



## SIBANYE MEDIA RELEASE

### SIBANYE OPERATING PROFIT BOOSTED BY HIGHER PRODUCTION AND GOLD PRICE

#### Salient features for the six months ended 30 June 2016.

- Interim dividend of 85 cents per share (ZAR) declared
- Operating profit increases 128% to R5.4 billion (US\$351 million)
- Gold production of 23,229kg (746,800oz) 5% higher year-on-year
- Gold All-in sustaining cost 3% higher at R448,922/kg, in US\$ terms 20% lower at US\$908/oz
- Annual production guidance maintained

**Westonaria, 25 August 2016:** Sibanye today reported strong financial results for the six months ended 30 June 2016, driven largely by a higher prevailing rand gold price, but underpinned by solid operational delivery from both the Gold and Platinum divisions

Sibanye again demonstrated its commitment to paying an industry leading dividend, declaring an interim dividend of R785 million (85 cents per share). This compares with an interim dividend of R91 million (10 cents per share) declared in H1 2015, and the total dividend for the year ended 31 December 2015, of R917 million (100 cents per share).

The highly leveraged nature of the gold operations was clearly evident during the period: a 31% increase in the average rand gold price to R603,427/kg and a 5% increase in gold production resulted in operating profit from the Gold Division increasing by 125% to R5.3 billion (US\$346 million) from R2.4 billion (US\$199 million) for the comparable period in 2015. The Platinum Division, which was incorporated from 12 April 2016 following the conclusion of the Aquarius Platinum Limited acquisition, delivered record quarterly production of 92,773oz (4E), resulting in an attributable operating profit of R72 million (US\$5 million).

[www.sibanyegold.co.za](http://www.sibanyegold.co.za)

**Directors:** Sello Moloko\* (Chairman) Neal Froneman (CEO) Charl Keyter (CFO) Chris Chadwick\* Robert Chan\* Timothy Cumming\* Barry Davison\* Rick Menell\* Nkosemntu Nika\* Keith Rayner\* Sue van der Merwe\* Jerry Vilakazi\* Jiyu Yuan\* Cain Farrel (Corporate Secretary) (\*Non-Executive)

Normalised earnings of R2,152 million (234 cents per share) for the six months ended 30 June 2016, was, as a result, R1,909 million higher than the R243 million (27 cents per share) reported for the comparative period in 2015.

As previously highlighted in trading statements released on 27 July 2016 and 18 August 2016, headline earnings and basic earnings were impacted by an extra-ordinary R1.2 billion fair value loss on financial instruments which resulted from the significant increase in Sibanye's share price during the period. Moreover, basic earnings were impacted by an R819 million impairment of the value of the Cooke 4 assets. Headline earnings and basic earnings for the six months ended 30 June 2016 were R1.1 billion (121 cents per share) and R333 million (36 cents per share) respectively, compared with headline earnings of R170 million (19 cents per share) and basic earnings of R180 million (20 cents per share) for the comparative period in 2015. Cash generated by operations more than doubled to R5,126 million (US\$333 million) resulting in substantial free cash flow (defined as net cash from operating activities before dividends paid, less additions to property, plant and equipment) of R1,536 million. This includes an extra-ordinary payment of R1,490 million in terms of the SGL share plan. Free cash flow, adjusted for this extra-ordinary payment, would have been R3,026 million (US\$197 million).

Following the conclusion of the R4.3 billion acquisition of Aquarius during the period, net debt to EBITDA has increased to 0.41 times, which is well below industry averages and well within our own internal guideline of 1.0 times.

The South African mining industry generally delivers seasonally higher production and overall improved operational results during the second half of the calendar year, primarily due to fewer public holidays than in the first six months of the year.

Barring any unplanned disruptions, Sibanye's Gold Division should deliver a significantly improved performance in the second half of the year and production guidance of 50,000kg (1.6Moz) remains unchanged, albeit that the future of Cooke 4 shaft is currently under review. Total cash cost is forecast at approximately R355,000/kg (US\$760/oz) and the All-in sustaining cost at approximately R425,000/kg (US\$910/oz). The capital expenditure forecast also remains at R3.9 billion (US\$270 million).

Attributable production from the Platinum Division for the nine months ending 31 December 2016 is forecast at 260,000oz (4E), at an average cash operating cost of R10,600/4Eoz (US\$735/4Eoz). Attributable capital expenditure is forecast at approximately R225 million (US\$15 million). These forecasts do not assume any production from the Rustenburg assets for 2016.

Commenting on the operating and financial results, Neal Froneman, Chief Executive of Sibanye said: "The first half of 2016 has been very positive for mining companies and gold producers in particular. The firmer gold and platinum prices and weak rand have driven a very good financial result, underpinned by a solid operational performance. This has enabled Sibanye to continue to generate strong cash flow, maintain a robust balance sheet and continue to deliver on its commitment to pay industry leading dividends."

"The outlook for the rest of the year remains very positive, but management is aware that of the risk of complacency during periods of high margins. We have therefore refocused our energy on: improving our safety performance, which has slipped; maintaining our attention on cost management and operational efficiency, and ensuring capital discipline" said Froneman.

## Contact

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Certain statements included in this announcement, as well as oral statements that may be made by Sibanye, or by officers, directors or employees acting on its behalf related to the subject matter hereof, constitute or are based on forward-looking statements. Forward-looking statements are preceded by, followed by or include the words "may", "will", "should", "expect", "envisage", "intend", "plan", "project", "estimate", "anticipate", "believe", "hope", "can", "is designed to" or similar phrases. These forward-looking statements involve a number of known and unknown risks, uncertainties and other factors, many of which are difficult to predict and generally beyond the control of Sibanye, that could cause Sibanye's actual results and outcomes to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, among others, Sibanye's ability to complete the transaction, Sibanye's ability to successfully integrate the acquired assets with its existing operations, Sibanye's ability to achieve anticipated efficiencies and other cost savings in connection with the transaction, the success of exploration and development activities and other risks. Sibanye undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this announcement or to reflect any change in Sibanye's expectations with regard thereto.

This release includes mineral reserves and resources information prepared in accordance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (the "SAMREC Code"), and not in accordance with the U.S. Securities and Exchange Commission's Industry Guide 7.