

# Operating and Financial Results

for the six months ended 30 June 2016

A proudly South African mining company

**WESTONARIA 25 August 2016:** Sibanye Gold Limited ("Sibanye") (JSE: SGL & NYSE: SBGL) is pleased to report operating results and reviewed condensed consolidated interim financial statements for the six months ended 30 June 2016.

## 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; and
- Annual production guidance maintained.

## Key Statistics

South African Rand  
Six months ended

		June 2016	Dec 2015	June 2015
<b>Gold Division</b>				
Gold produced	kg	23,229	25,571	22,204
Revenue	R/kg	603,427	487,736	461,426
Operating cost	R/ton	869	839	810
Operating profit	Rm	5,320.7	3,971.0	2,366.0
Operating margin	%	38	32	23
All-in sustaining cost	R/kg	448,922	411,795	434,769
<b>Platinum Division</b>				
Platinum produced	oz	51,346	-	-
4E production	oz	92,773	-	-
Average basket price	R/4Eoz	12,499	-	-
Operating profit	Rm	72.2	-	-
Operating margin	%	10	-	-
Cash operating cost	R/4Eoz	10,268	-	-
<b>Group</b>				
Basic earnings	Rm	333.0	537.1	179.8
Headline earnings	Rm	1,113.9	505.0	169.6
Normalised earnings	Rm	2,152.0	976.5	243.3
Normalised earnings	cps	234	107	27

## Statement by Neal Froneman

Chief Executive Officer of Sibanye Gold

"Sibanye delivered a strong financial result 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, despite both being impacted by numerous unanticipated operational disruptions.

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 R5,321 million (US\$346 million). 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).

Normalised earnings of R2,152 million for the six months ended 30 June 2016, was R1,909 million higher than the R243 million reported for the comparative period in 2015.

Considering the solid operating performance and constructive outlook for precious metals prices for the remainder of the year, the Board has declared an interim dividend of 85 cents per share (R785 million) equivalent to 36% of normalised earnings. The comparative interim dividend declared in 2015 was 10 cents per share (R91 million), with the total dividend of 100 cents per share (R917 million) for the year ended 31 December 2015.

## Outlook

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.

On the basis of normal operational performance during the second half of the year, 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) and All-in cost is forecast at approximately R440,000/kg (US\$945/oz). The dollar costs are based on an average exchange rate of R14.50/US\$.

Attributable production from the Platinum Division for the nine months to 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.

Gold and PGM prices have strengthened over the course of 2016 and the outlook for both remains supportive of further gains. The rand gold price has recently pulled back from record highs of around R650,000/kg, due to a sharp, recent recovery in the rand, but spot prices of approximately R580,000/kg remain significantly higher than the R450,000/kg used for internal planning purposes in 2016.

The long term fundamental outlook for PGM prices remains positive, but in the short term both rand and dollar PGM prices are likely to remain muted. Given current industry cost pressures and ongoing labour and regulatory related complexity and uncertainty the platinum sector is likely to remain under significant pressure in the short term."

(See full set of results for further information on [www.sibanyegold.co.za](http://www.sibanyegold.co.za)).

## Interim Dividend

The Sibanye Board approved an Interim Dividend, number 4, of 85 SA cents per share (gross) for the six months ended 30 June 2016.

Sibanye's dividend policy is to return between 25% and 35% of normalised earnings to shareholders. The Board may also consider declaring a special dividend after due consideration of the Group cash position and future requirements. Normalised earnings are defined as: basic earnings excluding gains and losses on foreign exchange and financial instruments, non-recurring items and its share of result of associates, after taxation.

The Interim Dividend is subject to the Dividends Withholding Tax. In accordance with paragraphs 11.17 (a) (i) and 11.17 (c) of the JSE Listings Requirements the following additional information is disclosed:

- The dividend has been declared out of income reserves;
- The local Dividends Withholding Tax rate is 15% (fifteen per centum);
- The gross local dividend amount is 85 SA cents per ordinary share for shareholders exempt from the Dividends Tax;
- The Dividend Withholding Tax of 15% will be applicable to this dividend;
- The net local dividend amount is 72.2500 SA cents (85% of 85 SA cents) per ordinary share for shareholders liable to pay the Dividends Withholding Tax;
- Sibanye currently has 923,902,469 ordinary shares in issue;
- Sibanye's Auditors are KPMG Inc. and the individual auditor is Jacques Erasmus; and
- Sibanye's income tax reference number is 9431 292 151.

Shareholders are advised of the following dates in respect of the Interim Dividend:

- Interim Dividend number 4: 85 SA cents per share.
- Last date to trade cum dividend: Tuesday, 20 September 2016.
- Sterling and US dollar conversion date: Wednesday, 21 September 2016.
- Shares commence trading ex-dividend: Wednesday, 21 September 2016.
- Record date: Friday, 23 September 2016.
- Payment of dividend: Monday, 26 September 2016.

Please note that share certificates may not be dematerialised or rematerialised between Wednesday, 21 September 2016, and Friday, 23 September 2016, both dates inclusive.

### By order of the Board

25 August 2016  
Cain Farrel – Company Secretary

**THIS ANNOUNCEMENT IS THE RESPONSIBILITY OF THE DIRECTORS OF THE COMPANY.**

The information disclosed is only a summary and does not contain full or complete details. Any investment decisions should be based on the consideration of the full results announcement. Sibanye Gold's full results announcement has been released on SENS and is available on the company's website: [www.sibanyegold.co.za](http://www.sibanyegold.co.za).

The full results announcement is available for inspection at the company's registered office and the offices of our sponsors during normal business hours and is available at no charge. Alternatively, copies of the full announcement may be requested from the company's investor relations department.