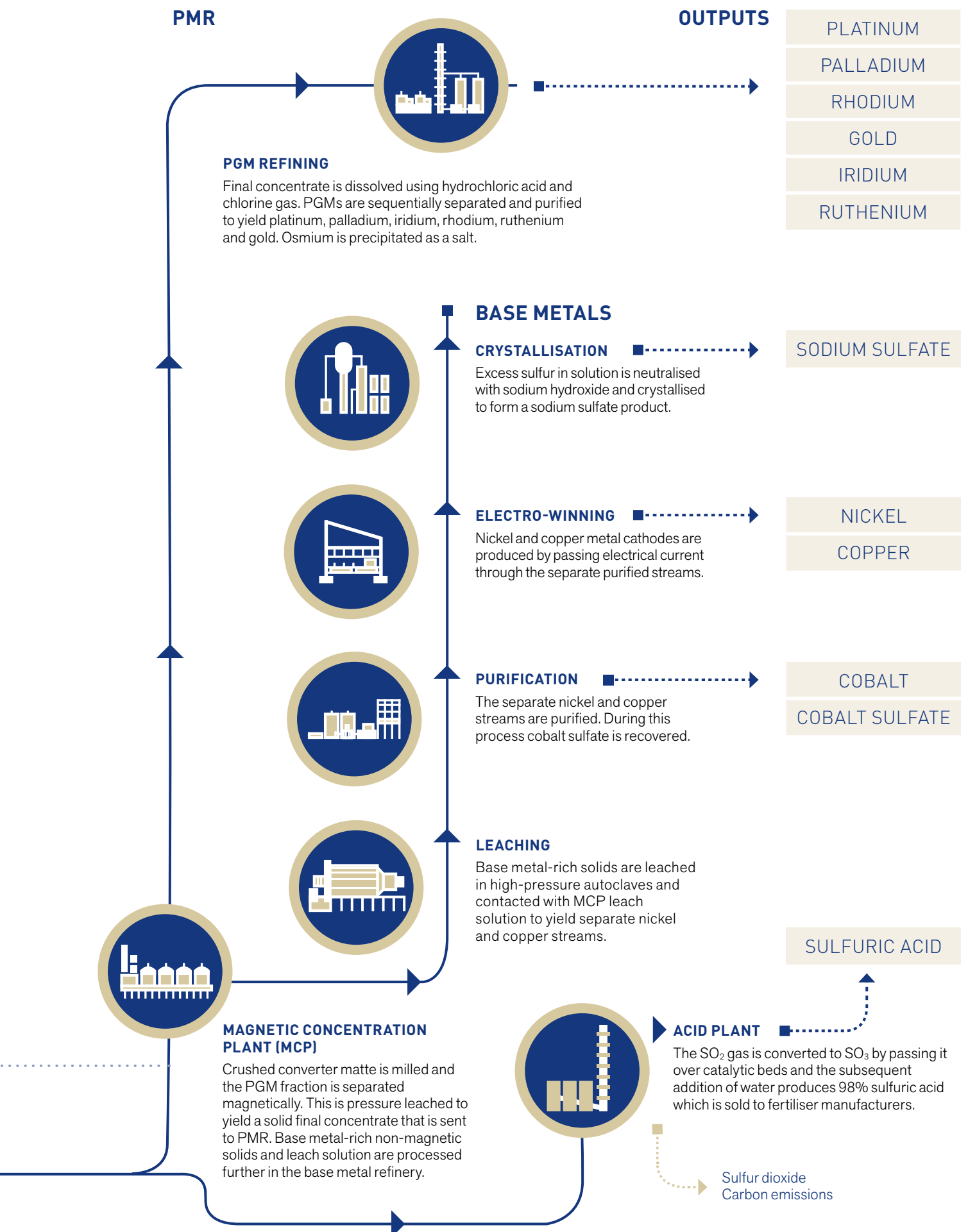
“OUR PRIORITY FOR 2015 IS TO ENSURE WE SUSTAIN AND ADVANCE OPERATIONAL PERFORMANCE WHILE DRIVING AHEAD WITH RESTRUCTURING AND REPOSITIONING PLANS.”



OPERATIONAL FLOW CHART

Our operational flow chart shows how we conduct our mining, concentrating and smelting processes. At each stage in the process there lies the opportunity for us to create value through beneficiation.



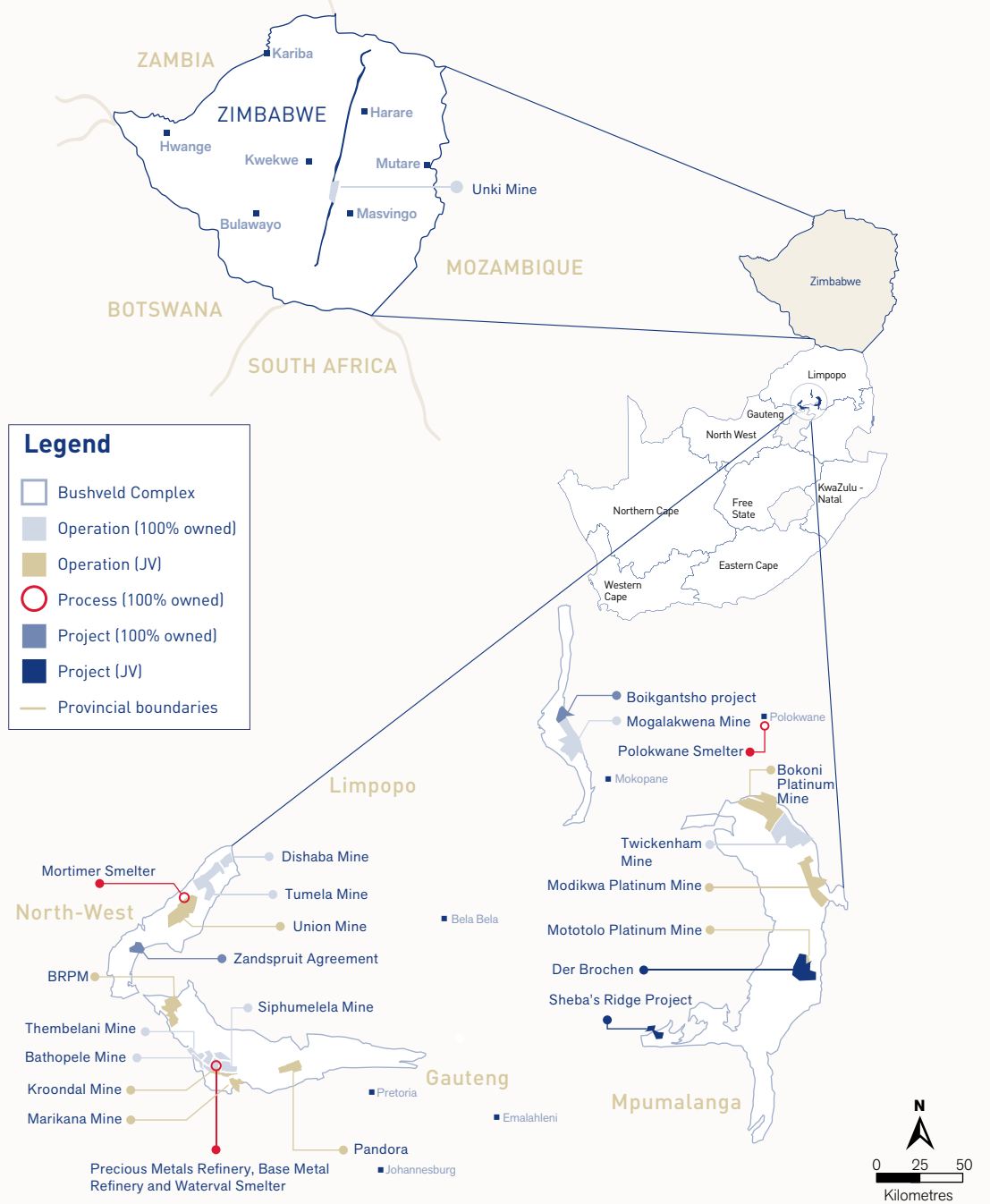


OPERATIONAL REVIEW

The mining operations of Amplats consist of managed mines, joint venture mines and associate mines across South Africa and Zimbabwe. These mines extract ore from the Merensky and UG2 reefs, the Platreef and Main Sulphide Zone. The ore is processed by own-managed, joint-venture and associate concentrators, and further processed by our own smelters and refineries. A summary of the performance of these mining operations and projects can be found on the following pages. A full operational review can be found on our Company website www.angloamericanplatinum.com.

Detailed operational reviews for our mining operations, JVs and partnerships are available on our website.

LOCATION OF OPERATIONS 2014



MANAGED MINES

AT A GLANCE

Our managed mines consist of eight mines and one project stretching from the Western Limb to the Eastern Limb, and also Unki Platinum Mine, located 21 kilometres south-east of the town of Shurugwi on Zimbabwe's Great Dyke. With the exception of Mogalakwena Mine, which is an open-pit venture, all the mines are underground operations. Reclamation of equipment at the two closed mines in Rustenburg continued in 2014 and is expected to be completed in the first half of 2015. The remaining uneconomical Union Mine decline section was successfully closed in December 2014.

The equivalent refined platinum ounces produced by our managed mines decreased by 33% to 956,000 ounces, mainly as a result of the strike. A total of 424,000 ounces

were lost during the strike period and a further 108,000 ounces during ramp-up phase to get production back to budgeted levels. Unki Platinum Mine achieved 61,089 equivalent refined platinum ounces, a decrease of 4% compared to 2013.

Mogalakwena Mine achieved record production for the year – 369,773 equivalent refined platinum ounces, and a 10% improvement on 2013.

Capital expenditure for managed mines and the respective concentrator operations during 2014 was R4.0 billion, aligned with the R4.1 billion spend in 2013. Expenditure included R984 million on projects; R561 million on waste stripping at Mogalakwena and R2.4 million on stay-in-business capital.

BATHOPELE MINE

Location

Bathopele Mine is situated in the North West Province near the town of Rustenburg, on the Western Limb of the Bushveld Complex.

Description of operations

Bathopele is 100% owned and managed by Amplats. The mine operates under a mining right covering a total area of 17km². The infrastructure consists of two decline shafts and is a mechanised trackless underground operation. The life-of-mine (LoM) extends to 2029.

	2014	2013
Number of employees (including contractors)	1,907	2,043
Safety		
Fatalities	0	2
LTIFR (per 200,000 hrs worked)	0.40	0.98
Training and development expenditure (Rm)	19	30
Transformation		
HDSAs in management (%)	48	47.8
Women in mining (%)	14.6	12.8
Financial performance		
Refined platinum production (000oz)	95.0	110.9
Operating contribution (Rm)	(6)	339
Gross profit margin (%)	(5)	8
Operating free cash flow (Rm)	356	(24)
Net cash flow (Rm)	188	(221)
Cash on-mine costs R/tonne milled	912	675
Capital expenditure		
Project capital (Rm)	162	184
Stay-in-business capital (Rm)	218	292
Environmental indicators		
Number of significant environmental incidents	0	0
ISO14001 certification	Certified	Certified
Energy consumption (PJ)	338	345
GHG emissions (000t CO ₂ equivalent)	83	78
Fresh water consumption (1000 m ³)	732	837
Mineral Resources, inclusive of Ore Reserves		
Merensky (4E)	2.5 Mt	→ 0.4 Moz
UG2 (4E)	47.4 Mt	→ 5.2 Moz

OPERATIONAL REVIEW CONTINUED

MANAGED MINES

THEMBELANI MINE

Location

Thembelani Mine is situated in the North West Province, near Rustenburg, located on the Western Limb of the Bushveld Complex.

Description of operations

Thembelani mine is 100% owned by Amplats. The mine operates under a mining right covering a total area of 31km². The mine's current infrastructure consists primarily of two vertical shaft systems and associated decline shaft clusters at depth. The mine is a conventional operation and the LoM extends to 2029.

	2014	2013
Number of employees (including contractors)	9,911	11,431
Safety		
Fatalities	1	1
LTIFR (per 200,000 hrs worked)	1.21	1.59
Training and development expenditure (Rm)	120	141
Transformation		
HDSAs in management (%)	61.1	57.4
Women in mining (%)	9.2	8.3
Financial performance		
Refined platinum production (000oz)	114.2	236.7
Operating contribution (Rm)	(1,123)	175
Gross profit margin (%)	(42)	(3)
Operating free cash flow (Rm)	(413)	(184)
Net cash flow (Rm)	(449)	(268)
Cash on-mine costs R/tonne milled	1,944	1,098
Capital expenditure		
Project capital (Rm)	32	69
Stay-in-business capital (Rm)	89	145
Environmental indicators		
Number of significant environmental incidents	0	0
ISO14001 certification	Certified	Certified
Energy consumption (PJ)	241	278
GHG emissions (000t CO ₂ equivalent)	71	79
Fresh water consumption (1000 m ³)	170	523
Mineral Resources, inclusive of Ore Reserves		
Merensky (4E)	58.3 Mt → 10.9 Moz	
UG2 (4E)	180.4 Mt → 28.0 Moz	

SIPHUMELELE MINE

Location

Siphumelele Mine is situated in the North West Province, near Rustenburg, located on the Western Limb of the Bushveld Complex.

Description of operations

Siphumelele Mine is 100% owned and managed by Amplats. The mine operates under a mining right covering a total area of 43km². The mine's infrastructure consists of a vertical shaft and associated decline shaft clusters at depth. The LoM extends to 2025.

	2014	2013
Number of employees (including contractors)	3,706	7,727
Safety		
Fatalities	0	1
LTIFR (per 200,000 hrs worked)	1.70	2.43
Training and development expenditure (Rm)	45	58
Transformation		
HDSAs in management (%)	57.1	58.3
Women in mining (%)	12.2	9.9
Financial performance		
Refined platinum production (000oz)	52.8	153.3
Operating contribution (Rm)	(220)	226
Gross profit margin (%)	(21)	4
Operating free cash flow (Rm)	12	(62)
Net cash flow (Rm)	4	(76)
Cash on-mine costs R/tonne milled	1,949	1,267
Capital expenditure		
Project capital (Rm)	7	4
Stay-in-business capital (Rm)	33	131
Environmental indicators		
Number of significant environmental incidents	0	0
ISO14001 certification	Certified	Certified
Energy consumption (PJ)	310	420
GHG emissions (000t CO ₂ equivalent)	92	119
Fresh water consumption (1000 m ³)	362	1,312
Mineral Resources, inclusive of Ore Reserves		
Merensky (4E)	62.3 Mt → 12.6 Moz	
UG2 (4E)	198.4 Mt → 31.2 Moz	

MANAGED MINES

TUMELA MINE

Location

Tumela Mine is situated in the Limpopo Province between the towns of Northam and Thabazimbi within the North-west Limb of the Bushveld Complex.

Description of operations

Tumela mine is 100% owned by Amplats. The mine operates under a mining right covering a total area of 110km². Infrastructure consists of three vertical and four decline clusters. The mine is a conventional operation and the LoM extends to 2030.

	2014	2013
Number of employees (including contractors)	8,597	8,444
Safety		
Fatalities	0	1
LTIFR (per 200,000 hrs worked)	0.84	1.24
Training and development expenditure (Rm)	59	59
Transformation		
HDSAs in management (%)	58.8	58.4
Women in mining (%)	12.5	8.5
Financial performance		
Refined platinum production (000oz)	149.5	217.7
Operating contribution (Rm)	(405)	677
Gross profit margin (%)	(16)	8
Operating free cash flow (Rm)	12	(9)
Net cash flow (Rm)	(339)	(73)
Cash on-mine costs R/tonne milled	1,425	1,106
Capital expenditure		
Project capital (Rm)	348	50
Stay-in-business capital (Rm)	223	349
Environmental indicators		
Number of significant environmental incidents	0	0
ISO14001 certification	Certified	Certified
Energy consumption (PJ)	1,248	1,360
GHG emissions (000t CO ₂ equivalent)	353	370
Fresh water consumption (1000 m ³)	2,316	2,434
Mineral Resources, inclusive of Ore Reserves		
Merensky (4E)	166.5 Mt → 33.1 Moz	
UG2 (4E)	312.9 Mt → 54.9 Moz	

DISHABA MINE

Location

Dishaba Mine is situated in Limpopo Province, between the towns of Northam and Thabazimbi on the North-western Limb of the Bushveld Complex.

Description of operations

Dishaba Mine is 100% owned and managed by Amplats. The mine operates under a mining right covering a total area of 31km². The mine's infrastructure consists of one vertical shaft, one raise bore and four decline shafts. The mine is a conventional operation and the LoM extends to 2057.

	2014	2013
Number of employees (including contractors)	5,539	5,526
Safety		
Fatalities	1	0
LTIFR (per 200,000 hrs worked)	0.86	1.11
Training and development expenditure (Rm)	38	40
Transformation		
HDSAs in management (%)	58.4	57.7
Women in mining (%)	7.7	7.8
Financial performance		
Refined platinum production (000oz)	90.4	145.7
Operating contribution (Rm)	(371)	466
Gross profit margin (%)	(23)	9
Operating free cash flow (Rm)	(145)	77
Net cash flow (Rm)	(184)	65
Cash on-mine costs R/tonne milled	1,637	1,300
Capital expenditure		
Project capital (Rm)	38	3
Stay-in-business capital (Rm)	134	157
Environmental indicators		
Number of significant environmental incidents	0	0
ISO14001 certification	Certified	Certified
Energy consumption (PJ)	695	704
GHG emissions (000t CO ₂ equivalent)	206	202
Fresh water consumption (1000 m ³)	985	1,232
Mineral Resources, inclusive of Ore Reserves		
Merensky (4E)	45.7 Mt → 9.5 Moz	
UG2 (4E)	142.8 Mt → 24.9 Moz	

OPERATIONAL REVIEW CONTINUED

MANAGED MINES

UNION MINE

Location

Union Mine is situated in Limpopo and the North West Province, 15km west of Northam and is located on the North-western Limb of the Bushveld Complex.

Description of operations

Union Mine is a joint venture with the Bakgatla-Ba-kgafela traditional community. The mine operates under a mining right covering an area of 119km². The mine's operating infrastructure consists of two vertical shafts. The mine is a conventional operation and the LoM extends to 2037.

	2014	2013
Number of employees (including contractors)	7,457	7,543
Safety		
Fatalities	0	1
LTIFR (per 200,000 hrs worked)	0.90	1.16
Training and development expenditure (Rm)	62	70
Transformation		
HDSAs in management (%)	63.0	60.8
Women in mining (%)	13.0	10.1
Financial performance		
Refined platinum production (000oz)	107.1	170.8
Operating contribution (Rm)	(734)	49
Gross profit margin (%)	(32)	(6)
Operating free cash flow (Rm)	(267)	(513)
Net cash flow (Rm)	(272)	(555)
Cash on-mine costs R/tonne milled	1,394	846
Capital expenditure		
Project capital (Rm)	3	26
Stay-in-business capital (Rm)	135	199
Environmental indicators		
Number of significant environmental incidents	0	0
ISO14001 certification	Certified	Certified
Energy consumption (PJ)	1,160	1,301
GHG emissions (000t CO ₂ equivalent)	327	347
Fresh water consumption (1000 m ³)	3,185	4,066
Mineral Resources, inclusive of Ore Reserves		
Merensky (4E)	71.9 Mt → 14.4 Moz	
UG2 (4E)	149.4 Mt → 26.2 Moz	
Surface sources (4E)	15.4 Mt → 0.6 Moz	

MOGALAKWENA MINE

Location

Mogalakwena Mine is situated 30km north-west of Mookopane in the Limpopo Province.

Description of operations

Mogalakwena is 100% owned and managed by Amplats. The mine operates under a mining right covering a total area of 137km². Infrastructure consists of five open pits and two concentrators. The LoM is well beyond 2060.

	2014	2013
Number of employees (including contractors)	2,182	2,126
Safety		
Fatalities	0	0
LTIFR (per 200,000 hrs worked)	0.12	0.68
Training and development expenditure (Rm)	14	20
Transformation		
HDSAs in management (%)	61.1	61.7
Women in mining (%)	18.7	19.4
Financial performance		
Refined platinum production (000oz)	357.0	342.8
Mogalakwena Mine	336.3	326.8
Baobab	20.7	1.60
Operating contribution (Rm)	5,075	3,668
Gross profit margin (%)	29	29
Operating free cash flow (Rm)	3,436	1,978
Net cash flow (Rm)	3,265	1,670
Cash on-mine costs R/tonne milled	437	360
Capital expenditure		
Capital waste stripping (Rm)	561	692
Project capital (Rm)	151	209
Stay-in-business capital (Rm)	1,432	1,059
Environmental indicators		
Number of significant environmental incidents	0	1
ISO14001 certification	Certified	Certified
Energy consumption (PJ)	2,264	2,013
GHG emissions (000t CO ₂ equivalent)	236	216
Fresh water consumption (1000 m ³)	67	88
Mineral Resources, inclusive of Ore Reserves		
Platreef (4E)	3,696.2 Mt → 281.6 Moz	

MANAGED MINES

UNKI MINE

Location

Unki Mine operations are situated on the Great Dyke of Zimbabwe about 60km south-east of Gweru.

Description of operations

The mine is a mechanised, trackless board and pillar underground operation. The LoM of the current operation at Unki East extends to 2046.

Image
Inspections being carried out at Unki Mine's flotation cells.

	2014	2013
Number of employees (including contractors)	1,246	1,232
Safety		
Fatalities	0	0
LTIFR (per 200,000 hrs worked)	0.11	0.11
Training and development expenditure (Rm)	18	16
Transformation		
Women in mining (%)	5.8	5.2
Financial performance		
Refined platinum production (000oz)	60.3	67.0
Operating contribution (Rm)	368	315
Gross profit margin (%)	9	(9)
Operating free cash flow (Rm)	301	(95)
Net cash flow (Rm)	55	(401)
Cash on-mine costs R/tonne milled	722	606
Capital expenditure		
Project capital (Rm)	244	296
Stay-in-business capital (Rm)	150	182
Environmental indicators		
Number of significant environmental incidents	0	0
ISO14001 certification	Certified	Certified
Energy consumption (PJ)	1,966	189
GHG emissions (000t CO ₂ equivalent)	24	23
Fresh water consumption (1000 m ³)	355	419
Mineral Resources, inclusive of Ore Reserves		
MSZ	245.7 Mt	→ 33.4 (4E) Moz



OPERATIONAL REVIEW CONTINUED

PROJECTS

AT A GLANCE

The Twickenham project is central to unlocking value for the Company in the Eastern Limb of the Bushveld Complex, as it offers long-term potential for mechanised mining activities on both the UG2 Reef and the Merensky Reef horizons.

Development of the conventional mine has been slowed since 2013 as a result of capital constraints. In line with our strategy to focus on assets that have mechanisation potential, a decision was taken to convert the operation's mine design into a fully mechanised on reef mine. During 2014 various study options were considered to convert the conventional mine to a mechanised mine. A full feasibility study to further evaluate the outcome of the studies will be undertaken during 2015 with final Board submissions by the first half of 2016.

Current operational activity at the mine will focus on the operational readiness component of converting to a mechanised mine.

Total capital expenditure amounted to R545 million in 2014 (R480 million in 2013).

Der Brochen is a Greenfield project area in the extreme south of the Eastern Limb of the Bushveld Complex. Exploration work on the project commenced in 2001.

An amendment to the mining works programme, together with the project's social and labour plan, was submitted to the DMR in 2014. The consolidation and amendment of the environmental impact assessment has been submitted to the authorities and stakeholders for comment.

Study work as to how best to exploit the total resource at Der Brochen is continuing, with consideration being given to a number of exploitation options that range from stand-alone phased decline shaft access to possible joint venture options.

Brownfields mining and processing projects are being implemented in line with our strategy. We embarked on a capital allocation process which involves alternative business case (ABC) analysis to be done for individual assets in order to identify projects which will create optimal value. Projects identified in the Company's portfolio are then ranked, taking quantitative and qualitative factors into account. Based on capital availability, these projects are sequenced in order to achieve maximum value for every capital scenario. This, together with market demand, determines the optimal projects portfolio and capital allocation. Major capital projects are being considered at brownfields operations at Amandelbult, Mogalakwena and Unki Mines.

TWICKENHAM MINE

Location

Twickenham Mine is situated in the Eastern Limb of the Bushveld Complex.

Description of operations

The development of the decline shaft system has been placed on hold. The infrastructure to support the mining scope has been confined to critical 'fit for purpose' requirements to support the mining scope. Steady state of 3 million tpa will be realised by 2020.

	2014	2013
Number of employees (including contractors)	1,243	1,296
Safety		
Fatalities	0	0
LTIFR (per 200,000 hrs worked)	1.9	1.66
Training and development expenditure (Rm)	26.1	29.7
Financial performance		
Refined platinum production (000oz)	10.9	10.0
Capital expenditure		
Project capital (Rm)	537	463
Stay-in-business capital (Rm)	8	17
Environmental indicators		
Number of significant environmental incidents	0	0
ISO14001 certification	-	-
Energy consumption (PJ)	198	171
GHG emissions (000t CO ₂ equivalent)	52	43
Fresh water consumption (1000 m ³)	265	268
Mineral Resources, inclusive of Ore Reserves		
Merensky (4E)	298.8 Mt	→48.1 Moz
UG2 (4E)	348.2 Mt	→67.2 Moz

PROJECTS

DER BROCHEN MINE

Location

Der Brochen is a Greenfield project area in the extreme south of the Eastern Limb of the Bushveld Complex. The property borders on the Mototolo Joint Venture, which exploits a combination of the Glencore (Thornccliffe farm) and the Rustenburg Platinum Mines' (Richmond farm) mineral right.

Description of operations

Der Brochen is 100% owned and managed by Amplats.

Image 01
Underground at Twickenham Platinum Mine.



Image 02
Geological drilling on site at Der Brochen Mine.



OPERATIONAL REVIEW CONTINUED

JOINT VENTURES AND ASSOCIATES

AT A GLANCE

Our joint venture and associate mines portfolio consists of seven mines: the Bafokeng-Rasimone, Kroondal, Marikana and Pandora Mines situated on the Western Limb of the Bushveld complex, and the Bokoni, Modikwa and Mototolo Mines on the Eastern Limb of the complex. The portfolio was established over a decade ago to promote industry transformation and optimise Mineral Resource extraction.

Addressing project execution, creating mining flexibility and improving both the cost base and safety performance have remained constant focus areas during the year. Our JV portfolio has had an outstanding year achieving year-on-year improvements. Equivalent refined platinum ounces from operational JVs and associates, including mined and purchased production, increased by 2.1% from 2013 to 768,956 equivalent refined platinum ounces. This is the best annual performance in the history of the JV operations. Over the past four years and in association with

our JV partners, significant work has been done to support JV operations on their trajectory to achieving operational excellence.

- Kroondal and BRPM continued to sustain production performances with minimal disruptions.
- Bokoni showed an improvement of 15% and the mine achieved the best performance since 2006.
- Modikwa was negatively impacted by multiple section 54 stoppages, one wage strike and two unplanned labour stoppages. Modikwa remains an area of focus to ensure delivery against investment.
- BRPM, Aquarius PSA (Kroondal), Mototolo and Bokoni all successfully concluded wage negotiations during the year.

Work continued to rebuild operations to match installed capacity, secure future sustainability and profitability and to reposition our JV portfolio in line with our strategy.

MOTOTOLO PLATINUM MINE

Location

Mototolo Mine is situated in the Limpopo Province, approximately 30km west of Burgersfort and is located on the Eastern Limb of the Bushveld Igneous Complex.

Description of operations

Mototolo is a 50:50 joint venture between Glencore Kagiso Tiso Platinum Partnership and Rustenburg Platinum Mines Limited. It operates under a mining right covering a total area of 9km². Infrastructure consists of two decline shafts and a concentrator. The mine is fully mechanised and the LoM is 2022.

	2014	2013
Safety		
Fatalities	0	0
LTIFR (per 200,000 hrs worked)	0.23	0.20
Financial performance		
Equivalent refined platinum ounces (000oz)	120.0	123.0
Mined (000 oz)	60.0	61.5
Purchased (000 oz)	60.0	61.5
Operating contribution (Rm)	510	495
Gross profit margin (%)	30.1	33.1
Operating free cash flow (Rm)	474.7	418.2
Net cash flow (Rm)	472.1	412.3
Cash on-mine costs R/tonne milled	612	556
Capital expenditure		
Project capital (Rm)	1	1
Stay-in-business capital (Rm)	116	74
Mineral Resources, inclusive of Ore Reserves		
Merensky (4E)	–	–
UG2 (4E)	4.3	5.0

MODIKWA PLATINUM MINE

Location

Modikwa Mine is situated on the border of both Mpumalanga and Limpopo Provinces, 25km west of Burgersfort, on the Eastern Limb of the Bushveld Complex.

Description of operations

Modikwa Platinum Mine is an independently managed 50:50 joint venture between ARM Mining Consortium Limited and Rustenburg Platinum Mine. The mine operates under a mining right covering a total area of 140km². The mine's infrastructure consists of two major decline shafts, three adits, a concentrator and a decline which is in the development phases. Modikwa Platinum Mine is a hybrid operation, with a LoM extending to 2068.

	2014	2013
Safety		
Fatalities	1	0
LTIFR (per 200,000 hrs worked)	0.76	1.06
Financial performance		
Equivalent refined platinum ounces (000oz)	103.0	116.4
Mined (000 oz)	51.5	58.2
Purchased (000 oz)	51.5	58.2
Operating contribution (Rm)	170	266
Gross profit margin (%)	8.8	13.3
Operating free cash flow (Rm)	164.7	376.3
Net cash flow (Rm)	(85.9)	197.0
Cash on-mine costs R/tonne milled	1,121	938
Capital expenditure		
Project capital (Rm)	250	174
Stay-in-business capital (Rm)	86	47
Mineral Resources, inclusive of Ore Reserves		
Merensky (4E)	18.1	18.1
UG2 (4E)	51.4	52.5

KROONDAL PLATINUM MINE

Location

Kroondal Mine is situated in the North West Province approximately 10km outside Rustenburg, on the South-western Limb of the Bushveld Complex.

Description of operations

There is a 50:50 pooling-and-sharing agreement between Aquarius Platinum (South Africa) Proprietary Limited (AQPSA) and Rustenburg Platinum Mines. The mine is managed by AQPSA and operates under a mining licence covering a total area of 22km². The mine's infrastructure consists of five decline shafts and two concentrators. Kroondal Platinum Mine is partly mechanised, and the LoM extends to 2022.

	2014	2013
Safety		
Fatalities	1	1
LTIFR (per 200,000 hrs worked)	0.63	1.03
Financial performance		
Equivalent refined platinum ounces (000oz)	252.2	242.2
Mined (000 oz)	126.1	121.2
Purchased (000 oz)	126.1	121.2
Operating contribution (Rm)	583	545
Gross profit margin (%)	17.1	17.6
Operating free cash flow (Rm)	472.1	396.8
Net cash flow (Rm)	440.6	324.2
Cash on-mine costs R/tonne milled	836	788
Capital expenditure		
Project capital (Rm)	30	67
Stay-in-business capital (Rm)	257	169
Mineral Resources, inclusive of Ore Reserves		
Merensky (4E)	-	-
UG2 (4E)	4.6	5.3

Image 01
Safety training underground at Mototolo Platinum Mine.



Image 02
The concentrator plant at Kroondal Platinum Mine.



OPERATIONAL REVIEW CONTINUED

JOINT VENTURES AND ASSOCIATES

BAFOKENG-RASIMONE PLATINUM MINE (BRPM)

Location

BRPM is situated in the North West Province approximately 25km north of the town of Rustenburg, on the Western Limb of the Bushveld Complex.

Description of operations

BRPM is a 67:33 joint venture between Royal Bafokeng Resources and Rustenburg Platinum Mines. It is managed by Royal Bafokeng Platinum Management Services. The mine operates under a mining right covering a total area of 79 km². The infrastructure consists of two decline shafts, and a concentrator.

	2014	2013
Safety		
Fatalities	2	2
LTIFR (per 200,000 hrs worked)	0.53	0.61
Financial performance		
Equivalent refined platinum ounces (000oz)	186.9	178.6
Mined (000 oz)	0	0
Purchased (000 oz)	186.9	178.6
Amplats attributable profit/(loss) before tax (Rm)	229	228
Net cash distributions/(cash calls) (Rm)	(111)	10
Capital expenditure (100%)		
Project capital (Rm)	1,569	917
Stay-in-business capital (Rm)	154	138
Mineral Resources, inclusive of Ore Reserves		
Merensky (4E)	38.4	38.1
UG2 (4E)	33.0	33.8

BOKONI PLATINUM MINE (JV)

Location

Bokoni Mine is situated in Limpopo Province, approximately 80km south-east of Polokwane, on the North-eastern Limb of the Bushveld Complex.

Description of operations

Bokoni Platinum Mine is a 51:49 joint venture between Atlatsa Resource Corporation and Rustenburg Platinum Mines. The mine operates under a mining right covering a total area of 151 km². The infrastructure consists of a vertical shaft, three decline shafts, an opencast operation and two concentrators. The opencast operation came into production in June 2013 and is designed to deliver 30,000 tpm.

	2014	2013
Safety		
Fatalities	0	3
LTIFR (per 200,000 hrs worked)	1.00	0.88
Financial performance		
Equivalent refined platinum ounces (000oz)	106.9	92.7
Mined (000 oz)	0	0
Purchased (000 oz)	106.9	92.7
Amplats attributable profit/(loss) before tax (Rm)	(169)	(409)
Net cash distributions/(cash calls) (Rm)	0	(316)
Capital expenditure (100%)		
Project capital (Rm)	251	322
Stay-in-business capital (Rm)	104	154
Mineral Resources, inclusive of Ore Reserves		
Merensky (4E)	54.6	55.3
UG2 (4E)	99.4	99.0

PANDORA PLATINUM MINE

Location

Pandora Mine is situated in the North West Province about 40km east of Rustenburg in Lonmin's Marikana mining area. The mine is located on the South-western Limb of the Bushveld Complex.

Description of operations

The infrastructure belongs to Lonmin and consists of one decline shaft system. The mine is a non-managed joint venture, 42.5% owned by Amplats, 50% owned by Eastern Platinum Limited, a subsidiary of Lonmin plc, and 7.5% Mvelaphanda Resources.

	2014	2013
Safety		
Fatalities	0	1
LTIFR (per 200,000 hrs worked)	3.01	2.14
Financial performance		
Equivalent refined platinum production (000oz)	0	0
Amplats attributable profit / (loss) before tax (Rm)	(66)	40
Net cash distributions / (cash calls) (Rm)	(40.1)	8.3
Capital expenditure (100%)		
Project capital (Rm)	21	74
Stay-in-business capital (Rm)	5	19
Mineral Resources, inclusive of Ore Reserves		
Merensky (4E)	-	-
UG2 (4E)	28.2	28.3

PROCESS OPERATIONS

AT A GLANCE

Process operations continued to operate and meet contractual commitments through the period of industrial action. Refined production decreased by 21% to 1,887,244 platinum ounces and ore milled by own operations decreased by 18% year-on-year to 29.6 million tonnes.

Operating efficiencies in the treatment of UG2 and Platreef ore remained an area of focus for the year, particularly as ore delivery was constrained during the strike. Improvements to the reliability of key process equipment continued to contribute to improvements in operating performance.

Smelter throughput was constrained by the strike action experienced by upstream operations. However, Polokwane smelting operation leveraged well off increased supply from Mogalakwena and Unki operations and treated record volumes for the year.

Our process division further leveraged off technological enhancements in terms of smelter rebuilds and has successfully managed to improve operational efficiencies through shorter downtimes and longer useful life of its furnaces.

See the full operational review on the Company website for more information about our processing operations.

CONCENTRATORS

Description of operations

Amplats operates 13 individual concentrators in nine geographical locations around the Bushveld Complex and Zimbabwe.

	2014	2013
Safety		
Fatalities	0	0
LTIFR (per 200,000 hrs worked)	0.1	0.45
Tonnes milled (managed) (Mt)	29.6	36.1
Concentrating cash costs/ tonne milled (R)	169.2	140.5
Capital expenditure	831	854
Project capital (Rm)	307	340
Stay-in-business capital (Rm)	524	514

SMELTERS

Description of operations

Amplats operates three primary smelting operations, namely the Mortimer, Polokwane and Waterval smelters as well as one converting operation called the Amplats Converting Process (ACP).

	2014	2013
Safety		
Fatalities	1	0
LTIFR (per 200,000 hrs worked)	0.74	0.59
Tonnes smelted (Mt)	1.08	1.20
Concentrating cash costs/tonne new concentrate smelted (R)	2,338	1,995
Capital expenditure	459	499
Project capital (Rm)	49	198
Stay-in-business capital (Rm)	411	301

RUSTENBURG BASE METAL REFINERS

Description of operations

The main function of RBMR is the separation of precious metals from base metals using milling and magnetic concentration (MC) at the MC plant. The final concentrate is fed through to our Precious Metals Refinery (PMR).

	2014	2013
Safety		
Fatalities	0	0
LTIFR (per 200,000 hrs worked)	0.40	0.58
Base metal production (000 t)	32.2	25.6
Cash costs/base metal tonne (R)	46,517	48,040
Capital expenditure	279	274
Project capital (Rm)	0.5	8
Stay-in-business capital (Rm)	278	266

PRECIOUS METALS REFINERY

Description of operations

PMR receives final concentrate from RBMR. The concentrate is refined into the respective PGMs and gold to high degrees of purity. PMR's products are customised to meet market requirements.

	2014	2013
Safety		
Fatalities	0	0
LTIFR (per 200,000 hrs worked)	0.26	0.39
Platinum production (Moz)	1.9	2.4
Cash costs/ Pt oz (R)	329	243
Capital expenditure	41	74
Stay-in-business capital (Rm)	41	74

ORE RESERVES AND MINERAL RESOURCES REVIEW

The Ore Reserves and Mineral Resources of the Group are classified, verified and reported on in accordance with statutory, stock exchange and industry/professional guidelines. The classifications are based on the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC 2007) and on the code of the Joint Ore Reserves Committee (JORC) of the Australian Institute of Mining and Metallurgy.

Our combined South African and Zimbabwean Ore Reserves decreased from 212.9 4E Moz to 205.3 4E Moz in the year under review.

RESERVES

Our combined South African and Zimbabwean Ore Reserves have marginally decreased from 212.9 4E Moz to 205.3 4E Moz in the year under review. This was primarily the result of the reallocation of Ore Reserves to Mineral Resources in the Mogalakwena mining area.

The revision of the economic pit shell is based on current views of economic parameters and has marginally reduced the final economic pit shell for the Mogalakwena open pit.

The combination of basket metal prices and exchange rates used to optimise the Mogalakwena pit are based on a long-term forecast aligned with the 2014 fourth-quarter market-consensus estimates. Mining costs are based on 2014 actual costs escalated in real terms to account for mining inflation and increasing mining depth. Sensitivity to higher and lower metal prices ($\pm 5\%$) have indicated minimal impact on the scale of the Mogalakwena Ore Reserve. The final operational pit shell will be subject to further optimisation through geotechnical study work in the course of 2015.

The reduction and depletion of the Reserves at Mogalakwena have been partially offset by further optimisation work on Rustenburg Mine reserves.

RESOURCES

The combined South African and Zimbabwean Mineral Resource, inclusive of Ore Reserves, decreased from 917.7 4E Moz to 913.6 4E Moz in the year under review. This was primarily the result of changes in the evaluation methodology for the Pothole Reef facies at Tumela Mine, the disposal of portions of the Driekop Prospecting Right, new information made available, and depletion.

DISPOSAL OF RUSTENBURG AND UNION MINES

Ore Reserves:

The disposal of Union and Rustenburg mines would result in a decrease of the Amplats Ore Reserves in South Africa by 8% from 199.6 4E Moz to 183.8 4E Moz equivalent (-15.9 4E Moz) based on the 2014 declaration:

- 9.0 4E Moz from the Rustenburg mines excluding the area mined by Aquarius on a royalty basis; and
- 6.9 4E Moz from the Union Mine (85% attributable).

Mineral Resources inclusive of Ore Reserves:

The Mineral Resources inclusive of ore reserves would decrease by 14.5% from 880.2 4E Moz to 752.6 4E Moz equivalent (-127.6 4E Moz) based on the 2014 declaration:

- 85.4 4E Moz from the Rustenburg Mines;
- 1.6 4E Moz from the adjacent Hoedspruit Prospecting Right; and
- 40.6 4E Moz from Union Mine (85% attributable).

COMPETENCE AND RESPONSIBILITY

In accordance with the listings requirements of the JSE, Amplats prepared its Mineral Resource and Ore Reserve statements for all its operations with reference to SAMREC's 2007 guidelines and definitions. Competent persons have been appointed to work on, and assume responsibility for, the Mineral Resource and Ore Reserve statements for all operations and projects, as required.

A register of all competent persons has been lodged with the company secretary. The executive head: technical confirms that the information relating to Mineral Resources and Ore Reserves in this report is published in the form and context in which it was intended.

RISK

The Geosciences and Integrated Planning departments subscribe to risk-management processes in order to systematically reduce risks relevant to the Mineral Resources and Ore Reserves. Presently no area of risk is considered significant following the current controls. It is generally recognised that Mineral Resource and Ore Reserve estimations are based on projections that may vary as new information becomes available, specifically if assumptions, modifying factors and market conditions change materially. Since the parameters associated with these considerations vary with time, the conversion of Resources to Reserves may also change over time. For example, mining costs (capital and operating), exchange rates and metal prices may have significant impacts on the conversion of Resources to Reserves and the reallocation of Reserves back to Resources in cases where there is a reversal in the economics of a project or area. The assumptions, modifying factors and market conditions therefore represent areas of potential risk. In addition, security of mineral right tenure or corporate activity could have a material impact on the future mineral asset inventory.

Gordon Smith

Gordon Smith

(Pr Eng, PhD, MBA, MSc (Engineering), BSc (Mining Engineering))

Executive head: technical
Johannesburg
5 February 2015

CHANGES IN THE ORE RESERVES AND MINERAL RESOURCES 2014

ORE RESERVE AND MINERAL RESOURCE ESTIMATION SUMMARY

Category	2014		2013	
	Million tonnes (Mt)	4E million troy ounces (4E Moz)	Million tonnes (Mt)	4E million troy ounces (4E Moz)
Ore Reserves – South Africa	2,062.9	199.6	2,115.3	206.9
Ore Reserves – Zimbabwe (Unki Platinum Mine (Unki))	49.5	5.6	50.7	6.0
Ore Reserves¹ – South Africa and Zimbabwe	2,112.4	205.3	2,166.0	212.9
Mineral Resources exclusive of Ore Reserves – South Africa	5,210.5	657.1	5,145.0	652.8
Mineral Resources exclusive of Ore Reserves – Zimbabwe (Unki)	190.1	25.9	183.1	25.6
Mineral Resources exclusive of Ore Reserves² – South Africa and Zimbabwe	5,400.6	683.0	5,328.2	678.4
Mineral Resources inclusive of Ore Reserves – South Africa	7,262.4	880.2	7,266.5	884.6
Mineral Resources inclusive of Ore Reserves – Zimbabwe (Unki)	245.7	33.4	238.6	33.1
Mineral Resources inclusive of Ore Reserves² – South Africa and Zimbabwe	7,508.1	913.6	7,505.2	917.7
Ore Reserves – South Africa tailings	20.9	0.7	23.7	0.8
Mineral Resources – South Africa tailings	162.2	5.0	161.5	5.0

Note: 'Mineral Resources exclusive of Ore Reserves' and 'Scheduled Resources converted to Ore Reserves' are not additive because of modifying factors being applied during the conversion from resources to reserves. The above Mineral Resources exclude the Boikgantsho and Sheba's Ridge projects in South Africa and the Pedra Branca project in Brazil. These projects reflect a 3E grade which is the sum of platinum, palladium and gold grades, whereas the other mines and projects reflect a 4E grade. For these projects, see the tabulation below:

Category	2014		2013	
	Million tonnes (Mt)	4E million troy ounces (4E Moz)	Million tonnes (Mt)	4E million troy ounces (4E Moz)
Mineral Resources inclusive of Ore Reserves – South Africa (Sheba's Ridge project)	211.9	6.4	211.9	6.4
Mineral Resources inclusive of Ore Reserves – South Africa (Boikgantsho project)	48.8	1.9	48.8	1.9
Mineral Resources inclusive of Ore Reserves – Brazil (Pedra Branca project)	6.6	0.5	6.6	0.5
Mineral Resources inclusive of Ore Reserves² – South Africa and Americas	267.3	8.8	267.3	8.8

¹ The Ore Reserves reflect the total of Proved and Probable Ore Reserves.

² The Mineral Resources reflect the total of Measured, Indicated and Inferred Mineral Resources. The Mineral Resources are quoted after geological losses.

Top image

Further tailings grass planting trails are underway for dust suppression purposes at Paardekraal tailings dam. Alfred Khumalo and Piet Botha inspect the grass samples.

Bottom image

Bathopele Mine ore stockpile and conveyor to the concentrator.



FOCUS:

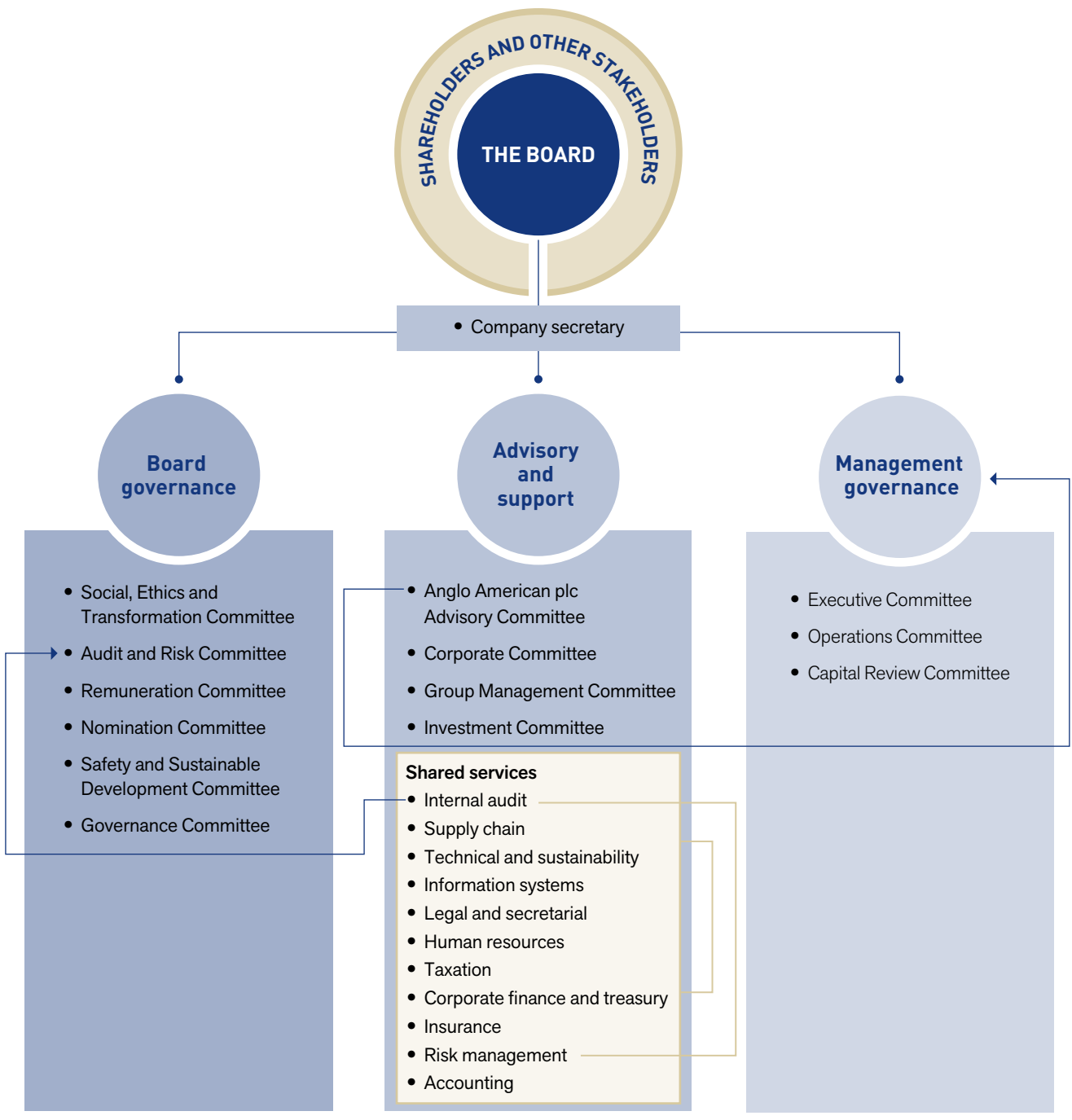


**EFFECTIVE
GOVERNANCE**

CORPORATE GOVERNANCE REPORT

The Board is the focal point for, and the custodian of, the Company's governance framework through its committee structures, and its relationship with management, shareholders and other Company stakeholders.

The diagram below depicts the functions of the Board and its governance structures.



CORPORATE GOVERNANCE REPORT CONTINUED

The Board is committed to applying and enforcing applicable corporate governance principles.

GOVERNANCE FRAMEWORK

The Board is committed to applying and enforcing applicable corporate governance principles and therefore continues to develop and review its governance policies, practices and procedures in line with an integrated governance, risk and compliance framework. The directors recognise that good corporate governance is essential in protecting the interests of all stakeholders and therefore ensures that risk parameters are managed and in compliance with recognised corporate practices.

While the Board remains accountable and responsible for the performance and affairs of the Company, it delegates certain functions to Board committees and management to assist in properly discharging its duties. In addition to the Board committees, a number of operating committees function in the Group. The Executive Committee (Exco) is supported by the Operations Committee and the Capital Review Committee. The Capital Review Committee (CRC) was established as a sub-committee of Exco in November 2014 to assist Exco in ensuring that the capital project portfolio supports the delivery of the strategy within a capital constrained environment. The objectives of the CRC include, among others, recommendations to optimise portfolio and capital spend within defined constraints, inter alia, alignment to strategy, capital intensity and affordability, market demand and supply fundamentals, valuation criteria and ensuring that the interdependencies between projects are defined and understood.

Each Board committee acts within agreed, written terms of reference that are reviewed and updated annually. The chairperson of each Board committee reports back to the Board on the key issues, and minutes of meetings are provided to the Board for noting.

Shared services are provided by the Anglo American plc Group to all Group subsidiaries and assist management with the execution of key activities and controls to mitigate risk and achieve business objectives. Service level agreements have been finalised to ensure that the services provided are of an appropriate quality. The services provided include aspects of transactional accounting and human resources, internal audit, company secretarial, treasury, corporate finance, insurance, legal, IT, tax and certain risk management services.

Business is conducted in accordance with the principles of openness, integrity and accountability, as advocated in the King Code of Corporate Governance for South Africa,

2009. The risk appetite of Executive Management, the Audit and Risk Committee and Board will determine areas of strategic and business focus, which in turn determines the level of assurance considered appropriate in respect of identified business risks and exposures. To plan and coordinate assurance within the Group, the Company has implemented a combined assurance framework. Each assurance activity in this framework links to the Company's value drivers and is determined based on risks identified through the integrated risk management process, business processes, controls and mitigating strategies. Each provider of assurance has been categorised into different managerial lines of defence within the organisation, namely, management, internal and external assurance providers:

- the first line of defence, which is provided by management, comprises the provision and implementation of business strategies, performance measurements and reporting, policies and procedures, control self-assessments and other governance and monitoring processes with the reporting line to executive management;
- the second line of defence is through risk management, compliance functions, the safety, health and environmental management processes and other internal review functions, with the reporting line to executive management and, in instances, the Safety and Sustainable Development Committee (S&SD); and
- the third line comprises internal audit, external audit, and other regulatory and certification bodies independent of the Company, with the reporting line to the Board of directors via the Audit and Risk Committee, Governance Committee, S&SD Committee and the Social, Ethics and Transformation Committee.

APPLICATION OF THE KING REPORT ON GOVERNANCE FOR SOUTH AFRICA 2009 AND THE KING CODE OF GOVERNANCE PRINCIPLES (KING III)

The Board is satisfied that every effort has been made during 2014 to apply all material aspects of King III as far as appropriate. This review contains a summary of the Company's application of all the principles contained in Chapter 2 of King III based on the Governance Assessment Instrument developed by the Institute of Directors of Southern Africa and briefly provides a synopsis of the Company's application of the other chapters of King III.

Image
An overview of the insoluble metals plant at PMR.



Summary King III governance application register at 31 December 2014:

Anglo American Platinum Limited	IoDSA GAI score	Applied/partially applied/ not applied
Chapter 1: Ethical leadership and corporate citizenship	AAA	Applied
Chapter 2: Boards and directors	AAA	Applied
Chapter 3: Audit committees	AAA	Applied
Chapter 4: The governance of risk	AAA	Applied
Chapter 5: The governance of information technology	AAA	Applied
Chapter 6: Compliance with laws, rules, codes and standards	AAA	Applied
Chapter 7: Internal audit	AAA	Applied
Chapter 8: Governing stakeholder relationships	AAA	Applied
Chapter 9: Integrated reporting and disclosure	AAA	Applied
Overall score	AAA	

<i>AAA Highest application</i>	<i>AA High application</i>	<i>BB Notable application</i>	<i>B Moderate application</i>	<i>C Application to be improved</i>	<i>L Low application</i>
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 A full King III governance application register is available on the Company's website www.angloamericanplatinum.com

ROLE AND FUNCTION OF THE BOARD

The Board conducts its business in accordance with the principles of King III, which include the exercise of discipline, independence, responsibility, fairness, social responsibility and transparency, and also the accountability of directors to all stakeholders. Directors are entitled to seek independent legal advice at the cost of the Company. This is facilitated through the company secretary. The Board has a formal Board Charter setting out its roles and responsibilities. In summary, its key responsibilities are to:

- provide effective leadership based on an ethical foundation;
- ensure that the Company has an effective and independent Audit and Risk Committee;
- contribute towards and approve the strategic direction of the Company;
- satisfy itself that the strategy and business plans proposed for the achievement of the Group's objectives do not give rise to risks that have not been thoroughly assessed by management and appropriate controls put in place;
- ensure that the strategy will result in sustainable outcomes taking into account financial, environmental and social objectives as approved by the Board;
- ensure the integrity of the Company's Integrated Annual Report;
- consider the Group's going concern status and monitor the Company's solvency and liquidity on a regular basis;

- define levels of authority, define areas of materiality and approve a framework for delegated authority;
- report on the effectiveness of the Company's system of internal controls;
- be responsible for the governance of risk through effective risk-management practices, including regularly reviewing and evaluating risks to the Company and ensuring the existence of an effective risk-based internal audit as well as appropriate internal controls;
- ensure that the Company is, and is seen to be, a responsible corporate citizen; and
- identify, manage and monitor any gaps between stakeholder perceptions and the performance of the Company so as to manage the Company's reputation.

The Company has a unitary Board structure, comprising two executive directors and 10 non-executive directors (six of whom are independent non-executives as defined by King III).

The independence of the chairman and the separation of the chairman's responsibilities from those of the chief executive, as set out in the Board Charter, ensure a balance of authority, and also preclude any one director from exercising unfettered powers of decision-making. The chairman is responsible for leading the Board and for the Board's effectiveness. The chief executive is responsible for the execution of strategy and the day-to-day business of the Company.

CORPORATE GOVERNANCE REPORT CONTINUED

Attendance at meetings

The Board held five meetings during the year and attendance at these meetings is set out in the table below:

	31 January	16 April	18 July	30 October	28 November
Valli Moosa (chairman)	✓	✓	✓	✓	✓
Christopher Griffith (chief executive)	✓	✓	✓	✓	✓
Mark Cutifani	✓	✓	✓	✓	✓
Richard Dunne	✓	✓	✓	✓	✓
Khanyisile Kweyama	✓	✓	✓	✓	A
Peter Mageza	✓	✓	✓	✓	✓
Nombulelo Moholi	✓	✓	✓	✓	A
René Médori	✓	✓	✓	✓	✓
Dhanasagree Naidoo	✓	✓	✓	✓	✓
Anthony O'Neill	✓	✓	✓	✓	✓
Bongani Nqwababa	✓	✓	✓	✓	✓
John Vice	✓	✓	✓	✓	✓

✓ Present A Apologies

Independence of directors

There are six independent directors serving on the Board. The independence of directors is reviewed annually by the Nomination Committee. The Nomination Committee has satisfied itself that these directors meet the criteria for independence in terms of King III.

Newly appointed directors

The Board follows a formal and transparent process when appointing new directors and any new appointment is considered by the Board as a whole, on the recommendation of the Nomination Committee. The Nomination Committee comprises solely of non-executive directors. It evaluates skills, knowledge and experience required to implement the Group strategy. New Board nominations are assessed against defined competencies as set out in the skills matrix to address any potential skills or experience gaps. Any new director appointed during the year may only hold office until the next annual general meeting (AGM), at which time they will be required to retire and offer themselves for re-election. No new directors were appointed during the year under review.

Rotation of directors

In terms of the Company's memorandum of incorporation (MOI), a third of directors retires by rotation each year and are eligible for re-election by shareholders at the AGM. Having concluded its assessment, the Board recommends the re-election of the following retiring directors: Valli Moosa, Chris Griffith, Peter Mageza and John Vice. These retiring directors are eligible for, and will be offering themselves for, re-election at the forthcoming AGM.

Induction of directors

A formal induction process for directors is in place. Upon appointment, directors are provided with an induction pack comprising of recent Board and committee documents,

information on legal and governance obligations, the Company's MOI and recent reports. Guidance is provided on the requirements of the JSE Limited (JSE) in dealing in shares, King III and the Companies Act, Act No 71 of 2008, as amended from time to time (the Act) and also the Group's own internal governance arrangements. Meetings are arranged between new directors and members of Exco, to ensure that the former develop a full grasp of their areas of responsibility and of the complex businesses and operations that make up the Group.

Director training and development

All directors are expected to keep abreast of changing trends in the business and in the Group's environment and markets. To assist directors, the company secretary arranges topical presentations and informative sessions prior to every Board meeting. During the year training on the following topics was provided:

- IT governance;
- overview of the JSE listing requirements and major changes during 2013;
- an overview and update of the Mineral and Petroleum Resources Development Act (MPRDA);
- critical IT systems;
- remuneration components and the wage gap;
- IFRS relevant to the mining industry; and
- Board risk workshop.

Site visits to the operations are arranged at least twice a year, to familiarise the directors with the operational and environmental aspects of the business.

Remuneration of directors

The remuneration of directors is set out in the remuneration report on page 99.

Retirement

There is no set retirement age for non-executive directors, with the period in office being reviewed on an individual basis by the Board on recommendation of the Nomination Committee. King III recommends that the independence of any director serving more than nine years be assessed. Currently no director has served more than nine years as director. Executive directors retire at 60.

BOARD EVALUATION

During April 2014 the Board participated in an evaluation of its effectiveness comprising of self-evaluations of the Board

as a whole, the effectiveness of the Board sub committees and effectiveness of the chairman. The evaluation concentrated on the key focus areas comprising of Board composition, expertise and dynamics, time management, Board support, strategic oversight, risk management and internal control, succession planning and human resource management and priorities for change. Overall all focus areas including the chairman, the Board and its sub committees were rated very highly with no material areas of concern. A number of training topics were identified during the process and were included in the Board training programme.

Image
Geologists and production managers discuss mining the Graben fault area at Tumela Mine.



CORPORATE GOVERNANCE REPORT CONTINUED

COMMITTEES

Board committees

The Board is supported by a number of sub committees; each has its own terms of reference which are reviewed annually.

Audit and Risk Committee		
Role	Activities during the year	Members
Monitors adequacy of financial controls and reporting; reviews audit plans and adherence to these by external and internal auditors; ascertains the reliability of the audit; ensures financial reporting complies with the International Financial Reporting Standards and the Companies Act; reviews and makes recommendations on all financial matters; nominates auditors for appointment; monitors the Company's appetite for risk, and also the concomitant controls required. Governance of risk and IT.	<ul style="list-style-type: none"> Refer to chairman's report of the Audit and Risk Committee, on page 20 for activities of the Committee. 	Richard Dunne (chairman) Peter Mageza Dhanasagree Naidoo John Vice

Governance Committee		
Role	Activities during the year	Members
Monitors and reports on corporate governance in the Group and recommends measures on its enhancement in terms of the King III code on corporate governance.	<ul style="list-style-type: none"> Received regular briefings on changes in governance, laws and environment in which the Company operates. Considered the quality of corporate governance in the Group and recommended measures for its enhancement. Reviewed the Group's delegation of authority manual together with its wholly owned subsidiary, Anglo Platinum Marketing Limited, and recommended their approval to the Board. Considered its terms of reference and overall effectiveness of the Committee. 	Valli Moosa (chairman) Richard Dunne Khanyisile Kweyama Peter Mageza Nombulelo Moholi Dhanasagree Naidoo John Vice

Attendance at Audit and Risk Committee meetings

	29 January	11 April	16 July	28 October
Richard Dunne (chairman)	✓	✓	✓	✓
Peter Mageza	✓	✓	✓	✓
Dhanasagee Naidoo	✓	✓	✓	✓
John Vice	✓	✓	✓	✓

✓ Present

Attendance at Governance Committee meetings

Members	30 January	17 July	27 October
Valli Moosa (chairman)	✓	✓	✓
Richard Dunne	✓	✓	✓
Khanyisile Kweyama	A	A	✓
Peter Mageza	✓	✓	✓
Nombulelo Moholi	✓	✓	✓
Dhanasagree Naidoo	✓	✓	✓
John Vice	✓	✓	✓

✓ Present

A Apologies

Nomination Committee		
Role	Activities during the year	Members
Considers suitable nominations for appointment to the Board and succession planning; makes appropriate recommendations based on qualifications and experience.	<ul style="list-style-type: none"> • Undertook an assessment of the skills and experience of directors against defined competencies as set out in the skills matrix and found that there were no immediate skills or experience gap areas within the Board. • Regularly reviewed the structure, size and composition of the Board and its committees. • Considered the performance of the directors' retiring by rotation and standing for election at the Company's AGM. • Assessed the skills and experience of the company secretary and considered the arm's length relationship with the company. • Considered succession planning for the chief executive and the chairman. • Identified potential training topics to enhance continuous director development. • Considered its terms of reference and overall effectiveness of the committee. 	Valli Moosa (chairman) Mark Cutifani Richard Dunne

Remuneration Committee		
Role	Activities during the year	Members
Establishes the overall principles of remuneration and determines the remuneration of executive directors and executive heads; considers, reviews and approves Group policy on executive remuneration and communicates this to stakeholders in the Company's Integrated Annual Report.	Refer to the Remuneration Report on page 89 for activities of the Committee.	Richard Dunne (chairman) Valli Moosa Nombulelo Moholi

Attendance at Nomination Committee meetings

Members	31 January	16 April	18 July	30 October
Valli Moosa (chairman)	✓	✓	✓	✓
Mark Cutifani	A	✓	✓	✓
Richard Dunne	✓	✓	✓	✓

✓ Present

A Apologies

Attendance at Remuneration Committee meetings

Members	27 January	10 April	7 July	27 October	28 November
Richard Dunne (chairman)	✓	✓	✓	✓	✓
Valli Moosa	✓	✓	✓	✓	✓
Nombulelo Moholi	✓	✓	✓	✓	✓

✓ Present

CORPORATE GOVERNANCE REPORT CONTINUED

Safety & Sustainable Development Committee (S&SD)

Role	Activities during the year	Members
Develops frameworks, policies and guidelines for S&SD management and ensures their implementation; monitors Group compliance with relevant legislation. Evaluates all material sustainable development impacts in light of the precautionary principle, and advises the Board accordingly. The Committee has a reporting line into the SET Committee and the Audit and Risk Committee, and directly into the Board.	Refer to chairman's report of the S&SD Committee on page 109 for activities of the Committee.	Dorian Emmett (chairman) Richard Dunne Chris Griffith Valli Moosa Nombulelo Moholi Dean Pelser

Social, Ethics & Transformation Committee (SET)

Role	Activities during the year	Members
Monitors and develops the Company's compliance with section 72(8) of the Companies Act, read in conjunction with regulation 43. Also monitors the Company's goals in respect of the 10 principles set out in the United Nations' Global Compact; the recommendations on corruption of the Organisation for Economic Co-operation; the Employment Equity Act, No 55 of 1998, as amended; the Broad-Based Black Economic Empowerment Act, No 53 of 2003, as amended; and other corporate citizenship, labour and employment principles.	Refer to chairman's report of the Social, Ethics & Transformation Committee on page 106 for activities of the Committee.	Nombulelo Moholi (chairman) Richard Dunne Dorian Emmett Khanyisile Kweyama Lorato Mogaki Valli Moosa

Attendance at Safety & Sustainable Development Committee meetings

Members	29 January	11 April	16 July	28 October
Dorian Emmett	✓	✓	✓	✓
Richard Dunne	✓	✓	✓	✓
Nombulelo Moholi	N/A	N/A	✓	✓
Valli Moosa	✓	✓	✓	✓
Chris Griffith	✓	A	✓	✓
Dean Pelser	✓	✓	✓	✓

✓ Present A Apologies

Attendance at Social, Ethics & Transformation Committee meetings

Members	30 January	15 April	17 July	27 October
Nombulelo Moholi (chairman)	✓	✓	✓	✓
Richard Dunne	✓	✓	✓	✓
Dorian Emmett	✓	✓	✓	✓
Khanyisile Kweyama	A	✓	✓	A
Lorato Mogaki	A	✓	✓	✓
Valli Moosa	✓	✓	✓	✓

✓ Present A Apologies

Management committees

Executive Committee

Role	Activities during the year	Members
Recommends policies and strategies; monitors implementation; deals with all executive management business; responsible for all strategic matters not expressly reserved for the Board.	<ul style="list-style-type: none"> • Administered the day-to-day affairs of the Group. • Managed the crisis call centre during the strike. • Provided regular detailed reports to the Board on the Group's operational performance. • Prioritised the allocation of capital, technical and human resources. • Approved general policies of all Group's operating companies. • Monitored the activities of all operating companies so as to achieve the strategic and financial objects set by the Board. • Determined the scope of operations to be undertaken by the operations. • Noted and approved the provisions of the recognition agreements signed between Group companies and trade unions. • Approved the acquisition and disposal of assets. • Reviewed and approved all new projects and unbudgeted capital expenditure within its delegated authority. • Reviewed and recommended the operations strategic and business plans as well as the annual profit, capital and cash flow budgets and forecast, and manpower plans. • Satisfied itself that the Group's assets are maintained to a satisfactory standard. 	Chris Griffith (chairman) Pieter Louw Seara Macheli-Mkhabela Lorato Mogaki July Ndlovu Bongani Nqwababa Dean Pelser Indresen Pillay Vishnu Pillay Gordon Smith

Frequency of meetings

The Executive Committee meets once a week.

Operations Committee

Role	Activities during the year	Members
Responsible for all operational matters; coordinates, manages and monitors resources; regularly reviews risk to achieve the Group's aims.	<ul style="list-style-type: none"> • Detailed review of operational and financial performance of the Group in terms of safety, health and environment, mining operations, processing, projects, commercial, supply chain and support services. 	Chris Griffith (chairman) Pieter Louw Seara Macheli-Mkhabela Johannes Mokoka Lorato Mogaki July Ndlovu Bongani Nqwababa Dean Pelser Indresen Pillay Vishnu Pillay Martin Poggiolini Gordon Smith

Frequency of meetings

The Operations Committee meets once a month.

CORPORATE GOVERNANCE REPORT CONTINUED

Capital Review Committee		
Role	Activities during the year	Members
Responsible for the Group's investment portfolio, its evaluation and prioritisation and defines key principles that govern the inclusion of assets and capital (including stay-in-business) spend and the flow-back impact on the Group's portfolio. This was previously undertaken by the Operations Committee.	The Committee was constituted on 10 November 2014.	Archie Myezwa
	A formal schedule of meetings will be arranged in 2015.	Indresen Pillay
		Gordon Smith
		Pieter Louw
		July Ndlovu
		Martin Poggiolini

Frequency of meetings

The Capital Review Committee will meet at least once per quarter or when projects require stage gate approval.

COMPANY SECRETARY

The company secretary is responsible for providing guidance to the chairman and directors, both individually and collectively, on their duties, responsibilities and powers. The company secretary also advises on corporate governance, and on compliance with legislation and the listings requirements of the JSE.

Elizna Viljoen is the duly approved company secretary of Amplats. She is not a director or shareholder of the Company or any of its subsidiaries. On that basis the Board is comfortable that she maintains an arm's length relationship with the executive team, the Board and the individual directors in terms of Section 3.84 (j) of the JSE listing requirements. Elizna has 18 years' experience in the company secretarial environment for numerous companies and is a fellow member of the Institute of Chartered Secretaries. She has never been censured by the JSE or penalised or fined for any misconduct. The Board, having assessed her abilities, is of the view that she has the requisite qualifications and expertise to fulfil this role as required in section 3.84 (i) of the JSE Listings Requirements.

KEY POLICIES

Delegation of Authority Manual

Anglo American Platinum Limited has a detailed Authority Manual in place, which is updated on a regular basis. Its objectives are to delegate transactional and contractual authority from the Board to staff members and officials at various levels. This provides effective and practical directives and guidelines for minimising or eliminating the Company's possible exposure to risk. It also ensures that staff members and officials fully understand demarcated authorisation limits and strictly adhere to them. The document was updated and subsequently approved by the Board at its meeting held on 30 October 2014.

Business principles and integrity code

The Company is committed to a policy of fair dealing and integrity in the conduct of business. This commitment, which is actively endorsed by the Board, is based on a fundamental belief that business should be conducted honestly, fairly, legally and responsibly. The Company expects all employees in the Group to share this commitment to high moral, ethical and legal standards and sound business principles. The code sets out the standards that guide the conduct of our businesses and have universal application. They apply to every business we manage, to everything we do and to every part of the world in which we operate or procure from. The Business Integrity Steercom exists to monitor the Company's activities in terms of the policy and feeds back to the Audit and Risk and SET Committees.

Conflicts of interest

On a quarterly basis, the Company actively solicits from its directors details regarding external shareholdings and directorships that have the potential to create conflicts of interest while they serve as directors on the Board. The declarations received from the directors are closely scrutinised by both the chairman and the company secretary, and are tabled at the beginning of each quarterly Board meeting. Where a conflict arises, directors are required to recuse themselves from the discussions. As far as possible, the Company requires that directors avoid any potential conflicts of interest.

Share dealings

The Company has a policy that regulates dealings in the Company's shares by its directors and applicable employees. No Group director or employee may deal, directly or indirectly, in the Company's shares on the basis of previously unpublished, price-sensitive information and/or during certain 'closed periods'. These closed periods

The Company is committed to a policy of fair dealing and integrity in the conduct of business.

include the periods between the Company's interim and financial year-end reporting times and the dates on which the relevant results are published, and any time when the Company is trading under a cautionary announcement.

THE GOVERNANCE OF RISK

The Board of directors of Amplats has specific responsibility over risk management in the Group. The Board has delegated this function to the Audit and Risk Committee, which regularly reviews significant risks and also the mitigating strategies designed to manage these risks. The Audit and Risk Committee reports to the Board on material changes in the Group's risk profile. The risk management process is facilitated by Anglo American Business Assurance Services (ABAS), however, overall accountability and responsibility for risk management rests with Amplats' Board of directors, the senior management team and other officers. For more information on risk management, refer to pages 34 to 37.

THE GOVERNANCE OF INFORMATION TECHNOLOGY

Amplats has adopted the methodology of the IT Governance Institute and the COBIT (Control Objectives for Information and Related Technology) framework in order to meet the requirements for IT Governance of King III. The Board has formally delegated the responsibility for IT governance to the Audit and Risk Committee. The activities of this Committee in respect of IT governance are detailed on pages 21 to 22.

COMPLIANCE WITH LAWS, CODES, RULES AND STANDARDS

Compliance with, and enforcement of, the Companies Act, the listing requirements of the JSE, legislation governing the mining industry and the Company's governance policies are monitored and tracked through internal monitoring and reporting systems, reviews, and internal and external audits.

INTERNAL AUDIT

Internal audit is an independent appraisal function that examines and evaluates the activities and the appropriateness of our systems of internal control, risk management and governance. Internal audit services are provided by Anglo American Business Assurance Service (ABAS) of Anglo Operations Proprietary Limited. The Audit and Risk Committee is satisfied that internal audit has met its responsibilities for the year with respect to its terms of reference. Audit plans are presented in advance

to the Audit and Risk Committee and are based on an assessment of areas of risk involving an independent review of the Group's own risk assessments. The internal audit team attends and presents its findings to the Audit and Risk Committee.

GOVERNING STAKEHOLDER RELATIONSHIPS

Principle 8.1 of the King III prescribes that the Board should take account of the legitimate interests of stakeholders in its decisions and that stakeholders should be identified and their expectations need to be managed. The main identified stakeholder groups are employees, unions, national government, provincial government, local and district government and municipalities, state-owned enterprises, media, shareholders, customers, suppliers, educational institutions, business partners, local and traditional communities and non-governmental organisations. Refer to page 38 for the stakeholder engagement process.

The Company has systems and processes in place to ensure stakeholders are actively engaged and the legitimate issues considered in decision-making processes within the Company.

INTEGRATED REPORTING AND DISCLOSURE

The Amplats Integrated Annual Report's development has been guided by The International <IR> Framework published by the International Integrated Reporting Council in December 2013. In the Integrated Report the Company strives to report on the linkages and interdependencies between the factors that enable the Company to create value. The report includes details on our business model and strategy; how the Company responds to our external environment; the risks and opportunities faced; how the Company identifies and responds to the legitimate needs and interests of key stakeholders; activities and performance, as well as the outlook for the Company in the medium to long term.

REMUNERATION REPORT

DEAR SHAREHOLDERS

I am pleased to provide you with the Amplats remuneration report for the year ended 31 December 2014.

We have continued with our practice of presenting the report in two parts, with the first part setting out the Company's remuneration philosophy and policy, and the second part detailing the implementation of the policy in the 2014 financial year. We have also continued to engage regularly with shareholders, and, as in last year's report, have included responses to specific shareholder concerns which were raised in respect of the 2013 remuneration policy.

The Company faced a challenging and eventful year with the five-month strike. In this context, the Committee has spent considerable time during the year investigating the economics and ethics surrounding pay, and has sought expert and statistical input on this matter. During the strike period, management also kept the Board apprised via regular Board updates and a briefing session of the status and mediation efforts to resolve the strike. The briefing sessions provided an overview of operations, metal stock and forecasts, the Company's wage offer, the wage demand and financial implications for the business as well as a comparison of the wage offers of the three major platinum producers

The Company, under the guidance of management, managed to overcome the challenging circumstances faced this year – including successfully managing start-ups following the extended mine closures. Long-term incentive vesting should be considered in context of these management successes, resulting in Company performance against the long-term incentive measures, which was considered to be high relative to industry performance during the year.

The distribution statement below sets out the total spend on employee reward during the course of 2014 and 2013, compared to the profit generated by the Company and the dividends which were payable during 2014 and 2013.

Distribution statement for 2014		2014	2013
Headline earnings	Rm	786	1,451
	% Change	(45)	
Dividends payable for year (total)	Rm	–	–
	% Change	–	
Payroll costs for all employees	Rm	13,969	14,650
	% Change	(5)	
Average employee numbers		49,763	49,816
	% Change	0	
Community CED Spend	Rm	236	204
	% Change	16	
Taxation paid	Rm	2,734	679
	% Change	403	

In considering the level of executive remuneration, the Committee received an executive remuneration trends update from PricewaterhouseCoopers Inc (PwC) South Africa, as independent advisors, as well as an executive management salary benchmarking report. The benchmark confirmed that from an industry and size based comparator group, the Company's overall executive remuneration was positioned within the reasonably accepted tolerance band.

A summary of the main activities for the year is listed on page 89 of the remuneration report.

We trust that we have provided clear and detailed explanations of the executive management team's remuneration and that you find this to be a comprehensive overview. The Committee will continue to maintain an open and constructive dialogue with investors and their representative bodies. We will engage in appropriate dialogue with our major shareholders on any material changes to the remuneration policy.



Richard Dunne

Chairman
Remuneration Committee

5 February 2015

The Remuneration Committee assists in setting the Company's remuneration policy.

REMUNERATION IN CONTEXT

PART 1: REMUNERATION PHILOSOPHY AND POLICY

The Committee

Role of the Committee

As a committee of the Board, the Committee assists in setting the Company's remuneration policy and directors' and prescribed officers' remuneration. The Committee operates according to its terms of reference. The Committee's responsibilities are to:

- make recommendations to the Board on the general policy on remuneration, benefits, conditions of service and staff retention;
- conduct an annual review of the remuneration packages of the executive directors and prescribed officers, including a risk-based monitoring of incentives;
- determine the specific remuneration packages of executive directors and prescribed officers; and
- design and monitor the operation of the Company's share-incentive plans.

The full terms of reference of the Committee are aligned with the Companies Act and King III and embrace best practice.

Members of the Committee

The individuals listed below served as members of the Committee during the year:

- Richard Dunne (appointed as Committee chairman with effect from 1 January 2014)
- Nombulelo Moholi
- Valli Moosa

During the course of the year, all the members of the Committee, including the chairman, were independent non-executive directors.

Attendance at Committee meetings

The Committee met five times during 2014. Please refer to page 83 of the Corporate Governance Report for directors' attendance at the Committee meetings. The chief executive; the global head of reward from Anglo American plc; the executive head: human resources; the head of remuneration and benefits; the compliance officer of employee share-schemes; and representatives of PwC attended the Committee meetings by invitation and assisted the Committee in its deliberations, except when issues relating to their own remuneration were discussed.

No director or executive is involved in deciding his or her own remuneration. In 2014 the Committee received advice from Anglo American plc's Human Resources and from PwC South Africa, as independent advisers.

Remuneration activities undertaken during the year

The following issues were considered and approved by the Committee during 2014:

- Approval of the remuneration report.
- Review of shareholder feedback following the annual general meeting.
- Short-term incentive targets and payments for executive directors and prescribed officers.
- Approval of the business unit multiplier for the purpose of the short-term incentive payments to the rest of the employees (excluding bargaining-unit employees).
- Approval of the 2014 share-incentive plan awards and vesting of the 2011 awards.
- Annual salary review for executive directors and prescribed officers.
- Annual salary adjustments for all employees who were not bargaining-unit employees.
- Mandating the increase range for bargaining-unit employees.
- Approval of the remuneration packages for the incoming Executive Committee members.
- Review of executive service agreements.
- Review of fees payable to non-executive directors.
- Review of the effectiveness of the Committee.
- Review of the terms of reference for the Committee.
- ROCE targets were confirmed.
- Review of the internal and external directorship policy.

The Company's auditors, Deloitte and Touche, have not provided advice to the Committee. However, as in 2013, at the request of the Committee they have undertaken certain verification procedures on the calculation and disclosure of the remuneration of directors and prescribed officers.

Remuneration philosophy

The Company's remuneration philosophy is to attract and retain high-calibre individuals and to incentivise them to develop and implement the Company's business strategy to optimise the creation of long-term shareholder value. The policy conforms to King III and is based on the following principles:

- Remuneration practices are aligned with corporate strategy.
- Total rewards are set at levels that are competitive within the relevant market.
- Incentive-based rewards are earned through the achievement of demanding performance conditions consistent with shareholder interests over the short, medium and long terms.
- Incentive plans, performance measures and targets are structured to operate effectively throughout the business cycle.
- The design of long-term incentives is prudent and does not expose shareholders to unreasonable financial risk.

REMUNERATION REPORT CONTINUED

Elements of remuneration

The table below summarises the key elements of the total remuneration package paid to executive directors and prescribed officers during the 2014 financial year. The total remuneration package is benchmarked annually in relation to the market and takes into account the performance of the Company and individuals in determining quantum and design.

Element	Fixed/variable	Definition
Base salary	Fixed	The fixed element of remuneration is referred to as base salary.
Benefits	Fixed	Benefits include membership of a retirement fund and a medical aid scheme, to which contributions are made by both the individual and the Company.
Short-term Incentive (STI)	Variable	The STI is delivered as follows: i) Annual cash incentive An annual short-term incentive paid in cash provides executive directors and prescribed officers with an incentive to achieve the Company's short- and medium-term goals, with payment levels based on both corporate and individual performance. ii) Deferred bonus shares under the bonus share plan (BSP) Bonus shares are based on performance during the financial year in the same manner as the cash award, and are further subject to a three-year holding period before vesting, during which they remain restricted.
Long-term Incentive Plan (LTIP)	Variable	The LTIP is awarded as conditional shares, with Company-performance vesting conditions measured over a three-year performance period.

Package design/executive director total remuneration at different levels of performance

The table below provides an overview of the structure and design of the remuneration packages of each executive applicable from 2015. The graphs set out the chief executive's, finance director's and the prescribed officers' pay mix at below expected performance (Figure 1), on-target/expected performance (Figure 2) and above expected performance (Figure 3). The actual annual package outcome for each individual represented in the table is disclosed on page 98 in part 2 of this report.

Executive	Expected on-target BSP (R value of base salary)		At-grant expected value LTIP
	Cash incentive	Bonus shares	(R value of base salary)
Chief executive	3,365,812	5,048,719	6,657,651
Finance director	2,371,530	2,371,530	3,420,476
Prescribed officers	1,990,608	2,786,851	2,552,061

Figure 1: Below expected performance

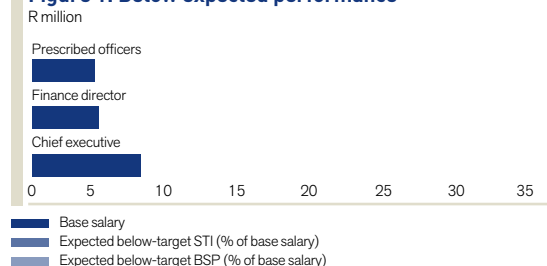


Figure 2: At on-target/expected performance

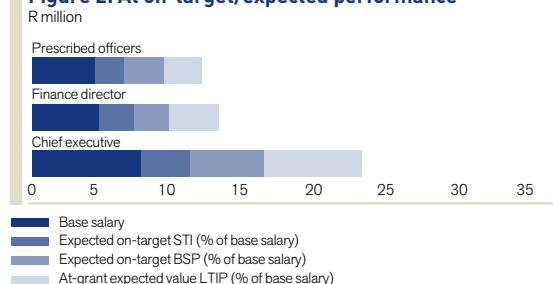
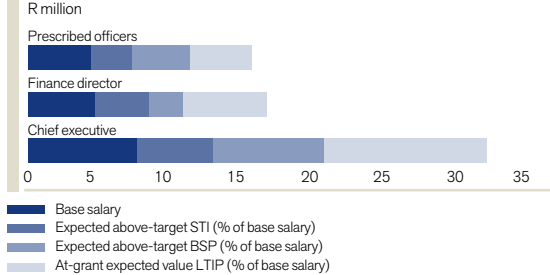


Figure 3: Above expected performance/ stretch performance



Base salary

The base salary is set to be competitive, with reference to market practice in companies comparable in terms of size, market sector, business complexity and international scope. Base salary is subject to annual review. Company performance, affordability, individual performance, changes in responsibilities and average increases granted to general staff are taken into consideration when determining any annual adjustment.

Benefits

Pension contributions are made to a defined contribution retirement fund that includes the following:

- Disability benefits (75% of monthly pensionable emoluments).
- Death benefits (4 × annual pensionable emoluments).

The contribution rates are 7.3% of the base salary, from the employee, and 14.6% of base salary by the employer.

Short-term Incentive

Purpose	To encourage and reward delivery of the Company's strategic priorities. To help ensure, through the share-based elements, that any resulting performance is sustained over the longer term, in line with shareholder interests.
Participants	The STI is extended to the executive directors, prescribed officers and other members of management.
Elements	<p>There are two elements to the awards made under the STI:</p> <ul style="list-style-type: none"> • The annual cash incentive which is linked to performance during the financial year, and is payable at the end of the relevant financial year. • The award of forfeitable bonus shares, which are awarded at the end of the relevant financial year. These bonus shares are linked to performance during the financial year in the same manner as the annual cash incentive, and are further subject to a three-year holding period before vesting, during which they remain restricted. The bonus shares will be forfeited if the participant leaves employment during the restricted period (except in a number of limited 'good leaver' circumstances). Participants earn dividends on the bonus shares.
Operation and performance measures	<p>The award for the chief executive and finance director is determined on the basis of Company performance as well as Individual Performance Assessment (IPA), on an additive basis.</p> <p>In the case of the chief executive, a Company performance weighting of 75% and an IPA weighting of 25% apply and are considered appropriate. In the case of the finance director, a 65% Company weighting and a 35% IPA weighting apply from 2015 onwards.</p> <p>From 2014 onwards, prescribed officers participate in the scheme that is in operation for the remainder of the employees (excluding the bargaining-unit employees) and is determined on the basis of Company performance as well as IPA, on a multiplicative basis.</p>

REMUNERATION REPORT CONTINUED

Short-term Incentive

Maximum value of annual cash bonus	<p>Chief executive: In the case of the chief executive, a higher Company weighting is considered appropriate and his annual cash incentive is computed as follows:</p> <ul style="list-style-type: none"> • [Company performance (maximum 75) + IPA (maximum 25)] × maximum bonus (70%) = annual cash incentive %. • The maximum cash bonus for the chief executive from 2014 onwards is 70% of base salary (this was reduced from 80% of basic salary that applied previously). <p>Finance director:</p> <ul style="list-style-type: none"> • [Company performance (maximum 65) + IPA (maximum 35)] × maximum bonus (80%) = annual cash incentive %. • The maximum cash bonus for the finance director at 80% of base salary remains unchanged. <p>Prescribed officers:</p> <ul style="list-style-type: none"> • Target bonus % × IPA modifier × Business Multiplier = bonus % (a target bonus percentage of 30% will apply for 2014). • The Business Multiplier is determined at the end of the year taking into account the Company's performance against the targets set at the start of the year. • From 2014 onwards, prescribed officers will participate in the cash incentive on this basis.
Maximum value of bonus shares	<p>For the chief executive, the maximum face value of the share award is 150% of the annual cash bonus and the total maximum STI is 175%.</p> <p>For the finance director the maximum face value of the share award remains at 100% of the annual cash bonus.</p> <p>The maximum face value of the bonus share award for prescribed officers is 140% of the annual cash bonus.</p> <p>The face value of the award is equal to the award price on date of grant multiplied by the number of shares.</p>
Changes for 2015	None.
Company and individual limits	An aggregate limit applies – see further details under the LTIP.

Image
Furnace matte being cooled on the caster system at Polokwane Smelter.



Long-term Incentive Plan

Purpose	The LTIP closely aligns the interests of shareholders and executives by rewarding superior performance and by encouraging executive directors and prescribed officers to build up a shareholding in the Company. The performance conditions have been selected because they clearly incentivise the creation of shareholder value.
Participants	Executive directors and prescribed officers.
Operation	Participants receive conditional shares that vest after three years, subject to the satisfaction of Company performance conditions over a three-year performance period.
Maximum value of award	The maximum annual face value of the LTIP award is 150% of base salary for the chief executive, and 125% of base salary for the finance director. As the maximum face value of BSP awards have been increased for prescribed officers, the maximum face value of their LTIP awards have from April 2015 onwards be reduced from 125% to 100% of base salary.
Performance measures	Awards are subject to two stretching performance conditions which are applicable to the 2014 awards: <ul style="list-style-type: none"> • 50% of each award will be subject to a Total Shareholder Return (TSR) index benchmarked against the returns of a group of comparable companies. • 50% of each award will be subject to a Return on Capital Employed (ROCE) measure.
Performance period	The performance conditions are measured over a three-year period, commensurate with the financial years of the Company.
Changes for 2015	None.
Company and individual limits	The aggregate limit for the BSP and the LTIP is 26,339,152 of shares, representing around 10% of the issued capital. However, the Company does not issue new shares, it purchases them in the market and the number of awards outstanding is currently less than 1%. The directors have no intention of utilising the maximum number of shares.

Cash bonus awards to managers and executives aged between 58 and 60

The Company's LTIP and BSP rules do not permit allocations to managers and executives within two years of retirement. Therefore, in order to continue to recognise individual performance and the contribution of managers who have reached the age of 58, a cash payment (in lieu of long-term incentive awards) was implemented with effect from 1 March 2008. Cash payments under the LTIP are awarded annually based on the fair value of the grant that the executive would have been entitled to under the LTIP. In the case of the BSP, cash payments are awarded annually based on the actual bonus earned by the individual. To qualify, participants are required to remain in the employ of the Company until the normal retirement age of 60.

Kotula Trust Employee Share Ownership Plan

Purpose and background	In accordance with its strategic transformation objectives, the Company recognises the importance of giving all its employees an opportunity to participate in the success of its business. Accordingly, in 2008 the Company implemented its employee share-participation scheme, the Anglo Platinum Limited Kotula Trust Employee Share Ownership Plan (ESOP or the Scheme), in order to incentivise all of its employees and align their interests with those of shareholders, in achieving growth in the Company's value. The Scheme empowers those employees of the Company who do not otherwise participate in the Company's share incentive plans to acquire shares in the Company, subject to the provisions of the Scheme.
Operation	The Kotula Trust (the Trust) subscribed on 16 May 2008 for 1,008,519 ordinary shares and 1,512,780 'A' ordinary shares, which represented approximately 1% of the share capital of the Company. The 'A' ordinary shares were created specifically to ease the Scheme's implementation. The Trust allocates 10 million Kotula shares to participants annually, conditional on the participant being in the employment of the Group on 31 March of that year. On each vesting date, the beneficiaries become entitled to receive distribution shares and correspondingly realise that portion of their Kotula shares that corresponds to the distribution shares distributed by the Trust. In November of each year, the Trust may make a distribution to beneficiaries (after making provision for Trust expenses and liabilities) in proportion to the number of Kotula shares that have accumulated in the Trust as at the dividend date, provided dividends are declared by the Company.
Vesting	Vesting occurs on the fifth, sixth and seventh anniversaries of the subscription date. There was vesting during the year under review, and 2015 will be the last year for vesting. The Company is considering the implementation of a new employee share ownership plan.

REMUNERATION REPORT CONTINUED

Legacy plans

Former share option schemes

Certain managers still hold share options granted under the previous Anglo American Platinum Limited share option scheme. No allocations have been made under this scheme since 2004. These options were allocated at the middle-market price ruling on the trading day prior to the date of allocation, and they vest after stipulated periods, and are exercisable up to a maximum of 10 (ten) years from the date of allocation (the last possible date of exercise being March 2014).

Shareholding targets for executive directors and prescribed officers

In order to align management's interests directly with those of shareholders and to encourage long-term commitment, within three years of their appointment executive directors and prescribed officers are expected to accumulate a holding of shares and conditional awards in the Company. The value of these holdings and awards is 250% of annual base salary for the chief executive; and 200% of annual base salary for the finance director and prescribed officers. We believe that this holding requirement is in line with best practice in terms of good governance.

In accumulating the holding targets, executive directors and prescribed officers are not required to use their own funds to purchase shares in the market as it is anticipated that the retention of all or a portion of the share incentive awards will satisfy this goal. In measuring the extent to which the guidelines have been satisfied, holdings are valued at closing prices at the end of each financial year and base salary is taken as the amount earned in respect of the financial year just ended. At 31 December 2014, the shareholdings/awards held by those executive directors and prescribed officers that have been in their roles for three years or more are expected to exceed the requirements of this policy as shown in the table in Part 2 of this report.

Service contracts of executive directors and prescribed officers

In order to reflect their responsibilities appropriately, all the executive directors and the prescribed officers have contracts with Anglo American Platinum Limited or its subsidiaries. The contracts are indefinite in duration and include notice periods of 6 (six) months in the case of the finance director and 12 (twelve) months for the chief executive. Executive directors and prescribed officers are subject to a restraint-of-trade period of six months following their date of termination of employment. These contracts were reviewed during the year.

External appointments

Executive directors are not permitted to hold external directorships or offices without the approval of the Committee. If such approval is granted, directors may retain the fees payable from one such appointment.

The Company policy on internal and external directorships was reviewed during the year. Main changes to the policy included the following:

- The executive director may, as part of the non-executive directorship position, participate in one sub-committee of that board.
- The executive director may retain the fees payable from one external directorship or office.

Non-executive directors

Non-executive directors do not participate in the Company's annual bonus plan, or in any of its long-term incentive plans, and do not have contracts of employment with the Company. Their appointments are made in terms of the Company's Memorandum of Incorporation and are confirmed initially at the first annual general meeting of shareholders following their appointment, and thereafter at three-year intervals. Their fees are reviewed by the Company on an annual basis and submitted to shareholders for annual approval.

The fees reflect the directors' role and membership of the Board and its subcommittees, as tabulated in Part 2 of this report. A fee for any additional special meetings over and above the Board meetings was approved on 2 April 2014 until the next annual general meeting financial year.

Non-binding advisory vote

Shareholders are requested to cast a non-binding advisory vote on the aforementioned Part 1 of this report.

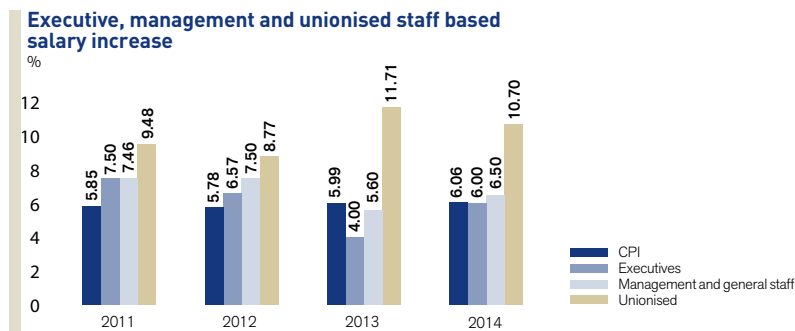
PART 2: DISCLOSURE OF THE IMPLEMENTATION OF THE POLICIES FOR THE FINANCIAL YEAR

Base salary adjustments for 2014/5

In determining the base salary increases for executive directors and prescribed officers, the Committee considered the average increases allocated to the general staff and also used relevant market data provided by PwC. The comparator companies for specific benchmarks are based on an industry comparator group (comprising AngloGold Ashanti Limited, ArcelorMittal South Africa Limited, Exxaro Resources limited, Gold Fields Limited, Impala Platinum Holdings Limited, Kumba Iron Ore Limited, Lonmin Plc and Sasol Limited); and also on a size-based comparator group (comprising AngloGold Ashanti Limited, Aspen Pharmacare Holdings Limited, Exxaro Resources Limited, Impala Platinum Holdings Limited, Imperial Holdings Limited, Kumba Iron Ore Limited, Mediclinic Southern Africa Limited, Sasol Limited, Shoprite Holdings Ltd, The Bidvest Group Limited, Tiger Brands Limited, Vodacom Group Limited and Woolworths Holdings Limited).

The average rate of increase of base salary for executive directors and prescribed officers will be 5.5% in 2015 (6% in 2014)¹. This compares with an average base salary increase of 6.5% for managers and general staff in 2015 (compared to an average increase of 6.5% in 2014). The following graph indicates that the increases granted to executive directors and prescribed officers have been less than the increases granted to management and unionised staff.

¹ In the case where there is an United Kingdom base pay component the increase on component was 3% in 2014 and 2.5% in 2013.



¹ The executive increases include certain changes of role increases in addition to cost of living increases

The annual increases for the executives, management and general staff have over the past few years, with the exception of 2010, been less than those granted to the bargaining units. The increases granted to the bargaining units were between 3% and 6% in excess of CPI, and the increases granted to all other employees were closer to CPI over the past two years.

2014 STI OUTCOMES (CASH AND DEFERRED BONUS SHARES)

The annual cash incentive and award of bonus shares are detailed below.

Satisfaction of performance measures (chief executive and finance director)

The extent to which the annual performance measures were met during 2014 is set out below.

2014 STI outcomes (cash and deferred bonus shares)

Chief executive measures	Weighting	Below	Threshold	Target	Above	Maximum
Company performance measures:	75			●		
Safety ¹	15				●	
Production ²	25			●		
People ³	5			●		
Financial	20	●				
Cost ⁴	10			●		
Personal performance	25			●		
Overall performance	100			●		

¹ This includes a reduction in fatalities, reduction in LTIFR and Risk Control Measures (RCM) assessment.

² This includes equivalent refined production, operational improvement targets, asset optimisation and supply chain and unit costs.

³ Portfolio review savings.

⁴ This includes measures of marketing and commercial savings, a measure of operating profit, Anglo American plc EPS and Anglo American Platinum EPS.

2014 STI outcomes (cash and deferred bonus shares)

Finance director measures	Weighting	Below	Threshold	Target	Above	Maximum
Company performance measures:	60			●		
Safety ¹	12				●	
Production ²	18			●		
People ³	6			●		
Financial	15	●				
Cost ⁴	9			●		
Personal performance	40			●		
Overall performance	100			●		

¹ This includes a reduction in fatalities, reduction in LTIFR and Risk Control Measures (RCM) assessment.

² This includes equivalent refined production, operational improvement targets, asset optimisation and supply chain and unit costs.

³ Portfolio review savings.

⁴ This includes measures of marketing and commercial savings, a measure of operating profit, Anglo American plc EPS and Anglo American Platinum EPS.

REMUNERATION REPORT CONTINUED

The performance outcomes for the chief executive, finance director and other prescribed officers for 2014 were as follows. It should be noted that, as detailed in Part 1, the ratios of the annual cash incentive to the BSP award were changed for the 2014 year.

Name	Annual cash incentive (R)	Percentage of basic salary	AAP BSP award (R)	Percentage of basic salary
Directors				
Cl Griffith	3,521,157	47.60	5,281,735	71.40
B Nqwababa ¹	2,556,440	56.05	–	0.00
Prescribed officers				
PJ Louw	1,848,220	42.51	2,587,508	59.51
J Ndlovu	2,230,987	52.32	3,123,382	73.25
V Pillay	2,108,086	52.32	3,983,165	98.86
LN Mogaki	1,435,060	39.24	2,009,084	54.94
DW Pelser	1,913,413	52.32	2,678,778	73.25
GL Smith	1,554,648	42.51	2,176,507	59.51
A Hinkly ²	2,859,463	49.73	4,003,248	69.62
S Macheli-Mkhabela	676,915	41.55	947,681	58.17
I Pillay	1,222,208	42.51	1,711,090	59.51

¹ B Nqwababa will leave at the end of February 2015.

² A Hinkly's cash incentive is based on the Group commercial performance for 2014.

LTIPs awarded

The following awards have been granted under the LTIP during 2014:

	2014	
	Number of LTIPs awarded	Market value of the awards
Cl Griffith	22,600	11,022,698
B Nqwababa	11,688	5,700,588
J Ndlovu	10,928	5,329,913
PJ Louw	11,143	5,434,775
A Hinkly ¹	–	–
V Pillay	10,326	5,036,300
DW Pelser	9,373	4,571,493
I Pillay (appointed 1 March 2014)	8,842	4,312,508
LN Mogaki	9,373	4,571,493
S Macheli-Mkhabela (appointed 1 July 2014)	–	–
GL Smith	9,373	4,571,493
	103,646	50,551,261

¹ A Hinkly was awarded Anglo American plc LTIP awards.

The following awards were granted under the LTIP during 2013:

	2013 Number of LTIPs awarded	Market value of the awards
Cl Griffith	29,161	9,971,312
B Nqwababa	15,728	5,378,032
J Ndlovu	14,706	5,028,570
PJ Louw	14,994	5,127,048
A Hinkly ¹	16,000	5,471,040
V Pillay	13,896	4,751,598
DW Pelsler	12,612	4,312,547
	117,097	40,040,147

¹ A Hinkly was awarded Anglo American plc LTIP awards.

The table below summarises the performance conditions applicable to the conditional share awards granted under the LTIP in 2014:

Performance measure and weighting	Vesting schedule	Performance period
Relative TSR (50%) benchmarked against the returns of the following companies: AngloGold Ashanti, African Rainbow Minerals, Sibanye Gold, Harmony Gold Mining, Impala Platinum, Northam Platinum and Lonmin (JSE)	Vesting is on a sliding scale and commences when the Company's TSR performance is 10% below the index. 50% vesting is reached when the Company achieves TSR equal to the index. Maximum vesting (100%) is reached at 25% above the index. Linear vesting occurs between these points.	1 January 2014 to 31 December 2016
ROCE (50%)	ROCE performance measure replaced the previous Asset Optimisation and Supply Chain (AOSC) measure used prior to the 2014 grant, as this measure would reward participants in the Plan for delivery of significant and sustained returns on capital for holders. Similar to the TSR performance measure vesting is on a sliding scale and commences at 8.5%. Maximum vesting (100%) is reached when the Company achieves ROCE of 12%. Linear vesting occurs between these points.	1 January 2014 to 31 December 2016

REMUNERATION REPORT CONTINUED

Long-term incentive vesting outcomes

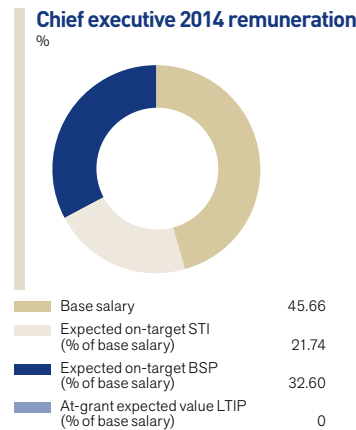
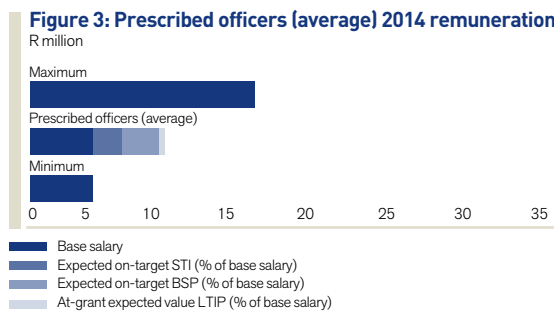
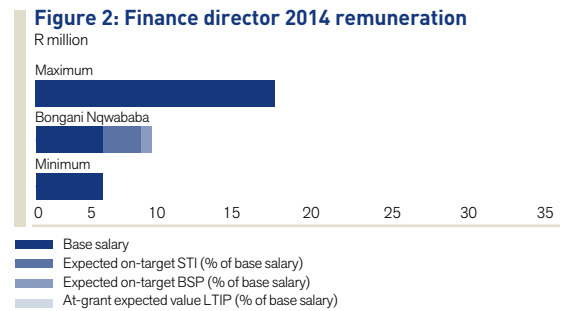
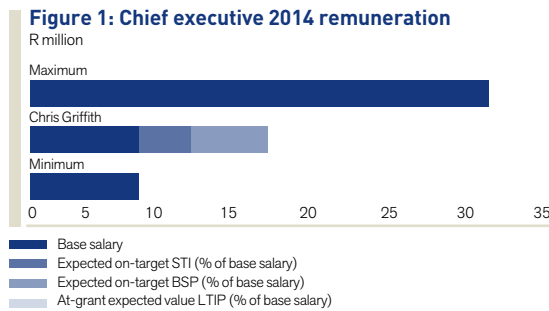
LTIP awards with performance period ending 31 December 2014

The vesting of LTIP awards is based on the achievement of two stretching performance conditions measured over a three-year period. The extent to which the performance measures applicable to the 2012 award were met is detailed below.

LTIP measures	Below	Threshold	Target	Above
Total Shareholder Return (50%)				●
AOSC efficiency measure (50%)		●		
Resulting vesting LTIP award			60.92%	

Total remuneration outcomes

The composition of remuneration outcomes in 2014 for the chief executive, the financial director and the prescribed officers is represented graphically below.



Increase in non-executive director fees

The non-executive director fees will be reviewed every three years, with inflation related adjustments in the intervening years. Please refer to the section on Special Resolution on page 141 in the Notice of AGM, detailing the increase in non-executive directors' fees. Non-executive directors' fees were not increased in 2013. On average, the non-executive director fees have increased by 6% over three years, which is in line with inflationary adjustments, and is below the increase percentage for unionised staff.

DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

2014 remuneration

The table below provides an analysis of the remuneration paid to executive directors, as well as prescribed officers.

Names	Base salary	Benefits (retirement and medical aid)	Cash bonus ¹	BSP shares awarded ²	Other	LTIP ³	Total emoluments
Executive directors							
Current							
CI Griffith ⁸	7,397,390	1,305,662	3,521,157	5,281,735	986,993 ⁴	–	18,492,937
B Nqwababa	4,560,635	707,373	2,556,440	– ⁶	–	– ⁶	7,824,448
Former							
N Nicolau (resigned 19 July 2012)	–	–	–	–	–	70,893	70,893
Prescribed officers							
Current							
PJ Louw	4,347,730	713,595	1,848,220	2,587,508	–	1,287,960	10,785,013
J Ndlovu	4,264,119	680,429	2,230,987	3,123,382	–	1,196,751	11,495,668
VP Pillay	4,029,216	634,851	2,108,086	3,983,165 ⁵	–	1,172,759	11,928,077
AR Hinkly ⁸	6,161,577	916,644	2,859,463	4,003,248 ⁷	–	1,207,125	15,148,057
LN Mogaki	3,657,135	575,913	1,435,060	2,009,084	–	–	7,677,192
DW Pelsler	3,657,135	593,433	1,913,413	2,678,778	–	–	8,842,759
GL Smith	3,657,135	564,513	1,554,648	2,176,507	–	–	7,952,803
S Macheli-Mkhabela (appointed 1 July 2014)	1,629,229	272,897	676,915	947,681	–	–	3,526,722
I Pillay (appointed 1 March 2014)	2,875,110	454,829	1,222,208	1,711,090	–	–	6,263,237
Former							
K Kweyama (transferred 31 August 2012)	–	–	–	–	–	1,062,097	1,062,097
MJ Morifi (resigned 31 December 2013)	–	–	–	–	–	239,480	239,480
Total	46,236,411	7,420,139	21,926,597	28,502,178	986,993	6,237,065	111,309,383

Base salary includes cash and travel allowance.

Benefits include retirement and medical aid contributions.

¹ Based on 2014 performance year and paid in 2015.

² Based on 2014 performance year and awarded in 2015.

³ LTIP's granted in 2012, vesting in 2015, achieve 60.92%, with performance period ended in 2014 calculated at the Company's volume weighted average' share price for the last three months of 2014.

⁴ Cash awards include a value for personal use of a Company asset by CI Griffith. The asset referred to is a Company-owned vehicle used during his tenure as CEO of Kumba Iron Ore. This arrangement was continued on the appointment of Mr Griffith at Amplats. Accordingly, the asset was transferred to Amplats and Mr Griffith pays fringe benefit tax on the use of the asset in accordance with the requirement of the South African Revenue Services.

⁵ Includes a replacement awards for benefits lost on resignation from previous employer.

⁶ Bongani Nqwababa's resignation is effective from 28 February 2015, unvested shares are forfeited and will not be eligible for 2015 awards.

⁷ Andrew Hinkly will be awarded Anglo American plc BSP shares.

⁸ South African currency reflected contains a GBP component converted to ZAR at monthly exchange rates.

REMUNERATION REPORT CONTINUED

2013 remuneration

The table below provides an analysis of the remuneration of executive directors and prescribed officers in 2013:

Names	Base salary	Benefits (retirement and medical aid)	Cash incentive ¹	BSP shares awarded ²	Other	LTIP ³	Total remuneration
Executive directors							
Current							
Cl Griffith	6,747,404	1,172,007	4,048,442	4,609,792 ⁴	986,993 ⁵		17,564,638
B Nqwababa	4,302,480	664,644	2,540,188	2,540,188		712,713	10,760,213
Prescribed officers							
Current							
PJ Louw	4,101,636	662,798	2,208,729	2,208,729		676,218	9,858,110
AR Hinkly	5,056,842	743,985	3,246,053	3,246,053			12,292,933
J Ndlovu	4,022,760	637,450	2,196,424	2,196,424		628,377	9,681,435
V Pillay	3,801,144	567,347	2,118,190	3,091,628 ⁴		622,755	10,201,064
DW Pelsler (appointed 1 February 2013)	3,162,621	504,052	1,703,069	1,703,069			7,072,811
LN Mogaki (appointed 1 July 2013)	1,725,066	260,657	903,071	903,071			3,791,865
GL Smith (appointed 1 September 2013)	1,150,044	176,851	610,672	610,672			2,548,239
Former							
MJ Morifi (resigned 31 December 2013)	4,070,916	637,119			8,834,224 ⁵	670,085	14,212,344
B Magara (resigned 30 June 2013)	2,011,380	311,976					2,323,356
Total	40,152,293	6,338,886	19,574,838	21,109,626	9,821,217	3,310,148	100,307,008

Base salary includes cash and travel allowance.

Benefits include retirement and medical aid contributions.

¹ Based on 2013 year's performance and paid in 2014.

² Based on 2013 performance year and awarded in 2014. The BSPs granted in respect of 2013 performance are disclosed as remuneration in this remuneration report (subject to the grant date being finalised in the second quarter of 2014). This is because it is performance over the year under review that determines the award value, with future vesting subject only to continued employment.

³ The value of LTIPs granted in April 2011, with a performance period that ran from 31 December 2010 and ended on 31 December 2013, is deemed to be earned in the 2013 financial year. LTIPs have been calculated based on 25.25% vesting at the Company's volume weighted average share price for the last three months of 2013.

⁴ Includes replacement awards for benefits lost on resignation from previous employer.

⁵ Cash awards include termination payments for MJ Morifi in terms of a mutual separation agreement and a value for personal use of a company asset by Cl Griffith.

Market value of beneficial, BSP and LTIPNC as a percentage base salary as at 31 December 2014

Director	Base Salary	Beneficial, LTIPNC and BSP shares as % of base salary	Total ²	Total	Beneficiary	Bonus Share	LTIPNCs
CI Griffith	7,348,417 ¹	91%	6,676,401	19,572	147	19,425	–
B Nqwababa	4,560,635	124%	5,652,700	16,571	256	16,315	–
AR Hinkly	6,219,547 ^{1,3}	82%	5,073,819	14,874	–	14,874	–
D Pelsler	3,657,135	134%	4,910,422	14,395	7,265	7,130	–
PJ Louw	4,347,730	111%	4,813,203	14,110	–	14,110	–
GL Smith	3,657,135	83%	3,024,029	8,865	1,947	6,011	907
J Ndlovu	4,264,119	128%	5,477,023	16,056	2,310	13,746	–
S Macheli- Mkhabela	3,450,127	–	–	–	–	–	–
L Mogaki	3,657,135	65%	2,368,737	6,944	–	6,081	863
VP Pillay	4,029,217	167%	6,726,545	19,719	31	19,688	–
I Pillay	3,450,127	31%	1,081,692	3,171	–	3,171	–
			45,804,571	134,277	11,956	120,551	1,770

¹ Includes GBP portion converted at R18.02668.

² Price used of R341.12 per share – as at 31 December 2014 price.

³ Includes car allowance as per new arrangements.

Market value of performance dependent shareholding as a percentage of base salary as at 31 December 2014

Director	Base Salary	Market value of shares with performance conditions as % of base salary	Market value of the shares and options ²	ESOS	LTIPs conditional
CI Griffith	7,348,417 ¹	240%	17,656,712	1,979	51,761
B Nqwababa	4,560,635	251%	11,447,305	–	33,558
AR Hinkly	6,219,547 ^{1,3}	118%	7,363,075	–	21,585
D Pelsler	3,657,135	205%	7,499,523	–	21,985
PJ Louw	4,347,730	252%	10,948,588	–	32,096
GL Smith	3,657,135	87%	3,197,318	–	9,373
J Ndlovu	4,264,119	249%	10,633,052	2,144	31,171
S Macheli-Mkhabela	3,450,127	–	–	–	–
L Mogaki	3,657,135	87%	3,197,318	–	9,373
VP Pillay	4,029,217	251%	10,113,526	–	29,648
I Pillay	3,450,127	87%	3,016,183	–	8,842
			85,072,600	4,123	249,392

¹ Includes GBP portion converted at R18.02668.

² Price used of R341.12 per share – as at 31 December 2014 price.

³ Includes car allowance as per new arrangements.

REMUNERATION REPORT CONTINUED

Aggregate holdings of long-term incentives for executive directors

The table below deals with the Company's prior and current long-term incentives as at 31 December 2014:

	Opening balance at 1 January 2014	Earliest vesting date	Granted during the year	Date of grant
Bonus Share Plan				
Cl Griffith	11,399	26/04/2016	8,026	16/04/2014
B Nqwababa	19,890		5,036	16/04/2014
	4,211	12/05/2014		
	4,400	21/07/2014		
	3,549	10/05/2015		
	7,730	26/04/2016		
Long-Term Incentive Plan				
Cl Griffith	29,161	26/04/2016	22,600	16/04/2014
B Nqwababa	28,842		11,688	16/04/2014
	6,972	12/05/2014		
	4,913	10/05/2015		
	1,229	10/05/2015		
	15,728	26/04/2016		
Executive Share Option Scheme				
Cl Griffith	1,979	01/03/2016	–	
Employee Share-Appreciation Scheme				
Cl Griffith	8	01/03/2015	–	

Awards exercised	Date of exercise	Conditional forfeiture	Date of conditional forfeiture	Closing balance at 31 December 2014	Earliest date of vesting	Expiry date
-				19,425		
				11,399	26/04/2016	
				8,026	16/04/2017	
(8,611)				16,315		
(4,211)	12/05/2014			3,549	10/05/2015	
(4,400)	21/07/2014			7,730	26/04/2016	
				5,036	16/04/2017	
-		-		51,761		
				29,161	26/04/2016	
				22,600	16/04/2017	
(1,760)	12/05/2014	(5,212)	12/05/2014	33,558		
				4,913	10/05/2015	
				1,229	10/05/2015	
				15,728	26/04/2016	
				11,688	16/04/2017	
-		-		1,979	Vested	01/03/2016
-		-		8	Vested	01/03/2015

REMUNERATION REPORT CONTINUED

Non-executive directors' fees

These tables provide an analysis of the remuneration paid to executive and non-executive directors of the Company in 2013 and 2014.

Non-executive directors' fees for 2014

	Director fees	Strategy session	Committee fees	Total remuneration
Current				
K Kweyama ^{4,5,7}	206,786	16,000	170,287	393,073
M Cutifani ^{3,8}	206,786	16,000	85,144	307,930
RMW Dunne ^{1,2,3,4,5,6}	206,786	16,000	656,843	879,629
JM Vice ^{1,4}	206,786	16,000	194,616	417,402
R Médori ⁸	206,786	16,000	–	222,786
V Moosa ^{2,3,4,5,6}	1,190,778	16,000	541,286	1,748,064
NP Mageza ^{1,4}	206,786	16,000	194,616	417,402
D Naidoo ^{1,4}	206,786	16,000	194,616	417,402
NT Moholi ^{2,4,5,6}	206,786	16,000	377,838	600,624
A O'Neill ⁸	206,786	16,000	–	222,786
Total	3,051,852	160,000	2,415,266	5,627,098

¹ Audit and Risk Committee.

² Remuneration Committee.

³ Nomination Committee.

⁴ Corporate Governance Committee.

⁵ Social, Ethics and Transformation Committee.

⁶ Safety and Sustainable Development Committee.

⁷ Directors' fees ceded to Anglo Operations (Pty) Ltd (AOL), a wholly owned subsidiary of Anglo American plc.

⁸ Directors' fees ceded to Anglo American Services UK Limited, a wholly owned subsidiary of Anglo American plc.

Non-executive directors' fees for 2013

Names	Directors' fees	Committee fees	Total remuneration
Current			
M Cutifani ^{3,8} (appointed 26 April 2013)	131,978	59,820	191,798
RMW Dunne ^{1,2,3,4,5,6}	208,710	558,330	767,040
BA Khumalo ^{2,5,6} (resigned 31 December 2013)	208,710	239,280	447,990
K Kweyama ^{2,6,7}	208,710	159,520	368,230
NP Mageza ^{1,2} (appointed 01 July 2013)	111,855	82,238	194,093
R Médori ⁸	193,710	–	193,710
NT Moholi ^{2,4,6} (appointed 01 July 2013)	96,855	109,720	206,575
V Moosa ^{1,2,3,4,5,6}	900,304	500,378	1,400,682
D Naidoo ^{1,2} (appointed 01 July 2013)	111,855	82,238	194,093
A O'Neill ^{1,2,8} (appointed 30 October 2013)	33,162	–	33,162
JM Vice ^{1,2}	208,710	156,892	365,602
Former			
BR Beamish ^{4,8} (resigned 30 September 2013)	145,283	123,915	269,198
CB Carroll ^{3,8} (resigned 26 April 2013)	366,268	42,120	408,388
WE Lucas-Bull ^{2,4,5,6} (resigned 1 January 2014)	208,710	374,246	582,956
SEN Sebotsa ^{1,2,6} (resigned 01 February 2013)	16,143	21,839	37,982
Total	3,150,963	2,510,536	5,661,499

¹ Audit and Risk Committee member.

² Corporate Governance Committee member.

³ Nomination Committee member.

⁴ Remuneration Committee member.

⁵ Safety and Sustainable Development Committee member.

⁶ Social, Ethics and Transformation Committee member.

⁷ Directors' fees ceded to Anglo Operations (Pty) Ltd (AOL), a wholly owned subsidiary of Anglo American plc.

⁸ Directors' fees ceded to Anglo American Services UK Limited, a wholly owned subsidiary of Anglo American plc.

Stakeholder engagement

We treasure our continued engagement of our various stakeholders, and we endeavour to maintain our relationships with them all in the hope that we will continue to receive their valued input.

Summarised below are the concerns raised by our Shareholders during the 2014 financial year; and the actions taken by the Committee in relation to them.

Concerns and queries	Response/action
What are the intended threshold, target and stretch levels applicable to the ROCE, AOSC and TSR conditions, and how do these compare to targets in the market?	The performance conditions applicable to the TSR and ROCE conditions are set out on page 97 of the remuneration report. The AOSC is no longer applicable and have been substituted with ROCE.
Why does the LTIP continue to permit vesting beginning at below median TSR performance?	It is common practice in long-term incentive plan design in the SA market for the 'trigger' i.e. minimum threshold of performance required for an award under the rules of the scheme to be below the on-target performance threshold i.e. 100% target performance. Many leading companies follow this principle, given that the on-target performance is normally stretched. In order to remain competitive, our long-term incentive plan subscribes to this principle, which is aligned with typical market practice.

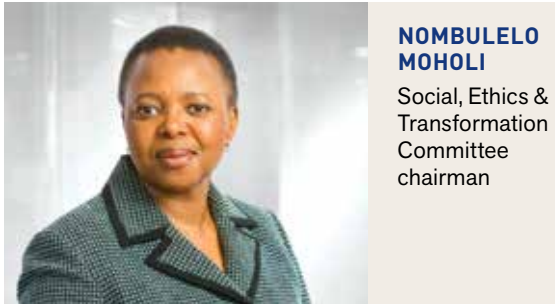
Approval

This remuneration report was approved by the Board of directors of the Company on 5 February 2015.



Richard Dunne
Chairman
Remuneration Committee
5 February 2015

SOCIAL, ETHICS & TRANSFORMATION (SET) COMMITTEE REPORT



NOMBULELO MOHOLI

Social, Ethics & Transformation Committee chairman

Over the past months the Company has embarked on a process of organisational cultural transformation.

The Board of Amplats and the Social, Ethics & Transformation Committee (the Committee) have pleasure in submitting this report for the financial year ended 31 December 2014. The composition of the Committee is in line with the requirements of section 72(8) of the Companies Act, No 71 of 2008 (the Act), and its associated regulations. The Committee fulfils its duties with a deep-seated understanding and desire to address the many social, ethical and transformational aspects prevalent in a South African resources company.

THE ROLE OF THE COMMITTEE

As required by the Companies Act, the role of the Committee is to:

- Oversee and monitor activities relating to:
 - social and economic development: including the principles set out in the United Nations Global Compact, the OECD's recommendations regarding corruption, employment equity and broad-based black economic empowerment;
 - good corporate citizenship: including the promotion of equality, the prevention of unfair discrimination, and corporate social responsibility;
 - consumer relationships; and
 - labour, employment and skills development.
- Recommend to the Board, key policies and guidelines for the management of the abovementioned social, ethics and transformation (SET) priorities.
- Consider reports and feedback from any other committees in relation to SET priorities and contribute to other committee initiatives where there is an overlap of responsibility.
- Evaluate management's performance against Board-approved targets and/or policies on matters relating to SET priorities.

- Report to shareholders at the Company's annual general meeting on matters relating to SET priorities.

COMPOSITION

The composition of the Committee is in terms of Regulation 43(4) of the Act. The Committee is made up of a mix of independent non-executive and executive directors, and includes the following members: Nombulelo Moholi (chairman), Richard Dunne, Dorian Emmett (advisor to Anglo American plc CEO), Khanyisile Kweyama, Lorato Mogaki (executive head: HR) and Valli Moosa.

Invitees to the Committee include the chief executive, executive head: corporate affairs, head of human resources development and transformation, legal counsel and the company secretary.

2014 IN OVERVIEW

The Committee has executed its duties and responsibilities during the financial year in accordance with its terms of reference as they relate to good corporate citizenship, ethics management, labour and employment as well as broad-based black economic empowerment.

The Committee has carried out the following activities during the year:

- Monitored and reviewed:
 - the 10 principles set out in the United Nations Global Compact;
 - the OECD recommendations regarding corruption;
 - the Employment Equity Act, 55 of 1998, as amended; and
 - the Broad Based Economic Empowerment Act, 53 of 2003.
- Received reports from the Safety and Sustainable Development (S&SD) Committee to gain assurance on progress towards achievement of Board approved objectives.
- Monitored the Company's activities relating to good corporate citizenship.
- Reviewed the community strategy, key performance indicators and objectives and agreed to the annual community investment budget. Periodically reviewed performance against these key indicators.
- Reviewed all community investment strategic sponsorship, donations and charitable contributions.
- Received reports from the Audit and Risk Committee to gain assurance on progress towards achievement of Board-approved objectives as they relate to SET.

- Reviewed the Company's ethical policies and processes and considered the effectiveness thereof.
- Monitored the Company's activities relating to labour and employment.
- Monitored the correct balance between transformation activities, provision of adequate skills and maintenance of stability within the Company.
- Monitored the performance of the Company in terms of the requirements of the Mining Charter.
- Attended the combined S&SD site visits.

MAIN INITIATIVES UNDERTAKEN DURING THE YEAR

Alchemy Day

The Company co-sponsored an Alchemy reflection day together with other stakeholders on 14 October 2014. The day, themed 'Building Mutual Value through Mining and Beyond Mining', focused on new approaches to community-owned development and social transformation, with particular emphasis on the potential contribution of the Amplats Alchemy initiative. Speakers included mining sector thought leaders, community relationship and development practitioners and community leaders. The following themes were addressed:

- our common landscape – community development challenges, opportunities and tools;
- finding new ways – leads, lessons and challenges from Alchemy; and
- finding new ways – community development and development trust case studies (from Alchemy and elsewhere).

A round table discussion on securing mutual value through Alchemy concluded the day. Around 70 delegates participated in the event, drawn from the Company, the Alchemy support team, Alchemy development structures, and government and community leadership involved in the development and roll-out of the Alchemy initiative.

Employee relations: during the strike

During the strike the Committee was kept apprised of the strike and its social impact and evaluated aspects of the Company's humanitarian programme. This included the provision of health care, chronic medication and a schools feeding programme for the striking workers' dependants.

Employee relations: post-strike normalisation

Following the five-month long Association of Mineworkers and Construction Union (AMCU) strike in June 2014,

employees returned to work and relations between the recognised unions and with management were, to a great extent, normalised. Further work to improve relations continued in the form of relationship building exercises between management levels of the Company and unions. This work will continue in 2015.

Task teams were formed to deal with unresolved wage negotiations issues and formal terms of reference exist for the task teams. It is expected that all the task teams will complete their work before the end of the current wage agreement on 30 June 2016.

Organisational cultural transformation

The Company has embarked on a process of organisational cultural transformation. The transformation process aims to create a culture of *Tshiamo* – the Tswana word for overall wellness or wellbeing – with the end goal of improving employee psychological wellbeing. We believe that our people and their wellbeing are fundamental to our strategic success and that it is imperative that all employees be taken on this journey of transformation so that they are productive and engaged to deliver.

Employee financial wellness

To support our value of care and respect, the employee financial wellness programme was launched on 15 October 2014 at Siphumelele Mine and thereafter followed by individual operational launches. The programme is called 'Nkululeko' which means freedom – a reference to freedom from the bondage of over-indebtedness.

Key elements of the programme include:

- Addressing the issue of over indebtedness.
- Providing a debt relief programme, which covers:
 - debt consolidation;
 - debt rescheduling;
 - debt audit;
 - debt negotiation; and
 - debt counselling.
- Providing financial wellness training.

Summit Financial Partners, a company with experience in conducting debt relief programmes, including challenging illegal emoluments and negotiating with lenders, has been appointed to implement the programme for a two-year period. A detailed case study can be found on page 35 of the Sustainable Development Report.

SOCIAL, ETHICS & TRANSFORMATION (SET) COMMITTEE REPORT CONTINUED

COMMITTEE'S REPORT CROSS-REFERENCING TABLE

As some of the Committee's responsibilities and deliberations overlap with the responsibilities of other committees, detailed policy and performance information may be included in other sections of both the Integrated and Sustainable Development Report.

The following table sets out items where they are cross-referenced in either the Integrated or Sustainable Development Reports (both of which are available on www.angloamericanplatinum.com), highlighting the Committee's role in contributing to these responsibilities.

Social, Ethics & Transformation Committee priorities	Other specific reports	Page reference
		Integrated Report (IR) Sustainable Development Report (SD)
Social and economic development	Performance against UN Global Compact principles and OECD anti-corruption:	
	• Human rights	SD pages 40 and 44
	• Labour	SD pages 32 to 36
	• Environment	SD pages 59 to 73 IR pages 52 to 55
	• Anti-corruption	SD page 44
	Employment equity performance report	SD pages 34, 76 and 82
	Broad-based black economic empowerment report	SD pages 34 and 37
Good corporate citizenship	Equity and unfair discrimination policy, strategy and performance report	SD page 34
	Corruption and business integrity policy, strategy and performance report	SD page 29
	Community development policy, strategy and performance report	SD pages 36 to 40 IR pages 46 to 48
Environment, health and safety	Safety policy, strategy and performance report	SD pages 47 to 50 IR pages 49 to 50
	Health policy, strategy and performance report	SD pages 52 to 57 IR page 51
	Environmental policy strategy and performance report	SD pages 59 to 73 IR pages 52 to 55
Consumer relationships	Product stewardship policy and performance report	SD pages 74, 75
Labour and employment	Employment and labour practices policy and performance report	SD pages 32 to 34 IR page 47

The Committee is satisfied that the overall principles laid down by the King Code of Governance for South Africa (King III) and the Companies Act, 2008, have been adhered to unless specifically stated. This Committee's report has been approved by the Board on the recommendation of the Committee.



Nombulelo Moholi

Chairman
Social, Ethics & Transformation Committee

Johannesburg
5 February 2015

SAFETY AND SUSTAINABLE DEVELOPMENT (S&SD) COMMITTEE REPORT



DORIAN EMMETT
S&SD
Committee
chairman

by Dorian Emmett, who was formerly the global head of safety and sustainable development at Anglo American and during the year was appointed as the advisor to the chief executive of Anglo American. Collectively the members possess the necessary expertise and knowledge to equip the Committee to perform its functions. The Committee was of the view that it had fulfilled its statutory and regulatory obligations.

The executive head: joint ventures, executive head: mining, executive head: process and the executive head: technical attend the Committee meetings as permanent invitees. The following executive heads attend by invitation as and when required: executive head: corporate affairs, executive head: HR, executive head: projects.

The Committee's objectives are to assist the Company in its endeavours to conduct its operations in a responsible manner.

ROLE OF THE COMMITTEE

The S&SD Committee (the Committee) is a committee of the Board of directors. The Committee's objectives, which are guided by its Terms of Reference, are to assist the Company in its endeavours to conduct its operations in a responsible manner, and in a manner that achieves a sustainable balance between economic, social and environmental development, with due regard to:

- the safety of its employees and those who work at the operations;
- the health of its employees and those closely associated with the operations;
- the impact of its operations on the environment from a safety, health and environmental (SHE) perspective; and
- by referral from the SET Committee, the communities surrounding Company operations.

It also provides strategic oversight on S&SD issues, reviews the Group's performance on material risks and implementation of policy, and monitors relevant national and international regulatory and technical developments. The Committee further provides input into the Audit and Risk and Social, Ethics and Transformation Committees with a written report after each Committee meeting on salient matters as they relate to such matters that fall within the respective Committee's terms of reference.

COMPOSITION

The Committee comprises three independent non-executive directors and the executive head: safety, health and environment comprising of the chairman, an Anglo American Plc representative who has been co-opted to the Committee, the chief executive, the executive head: safety, health and environment. The Committee is chaired

2014 IN OVERVIEW

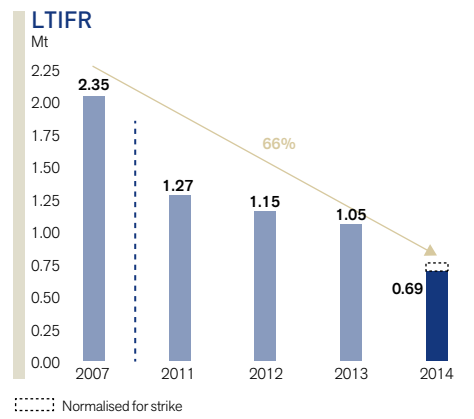
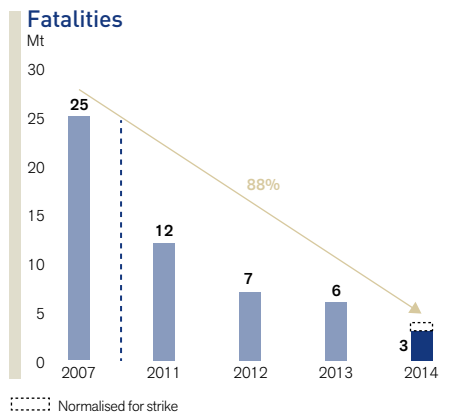
The Committee has executed its duties and responsibilities during the financial year in accordance with its terms of reference and workplan as they relate to the S&SD function, safety, SHE and S&SD audit, risk management, the Integrated Report, reporting and policy. During the year the Committee reviewed its terms of reference and the detailed work plan for the ensuing year.

In respect of the S&SD function, during the year under review, the Committee among other matters:

- recommended objectives in the field of SHE to the Board;
- monitored key indicators and learnings from major incidents and ensured that these were shared across the Group and the JV partners;
- considered the performance of the Company's individual operating units in the field of SHE performance and compliance;
- monitored and reviewed the safety management, health management, environmental management and performance of the operations;
- considered the appropriateness of the SHE strategy, framework policy and guidelines for management of sustainable issues including SHE and management systems; and
- reviewed the SHE elements of the Company's strategic and business plan.

In the area of SHE management and performance the Company continued to show progress. It was pleasing to note the significant overall improvement in safety performance over the past five years.

SAFETY AND SUSTAINABLE DEVELOPMENT (S&SD) COMMITTEE REPORT CONTINUED



In the context of managing occupational and non-occupational health risks, occupational health, health promotion, disease management, emergency medical care and public health remained the five key areas of intervention. A collaborative approach is used to deal with HIV/AIDS and tuberculosis (TB).

In respect of SHE and S&SD audit, the Committee among other matters:

- considered the sustainable development audit findings and reviewed the results of the transformation sustainable development audits carried out in terms of legal and Company requirements; and
- reviewed the results of the audit process to verify compliance with the Company's health and safety policies, guidelines and appropriate local and international standards and relevant local laws in safety and health related matters.

In respect of risk management, the Committee:

- played an oversight role in identifying material SHE risks and ensuring that the risk-management processes that are used to identify and mitigate safety and sustainable risks are appropriate. It also conducted an internal assurance role. The processes are aligned with those of Anglo American plc, whose business assurance unit is responsible for auditing the integrated risk management process.
- In order to identify material SHE risks and give the Board assurance, PricewaterhouseCoopers Inc (PwC) was engaged by the directors to perform an independent assurance engagement in respect of selected identified sustainable development information reported in the Sustainable Development Report for the year ended 31 December 2014. They had concluded that, based on the results of their procedures:
 - "the identified sustainable development information for reasonable assurance for the year ended 31 December 2014 was stated, in all material respects, in accordance with the reporting criteria;
 - nothing had come to their attention that caused them to believe that the identified sustainable development information for limited assurance for the year ended 31 December 2014 was not stated, in all material respects, in accordance with the reporting criteria; and

- in the global reporting initiatives (GRI) review of the Sustainable Development Report, the G4 reporting guidelines had been met."

In respect of sustainability issues contained in the Sustainable Development Report 2014, the Committee has:

- approved the health and safety report to shareholders as envisaged in Section 2 (1) (c) of the Mine, Health and Safety Act;
- overseen the process of sustainability reporting and reviewed and considered the information contained in the Sustainable Development Report;
- considered the PwC findings on assurance and made the appropriate enquiries from management; and
- received the necessary assurances through this process that material disclosures are reliable.

In respect of reporting, the Committee:

- reviewed bi-annually, a report reflecting relevant benchmarking against other SHE best practice.

KEY HIGHLIGHTS

Safe start-up process

The Association of Mineworkers and Construction Union's (AMCU) protected strike ended on 25 June 2014. Following the strike, the emphasis was on the safe Return to Work programme which focused on the re-integration of the workforce at the operations and a safe start-up. Amplats developed a safe start-up process with a very good track record and that went hand in hand with a Return to Work campaign which covered the humanitarian aspect. As a large number of employees' medical certificates had expired during the strike period there was a comprehensive programme to attend to the employees' health issues after the strike. With regards to the humanitarian initiatives pre and post-return, the medical cover for all employees continued during the strike. All employees on chronic medication received food parcels and Amplats embarked on school feeding programmes during the strike. In the region of 30,000 food and hygiene packs were issued to employees and transport cash vouchers of R550 were provided. A comprehensive

Post the strike, the voluntary counselling and testing uptake increased significantly in the second half of 2014. There was a major reduction year-on-year in terms of HIV/AIDS and TB related deaths.

proactive communication plan to employees covering a multitude of aspects, including health, safety and employee relations issues, was implemented.

Noise reduction

Noise reduction plans intensified during the year and noise sources exceeding 110dB(A) were reduced. A six-point plan for noise exposure reduction was introduced during the year, driven as part of the Mining Industry Occupational Safety and Health (MOSH) strategy.

Health

Post the strike, the voluntary counselling and testing uptake increased significantly in the second half of 2014. There was a major reduction year-on-year in terms of HIV/AIDS and TB related deaths. 51 TB deaths, of which 49 were HIV related, were recorded in 2014 compared to 63 TB deaths in 2013.

INITIATIVES

Zero harm in action implementation

The zero harm in action initiative continues to be rolled out. The three components are people, systems and technology. Under people the six categories are: risk management, stakeholders, personal enrolment, health, visible felt leadership and best practice visits.

Carbon footprint

Amplats has determined its carbon footprint by measuring its greenhouse gas emissions in accordance with ISO 14064-1 standards.

Awards received during the year

- (i) In November 2014 the JSE announced that Amplats was a top ranked mining company on the Socially Responsible Investment (SRI) Index for 2014 and the only mining company to be included in the top six best performers. This ranking is testament to the Company's openness and transparency in dealing with environmental, social and governance aspects of the business.
- (ii) Amplats participates annually in the Carbon Disclosure Project. In 2014, the Company qualified for the Climate Performance Leadership Index and, for the second year running, was placed second in the JSE Top 100 Carbon Disclosure Leadership Index with a disclosure score of 99 out of 100.
- (iii) The Company won a number of awards at the annual SAIMM (South African Institute of Mining and Metallurgy) MineSAFE awards. The first five awards were to Amplats mines:

Winners of the MineSAFE Significant Safety Award (Mining):

5th: Anglo American Platinum School of Mines

4th: Siphumelele Mine

3rd: Dishaba Mine

2nd: Bathopele Mine

1st: Union Mine

MineSAFE Significant Safety Award (Process):

2nd: Mogalakwena Concentrators

- (iv) Amplats achieved first place in the JSE Sustainability Data Transparency Index in the Metals and Mining sector for our 2013 Sustainable Development Report. It achieved second place overall with a score of 81.08%.

Site visits

The following combined S&SD Committee and SET Committee site visits to operations were arranged during 2014. The invitation to attend the site visits was extended to the Amplats Board members.

- (i) *Site visit to Bathopele Platinum Mine in August*
There was an underground visit where the focus was on mechanisation and a visit to the Tlhabane West Primary School in Rustenburg. The school, opened in 2011, was one of Amplats' flagship SLP projects.
- (ii) *Site visit to Rustenburg School of Mines in November*
The focus of the visit was around training and included an overview of the training programme for new employees as well as the ABC of mining. In line with the waste awareness campaign there was a presentation on the waste policy and an overview of the work that had been done in terms of waste management and a visit to the salvage yard.

Global safety day on 26 November 2014

The annual global safety day at Amplats was a potent reminder of the need to keep aiming for zero harm in action at every operation, every day. The theme for 2014 was 'Managing Change' and reflected the fact that there is a close link between how well change is managed and whether or not the resulting outcome is a safe one.



Dorian Emmett

Chairman
S&SD Committee

Johannesburg
5 February 2015



FOCUS:



FINANCIAL REVIEW

FINANCIAL REVIEW

The unprecedented five-month-long strike and the inflationary pressure on costs negatively impacted the Group's financial performance for 2014.



**BONGANI
NQWABABA**
Finance
director

During 2014 we continued to execute our strategy of consolidating our operations and enhancing the business through value-improvement processes to grow return on capital employed (ROCE), raising commercial awareness

among our employees and sharpening focus on capital prioritisation, allocation and conservation.

Headline earnings for Anglo American Platinum Limited (Amplats) for the year ended 31 December 2014 were R786 million, down by 46% from the R1.5 billion recorded in 2013.

The Group generated a profit of R624 million attributable to ordinary shareholders. The financial results for the year were negatively impacted by the industrial action, which endured for five months, although this was partially mitigated by the sale of metals from inventory during this period. Attributable profit for the period was 239 cents per share and headline earnings were 301 cents per share.

For a more comprehensive and detailed account of the Group's financial position and performance, this review should be read in conjunction with the annual financial statements for 2014.

FINANCIAL PERFORMANCE

The key financial indicators underpinning our operating performance during the past year were:

R million	2014	2013	% change	2012
Net sales revenue	55,612	52,404	6.1	42,838
Cost of sales	52,968	46,208	(14.6)	41,948
Gross profit on metal sales	2,644	6,196	(57.3)	890
Gross profit margin (%)	4.8	11.8	(7.0)	2.1
Operating profit/(loss)	843	1,968	(57.1)	(6,334)
Headline earnings/(loss)	786	1,451	(45.8)	(1,468)
Cash generated from operations	7,876	7,279	8.2	2,692
Capital expenditure	6,863	6,346	(8.1)	7,201
Attributable ROCE	1.3	3.1	(1.8)	(12.1)

Revenue

The Group's net sales revenue of R55.6 billion for the year was 6% higher than the net sales revenue of R52.4 billion in 2013. This arose primarily from the impact of the weakening of the rand/US dollar exchange rate, partly offset by lower volumes sold.

Refined platinum sales for the year ended 31 December 2014 decreased to 2.11 million ounces, down by 9% from the 2.32 million ounces sold in 2013. As part of the ongoing strategy to extract value from our marketing business, the commissions paid on sales were reduced further to R14 million in 2014, from the R418 million paid the year before.

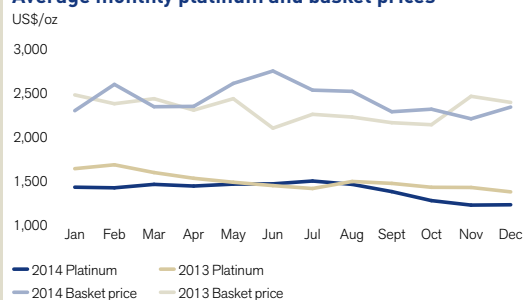
R million	2014	2013	% change	2012
Gross sales revenue by metal	55,626	52,822	5.3	43,148
Platinum	31,762	33,218	(4.4)	27,056
Palladium	10,966	9,898	10.8	7,133
Rhodium	2,902	2,961	(2.0)	3,046
Nickel	5,139	2,978	72.6	2,672
Other	4,857	3,767	28.9	3,241
Commissions paid	(14)	(418)	96.7	(310)
Net sales revenue	55,612	52,404	6.1	42,838

The average US dollar basket price per platinum ounce sold increased to \$2,413 or by 4% from the US\$2,326 achieved in 2013, which was supported mainly by the increase in the prices for palladium, rhodium and nickel. The average US dollar sales price achieved on platinum declined by 7% to US\$1,386 per ounce, despite the prolonged industrial action, as sales

FINANCIAL REVIEW CONTINUED

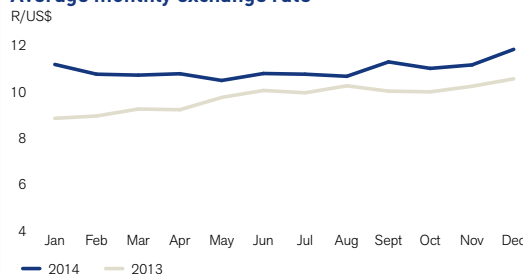
from mining companies and above-ground stocks ensured that the market remained supplied. Nickel price increased as a result of an export ban by Indonesia for unbeneficiated nickel. Palladium saw an increase of 11%, to US\$803, as supply was tighter for this metal during the period of industrial action.

Average monthly platinum and basket prices



The average rand/US dollar exchange rate weakened to R10.87:US\$1.00 from the R9.71 average during 2013. After taking into account this weakening, the average rand basket price per platinum ounce was 16% stronger, at R26,219 compared to R22,586 in 2013.

Average monthly exchange rate

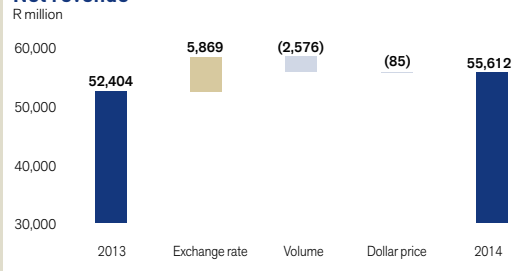


The cash cost of the Group is composed principally of the following: labour; stores; electricity, water and other utilities; and contractors and other costs. The respective segments of our business have different ratios of each element and are categorised in the table below (2014 normalised):

Percentage of costs	Labour	Stores	Utilities	Contractors	Other
Conventional mines	61	19	8	2	10
Mechanised mines	37	25	4	24	11
Mogalakwena	19	60	2	8	11
Processing	26	23	30	2	18
Group average	44	28	10	6	12

R million	2014	2013	% change	2012
On-mine	29,029	30,201	3.9	27,607
Purchase of metals	12,411	10,582	(17.3)	8,959
Processing	6,020	5,546	(8.5)	5,789
Smelting	3,051	2,968	(2.8)	3,096
Treatment and refining	2,969	2,578	(15.2)	2,693
Movement in inventories	2,703	(3,365)	180.3	(3,144)
Other costs	2,805	3,244	13.5	2,737
Cost of sales	52,968	46,208	(14.6)	41,948

Net revenue

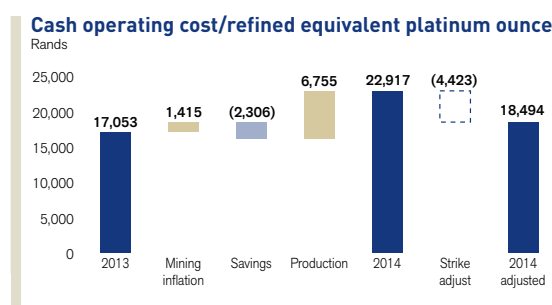


Cost of sales

Cost of sales increased by 15%, from R46.2 billion to R52.9 billion. The main feature of the 15% increase in cost of sales was the R6.1 billion change in the movement of metal inventory costs from an increase of R3.4 billion in 2013 to a decrease of R2.7 billion in 2014 brought on by the drawdown in refined stocks to meet contractual sales obligations in 2014. The Company incurred R12.4 billion on the purchase of metals – an increase of 17% owing to increases in production volumes and rand metal prices. Cash on-mine operating expenses decreased by R1.3 billion or 5% to R25.4 billion as the 'no-work no-pay' principle was enforced and variable cost savings were realised during the strike. This decrease was supported by strict cost controls to reduce the financial impact of the prolonged industrial action. The cash cost of processing (smelting, treatment and refining) increased by 11.9% to R4.8 billion and was largely attributable to a 24% increase in the volume of base metals refined, which was partially offset by the continued implementation of various cost-saving initiatives. Other costs decreased by R439 million mainly due to lower royalties and a lower provision for share based payments.

As is the case in the rest of the industry, Amplats continues to experience mining inflation of approximately 8.3%, owing to above-headline-inflation (CPI) increases in the price of electricity, diesel and labour.

Cash operating costs per equivalent refined platinum ounce (excluding projects) of R22,917 were severely impacted by the industrial action. After adjusting for the strike, the cash operating cost of R18,494 increased by 8.5%, from the cash costs of R17,053 per ounce achieved for the full year in 2013, which was in line with the inflation experienced.



Operating profit/(loss)

Gross profit on metal sales decreased by R3.5 billion to R2.7 billion from the R6.2 billion earned in 2013. With net sales revenue growing by 6.1%, and cost of sales increasing by 14.5% (inclusive of some R4.1 billion incurred at the impacted mines during the period of the strike), this resulted in our gross profit margin weakening to 4.8% in 2014.

Operating profit for 2014 was R843 million against R1.97 billion in 2013. The largest contributors to the operating profit for the year were:

- the weakening of the rand against the US dollar, contributing R4.3 billion to earnings;
- lower operating costs of R1.8 billion; and
- the lower write-down of assets and restructuring and related costs of R1.2 billion in 2014 compared to R4.3 billion in 2013.

These were more than offset by:

- inflation of R2.2 billion;
- the lower sales volume amounting to R2.6 billion; and
- inventory movement of R6.1 billion (an increase of R3.4 billion in 2013 and a decrease of R2.7 billion in 2014) as a result of the sale of metal from inventory to meet contractual sales obligations in 2014.

The Group's attributable ROCE declined to 1.3% in 2014, from the return of 3.1% achieved in 2013. During 2014 the Company started a process of creating commercial awareness among its employees by identifying the drivers of ROCE, and communicating with and educating employees about these through consistent messaging

and leadership-interface sessions. Awareness of the issues has improved significantly and the process will be expanded in all functional areas of the business during 2015.

As indicated above, the Group's earnings are very sensitive to movements in the prices of the commodities we sell and to the rand/dollar exchange rate. As an example of this, it is worth considering that a 10% change in the exchange rate or basket price achieved in 2014 would have resulted in earnings differing by some R3.2 billion from the actual earnings achieved.

Headline earnings

Headline earnings decreased to R786 million compared to R1.45 billion in 2013. Profit attributable to ordinary shareholders amounted to R624 million compared to a loss of R1.4 billion in 2013. The five-month-long industrial action negatively impacted the financial results but this was partially mitigated by the sale of metal from inventory during the period. Attributable profit for the period was 239 cents per share and headline earnings were 301 cents per share. The weighted average number of ordinary shares in issue during 2014 was 261.1 million, largely in line with the figure for 2013.

The most significant items excluded from headlines earnings (before tax and minorities) are the scrapping of assets of R480 million relating to the closure of the Union South declines; and the impairment of the Group's investment in an associate of R168 million. The details relating to these two items are provided under the section of this report dedicated to 'Significant accounting matters' (see page 119).

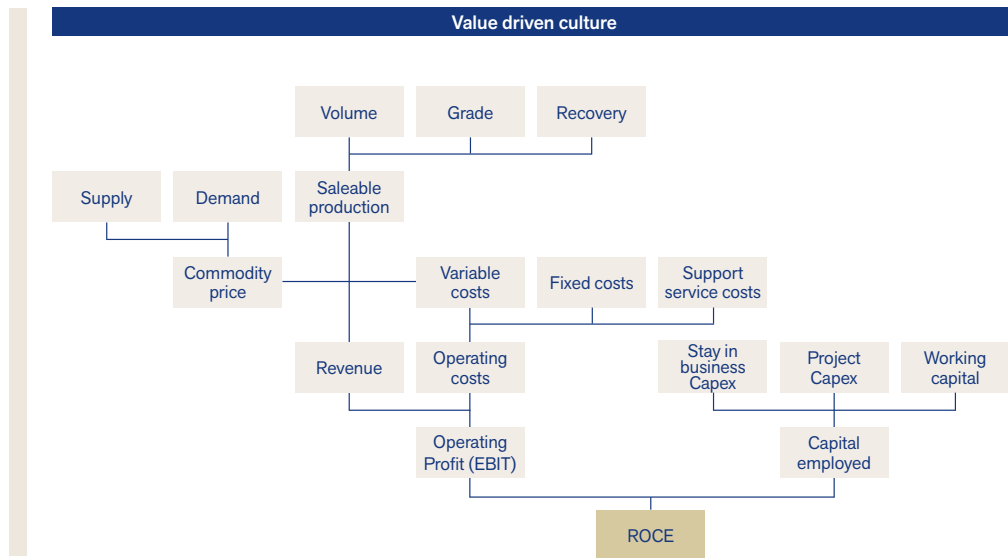
Impact of the strike

We estimate that the Company lost R8.5 billion in operating profit and R9.0 billion in cash as a result of the strike in 2014. The loss of 532,000 ounces of platinum and related metals resulted in lost revenue of nearly R12 billion. Variable cash cost savings resulting from the no-work-no-pay principle and strict cost control of R3.3 billion were partly offset by additional costs amounting to R263 million incurred for food hampers and transport following the conclusion of the strike, as well as additional security deployed at our operations during the strike. The cost associated with the reduction in metal inventory was R3 billion which resulted in an operating profit impact of R8.5 billion. Excluding the revenue realised from the drawdown of stock, the strike cost the Company a net R9.0 billion in cash.

Driving ROCE

Amplats focuses on controllable items within the ROCE value tree to drive return on capital employed. The main focus is on high grade volume and improved recoveries and supported by a strict cost-management culture, an effective capital-control process, enhanced by identifying opportunities to increase revenue, e.g. higher sales of minor metals.

FINANCIAL REVIEW CONTINUED



Business improvement and supply chain

During the year the Group prioritised all existing asset optimisation, supply-chain programmes and the initiatives identified as part of the Platinum Review of 2012 under a single business-improvement programme, to ensure that the business focuses on those items that will realise the greatest value for the Group and are aligned with the Group's strategy. These processes of simplification and prioritisation allowed the business to focus on delivery and execution in 2014, as the ability to deliver value was severely hampered by the five-month industrial action.

Despite the headwind that this meant for the Group in 2014, the firm foundations of delivery embedded in 2013 allowed for the delivery of a further R2.3 billion of value. The Platinum Review initiatives that targeted cost-and-revenue benefits of R3.8 billion by 2015 saw the embedding of value of some R4.2 billion in 2014 (measured against a 2011 baseline). The business has embarked on a process to identify further measures to contain costs, as mining inflation continues to erode the value delivered from our ongoing business-improvement programme.

Capital expenditure

Capital allocation and the access to capital remain a strategic risk for the mining industry. In response to the need to ensure the effective use of available capital, Amplats reviewed the governance, process and organisational design of the stay-in-business (SIB) capital environment. Most significantly, the Company has introduced a process of scrubbing and optimising the SIB portfolio of projects. This will ensure that we prioritise

capital spend and adequately manage business risk. Further enhancements to the project-prioritisation process have been implemented in prior years through the introduction of a portfolio-optimisation policy, which includes considering alternative business cases for each mineral endowment in our portfolio and ranking projects against economic and risk factors. From these endeavours we develop multiple portfolio options, and we consider the impact of various constraints (e.g. availability of capital). This process will serve as a guide as we transition the group portfolio in line with our strategy while maximising value for our stakeholders.

Total capital expenditure for 2014, inclusive of capitalised interest and waste capitalisation, rose by 8% to R6.9 billion, from R6.3 billion in 2013.

Stay-in-business capital expenditure increased by R320 million to R3.9 billion in 2014. While most of the operations maintained or decreased their expenditure, some large once-off capital expenditure items were incurred. These included the purchase and commissioning of a rope shovel (and of support equipment) for Mogalakwena Mine at a cost of R285 million; the replacement of the side walls and end walls at the Polokwane and the Mortimer smelters (R226 million); and the preparation for the Furnace 1 rebuild at Waterval Smelter in February 2015 (R31 million). A further R121 million was spent on the establishment of the Western Limb Distribution Centre in Rustenburg, to improve stores stockholding and create effective material supply to the operations.

Project capital expenditure increased by R171 million to R1.9 billion from R1.7 billion in 2013. In line with the Group's strategy, expenditure on expansion projects was spent mostly on the Twickenham Platinum Mine project; housing at Unki Platinum Mine; the slag-cleaning furnace; the Phase 4 and Phase 5 expansions at Bathopele Mine; the Tumela 5 shaft; and the UG2 Reef expansion at our joint-venture Modikwa Platinum Mine.

Capital expenditure on the mine-development projects listed above is supporting our longer-term strategy of increasing our shallow, mechanised and lower-cost production.

The Group capitalised costs of R561 million (2013: R692 million), which was spent on waste stripping at

Mogalakwena Mine as part of the life-of-mine plan. Waste tonnes mined increased from 56.4 million tonnes to 79.8 million tonnes. In 2014, the cost of mining 18.0 million tonnes was capitalised (against a capitalisation of 25.3 million tonnes in 2013).

Interest capitalised during the period increased from R390 million in 2013 to R547 million in 2014, as a direct consequence of higher interest paid on total borrowings during the year.

In order to execute the production portfolio and invest in maintaining the current installed asset base, capital expenditure for 2015 will be between R5.5 billion and R6.5 billion, excluding pre-production costs, capitalised waste stripping and interest.

R million	2014	2013	% change	2012
Capital expenditure, comprising:	5,755	5,264	9.3	6,386
Projects	1,859	1,688	10.1	3,376
Stay-in-business	3,896	3,576	8.9	3,010
Capitalised waste stripping	561	692	(18.9)	399
Capitalised interest	547	390	40.3	416
Total amounts capitalised	6,863	6,346	8.1	7,201

Working capital

Working capital decreased by R1.4 billion to R14.6 billion as at 31 December 2014 following the R3.1 billion increase in 2013. Working capital days decreased to 93 days, compared with 112 days in 2013. The main contributor to the decrease in working capital was the reduction in precious-metal stockholding, which was sold down after the build-up in prior years to manage business risks, largely labour-related ones.

	2014 R million	Days	2013 R million	Days
Inventory	17,451	120	19,668	146
Trade accounts receivable	2,083	14	1,483	12
Trade accounts payable	(4,919)	(41)	(5,162)	(46)
Total	14,615	93	15,989	112

Cash flows and net debt

The Group generated R7.9 billion in cash from its operations, which was R597 million more than the R7.3 billion generated in 2013. These cash flows were used to pay taxation of R2.7 billion; fund our capital expenditure of R6.9 billion (including capitalised interest); contribute towards the funding of our joint-venture and associate operations (R546 million); and settle interest of R497 million (net of interest capitalised) to our debt providers during 2014.

FINANCIAL REVIEW CONTINUED

Amplats' net debt position at 31 December 2014 was as follows:

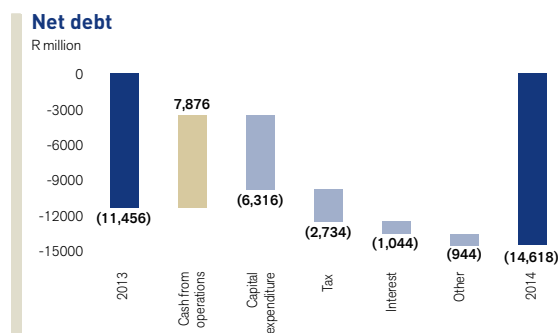
R million	2014	2013
Non-current interest-bearing borrowings	9,459	9,486
Current interest-bearing borrowings	6,361	3,132
Total	15,820	12,618
Cash and cash equivalents	(1,202)	(1,162)
Net debt	14,618	11,456
Total equity	50,526	50,008
Debt/equity (%)	29	23

The Group's net debt position at 31 December 2014 amounted to R14.6 billion, after taking into account cash on hand of R1.2 billion which remained constant, despite the increase in cash flows from operations as the Group continued to invest in its future.

Amplats has two debt covenants: total net borrowings to tangible consolidated net worth; and a threshold below which tangible consolidated net worth should not decrease. Amplats was not in breach of either of its covenants during the year and has significant headroom to meet these covenants in the foreseeable future.

As at 31 December 2014, the Company had R22.4 billion in long-term committed debt facilities, and R8.7 billion in uncommitted debt facilities. The Group had undrawn committed debt facilities at 31 December 2014 of R12.9 billion compared to R12.4 billion in 2013. The debt profile has a longer-term bias, which matches our capital investment programme.

For detail on the maturity profile of the Group's debt facilities, refer to note 26 to the Annual Financial Statements 2014 found on page 39.



SHAREHOLDER RETURNS

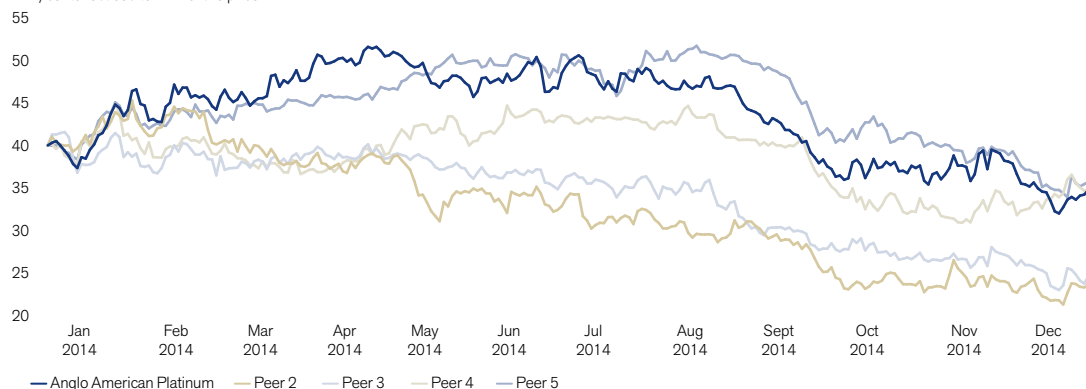
Investor relations activity and share price

Amplats has increased its engagement with investors and shareholders over the last twelve months. The importance of engaging with key shareholders has been evidenced by our relative share-price performance against that of our peers. Engagement was crucial in discussing the actions we took during the strike period; and in reiterating our move to a value-driven strategy. We have significantly increased our profile in the US and the UK following a series of road-shows; and continue to engage with all our South African shareholders. Despite these measures, however, the share price still came under pressure during the year, driven by market sentiment and the underlying platinum price, declining from a closing price of R394/share at 31 December 2013 to R341/share at close of 31 December 2014.

The shareholding of Anglo South Africa Capital Proprietary Limited as at 31 December 2014 was 77.91%.

12 months Amplats peers share price

ZAR/cents rebased to AAP share price



Dividends

The policy to maintain a dividend cover on headline earnings of 2.0 times, paid out of cash generated from operations, remains unchanged. However, the quantum of the dividend would ultimately be subject to prevailing and expected future economic conditions and funding commitments at the time of consideration by the Board. Owing to the net debt position of the Group and considering future funding requirements and uncertainty in global economic markets, the Board decided not to declare a dividend in 2014. Amplats will continue to monitor its capital requirements and its ability to manage debt levels adequately, and will consider future dividend payments as the situation allows.

SIGNIFICANT ACCOUNTING MATTERS

Scrapping of assets

During the second quarter of 2014, a decision was made by the Union Joint Venture Executive Committee and the Group's Executive Committee, as part of management's continuous strategy to optimise the overall business, to close the remaining decline operations at Union Mine. The loss-making Union South declines were reaching the end of their economic useful life. Given the high cost of production, their closure will result in an overall improvement in the financial performance of Union Mine. The scrapping of these assets amounted to R480 million (R294 million after tax and minorities).

Refinancing of Atlatsa Resources Corporation (Atlatsa)

Amplats completed the second and final phase of the Atlatsa refinancing plan where, through a series of transactions, the Group converted its unlisted preference share instrument into a Special Purpose Vehicle for 115.8 million common shares in Atlatsa. These shares were then sold to Atlatsa Holdings on loan account for R463.2 million. The loan is secured and interest-bearing.

In the final phase of the refinancing plan, the Group subscribed for 125 million new Atlatsa common shares for an aggregate subscription price of R750 million. These proceeds were utilised by Atlatsa to reduce the senior loan provided by Rustenburg Platinum Mines Limited to Plateau. These transactions were completed on 31 January 2014.

The accounting impact of the final phase of these transactions was a net gain of R243 million, which is reflected in profit/loss for the year in 2014.

POST-BALANCE SHEET EVENT

There were no material post balance sheet events.

KEY FACTORS AFFECTING FUTURE FINANCIAL RESULTS

Restructuring and repositioning

Amplats continues with the implementation of its value-driven strategy, and its focus remains on the restructuring and repositioning of its portfolio of mines.

The restructuring of the business is now largely complete, with the consolidation of Rustenburg from five mines into three and Union Mine from two mines into one. As part of the next phase of optimising these assets to improve profitability and sustainability, the respective mine plans have been reviewed. Implementation of these optimised plans has commenced, for example the closure of the last decline section of Union Mine during the fourth quarter of 2014. The decline section was producing loss-making ounces, and the closure has helped the profitability of Union by focusing on value and not volume. Further plans include optimising the concentrators at Union.

To extract value further, our focus is also on the repositioning of the portfolio of assets, which includes the disposal of non-core assets. The restructuring and consolidating phase of Union (two to one) and Rustenburg (five to three) mines are now complete. In addition, we have started the implementation of the revised mine plans which focus on value not volume to drive improved profitability. Both Rustenburg and Union mines are being prepared as standalone sustainable independent operations with preparation for a market exit in progress. Rustenburg operations have a strong proposition for listing with or without Union. Interested parties have commenced due diligence studies while the decision for exit mechanisms will be taken in the first half of 2015.

Market

The Company expects the global platinum market to remain in deficit in the short and medium terms as steady demand growth exceeds growth in primary and secondary supply. The total deficit in 2015 is expected to be smaller than the deficit in 2014 as South African supply increases in the absence of industrial action. Our working inventory levels have returned to normal operating levels. Joint-industry and individual-company market-development initiatives are likely to support increases in jewellery and investment demand over the short and medium terms. The consecutive platinum deficits have significantly reduced cumulative above-ground stocks largely responsible for depressed prices not reflecting fundamental supply and demand.

FINANCIAL REVIEW CONTINUED

Exchange rate

Our revenue and an important proportion of our operating and capital expenditure are affected by the rand/US dollar exchange rate, and our operating profit thus remains highly sensitive to its fluctuations. A 10% change in the exchange rate would result in a R3.2 billion change in our earnings.

Inflation and cost escalation

The Group experienced internal inflation of around 8.3% during 2014. Cost inflation will remain a challenge in 2015. While some costs have been mitigated by the cost reductions resulting from the restructuring of the Company and the implementation of various initiatives, inflationary pressures from wages, key input commodities and electricity remain. Wages will grow on average by 7.7% this year as per the three-year wage settlement agreement concluded with the trade union AMCU. Further initiatives are being explored to reduce the impact of costs on the business. Our strong cost-management culture means that we expect a unit cost per equivalent refined platinum ounce of between R19,000 and R19,500 in 2015.

Finance strategy

The finance function's key strategic objective is to 'serve and support the business to deliver value through superior performance and behaviours'. By structuring itself as a contributor to strategy, as a business partner, and by contributing to the continuous development of staff, the function has advanced in its journey to becoming a mature function – one that both delivers benefits through cross-functional integration and fosters excellence by sharing its expertise.

Considering the current economic environment, the function's deliverables are aligned to cash management; the optimisation of processes and efficiency; and the optimisation of working capital. Value-accretive business-development transactions, based on our portfolio-

optimisation strategy, continue based on value parameters and support the business.

OUTLOOK

Amplats expects to mine, refine and sell between 2.3 million and 2.4 million ounces of platinum in 2015. Capital expenditure is projected to be between R6.0 billion and R6.5 billion, with some R3.4 billion to R3.7 billion of total expenditure being on sustaining capex.

The waste-stripping capital of Mogalakwena Mine is expected to increase to R1.2 billion in 2015, from R561 million in 2014.

Thanks and acknowledgement

I would like to take this opportunity to thank the Board of Amplats, the chief executive, Chris Griffith, and the other executives, the finance team and the rest of the organisation for the unconditional support they gave me in my role during the past six years. Although, I was in my role during a challenging economic and labour environment, I found it very stimulating to co-create solutions that will ensure Amplats will be much more valuable going forward.

I would also like to congratulate Ian Botha on his appointment.



Bongani Nqwababa
Finance director
Johannesburg

5 February 2015



FIVE-YEAR FINANCIAL REVIEW

for the year ended 31 December 2014

R millions	2014	2013	2012	2011	2010
STATEMENT OF COMPREHENSIVE INCOME					
Gross sales revenue	55,626	52,822	43,148	51,484	46,352
Commissions paid	(14)	(418)	(310)	(367)	(327)
Net sales revenue	55,612	52,404	42,838	51,117	46,025
Cost of sales	(52,968)	(46,208)	(41,948)	(42,562)	(37,991)
Cash operating costs	(42,622)	(41,555)	(37,482)	(34,976)	(32,447)
On-mine costs	(25,391)	(26,666)	(24,167)	(21,950)	(19,919)
Purchase of metals and leasing activities	(12,411)	(10,582)	(8,959)	(9,193)	(9,215)
Smelting costs	(2,518)	(2,385)	(2,310)	(2,045)	(1,846)
Treatment and refining costs	(2,302)	(1,922)	(2,046)	(1,788)	(1,467)
Depreciation of operating assets	(4,838)	(4,774)	(4,747)	(4,527)	(4,321)
Deferred waste stripping	–	–	(126)	(44)	(33)
(Decrease)/increase in metal inventories	(2,703)	3,365	3,144	(203)	995
Other costs	(2,805)	(3,244)	(2,737)	(2,812)	(2,185)
Gross profit on metal sales	2,644	6,196	890	8,555	8,034
Other net expenditure	(494)	(964)	(198)	(99)	(405)
Loss on scrapping of property, plant and equipment	(480)	(2,814)	(6,606)	(83)	–
Market development and promotional expenditure	(827)	(450)	(420)	(408)	(376)
Operating profit/(loss)	843	1,968	(6,334)	7,965	7,253
IFRS 2 Charge – community economic empowerment transaction	–	–	–	(1,073)	–
Net gain on final phase of the Atlatza Resources Corporation (Atlatza) refinancing transaction	243	–	–	–	–
Loss on acquisition of properties from Atlatza	–	(833)	–	–	–
Net gain on Atlatza refinancing transaction	–	454	–	–	–
(Loss)/gain on revaluation of investment in Wesizwe Platinum Limited	–	(40)	(358)	33	–
Impairment of associates	(168)	–	(105)	–	–
Profit on disposal of 37% interest in Western Bushveld Joint Venture	–	–	–	–	788
Gain on listing of BRPM	–	–	–	–	4,466
Net investment (expense)/income	(336)	(574)	(161)	215	232
Loss from associates (net of taxation)	(128)	(298)	(659)	(479)	(319)
Profit/(loss) before taxation	454	677	(7,617)	6,661	12,420
Taxation	(82)	(2,191)	897	(2,974)	(2,304)
Profit/(loss) for the year	372	(1,514)	(6,720)	3,687	10,116
Basic earnings/(loss) attributable to ordinary shareholders	624	(1,370)	(6,677)	3,591	9,959
Headline earnings/(loss) attributable to ordinary shareholders	786	1,451	(1,468)	3,566	4,931
EBITDA	5,658	6,515	(2,136)	12,097	11,271
Dividends	–	–	532	3,116	–
STATEMENT OF FINANCIAL POSITION					
Assets					
Property, plant and equipment	44,297	43,298	43,946	44,499	37,438
Capital work-in-progress	10,736	9,810	9,149	12,940	17,065
Investment in associates	7,637	6,816	6,653	6,870	7,339
Investments held by environmental trusts	842	732	642	662	569
Other financial assets	3,120	3,422	4,204	3,931	2,904
Other non-current assets	54	54	58	69	93
Current assets	23,313	24,895	21,295	18,309	18,393
Total assets	89,999	89,027	85,947	87,280	83,801
Equity and liabilities					
Shareholders' equity	50,526	50,008	50,100	56,743	55,018
Non-current interest-bearing borrowings	9,459	9,486	8,104	939	6,622
Obligations due under finance leases	–	–	–	–	1
Other financial liabilities	–	–	–	69	148
Environmental obligations	2,110	1,859	1,709	1,412	1,388
Employees' service benefit obligations	8	3	24	4	–
Deferred taxation	10,516	10,620	10,831	13,006	11,615
Current liabilities	17,380	17,051	15,179	15,107	9,009
Total equity and liabilities	89,999	89,027	85,947	87,280	83,801

R millions	2014	2013	2012	2011	2010
STATEMENT OF CASH FLOWS					
Net cash from operating activities	4,645	6,078	1,889	12,312	10,231
Net cash used in investing activities	(7,398)	(7,013)	(7,891)	(8,157)	(7,041)
Purchase of property, plant and equipment (including interest capitalised)	(6,863)	(6,346)	(7,201)	(7,504)	(7,989)
Other	(535)	(667)	(690)	(653)	948
Net cash from/(used in) financing activities	2,793	(77)	5,880	(4,393)	(4,188)
Proceeds from/(repayment of)/interest-bearing borrowings	3,204	(50)	6,706	(686)	(16,147)
Ordinary and preference dividends paid	–	–	(532)	(3,116)	–
Proceeds of rights offer (net of costs)	–	–	–	–	12,404
Other	(411)	(27)	(294)	(591)	(445)
Net increase/(decrease) in cash and cash equivalents	40	(1,012)	(122)	(238)	(998)
Cash and cash equivalents at beginning of year	1,162	2,174	2,296	2,534	3,532
Cash and cash equivalents at end of year	1,202	1,162	2,174	2,296	2,534
RATIO ANALYSIS					
Gross profit margin (%)	4.8	11.8	2.1	16.7	17.5
Operating profit as a % of average operating assets	1.3	3.0	(10.2)	14.0	14.0
Return on average shareholders' equity (%)	0.7	(3.0)	(12.6)	6.6	23.1
Return on average capital employed (%) (ROCE)	1.2	2.7	(11.7)	12.3	12.5
Current ratio	1.3:1	1.5:1	1.4:1	1.2:1	2:1
Debt:equity ratio	1:3.2	1:4.0	1:4.0	1:9.5	1:8.3
Interest cover – EBITDA	5.3	7.1	(3.2)	22.8	11.7
Debt coverage ratio	0.5	0.6	0.2	2.2	1.7
Net debt to capital employed (%)	22.4	18.6	17.3	6.1	7.0
Interest-bearing debt to shareholders' equity (%)	31.3	25.2	25.3	10.5	12.1
Net asset value as a % of market capitalisation	54.9	47.1	41.6	39.6	30.1
Effective tax rate (%)	18.1	323.6	(11.8)	44.6	18.6
SHARE PERFORMANCE					
Number of ordinary shares in issue (millions)	261.2^o	261.0 ^o	261.0 ^o	261.1 ^o	261.6 ^o
Weighted average number of ordinary shares in issue (millions)	261.1^o	261.0 ^o	261.0 ^o	261.4 ^o	254.8 ^o
Headline earnings/(loss) per ordinary share (cents)	301	556	(562)	1,365	1,935
Dividends per share (cents)	–	–	–	700	683
Interim	–	–	–	500	–
Final	–	–	–	200	683
Market capitalisation (R millions)	91,994	106,230	120,367	143,470	182,828
Net asset value per ordinary share (R)	188.9	191.6	191.9	217.3	210.3
Number of ordinary shares traded (millions)	67.2	101.1	73.2	101.5	93.0
Highest price traded (cents)	53,000	50,889	59,850	76,200	83,099
Lowest price traded (cents)	30,620	27,318	35,874	51,050	60,402
Closing price (cents)	34,112	39,391	44,633	53,200	69,413
Number of deals	638,455	526,611	388,644	579,871	540,939
Value traded (R millions)	29,117	38,233	34,382	62,281	67,087

^o Net of 356,339 (2013: 712,701) shares held by the Kotula Trust (the Group Employee Share Participation Scheme), the 1,829,602 (2013: 1,625,327) shares held in respect of the Group's share schemes and the 6,290,365 shares issued as part of the community economic empowerment transaction.

^o Net of treasury shares held by the Kotula Trust and shares held in respect of the Bonus Share Plan.

DIRECTORS' RESPONSIBILITIES AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2014

The directors are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment.

To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that, in all reasonable circumstances, is above reproach.

The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control is adequate for ensuring:

- the reliability and integrity of financial and operating information;
- the compliance of established systems with policies, plans, procedures, laws and regulations;
- the safeguarding of the Group's assets against unauthorised use or disposition;
- the economic, effective and efficient utilisation of resources; and
- the achievement of established objectives and goals for operations or programmes.

Nothing has come to the attention of directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred during the year under review.

The internal auditors concur with these statements by the directors. While the external audit is not designed to provide internal control assurance, the external auditors did not identify any material internal control weaknesses during the course of their audit.

The directors believe, as a result of the comprehensive structures and controls in place and the ongoing monitoring of the activities of executive and operational management, the Board maintains effective control over the Group's affairs.

The full annual financial statements, which appear on the Company's website, were approved by the Board of directors on 5 February 2015 and are signed on its behalf by:



Valli Moosa
Chairman

Johannesburg
5 February 2015



Chris Griffith
Chief executive officer

COMPANY SECRETARY'S CERTIFICATE

for the year ended 31 December 2014

In terms of section 88(2)(e) of the Companies Act, No. 71 of 2008, I declare that, to the best of my knowledge and belief, the Company has lodged with the Companies and Intellectual Property Commission all such returns and notices as are required of a public company in terms of the Companies Act and that all such returns and notices are true, correct and up to date in respect of the financial year reported upon.



Elizna Viljoen

Company secretary
Anglo American Platinum Limited

Johannesburg
5 February 2015

SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2014

These summarised consolidated annual financial statements comprise a summary of the audited consolidated annual financial statements of the Group for the year ended 31 December 2014 that were approved by the Board on 5 February 2015. The preparation of the audited consolidated annual financial statements was supervised by the finance director, Mr B Nqwababa.

The summarised consolidated annual financial statements are not the Group's statutory accounts and do not contain all the disclosures required by International Financial Reporting Standards (IFRS) and Companies Act of South Africa, as applicable to annual financial statements. Reading the summarised consolidated annual financial statements, therefore, is not a substitute for reading the audited consolidated annual financial statements of the Group, as they do not contain sufficient information to allow for a complete understanding of the results and state of affairs of the Group. The audited consolidated annual financial statements are available online at www.angloamericanplatinum.com.

BASIS OF PREPARATION

The summarised consolidated financial statements is extracted from the audited consolidated annual financial statements for the year ended 31 December 2014.

The summarised consolidated financial statements is in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, as well as the requirements of the Companies Act of South Africa. It also contains the information required by International Accounting Standard 34 – Interim Financial Reporting. They have been prepared on the historical cost basis, except for certain financial instruments which are stated at fair value and are presented in South African rand.

The accounting policies are in terms of IFRS and are consistent with those applied in the consolidated annual financial statements for the year ended 31 December 2013, except for the adoption of various amendments to accounting standards in the year under review. These changes did not have a material impact on the financial results of the Group.

Full details on changes in accounting policies are disclosed in the Group's audited consolidated annual financial statements for the year ended 31 December 2014, which is available online.

INDEPENDENT AUDIT BY THE AUDITORS

These summarised consolidated financial statements for the year ended 31 December 2014 have been extracted from the complete set of consolidated annual financial statements on which the Company's auditors, Deloitte & Touche, have expressed an unmodified audit opinion. Deloitte & Touche have also issued an unmodified audit report on these summarised consolidated financial statements, stating that these summarised consolidated financial statements are consistent in all material respects with the complete consolidated annual financial statements. The auditor's reports are available for inspection at the registered office of the Company. The auditor's report does not necessarily report on all the information contained in these summarised financial results.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ANGLO AMERICAN PLATINUM LIMITED

The summary consolidated financial statements of Anglo American Platinum Limited contained in the report, which comprise the summary consolidated statement of financial position as at 31 December 2014, the summary consolidated statement of comprehensive income, the summary consolidated statement of changes in equity, the summary consolidated statement of cash flows for the year then ended, and related notes are derived from the audited consolidated financial statements of Anglo American Platinum Limited for the year ended 31 December 2014. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 5 February 2015. Our auditor's report on the audited consolidated financial statements contained an Other Matter paragraph "Other reports required by the Companies Act" (included below).

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to the annual financial statements. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Anglo American Platinum Limited.

Directors' Responsibility for the Summary Consolidated Financial Statements

The directors are responsible for the preparation of the summary consolidated financial statements, set out on pages 128 to 137, in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Standards Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act of South Africa as applicable to summary financial statements, as per the minimum information required by IAS 34, Interim Financial Reporting and for such internal control as the directors determine is necessary to enable the preparation of the summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

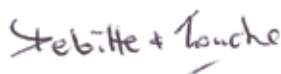
Our responsibility is to express an opinion on the consolidated financial statements based on our procedures, which were conducted in accordance with the International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Anglo American Platinum Limited for the year ended 31 December 2014 are consistent, in all material respects, with those consolidated annual financial statements, in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Standards Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, as well as the requirements of the Companies Act of South Africa as applicable to summary financial statements. It also contains as a minimum the information required by IAS 34, Interim Financial Reporting.

Other Reports required by the Companies Act

The "other reports required by the Companies Act" paragraph in our audit report dated 5 February 2015 states that as part of our audit of the consolidated financial statements for the year ended 31 December 2014, we have read the Directors' Report, the Audit Committee's Report, the Declaration by the Company Secretary and the Remuneration Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited annual consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.



Deloitte & Touche
Registered Auditors
Per JAR Welch
Partner
5 February 2015

National Executive: *LL Bam Chief Executive *AE Swiegers Chief Operating Officer *GM Pinnock Audit
DL Kennedy Risk Advisory *NB Kader Tax TP Pillay Consulting *K Black Clients & Industries
*JK Mazzocco Talent & Transformation *MJ Jarvis Finance *M Jordan Strategy S Gwala Managed Services
*TJ Brown Chairman of the Board *MJ Comber Deputy Chairman of the Board

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 2 contributor in terms of the Chartered Accountancy Profession Sector Code

Member of Deloitte Touche Tohmatsu Limited

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2014

	Notes	2014 Rm	Audited 2013 Rm
Gross sales revenue		55,626	52,822
Commissions paid		(14)	(418)
Net sales revenue	2	55,612	52,404
Cost of sales	2	(52,968)	(46,208)
Gross profit on metal sales	2	2,644	6,196
Other net expenditure	4	(494)	(964)
Loss on scrapping of property, plant and equipment		(480)	(2,814)
Market development and promotional expenditure		(827)	(450)
Operating profit		843	1,968
Net gain on the final phase of the Atlatza Resources Corporation (Atlatza) refinancing transaction	11	243	–
Impairment of associate		(168)	–
Loss on acquisition of properties from Atlatza		–	(833)
Net gain on Atlatza refinancing transaction		–	454
Loss on revaluation of investment in Wesizwe Platinum Limited (Wesizwe)		–	(40)
Interest expensed		(698)	(675)
Interest received		161	57
Remeasurements of loans and receivables		201	44
Losses from associates (net of taxation)		(128)	(298)
Profit before taxation		454	677
Taxation	5	(82)	(2,191)
Profit/(loss) for the year		372	(1,514)
Other comprehensive income, net of income tax			
Items that will be reclassified subsequently to profit or loss		173	950
Deferred foreign exchange translation gains		338	833
Share of other comprehensive income of associates		(33)	8
Actuarial loss on employees' service benefit obligation		(5)	–
Reclassification of unrealised losses on available-for-sale investments to profit/loss for the year		–	40
Net (losses)/gains on available-for-sale investments		(127)	69
Total comprehensive income/(loss) for the year		545	(564)
Profit/(loss) attributable to:			
Owners of the Company		624	(1,370)
Non-controlling interests		(252)	(144)
		372	(1,514)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		797	(420)
Non-controlling interests		(252)	(144)
		545	(564)
Headline earnings	6	786	1,451
Number of ordinary shares in issue (millions)*		267.5	267.3
Weighted average number of ordinary shares in issue (millions)		261.1	261.0
Earnings/(loss) per ordinary share (cents)			
– Basic		239	(525)
– Diluted		238	(522)

* Includes the shares issued as part of the community economic empowerment transaction, but excludes the shares held by the Group ESOP and the shares held in terms of the Group's various share schemes.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2014

	Notes	2014 Rm	Audited 2013 Rm
ASSETS			
Non-current assets			
		66,686	64,132
Property, plant and equipment		44,297	43,298
Capital work-in-progress		10,736	9,810
Investment in associates	7	7,637	6,816
Investments held by environmental trusts		842	732
Other financial assets	8	3,120	3,422
Other non-current assets		54	54
Current assets			
		23,313	24,895
Inventories	9	17,451	19,668
Trade and other receivables		3,220	2,738*
Other assets		1,440	1,327*
Cash and cash equivalents		1,202	1,162
Total assets			
		89,999	89,027
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		27	27
Share premium		21,846	21,439
Foreign currency translation reserve		1,345	1,007
Available-for-sale reserve		(80)	47
Retained earnings		27,598	27,362
Non-controlling interests		(210)	126
Shareholders' equity			
		50,526	50,008
Non-current liabilities			
		22,093	21,968
Non-current interest-bearing borrowings	10	9,459	9,486
Environmental obligations		2,110	1,859
Employees' service benefit obligations		8	3
Deferred taxation		10,516	10,620
Current liabilities			
		17,380	17,051
Current interest-bearing borrowings	10	6,361	3,132
Trade and other payables		7,660	7,858
Other liabilities		2,044	2,157
Other current financial liabilities		–	43
Share-based payments provision		19	40
Taxation		1,296	3,821
Total equity and liabilities			
		89,999	89,027

* Refer to note 13 for details of the reclassification of comparative figures.

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2014

	Notes	2014 Rm	Audited 2013 Rm
Cash flows from operating activities			
Cash receipts from customers		55,010	51,838
Cash paid to suppliers and employees		(47,134)	(44,559)
Cash generated from operations		7,876	7,279
Interest paid (net of interest capitalised)		(497)	(522)
Taxation paid		(2,734)	(679)
Net cash from operating activities		4,645	6,078
Cash flows used in investing activities			
Purchase of property, plant and equipment (includes interest capitalised)		(6,863)	(6,346)
Proceeds from sale of plant and equipment		34	69
Proceeds on sale of mineral rights and other investments		2	43
Loans to associates		(392)	(367)
Advances made to Plateau Resources Proprietary Limited (Plateau)		(61)	(421)
Advances made to Atlatsa Holdings Proprietary Limited		(25)	–
Subscription for Royal Bafokeng Platinum Limited (RB Plat) rights offer shares		(93)	–
Net increase in investments held by environmental trusts		(36)	(36)
Interest received		68	42
Growth in environmental trusts		4	3
Other advances		(36)	–
Net cash used in investing activities		(7,398)	(7,013)
Cash flows from/(used in) financing activities			
Proceeds on partial disposal of interest in Masa Chrome Company Proprietary Limited (Masa)		–	247
Purchase of treasury shares for the Bonus Share Plan (BSP)		(327)	(239)
Proceeds from/(repayment of) interest-bearing borrowings		3,204	(50)
Cash distributions to minorities		(84)	(35)
Net cash from/(used in) financing activities		2,793	(77)
Net increase/(decrease) in cash and cash equivalents		40	(1,012)
Cash and cash equivalents at beginning of year		1,162	2,174
Cash and cash equivalents at end of year		1,202	1,162
Movement in net debt			
Net debt at beginning of year		(11,456)	(10,491)
Net cash from operating activities		4,645	6,078
Net cash used in investing activities		(7,398)	(7,013)
Other		(409)	(30)
Net debt at end of year		(14,618)	(11,456)
Made up as follows:			
Cash and cash equivalents		1,202	1,162
Non-current interest-bearing borrowings	10	(9,459)	(9,486)
Current interest-bearing borrowings	10	(6,361)	(3,132)
		(14,618)	(11,456)

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2014

	Share capital Rm	Share premium Rm	Foreign currency translation reserve Rm	Available-for-sale reserve Rm	Retained earnings Rm	Non-controlling interests Rm	Total Rm
Balance at 31 December 2012 (audited)	27	20,956	174	(62)	28,725	280	50,100
Total comprehensive loss for the year			833	109	(1,362)	(144)	(564)
Deferred taxation charged directly to equity					(6)		(6)
Cash distributions to minorities						(35)	(35)
Gain on disposal of partial interest in a subsidiary					222	25	247
Shares acquired in terms of the BSP – treated as treasury shares	(-)*	(239)					(239)
Shares vested in terms of the BSP	- *	271			(271)		-
Shares vested in terms of the Group Employee Share Option Scheme (Kotula)	- *	451			(451)		-
Equity-settled share-based compensation					510		510
Shares purchased for employees					(5)		(5)
Balance at 31 December 2013 (audited)	27	21,439	1,007	47	27,362	126	50,008
Total comprehensive income for the year			338	(127)	586	(252)	545
Deferred taxation charged directly to equity					(1)		(1)
Share of associate's movements directly to reserves					28		28
Cash distributions to minorities						(84)	(84)
Shares acquired in terms of the BSP – treated as treasury shares	(-)*	(327)					(327)
Shares vested in terms of the BSP	- *	307			(307)		-
Shares vested in terms of the Group Employee Share Option Scheme (Kotula)	- *	427			(427)		-
Equity-settled share-based compensation					382		382
Shares purchased for employees					(25)		(25)
Balance at 31 December 2014 (audited)	27	21,846	1,345	(80)	27,598	(210)	50,526

* Less than R500,000.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2014

	Audited		Audited		Audited	
	Net sales revenue		Operating contribution		Depreciation	
	2014	2013	2014	2013	2014	2013
	Rm	Rm	Rm	Rm	Rm	Rm
1. SEGMENTAL INFORMATION						
Segment revenue and results						
Operations						
Bathopele Mine	2,673	2,279	(6)	339	335	301
Thembelani Mine	3,216	4,791	(1,123)	175	584	550
Siphumelele Mine	1,485	3,090	(220)	226	158	323
Tumela Mine	3,916	4,335	(405)	677	395	412
Dishaba Mine	2,348	2,855	(371)	466	241	258
Union Mine	3,159	3,442	(734)	49	381	392
Mogalakwena Mine	13,779	10,086	5,075	3,668	1,441	1,423
Twickenham Platinum Mine	367	148	(522)	(403)	87	76
Unki Platinum Mine	2,107	1,639	368	315	293	253
Modikwa Platinum Mine	1,517	1,620	170	266	142	163
Mototolo Platinum Mine	1,570	1,362	510	495	106	102
Kroondal Platinum Mine	2,990	2,608	583	545	250	191
	39,127	38,255	3,325	6,818	4,413	4,444
Western Limb Tailings Retreatment (WLTR)	1,487	1,163	572	597	183	90
Chrome refining*	–	503	–	429	–	15
Total – mined	40,614	39,921	3,897	7,844	4,596	4,549
Purchased metals	14,998	12,483	1,552	1,596	242	225
	55,612	52,404	5,449	9,440	4,838	4,774
Other costs (Note 3)			(2,805)	(3,244)		
Gross profit on metal sales			2,644	6,196		

Information reported to the Executive Committee of the Group for purposes of resource allocation and assessment of segment performance is done on a mine by mine basis.

* Chrome refining in 2013 represents the results of the MASA chrome plant, which in 2014, has been included with Union Mine which is the source of the chrome.

	2014 Rm	Audited	2013 Rm
2. GROSS PROFIT ON METAL SALES			
Gross sales revenue	55,626		52,822
Commissions paid	(14)		(418)
Net sales revenue	55,612		52,404
Cost of sales	(52,968)		(46,208)
On-mine	(29,029)		(30,201)
Cash operating costs	(25,391)		(26,666)
Depreciation	(3,638)		(3,535)
Purchase of metals and leasing activities*	(12,411)		(10,582)
Smelting	(3,051)		(2,968)
Cash operating costs	(2,518)		(2,385)
Depreciation	(533)		(583)
Treatment and refining	(2,969)		(2,578)
Cash operating costs	(2,302)		(1,922)
Depreciation	(667)		(656)
(Decrease)/increase in metal inventories	(2,703)		3,365
Other costs (Note 3)	(2,805)		(3,244)
Gross profit on metal sales	2,644		6,196
<i>* Consists of purchased metals in concentrate, secondary metals and other metals.</i>			
3. OTHER COSTS			
Other costs consist of the following principal categories:			
Share-based compensation	382		502
Corporate costs	556		515
Royalties	374		701
Contributions to education and community development	508		600
Research	329		303
Transport of metals	278		223
Exploration	129		73
Total exploration costs	241		176
Less: Capitalised	(112)		(103)
Other	249		327
	2,805		3,244
4. OTHER NET EXPENDITURE			
Other net expenditure consists of the following principal categories:			
Realised and unrealised foreign exchange (losses)/gains – non-financial items	(1)		49
Foreign exchange gains on loans and receivables	303		389
Foreign exchange losses on other financial liabilities	(84)		(31)
Gains on commodity sales contracts at fair value	–		65
Proceeds on insurance claims	–		1
Project maintenance costs*	(9)		(15)
Restructuring and other related costs	(755)		(1,483)
Profit on disposal of plant, equipment and conversion rights	59		75
Other – net	(7)		(14)
	(494)		(964)

* Project maintenance costs comprise costs incurred to maintain land held for future projects and costs to keep projects on care and maintenance. It also includes the costs of the operations put onto care and maintenance once the decision was made.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

for the year ended 31 December 2014

	2014	Audited	2013
	%		%
5. TAXATION			
A reconciliation of the standard rate of South African normal taxation compared with that charged in the statement of comprehensive income is set out in the following table:			
South African normal taxation	28.0		28.0
Disallowable items	10.8		10.0
Capital (profits)/losses	(15.0)		35.0
Impairment of associate	10.4		–
Prior year underprovision	20.9		260.0
Effect of after-tax share of losses from associates	7.9		12.0
Difference in tax rates of subsidiaries	(60.0)		(21.0)
Other	15.1		(0.4)
Effective taxation rate	18.1		323.6
	Rm		Rm
6. RECONCILIATION BETWEEN PROFIT/(LOSS) AND HEADLINE EARNINGS			
Profit/(loss) attributable to shareholders	624		(1,370)
Adjustments			
Net profit on disposal of property, plant and equipment	(77)		(4)
Tax effect thereon	22		1
Loss on scrapping of property, plant and equipment	480		2,814
Tax effect thereon	(134)		(788)
Non-controlling interests' share	(52)		–
Net gain on the final phase of the Atlatsa refinancing transaction	(243)		–
Loss on acquisition of properties from Atlatsa	–		833
Loss on revaluation of investment in Wesizwe	–		40
Impairment of associate	168		–
Profit on sale of other mineral rights and investments	(2)		(75)
Headline earnings	786		1,451
Attributable headline earnings per ordinary share (cents)			
Headline	301		556
Diluted	300		553

	2014 Rm	Audited 2013 Rm
7. INVESTMENT IN ASSOCIATES		
Listed (Market value: R288 million (2013: R672 million))		
Investment in Atlatsa Resources Corporation	689	–
Unlisted (Directors' valuation: R9,992 million (2013: R10,546 million))	6,948	6,816
Bokoni Platinum Holdings Proprietary Limited Carrying value of investment	880	1,068
Bafokeng-Rasimone Platinum Mine Carrying value of investment	5,637	5,146
Johnson Matthey Fuel Cells Limited Carrying value of investment	–	(152)
Cumulative redeemable preference shares	–	121
Loan to associate (subordinated to third party debt)	–	201
Richtrau No. 123 Proprietary Limited Carrying value of investment	5	5
Peglerae Hospital Proprietary Limited Carrying value of investment	64	57
Unincorporated associate – Pandora Carrying value of investment	362	370
	7,637	6,816
8. OTHER FINANCIAL ASSETS		
Loans carried at amortised cost		
Loans to Plateau Resources Proprietary Limited	1,135	1,725
Loans to Atlatsa Holdings Proprietary Limited	326	–
Loan to ARM Mining Consortium Limited	66	70
Advance to Bakgatla-Ba-Kgafela traditional community	163	147
Other	75	91
	1,765	2,033
Available-for-sale investments carried at fair value		
Investment in Royal Bafokeng Platinum Limited	1,181	1,222
Investment in Wesizwe Platinum Limited	174	167
Total financial assets	3,120	3,422
9. INVENTORIES		
Refined metals	4,598	7,115
At cost	2,432	6,450
At net realisable values	2,166	665
Work-in-progress	10,356	10,542
At cost	7,067	9,862
At net realisable values	3,289	680
Total metal inventories	14,954	17,657
Stores and materials at cost less obsolescence provision	2,497	2,011
	17,451	19,668

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

for the year ended 31 December 2014

	2014 Rm Facility amount	2014 Rm Utilised amount	2013 Rm Facility amount	2013 Rm Utilised amount
10. INTEREST-BEARING BORROWINGS				
Unsecured financial liabilities measured at amortised cost				
* Committed:	22,344	9,487	22,384	10,028
° Uncommitted:	8,723	6,333	9,555	2,590
	31,067	15,820	31,939	12,618
Disclosed as follows:				
Current interest-bearing borrowings		6,361		3,132
Non-current interest-bearing borrowings		9,459		9,486
		15,820		12,618

Borrowing powers

The borrowing powers in terms of the articles of association of the holding company and its subsidiaries are unlimited. The weighted average borrowing rate at 31 December 2014 was 7.32% (2013: 6.27%).

* Committed facilities are defined as the bank's obligation to provide funding until maturity of the facility by which time the renewal of the facility is negotiated. R18,544 million (2013: R18,070 million) of the facilities is committed for one to five years, R2,300 million (2013: R2,300 million) is committed for a rolling period of 364 days, while the rest is committed for less than 364 days. The Company has adequate committed facilities to meet its future funding requirements.

° Uncommitted facilities are callable on demand.

11. REFINANCING OF ATLATSA

The Group completed the second and final phase of the Atlatsa refinancing plan where, through a series of transactions, the Group converted its unlisted preference share instrument in an SPV for 115.8 million common shares in Atlatsa. These shares were then sold to Atlatsa Holdings on loan account for R463.2 million. The loan is secured and interest bearing.

In the final phase of the refinancing plan, the Group subscribed for 125 million new Atlatsa common shares for an aggregate subscription price of R750 million. These proceeds were utilised by Atlatsa to reduce the senior loan provided by Rustenburg Platinum Mines Limited to Plateau. These transactions were completed on 31 January 2014.

The accounting impact of the final phase of these transactions was a net gain of R243 million which is reflected in profit/loss for the year in 2014.

12. UNKI PLATINUM MINE INDIGENISATION PLAN

In November 2012, the Company signed a Heads of Agreement with the Zimbabwean government that set out the key terms of the approved indigenisation plan for its Unki Platinum Mine investment. As at year end, little progress has been made in implementing this plan, and engagement with the Zimbabwean government continues.

13. RECLASSIFICATION OF COMPARATIVE FIGURES

During the current period, the Group changed its disclosure regarding VAT balances due from tax authorities. The balance of the VAT receivable of R886 million has been reclassified from 'Trade and other receivables' to 'Other assets'. This has also resulted in the consequential adjustment to the comparative figures in note 39 in the annual financial statements. This reclassification has not impacted on any of the ratios reported in the five-year review.

In addition, the Group amended its disclosure in note 16 – Investments in Associates (as per the annual financial statements) to reflect the financial information of the associates as included in the financial statements of the associates themselves, as opposed to the Group's share of the financial information of the associates.

ANALYSIS OF SHAREHOLDERS

for the year ended 31 December 2014

An analysis of the share register at year end showed the following:

Ordinary shares

	2014		2013	
	Number of shareholders	Percentage of issued capital	Number of shareholders	Percentage of issued capital
Size of shareholding				
1 – 1,000	11,979	0.66	12,631	0.71
1,001 – 10,000	1,035	1.12	1,159	1.28
10,001 – 100,000	288	3.75	297	3.72
100,001 – 1,000,000	75	8.81	74	7.97
1,000,001 – and over	8	85.66	8	86.32
	13,385	100.00	14,169	100.00
Category of shareholder				
Companies	224	78.17	248	78.49
Individuals	10,676	1.09	11,157	1.13
Pension and provident funds	193	6.71	201	7.89
Insurance companies	20	0.73	25	0.45
Bank, nominee and finance companies	302	6.29	342	5.24
Trust funds and investment companies	1,680	6.71	1,909	6.51
Other corporate bodies	290	0.30	287	0.29
	13,385	100.00	14,169	100.00
Shareholder spread				
Public shareholders	13,379	22.09	14,164	22.04
Non-public shareholders				
– Directors and associates	5	–*	4	–*
– Persons interested, directly or indirectly, in 10% or more	1	77.91	1	77.96
	13,385	100.00	14,169	100.00

Major shareholder

According to the Company's share register at year end, the following shareholders held shares equal to or in excess of 5% of the issued ordinary share capital of the Company:

	2014		2013	
	Number of shares	Percentage	Number of shares	Percentage
Anglo South Africa Capital Proprietary Limited	208,417,151	77.91	208,417,151	77.96

Geographical analysis of shareholders

Resident shareholders held 248,674,521 shares (92.96%) (2013: 94.27%) and non-resident shareholders held 18,821,424 shares (7.04%) (2013: 5.73%) of the Company's issued ordinary share capital of 267,495,945 shares at 31 December 2014 (2013: 267,343,858).

The treasury shares held by the Kotula Trust (the Group ESOP) of 356,339 (2013: 712,701) and the 1,829,602 (2013: 1,625,327) shares held in terms of the Bonus Share Plan and other schemes, have been excluded from the shareholder analysis. The shareholder details above include the shares issued by the Company in respect of the community economic empowerment transaction.

* Less than 0.01%.

GLOSSARY

3E: Three elements: platinum, palladium and gold.

4E: Four elements: the grade at Amplats' mines is measured as the combined content of the four most valuable precious metals: platinum, palladium, rhodium and gold.

ABAS: Anglo American Business Assurance Services.

ABET: Adult basic education.

Aids: Acquired Immune Deficiency Syndrome, a disease of the immune system caused by HIV infection.

AGM: Annual general meeting.

AMCU: Association of Mineworkers and Construction Union.

Amplats: Anglo American Platinum Limited or the Company.

ANC: African National Congress.

Au: Gold.

Autocatalyst: A cylinder made from ceramic or metal and formed into a honeycomb. It is coated with a solution of chemicals and platinum group metals, and is mounted inside a stainless steel canister and installed in the exhaust line of vehicles between the engine and the silencer. Autocatalysts convert over 90% of hydrocarbons, carbon monoxide and oxides of nitrogen from gasoline engines into less harmful carbon dioxide, nitrogen and water vapour. They also reduce the pollutants in diesel exhaust by converting 90% of hydrocarbons and carbon monoxide and 30% to 40% of particulate into carbon dioxide and water vapour.

Base metal: A common metal that is not considered precious, such as copper, nickel, tin or zinc.

BEE: Black economic empowerment. BEE is a policy of the South African Government, aimed at increasing the access that black South Africans have to productive assets. It seeks to "promote new opportunities for and increase the levels of participation of black people in the ownership, management and control of economic activities".

BRPM: Bafokeng-Rasimone Platinum Mine.

BSP: Bonus Share Plan.

Built-up head grade: The total 4E grammes produced from the concentrating process from concentrate, metallics (where applicable) and tailings, divided by the total tonnes milled.

bn: billion.

Capital expenditure (Capex): Total capital expenditure on mining and non-mining property, plant, equipment and capital work-in-progress.

CEO: Chief executive officer.

COBIT: Control Objectives for Information and Related Technology.

CO₂: Carbon dioxide.

Concentrating: The process of separating milled ore into a waste stream (tailings) and a valuable mineral stream (concentrate) by flotation. The valuable minerals in the concentrate contain almost all the minerals found in base and precious metals. They are treated

further by smelting and refining to obtain pure metals: Au, Cu, PGMs and Ni (see entries above and below for these metals).

CPI: Consumer Price Index.

Cu: Copper.

Decline: A generic term used to describe a shaft at an inclination below the horizontal and usually at the same angle as the dip of the reef.

Development: Any tunnelling operation that has as its object either exploration or exploitation.

DMR: Department of Mineral Resources.

DWS: Department of Water and Sanitation.

EAOs: Emolument attachment orders.

EITI: Extractive Industries Transparency Initiative.

Equivalent refined platinum: Mine production and purchases of metal in concentrate converted to equivalent refined platinum production using Amplats' standard smelting and refining recoveries.

ETF: Exchange-traded fund.

Exco: Amplats' Executive Committee.

Facies: The sub-classification of a reef such as the Merensky Reef, based on its footwall lithology and/or other characteristics.

FIFR: Fatal injury frequency rate: the number of fatal injuries per 200,000 hours worked.

Flotation: In the flotation process, milled ore is mixed with water to form pulp, which is passed through a series of agitating tanks. Various chemicals are added to the pulp in a sequence that renders the valuable minerals hydrophobic (water-repellent) and the non-valuable minerals hydrophilic (possessing a strong affinity for water). Air is dispersed through the tanks and rises to the surface. The hydrophobic particles attach themselves to the rising air bubbles and are removed from the main volume of pulp as a soapy froth. In this manner, various combinations of flotation cells in series are utilised to produce a concentrated stream of valuable mineral particles, called the "concentrate", and a waste pulp stream, called "tailings".

FOG: Fall-of-ground.

Furnace matte: The product of the smelting process.

g/t: Grammes per tonne, the unit of measurement of grade. One gramme per tonne is one part per million.

GHG: Greenhouse gas.

Grade: The mass of desired metal(s) in a given mass of ore. Ores bearing PGMs are normally low-grade. Grades are usually expressed as grammes per tonne, equivalent to parts per million.

Greenfield project: A project situated on a previously undeveloped mineral resource.

GRI: The Global Reporting Initiative. The GRI was established in 1997, with the mission of designing globally applicable guidelines for the preparation of sustainable development reports at enterprise level.

Gross profit margin: Gross profit on metal sales expressed as a percentage of gross sales revenue.

HDSA: Historically disadvantaged South African. Refers to "any person, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1993 (Act No 200 of 1993), came into operation". The Company definition of HDSAs includes employees who are classified as African, Asian, Coloured or women, regardless of citizenship status.

Head grade: The grade of the ore leaving a mine and entering a processing plant.

HIV/Aids: Human Immuno-deficiency Virus/Acquired Immune Deficiency Syndrome.

ICMM: International Council on Mining and Metals.

IFRS: International Financial Reporting Standard(s).

Incident: Refers to any unplanned or unwanted event that results in an impact on the environment. In 2011 Amplats converted from a three-level classification system of incidents to a five-level system. In the new system, incidents are classified according to the actual severity of their impact. A level 1 incident has a minor impact on the environment, while a level 5 incident has a major impact. Level 1 and 2 incidents are reported, investigated and dealt with on site. Level 3 to 5 incidents, which are confirmed as capable of resulting in a medium, high or major impact on the environment, are reported to senior management and the relevant authorities and result in a full investigation.

IIRC: International Integrated Reporting Council.

IPA: International Platinum Group Metals Association.

IR: Integrated reporting.

ISO: International Organisation for Standardization; ISO Standard.

IT: Information technology.

JV: Joint venture. A contractual agreement between two or more parties for the purpose of executing a business undertaking. The parties agree to share in the profits and losses of the enterprise.

JORC: The Australian Institute of Mining and Metallurgy's Joint Ore Reserves Committee.

JSE: JSE Limited.

King Report/King III: The King Report on Corporate Governance in South Africa 2009 and the King Code of Corporate Practices and Conduct.

Kotula ESOP: Kotula Trust Employee Share Ownership Plan.

LOAs: Living out allowance.

LoM: Life-of-mine.

LTIFR: Lost-time injury-frequency rate. The number of lost-time injuries (see above) per 200,000 hours worked.

LTIP: Long-term Incentive Plan.

LTIPNC: Long-term Incentive Plan Non-Conditional.

MCP: Magnetic concentration plant.

Merensky Reef: A layer in the Bushveld sequence.

Milling: The process of reducing broken ore to a size at which it can be concentrated.

Mining area: The area for which a mining authorisation/right has been granted.

MI: Million litres.

MLCC: Multilayer ceramic capacitor.

MOI: memorandum of incorporation.

MOSH: Mining Industry Occupational Safety and Health.

Moz: Million ounces.

Mt: Million tonnes.

MPRDA: Minerals and Petroleum Resources Development Act.

NDP: National development plan.

NGOs: non-governmental organisation.

Ni: Nickel.

NIHL: Noise-induced hearing loss.

OECD: The Organisation for Economic Cooperation and Development.

OEL: Occupational Exposure Limit.

OHSAS: Occupational Health and Safety Advisory Services.

Ore: Rock from which metal or minerals can be extracted at a financial profit.

OTC: over the counter.

Oz: Troy ounce. A unit equal to 480 grammes or one-twelfth of a pound.

Pd: Palladium.

PGI: Platinum Guild International. The organisation promotes and markets platinum jewellery in many countries.

PGMs: Platinum group metals. This refers to six elemental metals of the platinum group nearly always found in association with one another and sometimes called PGEs (platinum group elements). The metals are platinum, palladium, rhodium, ruthenium, iridium and osmium.

Platinum Review: Review carried out in 2013 to assess what needed to be done to restore the Company to profitability.

Platreef: The northern Bushveld's PGM-bearing reef.

PMR: Precious metals resources.

Pt: Platinum.

Pt oz: Equivalent refined platinum ounce(s). Equivalent ounces are mined ounces expressed as refined ounces.

GLOSSARY CONTINUED

PwC: PricewaterhouseCoopers Inc

RBMR: Rustenburg Base Metals Refinery.

R&D: Research and development.

Refining: Process whereby impurities or unwanted elements are removed from a metal in a refinery. Amplats' two refineries undertake different levels of refining.

Rh: Rhodium.

ROCE: Return on capital employed.

S&SD Committee: Amplats' Safety & Sustainable Development Committee.

SAMREC: The South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves.

SAIMM: South African Institute of Mining and Metallurgy.

SAV: Single accommodation village.

SEAT: Socio-Economic Assessment Toolbox.

SET Committee: Amplats' Social, Ethics & Transformation Committee.

SHE: Safety, Health and Environment.

SLP: Social and Labour Plan.

Smelting: The process of heating and melting ore to separate valuable metals.

SO₂: Sulfur dioxide.

So₃: Sulfur trioxide.

SRI: Socially Responsible Investment Index.

Tailings: That portion of the ore from which most of the valuable material has been removed by concentrating. Although low in value, it remains available for future extraction pending developments in technology.

TB: Tuberculosis.

Tonne: Unless otherwise defined, this refers to a metric tonne equal to 1,000 kg.

TRCFR: Total recordable case frequency rate.

TSF: Tailings storage facility.

TSR: Total Shareholder Return.

UG2 Reef: A chromite layer in the Bushveld sequence.

UNGC: United Nations Global Compact.

UNGPs: United Nations Guiding Principles.

VCT: Voluntary Counselling and Testing.

VPSHR: Voluntary Principles on Business and Human Rights.

WETT: Water Efficiency Target Tool.

WIPC: World Platinum Investment Council.



NOTICE OF

ANNUAL GENERAL MEETING



NOTICE OF ANNUAL GENERAL MEETING

ANGLO AMERICAN PLATINUM LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1946/022452/06)
Share code: AMS ISIN: ZAE000013181
("Amplats" or "the Company")

All terms defined in the Integrated Report 2014, to which this notice of annual general meeting (AGM) is attached, shall bear the same meanings when used in this notice of AGM.

Notice is hereby given to Amplats shareholders recorded in the Company's securities register on Friday, 6 March 2015, that the AGM of the shareholders of Amplats will be held in the Auditorium, 18th Floor, 55 Marshall Street, Johannesburg on Wednesday, 8 April 2015 at 14:00 (South African time), to conduct such business as may lawfully be dealt with at the AGM and to consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Companies Act, No 71 of 2008, as amended from time to time, as read with the JSE Listings Requirements, as amended from time to time.

Kindly note that in terms of section 63(1) of the Act, meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM. Forms of identification that will be accepted include original and valid identity documents, driver's licences and passports.

RECORD DATES, PROXIES AND VOTING

In terms of section 59(1)(a) and (b) of the Act, the Board of the Company has set the record date for the purpose of determining which shareholders are entitled to:

- receive notice of the AGM (being the date on which a shareholder must be registered in the Company's shareholders' register in order to receive notice of the AGM as Friday, 20 February 2015; and
- participate in and vote at the AGM (being the date on which a shareholder must be registered in the Company's shareholders' register in order to participate in and vote at the AGM) as Friday, 27 March 2015. The last date to trade to participate in the AGM is Friday, 20 March 2015.

Certificated shareholders or own name dematerialised shareholders may attend and vote at the AGM, or appoint a proxy to attend, speak and, in respect of the applicable resolution(s), vote in their stead by completing the attached form of proxy and returning it to the transfer secretaries at the address given in the form of proxy by no later than 14:00 (South African time) on Monday, 6 April 2015. A proxy need

not also be a shareholder of the Company. The completion of a form of proxy will not preclude a shareholder from attending the AGM.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own-name" registration, should contact their Central Securities Depository Participant (CSDP) or broker in the manner and within the time stipulated in the agreement entered into between them and their CSDP or broker:

- to furnish them with their voting instructions; or
- in the event that they wish to attend the AGM, to obtain the necessary letter of representation to do so.

Voting will be by way of a poll and every shareholder, present in person or represented by proxy and entitled to vote, shall be entitled to one vote for every share held in the issued share capital of the Company by such shareholder.

ELECTRONIC PARTICIPATION

Please note that Amplats will provide for participation by way of electronic communication in the AGM, as set out in section 63 of the Act. In this regard, please refer to the note on page 146 at the end of this notice.

When reading the resolutions below, please refer to the explanatory notes relating to the resolutions on pages 150 and 151.

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS AND REPORTS

The audited Group and Company annual financial statements, including the Independent Auditor's Report, the Audit and Risk Committee Report and the Directors' report for the year ended 31 December 2014, have been distributed as required and will be presented to shareholders at the AGM.

The complete set of audited Group and Company annual financial statements, together with the Independent Auditor's report and the Directors' report, can be found on the Company website.

The Audit and Risk Committee report can be found on pages 20 to 23. The Social, Ethics and Transformation Committee report can be found on pages 106 to 108.

ORDINARY RESOLUTIONS

Please note that for the purposes of sections 62(3)(c) and 65(7) of the Act, unless otherwise specified, in order for each of the ordinary resolutions appearing hereunder to be passed, each resolution must be supported by more than 50% of the voting rights exercised on each ordinary resolution.

Ordinary resolution number 1: Re-election of directors retiring by rotation

- 1.1. Resolved that Mr MV Moosa, who was first appointed to the Board on 23 January 2008 and who retires in terms of the Company's Memorandum of Incorporation (MOI), and who is eligible and available for re-election, is re-elected as a director of the Company with immediate effect.
- 1.2. Resolved that Mr CI Griffith, who was first appointed to the Board on 1 September 2012 and who retires in terms of the Company's MOI, and who is eligible and available for re-election, is re-elected as a director of the Company with immediate effect.
- 1.3. Resolved that Mr NP Mageza, who was first appointed to the Board on 19 July 2013 and who retires in terms of the Company's MOI, and who is eligible and available for re-election, is re-elected as a director of the Company with immediate effect.
- 1.4. Resolved that Mr JM Vice, who was first appointed to the Board on 30 November 2012 and who retires in terms of the Company's MOI, and who is eligible and available for re-election, is re-elected as a director of the Company with immediate effect.

Brief curricula vitae in respect of each director offering him/herself for re-election are contained in the explanatory notes attached to this notice on page 150.

Ordinary resolution number 2: Election of Audit and Risk Committee members

- 2.1 Resolved that, in terms of section 94(2) of the Act, Mr RMW Dunne, an independent non-executive director of the Company, is elected as a member of the Audit and Risk Committee.
- 2.2 Resolved that, in terms of section 94(2) of the Act, but subject to his re-election as a director of the Company in terms of ordinary resolution number 1.3, Mr NP Mageza, an independent non-executive director of the Company, is elected as a member of the Audit and Risk Committee.
- 2.3 Resolved that, in terms of section 94(2) of the Act, Ms D Naidoo, an independent non-executive director of the Company, is elected as a member of the Audit and Risk Committee.
- 2.4 Resolved that, in terms of section 94(2) of the Act, but subject to his re-election as a director of the Company in terms of ordinary resolution number 1.4, Mr J Vice, an independent non-executive director of the Company, is elected as a member of the Audit and Risk Committee.

Ordinary resolution number 3: Re-appointment of external auditor

Resolved that on the recommendation of the current Audit and Risk Committee of the Company, Deloitte & Touche with the designated audit partner being J Welch, be and is hereby re-appointed as the independent registered auditor of the Company for the ensuing year until the conclusion of the next AGM of the Company.

Ordinary resolution number 4: General authority granted to directors to allot and issue authorised but unissued ordinary shares

Resolved that 5% (five per cent) of the authorised, but unissued share capital of the Company, be and is hereby placed under the control of the directors as a general authority, who shall be authorised and empowered to allot and issue such shares to such person or persons on such terms and conditions as they, in their discretion, may deem fit. Such allotment will be in accordance with and subject to the provisions of the MOI, the Act and the Listings Requirements.

Ordinary resolution number 5: Directors' authority to implement special and ordinary resolutions

Resolved that each and every director of the Company be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the implementation of the ordinary and special resolutions passed at the AGM.

ADVISORY VOTE

Please note that there is no minimum percentage of voting rights required for an advisory vote to be adopted.

Endorsement of the remuneration policy

As a non-binding advisory vote, the Company's remuneration policy (excluding the remuneration of non-executive directors and members of committees of the Board for their services as directors and members of such committees) as set out on pages 88 to 105 of the Integrated Report 2014, be and is hereby endorsed.

SPECIAL RESOLUTIONS

Please note that for the purposes of sections 62(3)(c) and 65(9) of the Act, the minimum percentage of voting rights that is required for the following special resolutions to be passed is 75% of the voting rights exercised on each special resolution.

Special resolution number 1: Non-executive directors' remuneration

Resolved that in terms of section 66(9) of the Act, the following remuneration shall be payable to the non-executive directors for their services as directors for the ensuing year until the next AGM as follows:

NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

Non-executive directors' fees (R)	Current	Proposed
Chairman of the Board	1,207,870	1,316,578
Non-executive director on the Board	211,144	223,813
Audit Committee chairman	167,675	177,735
Audit Committee member	111,780	118,486
Remuneration Committee chairman	155,260	164,515
Remuneration Committee member	93,151	98,740
Nomination Committee chairman	142,834	151,404
Nomination Committee member	86,938	92,155
Corporate Governance Committee chairman	142,834	151,404
Corporate Governance Committee member	86,938	92,155
Safety & Sustainable Development Committee chairman	142,834	151,404
Safety & Sustainable Development Committee member	86,938	92,155
Social, Ethics and Transformation Committee chairman	142,834	151,404
Social, Ethics and Transformation Committee member	86,938	92,155
Special Board meeting	–	–
Special/unscheduled Board and Committee meetings and <i>ad hoc</i> strategic planning sessions	16,000	16,000

Special resolution number 2: Financial assistance to related or interrelated parties

Resolved that the Board of directors of the Company may, to the extent required by sections 44 and/or 45 of the Act and subject to compliance with the requirements of the MOI, the Act and the Listings Requirements from time to time, authorise the Company to provide direct or indirect financial assistance by way of loan, guarantee, the provision of security or otherwise, to:

- (a) any of its present or future subsidiaries and/or any other company or entity that is or becomes related or interrelated to the Company, for any purpose or in connection with any matter, including but not limited to, the subscription of any option or any securities, issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities in the Company or any related or interrelated company; and
- (b) any of the present or future directors or prescribed officers (or any person related to any of them or to any company or entity related or interrelated to any of them), or to any other person who is or may be a participant in any of the current or future employee share plans or other employee incentive schemes operating in the Group, or any share-scheme trust or other entity facilitating any such scheme, for the purpose of, or in connection with, the subscription for any option, or any securities, issued or to be issued by the Company or a related or interrelated company or entity or for the purchase of any securities of the Company or a related or interrelated company, where such financial assistance is provided in terms of any such scheme that does not constitute an employee share scheme that satisfies the requirements of section 97 of the Companies Act, provided that this authority shall expire at the earlier of the second anniversary of the date of the adoption of this Special resolution number 2 or the date of the AGM of the Company to be held in 2016.

Subject to the passing of special resolution number 2 above, notice is hereby given that the Board of directors has resolved to provide extended guarantees for the obligations of its wholly owned subsidiary, Rustenburg Platinum Mines Limited (RPM) to various finance parties during the forthcoming year for such a period contemplated in the finance facilities to which RPM is a party, for certain committed and uncommitted borrowing facilities and guarantees.

Special resolution number 3: Reduction of authorised securities and amendment to the memorandum of incorporation

Resolved that the authorised securities of the Company comprising of 1,008,520 unlisted "A" ordinary shares with a par value of R0.10 each as recorded in paragraph 7.1 of the memorandum of incorporation, be reduced to 504,260 unlisted "A" ordinary shares with a par value of R0.10 each by the reduction of 504,260 "A2" ordinary shares to zero. Clause 7.1.3 of the MOI is accordingly deleted.

Special resolution number 4: General authority to repurchase shares

Resolved that, pursuant to the Company's MOI, the Company or any subsidiary of the Company is hereby authorised by way of a general approval, from time to time, to repurchase ordinary shares in the share capital of the Company in accordance with the Act and the Listings Requirements, provided that:

- (a) general repurchase in any one financial year shall not exceed in the aggregate 5% (five per cent) of the ordinary shares in issue as at the beginning of the financial year;
- (b) this authority shall lapse on the earlier of the date of the next AGM of the Company or the date 15 (fifteen) months after the date on which the resolution is passed;

- (c) the Board has resolved to authorise the repurchase and that the Group passed the solvency and liquidity and that since the test was done there have been no material changes to the financial position of the Group;
- (d) the repurchase must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- (e) at any point in time, the Company only appoints one agent to effect any repurchase(s) on its behalf;
- (f) general repurchases may not be made at a price greater than 10% (ten per cent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the transaction is effected;
- (g) the number of shares repurchased and held by subsidiaries of the Company shall not exceed 5% (five per cent) in the aggregate of the number of issued shares in the Company at the relevant times;
- (h) any such general repurchases are subject to exchange control regulations and approval at that point in time;
- (i) the Company and its subsidiaries may not repurchase shares during a prohibited period as defined in the Listings Requirements, unless they have in place a repurchase programme in which the dates and quantities of shares to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed to the JSE prior to the commencement of the prohibited period; and
- (j) an announcement containing full details of such repurchases will be published as soon as the Company and/or its subsidiaries have acquired shares constituting, on a cumulative basis, 3% (three per cent) of the number of shares in issue at the beginning of the financial year, and for each 3% (three per cent) in aggregate of the initial number acquired thereafter.

The directors undertake that the Company will not commence a general repurchase of shares as contemplated above unless all the following can be met:

- The Company and the Group will be able to repay its debts in the ordinary course of business for a period of 12 (twelve) months following the date of the general repurchase.
- The Company's and the Group's assets will be in excess of the liabilities of the Company and the Group for a period of 12 (twelve) months after the date of the general repurchase. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the audited consolidated annual financial statements which comply with the Act.
- The share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of the general repurchase.
- The working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months following the date of the repurchase.

Statement of Board's intention

The directors of the Company have no specific intention to effect the provisions of special resolution number 4, but will, however, continually review the Company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect the provisions of special resolution number 4.

The Listings Requirements require, in terms of paragraph 11.26, the following disclosures, which appear in this Integrated Report 2014:

- Major shareholders – refer to page 137.
- Share capital of the Company – refer to pages 129 and 137.
- Responsibility statement – refer to pages 124 and 125.

Material changes

Other than the facts and developments reported on in the Integrated Report and the Annual Financial Statements, there have been no material changes in the financial position of the Company and its subsidiaries since the date of signature of the Audit and Risk Committee report and Notice of AGM.

By order of the Board.



Elizna Viljoen
Company secretary

Johannesburg
5 February 2015

ANNUAL GENERAL MEETING EXPLANATORY NOTES

ELECTRONIC PARTICIPATION AND VOTING AT THE ANNUAL GENERAL MEETING

Shareholders wishing to participate electronically in the annual general meeting are required to deliver written notice to the Company at 55 Marshall Street, Johannesburg, 2001 (marked for the attention of the company secretary) that they wish to participate via electronic communication at the AGM, by no later than 14:00 on Monday, 6 April 2015 (Electronic Notice).

- (a) In order for the Electronic Notice to be valid it must contain the following:
- i. If the Amplats shareholder is an individual, a certified copy of his/her identity document and/or driver's license and/or passport.
 - ii. If the shareholder is not an individual, a certified copy of a resolution or letter of representation by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution or signed the relevant letter of representation. The letter of representation or resolution must set out who, from the relevant entity, is authorised to represent the entity at the AGM via electronic communication.
 - iii. A valid e-mail address and/or facsimile number (contact address/number).
 - iv. If the shareholder wishes to vote via electronic communication, set out that the shareholder wishes to vote via electronic communication by no later than 24 (twenty-four) hours before the AGM. The Company shall use its reasonable endeavours to notify a shareholder at its contact address/number who has delivered a valid Electronic Notice of the relevant details through which the shareholder can participate via electronic communication.
- (b) Should a shareholder wish to participate in the AGM by way of electronic communication as aforesaid, the shareholder, or his/her/its proxy/ies, will be required to dial in on the date and at the commencement time of the AGM. The dial-in facility will be linked to the venue at which the AGM will take place. The dial-in facility will enable all persons to participate electronically in the AGM in this manner (and as contemplated in section 63(2) of the Act) and to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the AGM. The costs borne by the shareholder or his/her/its proxy/ies in relation to the dial-in facility will be for his/her/its own account.
- (c) Shares held by a share trust or scheme will not have their votes at the AGM taken into account for purposes for resolutions proposed in terms of the Listings Requirements. Also note that unlisted securities, if applicable, and shares held as treasury shares may also not vote.

Presentation of the annual financial statements

In terms of section 61(8)(a) of the Companies Act, No 71 of 2008, as amended from time to time (the Act), a Directors' report, audited Group and Company annual financial statements for the immediately preceding financial year and an Audit and Risk Committee report are to be presented to shareholders at the AGM.

Ordinary resolutions numbers 1.1 to 1.4 (inclusive): Re-election and election of directors

In accordance with the Company's Memorandum of Incorporation (MOI), one-third of the directors are required to retire at each AGM and may offer themselves for re-election. Messrs MV Moosa, CI Griffith, NP Mageza and JM Vice retire by rotation at the AGM in accordance with article 23 of the Company's MOI and have offered themselves for re-election.

The Company's MOI furthermore states that any person appointed to fill a vacancy or as an addition to the Board shall retain office only until the following AGM of the Company and shall then retire and be eligible for election. There were no new directors appointed during the year that are required to retire from the Board in accordance with article 21.7 of the Company's MOI.

The Board is satisfied with the performance of each of the directors standing for re-election and election, in that they continue to make an effective and valuable contribution to the Company and to the Board.

The Board recommends to shareholders that they should vote in favour of the re-election and election of the retiring directors referred to in ordinary resolution numbers 1.1 to 1.4 (inclusive).

Ordinary resolutions numbers 2.1 to 2.4 (inclusive): Election of Audit and Risk Committee members

In terms of section 94(2) of the Act, Audit Committee members must be elected by shareholders at each AGM. King III likewise requires shareholders of a public company to elect the members of an Audit Committee at each AGM.

In terms of regulation 42 of the Companies Regulations, 2011, relating to the Act, at least one-third of the members of the Company's Audit and Risk Committee at any particular time must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

Directors *curricula vitae* in respect of directors offering themselves for re-election in terms of resolutions 1.1 to 1.4 (inclusive) and resolutions 2.1 to 2.4 (inclusive) are listed as follows:

Valli Moosa

BSc (Mathematics)

Valli has been a director of Amplats since 2008 and has served as deputy chairman and lead independent director of the Board since 2010. He is also Chairman of Sun International Limited and on various other boards, including Sanlam, Sappi, Imperial Holdings and the World Wildlife Fund (South Africa). Previously, he held the ministerial portfolios for Constitutional Development and Environmental Affairs and Tourism, and was Chairperson of the United Nations Commission on Sustainable Development.

Chris Griffith

BSc Eng (Mining) Hons, Pr Eng

Chris has been chief executive of Amplats since September 2012 and has been with Anglo American for 25 years. He was the former general manager of Amplats' Amandelbult Platinum Mine and Bafokeng Rasimone Platinum Mine and later became the head of joint ventures for Amplats.

Richard Dunne (British)
CA(SA)

Richard is a non-executive director and serves on the audit committees of Standard Bank Group Limited, Tiger Brands Limited and AECI Limited. Previously, Richard was with Deloitte & Touche for 42 years until he retired in 2006, when he was the chief executive officer.

Dhanasagree Naidoo
BCom; Dip Acc; CA(SA); Masters in Accounting (Taxation)

Dhanasagree, a Chartered Accountant with a professional background in structured finance and debt capital markets, developed her career at Sanlam, after a brief tenure in financial planning and corporate taxation at SA Breweries and Deloitte & Touche respectively.

John Vice
BCom; CA(SA)

John was a senior partner in KPMG and retired from the practice in February 2013. His previous roles in KPMG include the Head of Audit, on the South Africa and African Boards and executive committees, and chairman of KPMG's International IT Audit. He is a non-executive director of Zurich Insurance Company SA Limited and has various other board advisory roles.

Peter Mageza
FCCA (UK)

Nkateko is a Chartered Certified Accountant and Fellow of the Association of Chartered Certified Accountants (ACCA) UK. He was until June 2009 ABSA Group Limited Executive Director and Group Chief Operations Officer and was involved with ABSA in various capacities over the past nine years.

Ordinary resolution number 3: Re-appointment of external auditor

In terms of section 90(1) of the Act, each year at its AGM the Company must appoint an auditor who meets the requirements of section 90(2) of the Act.

Deloitte & Touche has expressed its willingness to continue in office and this resolution proposes the re-appointment of Deloitte & Touche as the Company's auditors until the Company's next AGM.

In addition, Mr J Welch is re-appointed as the individual registered auditor for the ensuing year as contemplated in section 90(3) of the Act.

The Audit and Risk Committee has satisfied itself that the proposed auditor, Deloitte & Touche and Mr Welch, are independent of the Company in accordance with sections 90 and 94 of the Act and the applicable rules of the International Federation of Accountants.

The Audit and Risk Committee has recommended the re-appointment of Deloitte & Touche as the independent registered auditor of Amplats for the 2015 financial year.

Ordinary resolution number 4: General authority granted to the directors to allot and issue authorised but unissued ordinary shares

In terms of the Company's MOI, read with the JSE Listings Requirements, the shareholders of the Company may authorise the

directors to, *inter alia*, issue any unissued shares and/or grant options over them, as the directors in their discretion think fit.

The existing authority granted by shareholders at the previous AGM held on 2 April 2014 will expire at the AGM unless renewed. The authority granted under this resolution is subject to the Act, the Listings Requirements and the MOI of the Company.

The directors have decided to seek annual renewal of this authority limited to 5% (five per cent), being 7,195,688 ordinary shares of the Company in accordance with generally accepted best practices. The directors are of the opinion that the granting of this general authority is in the best interests of the Company. They have no current plans to make use of this authority, but wish to ensure that by having the facility in place, they will have the flexibility to allow the Company to take advantage of business opportunities that may arise in the future.

Ordinary resolution number 5: Directors' authority to implement special and ordinary resolutions

The reason for Ordinary resolution number 5 is to authorise any director of the Company to do all things necessary to implement the ordinary and special resolutions passed at the AGM and to sign all such documentation required to give effect and to record the ordinary and special resolutions.

Advisory vote: Endorsement of the remuneration policy

King III requires companies to table their remuneration policy to shareholders for a non-binding advisory vote at the AGM. This vote enables shareholders to endorse the remuneration policy adopted for executive directors. The remuneration report is contained in pages 88 to 105 of the Integrated Report 2014.

The advisory vote is of a non-binding nature only and therefore failure to pass this resolution will not have any legal consequences relating to existing arrangements. However, the Board will take cognisance of the outcome of the vote when considering the Company's remuneration policy and the remuneration of executive directors.

Special resolution number 1: Non-executive directors' remuneration

Special resolution number 1 is proposed to enable the Company to comply with the provisions of sections 65(11)(h), 66(8) and 66(9) of the Act, which stipulate that remuneration to directors for their services as directors may be paid only in accordance with a special resolution approved by shareholders.

Special resolution number 1 thus requires shareholders to approve the fees payable to the Company's non-executive directors for the ensuing year until the next AGM.

Full particulars of all remuneration paid to non-executive directors for their services as directors are contained on pages 88 to 105 of the Integrated Report 2014.

Special resolution number 2: Financial assistance to related or interrelated parties

The Company, in the ordinary course of its business, will need to provide financial assistance to certain of its subsidiaries, associates and joint ventures in accordance with section 45 of the Act, and furthermore it may be necessary for the Company to provide financial assistance in the circumstances contemplated in section 44 of the Act.

ANNUAL GENERAL MEETING EXPLANATORY NOTES CONTINUED

Notwithstanding the title of section 45 of the Act being “Loans or other financial assistance to directors”, on a proper interpretation thereof, the body of the section also applies to financial assistance provided by a company to any related or interrelated company or corporation, a member of a related or interrelated corporation, and a person related to any such company, corporation or member.

Furthermore, section 44 of the Act may also apply to the financial assistance so provided by a company to any related or interrelated company or corporation, a member of a related or interrelated corporation, or a person related to any such company, corporation or member, in the event that the financial assistance is provided for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or interrelated company, or for the purchase of any securities of the company or a related or interrelated company.

Both sections 44 and 45 of the Act provide, *inter alia*, that the particular financial assistance may only be provided:

- pursuant to a special resolution of shareholders, adopted within the previous 2 (two) years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, with the specific recipient falling within that category; and
- if the Board is satisfied that:
 - immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test (as contemplated in the Act); and
 - the terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

Special resolution number 3: Reduction of authorised securities and amendment to the memorandum of incorporation

Amplats established the Anglo Platinum Kotula Trust (the Kotula Trust) for a period of eight years to facilitate the broad-based employee share participation scheme for the benefit of beneficiaries (the Scheme). A new class of shares namely “A” ordinary shares was created to facilitate the implementation of the Scheme.

Amplats is entitled, subject to the requirements of the Companies Act No 71 of 2008 and the JSE Listings Requirements, to repurchase, at par value, and cancel the “A” ordinary shares on the fifth, sixth and seventh anniversaries of the subscription date. On the fifth and sixth anniversary 504,260 “A1” and 504,260 “A2” ordinary shares were repurchased from the Kotula Trust at par value of 10 cents per share on 29 July 2013 and 18 July 2014 respectively. These shares were cancelled in accordance with the terms and conditions of the Kotula Trust Deed.

Similarly to the previous year, shareholders are thus requested to approve the reduction of the authorised share capital from 1,008,520 unlisted “A” ordinary shares with a par value of R0.10 to 504,260 unlisted “A” ordinary shares with a par value of R0.10.

Special resolution number 4: General authority to repurchase shares

Special resolution number 4 seeks to allow the Group, by way of a general authority, to acquire its own issued shares (reducing the total number of ordinary shares of the Company in issue in the case of an acquisition by the Company of its own shares). Any decision by the directors to use the general authority to acquire shares of the Company will be taken with regard to the prevailing market conditions, the share price and the cash needs of the Company, together with various other factors and in compliance with the Act, the Listings Requirements and the MOI.

The directors are of the opinion that the renewal of this general authority is in the best interests of the Company as it allows the Group to repurchase the securities issued by the Company through the order book of the JSE Limited should the market conditions and price justify such action.

FORM OF PROXY

ANGLO AMERICAN PLATINUM LIMITED

(Incorporated in the Republic of South Africa)

Share code: AMS ISIN: ZAE000013181

(Registration number 1946/022452/06)

("Amplats" or "the Company")

For use by certificated shareholders or own-name dematerialised shareholders at the AGM of the Company to be held in the Auditorium, 18th Floor, 55 Marshall Street, Johannesburg at 14:00 on Wednesday, 8 April 2014.

If dematerialised shareholders, other than own-name dematerialised shareholders, have not been contacted by their Central Securities Depository Participant (CSDP) or broker with regard to how they wish to cast their vote, they should contact their CSDP or broker and instruct their CSDP or broker as to how they wish to cast their vote at the AGM in order for their CSDP or broker to vote in accordance with such instructions. If dematerialised shareholders, other than own-name dematerialised shareholders, have not been contacted by their CSDP or broker it would be advisable for them to contact their CSDP or broker, as the case may be, and furnish them with their instructions.

Dematerialised shareholders who are not own-name dematerialised shareholders and who wish to attend the AGM must obtain their necessary letter of representation from their CSDP or broker, as the case may be and submit same to the transfer secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107) to be received by no later than 14:00 on Monday, 6 April 2015. This must be done in terms of the agreement entered into between the dematerialised shareholder and their CSDP or broker. If the CSDP or broker, as the case may be, does not obtain instructions from such dematerialised shareholders, it will be obliged to act in terms of the mandate furnished to it, or if the mandate is silent in this regard, to abstain from voting. Such dematerialised shareholders, other than own-name dematerialised shareholders, must not complete this form of proxy and should read note 10 overleaf.

Full name: I/We

(BLOCK LETTERS)

of (address)

Telephone: (Work) (area code:)

Telephone: (Home) (area code:)

Fax: (area code:)

Cell number:

being the holder(s) of

Amplats shares hereby appoint:

1. or failing him/her,
2. or failing him/her,
3. the chairman of the AGM, as my/our proxy to vote for me/us on my/our behalf at the AGM of Amplats shareholders to be held at 14:00 on Wednesday, 8 April 2015 or any adjournment thereof as follows:

Resolution	For	Against	Abstain
Ordinary resolution number 1: Re-election of directors			
1.1 To re-elect Mr MV Moosa as a director of the Company			
1.2 To re-elect Mr CI Griffith as a director of the Company			
1.3 To re-elect Mr NP Mageza as a director of the Company			
1.4 To re-elect Mr JM Vice as a director of the Company			
Ordinary resolution number 2: Election of Audit and Risk Committee members			
2.1 Election of Mr RMW Dunne as a member of the committee			
2.2 Election of Mr NP Mageza as a member of the committee			
2.3 Election of Ms D Naidoo as a member of the committee			
2.4 Election of Mr J Vice as a member of the committee			
Ordinary resolution number 3: Re-appointment of external auditors			
Ordinary resolution number 4: General authority granted to directors to allot and issue authorised but unissued ordinary shares			
Ordinary resolution number 5: Directors' authority to implement ordinary and special resolutions			
Non-binding advisory vote: Endorsement of the remuneration policy			
Special resolution number 1: Non-executive directors' remuneration			
Special resolution number 2: Financial assistance to related or interrelated parties			
Special resolution number 3: Reduction of authorised securities and amendment to the memorandum of incorporation			
Special resolution number 4: General authority to repurchase shares			

Signed at this day of 2015

Signature

Assisted by me (if applicable)

Please read the notes on the reverse side hereof.

NOTES

A shareholder entitled to attend and vote at the AGM may appoint one or more persons as his/her/its proxy to attend, speak or vote in his/her/its stead at the AGM. A proxy need not be a shareholder of the Company.

Voting will be by way of a poll, and every shareholder, present in person or represented by proxy and entitled to vote, shall be entitled to one vote for every share held in the issued share capital of the Company by such shareholder.

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of his/her/its choice in the spaces provided with or without deleting "the chairman of the AGM", but any such deletion must be initialled by the Amplats shareholder. The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert with an "X" or insert the number of shares in the relevant spaces according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of shares exercisable by you, insert the number of shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise and compel the chairman, if the chairman is an authorised proxy, to vote in favour of the resolutions, or to authorise any other proxy to vote for or against the resolutions or abstain from voting as he/she/it deems fit, in respect of all the shareholders' votes exercisable thereat. A shareholder or his/her/its proxy is not obliged to use all the votes exercisable by the shareholder or his/her/its proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or his/her/its proxy.
3. Forms of proxy must be lodged with the transfer secretaries at 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107), to be received by no later than 14:00 on Monday, 6 April 2015.
4. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairman of the AGM.
6. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
7. The chairman of the AGM may accept or reject any form of proxy which is completed and/or received other than in accordance with these notes and instructions, provided that the chairman is satisfied as to the manner in which the shareholder wishes to vote.
8. Where there are joint holders of shares:
 - 8.1. any such persons may vote at the AGM in respect of such joint shares as if he/she/it were solely entitled thereto;
 - 8.2. any one holder may sign this form of proxy; and
 - 8.3. if more than one such joint holders are present or represented at the AGM, the vote/s of the senior shareholder (for that purpose seniority will be determined by the order in which the names of shareholders appear in the register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder/s.
9. Own-name dematerialised shareholders will be entitled to attend the AGM in person or, if they are unable to attend and wish to be represented thereat, must complete and return the attached form of proxy to the transfer secretaries in accordance with the time specified on the form of proxy.
10. Shareholders who hold shares through a nominee should advise their nominee or, if applicable, their CSDP or broker timeously of their intention to attend and vote at the AGM or to be represented by proxy thereat in order for their nominee or, if applicable, their CSDP or broker to provide them with the necessary letter of representation to do so or should provide their nominee or, if applicable, their CSDP or broker timeously with their voting instruction should they not wish to attend the AGM in person, in order for their nominee to vote in accordance with their instruction at the AGM.
11. A vote given in terms of an instrument of proxy shall be valid in relation to the AGM notwithstanding the death of the person granting it, the transfer of the shares in respect of which the vote is given, unless an intimation in writing of such death or transfer is received by the transfer secretaries, before the commencement of the AGM.
12. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless previously recorded by the transfer secretaries or unless this requirement is waived by the chairman of the AGM.
13. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by Amplats or the transfer secretaries.
14. Unless revoked, an appointment of a proxy pursuant to this form of proxy remains valid only until the end of the AGM or any postponement or adjournment of the AGM. This form of proxy shall be valid at any resumption of a postponed or adjourned meeting to which it relates although it shall not be used at the resumption of the postponed or adjourned AGM if it could not be used at the AGM for any reason other than it was not lodged timeously for the AGM. This form of proxy shall, in addition to the authority conferred by the Companies Act, No 71

SUMMARY OF THE RIGHTS ESTABLISHED IN TERMS OF SECTION 58 OF THE ACT

of 2008, as amended from time to time, except insofar as it provides otherwise, be deemed to confer the power generally to act at the meeting in question, subject to any specific direction contained in this form of proxy as to the manner of voting.

For purposes of this summary, "shareholder" shall have the meaning ascribed thereto in the Act.

1. At any time, a shareholder of a company is entitled to appoint an individual, including an individual who is not a shareholder of that company, as a proxy, to:
 - 1.1. participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder; or
 - 1.2. give or withhold written consent on behalf of such shareholder in relation to a decision contemplated in section 60 of the Act.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder, and such proxy appointment remains valid for one year after the date upon which the proxy was signed, or any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c) of the Act or expires earlier as contemplated in section 58(8)(d) of the Act.
3. Except to the extent that the memorandum of incorporation of a company provides otherwise,
 - 3.1. a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;
 - 3.2. a proxy may delegate his/her authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - 3.3. a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.
4. Irrespective of the form of instrument used to appoint a proxy, the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company.
5. Unless the proxy appointment expressly states otherwise, the appointment of a proxy is revocable. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the company.
6. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date: (a) stated in the revocation instrument, if any; or (b) upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Act.
7. If the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Act or the relevant company's memorandum of incorporation to be delivered by such company to the shareholder, must be delivered by such company to the shareholder, or to the proxy or proxies, if the shareholder has directed the relevant company to do so in writing and paid any reasonable fee charged by the company for doing so.
8. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation, or the instrument appointing the proxy provides otherwise.
9. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
 - 9.1. such invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
 - 9.2. the invitation, or form of instrument supplied by the relevant company, must: (a) bear a reasonably prominent summary of the rights established in section 58 of the Act; (b) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by such shareholder; and (c) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against the applicable resolution/s to be put at the relevant meeting, or is to abstain from voting;
 - 9.3. the company must not require that the proxy appointment be made irrevocable; and
 - 9.4. the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Act.

SHAREHOLDERS' DIARY

ANNUAL GENERAL MEETING

Wednesday, 8 April 2015 at 14h00

REPORTS

Interim report for half year to 30 June

July

Preliminary report for the full year to 31 December

February

Suite of annual reports

February/March

Annual general meeting

April

Shareholders are reminded to notify the registrars of any change of address.

DIVIDENDS – ORDINARY (if declared)

Paid – Interim

August

– Final

March

ADMINISTRATION

COMPANY SECRETARY

Elizna Viljoen
elizna.viljoen@angloamerican.com

Telephone +27 (0) 11 638 3425
Facsimile +27 (0) 11 373 5111

FINANCIAL, ADMINISTRATIVE, TECHNICAL ADVISERS

Anglo Platinum Management Services Proprietary Limited
Anglo Operations Proprietary Limited

CORPORATE AND DIVISIONAL OFFICE, REGISTERED OFFICE AND BUSINESS AND POSTAL ADDRESSES OF THE COMPANY SECRETARY AND ADMINISTRATIVE ADVISERS

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The Woodlands, Woodlands Drive
Woodmead
Sandton 2196

INVESTOR RELATIONS

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FRAUD LINE – SPEAKUP

Anonymous whistle-blower facility
0800 230 570 (South Africa)
angloplat@anglospeakup.com

DISCLAIMER

Certain elements made in this annual report constitute forward-looking statements. Forward-looking statements are typically identified by the use of forward-looking terminology such as 'believes', 'expects', 'may', 'will', 'could', 'should', 'intends', 'estimates', 'plans', 'assumes', or 'anticipates' or the negative thereof or other variations thereon or comparable terminology, or by discussions of, e.g. future plans, present or future events, or strategy that involve risks and uncertainties. Such forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Company's current beliefs and expectations about future events. Such statements are based on current expectations and, by their current nature, are subject to a number of risks and uncertainties that could cause actual results and performance to differ materially from any expected future results or performance, expressed or implied, by the forward-looking statement. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Company and its subsidiaries.

Anglo American Platinum Limited

Incorporated in the Republic of South Africa

Date of incorporation: 13 July 1946


Registration number: 1946/022452/06


JSE code: AMS • ISIN: ZAE000013181

www.angloamericanplatinum.com

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