

# MEDIA RELEASE

Sibanye Gold Limited  
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## SIBANYE REPORTS RECORD ANNUAL OPERATING PROFIT

### Salient features for the year ended 31 December 2016.

- Record operating profit of R10.5 billion (US\$717 million)
- Headline earnings of R2.5 billion (US\$169 million)- represents a 269% increase year-on-year
- Normalised earnings per share increased by 196% to 397 cents (ZAR) (27 US cents)
- Total dividend of 145 cents per share (ZAR) for the year, representing 37% of normalised earnings

### Salient features for the six months ended 31 December 2016.

- Platinum Division delivers operating profit of R304 million (US\$21 million)
- Rustenburg operations return to profitability with a R74 million (US\$5 million ) operating profit for November and December
- Kroondal and Mimosa Operations continued their excellent performance
- Gold production was 2% higher than for the first half of 2016 at 23,805kg (765,400oz)
- Final dividend of 40 cents per share (ZAR) declared

**Westonaria, 23 February 2016:** Sibanye - [http://www.commodity-tv.net/c/mid,5428,Company\\_Updates/?v=297063](http://www.commodity-tv.net/c/mid,5428,Company_Updates/?v=297063) - today reported record annual operating profit of R10.5 billion for the six months and year ended 31 December 2016, a 60% increase on the previous year.

Group operating profit of R5.1 billion for the second half of 2016, was 29% higher than for the comparable period in 2015, with the Gold Division contributing R4.8 billion and the Platinum Division adding R304 million, including a positive R74 million contribution from Rustenburg for November and December 2016. Sibanye's 50% JV in Mimosa, which is equity accounted and therefore not included in operating profit contributed a further R186 million profit to the Group.

Normalised earnings, increased by 52% compared to the same period in 2015 to 163 cents per share. Normalised earnings of 397 cents per share for F2016 were 196% higher year-on-year.

**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)

A final dividend of 60 cents per share (R560 million) equivalent to 37% of normalised earnings was declared, taking the total dividend for the year ended 31 December 2016 to 145 cents per share or R1,345 million.

Commenting on the result, Neal Froneman, CEO of Sibanye said: "It is pleasing to report such solid financial results and again be able to deliver an industry leading dividend yield of over 5% to our shareholders. The positive contribution from the Platinum Division is notable, with the Aquarius assets continuing to operate well and the Rustenburg operations showing a solid turnaround and returning to profitability."

### **Operating performance**

Total gold production of 23,805/kg (765,400oz) from Sibanye's Gold Division for the six months under review, was approximately 7% lower than for the comparative period in 2015, primarily due to the cessation of underground mining at Cooke 4 mine. Lower production impacted on unit costs, with All-in sustaining cost (AISC) increasing by 10% to R451,352/kg (US\$1,005/oz) year-on-year.

The Platinum Division delivered attributable PGM production of 327,990oz (4E) for the six months ended 31 December 2016. Operating costs for the Division were well managed, resulting in an 11% average operating margin.

"The turnaround at the Rustenburg Operations, was particularly pleasing, with the operating results in line with our expectations" said Froneman. "For comparative purposes the production from the Rustenburg operations was 7% higher than the the previous quarter and 9% higher than the comparable quarter in 2015".

The integration of the Platinum operations continues with approximately R400 million in synergies expected to be realised by year-end.

### **The Stillwater Acquisition**

Regarding the proposed acquisition of Stillwater which was announced on 9 December 2016, Froneman said: "the acquisition of this Tier 1, low cost PGM producer is expected to significantly enhance Sibanye's asset base and create a globally competitive South African mining champion. Stillwater low-cost, high grade operations and reserves with near term organic growth through the Blitz Project. This transaction will attractively position Sibanye's Platinum Division on the global cost curve, is value accretive and will enhancing our ability to sustain industry-leading dividends".

On 3 February 2017, an update on the transaction was released which indicated that a General Meeting of shareholders to approve the proposed Transaction will be held in mid-April 2017, followed by an equity capital raise in the form of a rights offer with a minimum value of US\$750 million and a targeted value of US\$1.3 billion.

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The securities have not been approved or disapproved by the US Securities and Exchange Commission, and state securities commission in the United States or any other US regulatory authority. Any representation to the contrary is a criminal offence in the United States.

### **Additional Information and Where to Find It**

This announcement does not constitute the solicitation of any vote, proxy or approval. In connection with the proposed transaction, Sibanye intends to post to its shareholders a JSE Limited ("JSE") Category 1 circular subject to the approval of the circular by the JSE and Stillwater intends to file with the Securities and Exchange Commission (the "SEC") relevant materials, including a proxy statement. The JSE Category 1 circular and other relevant documents will be sent or otherwise disseminated to Sibanye's shareholders and will contain important information about the proposed transaction and related matters. SHAREHOLDERS OF SIBANYE ARE ADVISED TO READ THE JSE CATEGORY 1 CIRCULAR AND OTHER RELEVANT DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. The proxy statement and other relevant documents will be sent or otherwise disseminated to Stillwater's shareholders and will contain important information about the proposed transaction and related matters. SHAREHOLDERS OF STILLWATER ARE ADVISED TO READ THE PROXY STATEMENT AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. When available, Sibanye shareholders may obtain free copies of the JSE Category 1 circular by going to Sibanye's website at [www.sibanye.co.za](http://www.sibanye.co.za). The proxy statement and other relevant documents may also be obtained, free of charge, on the SEC's website (<http://www.sec.gov>), when available. Stillwater shareholders may obtain free copies of the proxy statement once it is available from Stillwater by going to Stillwater's website at [www.Stillwater.com](http://www.Stillwater.com).

### **Participants in the Solicitation**

Sibanye, Stillwater and their respective directors and officers may be deemed participants in the solicitation of proxies of Sibanye's and Stillwater's respective shareholders in connection with the proposed transaction. Sibanye's shareholders and other interested persons may obtain, without charge, more detailed information regarding the directors and officers of Sibanye in Sibanye's Annual Report on Form 20-F, for the fiscal year ended 31 December 2015, which was filed with the SEC on 21 March 2016. Stillwater's shareholders and other interested persons may obtain, without charge, more detailed information regarding the directors and officers of Stillwater in Stillwater's Annual Report on Form 10-K for the fiscal year ended 31 December 2015, which was filed with the SEC on 22 February 2016. Additional information regarding the interests of participants in the solicitation of proxies in connection with the proposed transaction will be included in the proxy statement that Stillwater intends to file with the SEC.

### **No Offer or Solicitation**

This announcement is for informational purposes only and does not constitute an offer to sell, or a solicitation of offers to purchase or subscribe for, securities in the United States or any other jurisdiction. Any securities referred to herein have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered, exercised or sold in the United States absent registration or an applicable exemption from registration requirements.

### **Forward Looking Statements**

This announcement includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "target", "will", "forecast", "expect", "potential", "intend", "estimate", "anticipate", "can" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. In this announcement, for example, statements related to expected timings of the transactions (including completion), potential transaction benefits (including statements regarding growth, cost savings, benefits from and access to international financing and financial re-ratings), PGM pricing expectations, levels of output, supply and demand, information related to the Blitz Project, and estimations or expectations of enterprise value, EBTIDA and net asset values, are forward-looking statements. The forward-looking statements set out in this announcement 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 and Stillwater, that could cause Sibanye's or Stillwater'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, without limitation: Sibanye's or Stillwater's ability to complete the proposed transaction; the inability to complete the proposed transaction due to failure to obtain approval of the shareholders of Sibanye or Stillwater or other conditions in the Merger Agreement; 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; Sibanye's ability to implement its strategy and any changes thereto; Sibanye's future financial position, plans, strategies, objectives, capital expenditures, projected costs and anticipated cost savings and financing plans; changes in the market price of gold, platinum group metals ("PGM")

and/or uranium. These forward-looking statements speak only as of the date of this announcement.

Neither Sibanye nor Stillwater undertakes any 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 the occurrence of unanticipated events.

Ends.