

# ANNUAL GENERAL MEETING 2015

## MARK CUTIFANI – CHIEF EXECUTIVE

23 April 2015



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# 2014 PERFORMANCE



# 2014 FINANCIAL HIGHLIGHTS

*Despite commodity headwinds our operational improvement continues...*

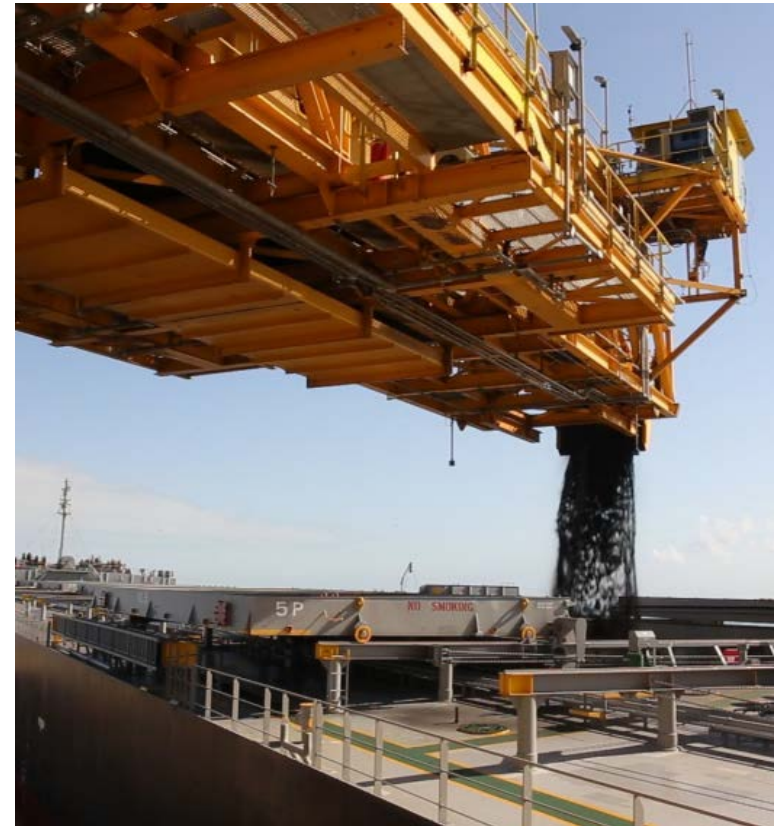
<b>Group underlying EBIT</b>	<b>\$4.9 bn</b> down 25%.....impacted by lower prices and Platinum strike.
<b>Underlying earnings</b>	<b>\$2.2 bn (EPS \$1.73)</b> down 17%.....prices/Platinum.
<b>Operating cash flow</b>	<b>\$6.1 bn</b> .....operational improvements offsetting price weaknesses.
<b>Attributable ROCE</b>	<b>8%</b> (pre impairments).....impacted by price weakness.
<b>Capital expenditure</b>	<b>\$6.0 bn</b> .....below forecast due to project efficiencies.
<b>Dividend maintained</b>	<b>85 US cents/share</b> ...reflects performance improvement momentum.
<b>Net debt</b>	<b>\$12.9 bn (\$15.1 bn liquidity)</b> ...operations and capital improvements.

*...allowing us to confirm our commitment to the dividend and net debt targets.*

# DELIVERING ON OUR 2014 COMMITMENTS

*We have delivered on our immediate restructuring milestones...*

- **Sishen exceeds 35Mt production target**
  - Waste on track for 2015 & 2016 ore targets.
- **Minas-Rio**
  - FOOS delivered ahead of schedule and budget.
  - Final capex expected \$400m lower than forecast.
- **Platinum restructure**
  - Restructuring ahead of targets.
  - Divestment process under way.
- **Copper turnaround**
  - Los Bronces & Collahuasi operational stability and improvement underpins performance.
- **De Beers**
  - Integration and delivery of operational improvement.
- **Nickel recovery on track**

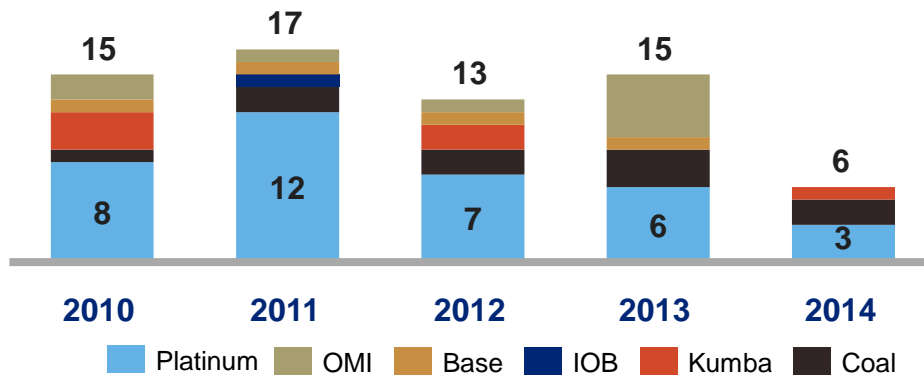


*...and we have stabilised operating performance across the business.*

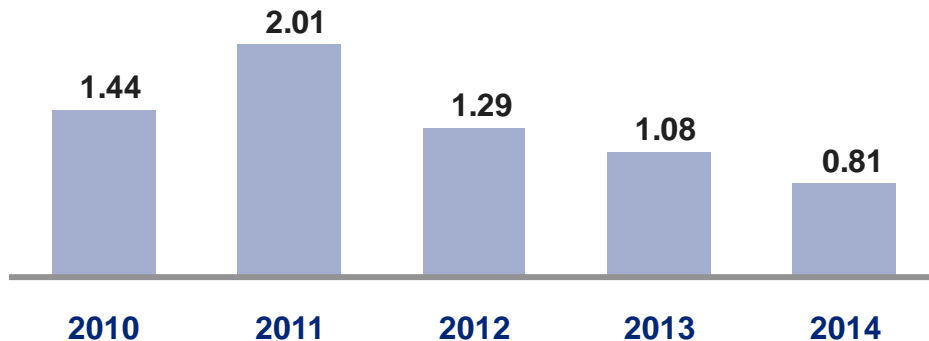
# OPERATING PERFORMANCE – SAFETY

*We have seen a significant reduction in fatalities and injuries...*

## Loss of life (by business)



## Total recordable case frequency rate (TRCFR)



## Performance Notes

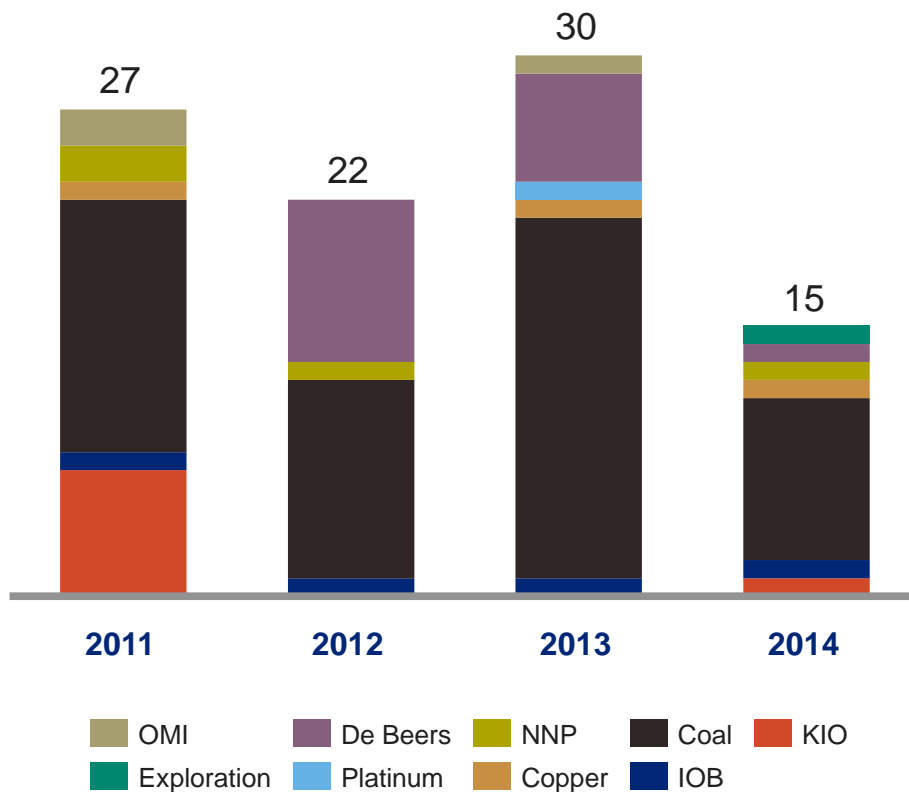
- We deeply regret the loss of six colleagues to incidents in Australia and South Africa.
- If we normalise for the Platinum strike, improvement is still significant at 50%.
- Focus on major hazards and associated controls has been key in our most significant single year improvement.
- Total injury frequency rate continues to decline reflecting focus on leadership, culture and employee involvement.
- Improvements have generally been achieved across the business.

*...with leadership focus and hazard management central to improvement.*

# OPERATING PERFORMANCE – ENVIRONMENTAL

*Major reduction in environmental emissions and spills reflects focus...*

## Environmental incidents (levels 3 to 5)



## Performance Notes

- Focus on hazards and management disciplines reflects alignment with safety approach.

## Sustainable Work Practices

- One of only two mining companies to be awarded a Gold Class rating RobecoSAM Sustainability Index.
- Second in the Dow Jones Sustainability Index in 2014, scoring well above the industry average.
- Third in the industry on Environment Social Governance scoring 98 out of 100.
- First place in the Generali Corporate Social Responsibility index.

*...and recognition of our responsibilities to communities...the work continues.*

# 2015 – A SOLID Q1

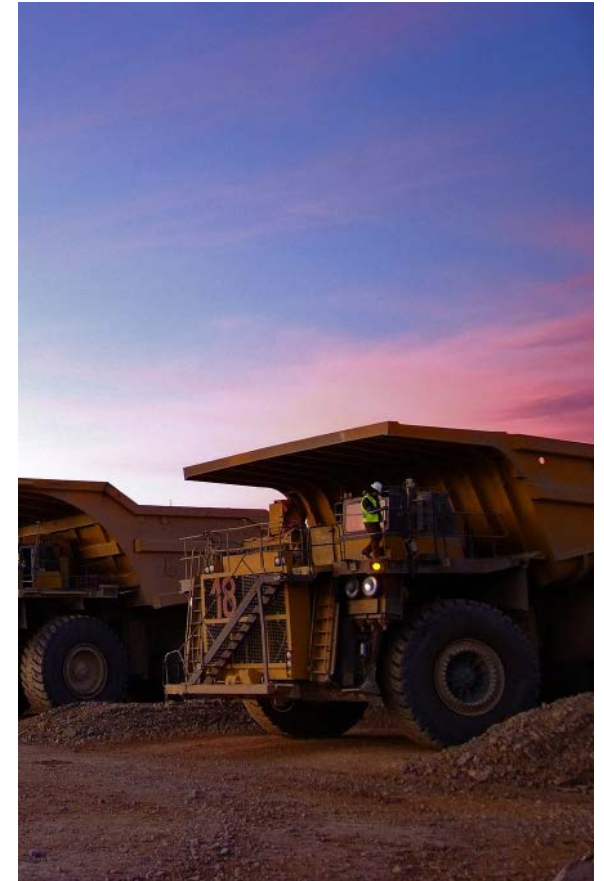




# A SOLID 1<sup>ST</sup> QUARTER PERFORMANCE

*We continue to drive productivity improvements across our business units....*

- **Iron ore** production from Kumba increased by 7% to 12.2 million tonnes – improved equipment productivity at Sishen and plant performance at Kolomela.
- **Minas-Rio** produced 1.2 million tonnes of iron ore, broadly in line with ramp-up plans and 13 vessels loaded since FOOS.
- **Export thermal coal** production increased by 11% to 8.7 million tonnes due to increased productivity from all three regions.
- **Equivalent refined platinum production** increased by 50% to 536,000 ounces due to 13% production increase at Mogalakwena and the restoration of stable operations at Rustenburg, Amandelbult and Union mines following the 2014 strike.
- **Diamond production** increased by 2% to 7.7 million carats, primarily driven by higher grades at Venetia.



*....and we have a clear strategy for each asset.*

# 2015 DELIVERABLES

*A clear set of deliverables...*

## **Minas-Rio**

- Continue ramp-up to achieve commercial production in H1 2016.

## **Portfolio**

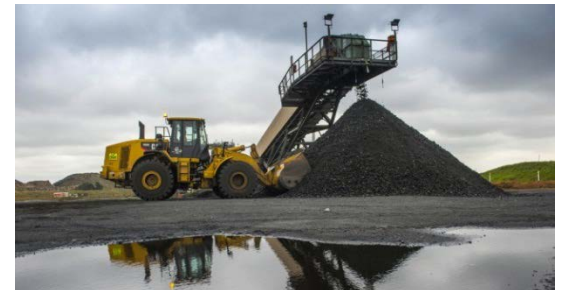
- Lafarge Tarmac sale completion targeted for 2015.
- Other assets in process.

## **Roll-out of 'Operating model' to priority assets**

- Sishen, Kolomela, Mogalakwena, Los Bronces and Minas-Rio.

## **South Africa cost restructuring**

- Kumba.....restructuring the cost base.
- Platinum.....restructuring shafts and rightsizing.
- Thermal Coal.....operating model roll-out.



*...as our transformation continues to build momentum.*

# DIVESTMENT PROGRAMME



# PROGRESSING ON OUR DIVESTMENT PROGRAMME

*It's our strategic intent to focus the portfolio...*

- **Lafarge Tarmac 2015 sale on track (£885m)**
  - Conditional on Holcim / Lafarge merger.
- **Platinum**
  - Union: shortlisted parties commenced due diligence in January.
  - Rustenburg: progressing with listing preparation. In parallel, interested parties are undertaking due diligence.
- **Copper**
  - Mantos Blancos / Mantoverde – sale process under way.
  - El Soldado / Chagres – in consultation with key stakeholders.
- **SA domestic coal**
  - Reviewing options to reconfigure SA domestic business with stakeholder engagement under way.
- **Australia coal assets**
  - Dawson, Foxleigh, Callide and Dartbrook for sale.
  - Sale processes to commence in H1 2015.



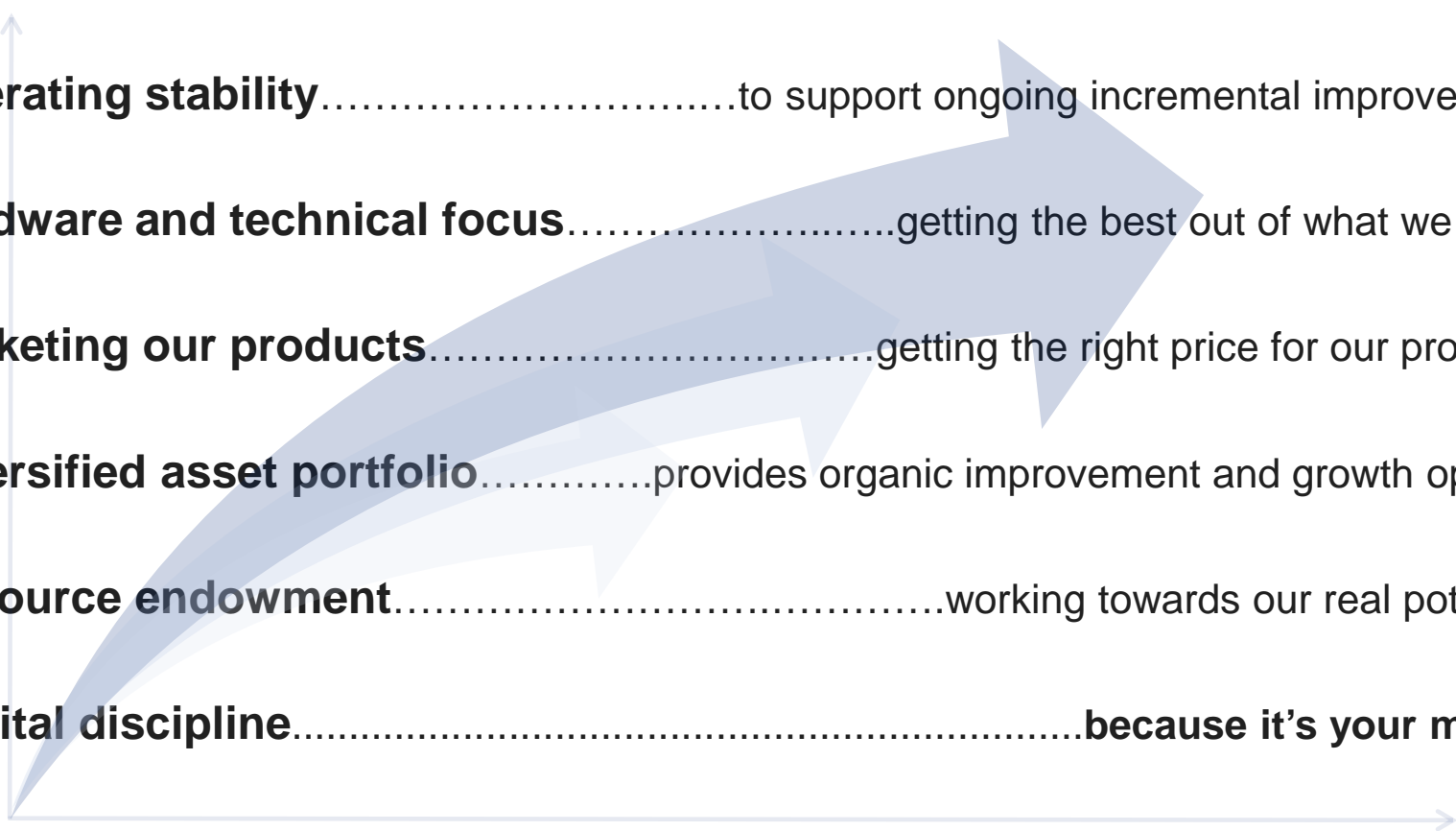
*...and proceeds will provide us with balance sheet flexibility.*

# INVESTMENT PROPOSITION



# OUR INVESTMENT PROPOSITION

*We are a self-help story...building our performance foundations...*

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- **Operating stability**.....to support ongoing incremental improvement.
  - **Hardware and technical focus**.....getting the best out of what we have.
  - **Marketing our products**.....getting the right price for our products.
  - **Diversified asset portfolio**.....provides organic improvement and growth options.
  - **Resource endowment**.....working towards our real potential.
  - **Capital discipline**.....because it's your money.

*...and we are now building capability...beyond our 2016 milestones.*

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