CHIEF FINANCIAL OFFICER'S REPORT

Our net asset value per share has increased by 40% since Sibanye's listing in 2013

The 2016 financial year was positively impacted by a 15% weakening in the rand/US dollar exchange rate, which declined from an average of R12.75/US$ in 2015 to R14.68/US$. The weaker rand/US dollar exchange rate and a 7% increase in the average US dollar gold price resulted in record operating profit and net operating profit in excess of R10.5 billion and R6.5 billion respectively. All-in sustaining costs for the Gold Division of R450,152/kg (US$954/oz) in 2016 increased by 7% compared to R422,472/kg (US$1,031/oz) in 2015. In comparison, the all-in sustaining cost in rands per kilogram of our major peers in South Africa increased by 25%, 13% and 8%.

Increased revenue and cost control resulted in headline earnings for 2016 of R2.5 billion which represents a 269% increase year on year. The group declared a dividend of 145 cents per share for the year, the highest since listing in February 2013. This equated to a 36% dividend payout ratio for 2016, which is consistent with our strategy of being a leading dividend payer.

A notable feature of 2016 for Sibanye was the two major platinum acquisitions – Aquarius and the Rustenburg Operations from Anglo American Platinum. These acquisitions resulted in our net debt (excluding Burnstone) increasing from R1.4 billion in 2015 to R6.3 billion in 2016. The gearing ratio of net debt:earnings before interest, tax, depreciation and amortisation (EBITDA) ended the year at 0.60:1 (2015: 0.21:1) which was well below our internal benchmark of 1:1, demonstrating Sibanye's conservative balance sheet management.

Capital expenditure for 2016 at R4.2 billion increased from R3.3 billion in 2015, mainly due to expenditure growth at Burnstone and at the Kloof and Driefontein decline projects as well as the inclusion of the Aquarius assets and Rustenburg Operations for nine months and two months respectively.

The financial outlook for 2017 will primarily centre around leveraging the acquisition synergies at both the Aquarius assets and the Rustenburg Operations, which together comprise the Platinum Division, while containing unit costs at the existing operations at or below inflation.

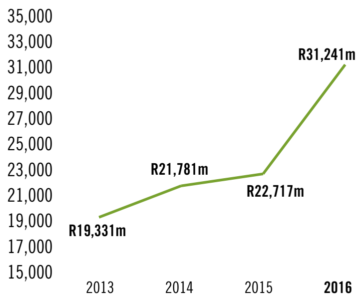
Our proposed transaction, announced on 9 December 2016, to acquire Stillwater Mining Company (Stillwater) for US$2.2 billion in cash will be funded by bridge finance to be led by Citi and HSBC and which has been syndicated by a total of 16 banks. The syndication process was oversubscribed by more than US$1 billion, indicating the appetite for the finance of the transaction as well as providing another level of due diligence for the transaction's rationale.

Shareholders will vote at a general meeting on 25 April 2017 to approve the transaction (majority of votes cast required) and on the increase and issue of additional share capital to enable the maximum rights offer of US$1.3 billion to be effected (75% of votes cast required). The rights offer will be initiated shortly after the shareholders' vote, while the remainder of the finance required will be funded through a potential capital market debt issuance.

Highlights of 2016 were the conclusion of the platinum acquisitions – Aquarius and the Rustenburg Operations from Anglo American Platinum.

Charl Keyter – Chief Financial Officer

Increased revenues from year to year
(R million)



SUMMARISED CONSOLIDATED INCOME STATEMENT

for the year ended 31 December

R million	2016	2015
Revenue	31,241	22,717
Cost of sales	(24,751)	(20,017)
Net operating profit	6,490	2,700
Finance expense	(903)	(562)
Share-based payments	(496)	(274)
Loss on financial instruments	(1,033)	(230)
Impairments	(1,381)	–
Gain on acquisition	2,428	–
Net other	(44)	(318)
Profit before royalties and tax	5,061	1,316
Royalties	(547)	(401)
Profit before tax	4,514	915
Mining and income tax	(1,243)	(377)
Profit for the year	3,271	538
Attributable to:		
Owners of Sibanye	3,702	717
Non-controlling interests	(431)	(179)
	3,271	538
Earnings per share attributable to owners of Sibanye		
Basic earnings per share - cents	402	79
Diluted earnings per share - cents	401	78

Despite joint efforts of stakeholders, the Cooke 4 Operation was unable to meet required production and cost targets, and continued to operate at a loss. As a result a decision was taken during the six months ended 30 June 2016 to fully impair the Cooke 4 Operation's mining assets by R817 million.

Due to a decrease in the rand gold price from 30 June 2016 and continued losses, a decision was taken during the six months ended 31 December 2016, to impair the goodwill allocated to the Cooke cash-generating unit by R201 million and to impair the Cooke 1, 2 and 3 mining assets by R355 million.

The gain on acquisition of the Rustenburg Operations is attributable to Anglo American Platinum having repositioned its portfolio by, among others, exiting certain assets. The transaction to acquire the Rustenburg Operations represented an attractively-priced entry for Sibanye into the PGM sector.

R million	2016
Consideration	(3,118)
Fair value of identifiable net assets acquired	5,546
Gain on acquisition	2,428

5.7% **DIVIDEND YIELD** returning earnings to shareholders

The Group's total **revenue** increased by 38%. Revenue from the Gold Division increased by 21% driven by the average rand gold price, which increased by 23%. This was partly offset by the volume of gold sold, which decreased by 2%.

The increase in the average rand gold price from R475,508/kg in 2015 to R586,319/kg was due to the 15% weaker rand of R14.68/US$ in 2016 compared with R12.75/US$ in 2015 and an increase in the average realised US dollar gold price to US$1,242/oz in 2016 from US$1,160/oz in 2015.

Cost of sales, which consist of operating costs and amortisation and depreciation, increased by 24%, or 6% excluding the Platinum Division. The increase in operating costs, again excluding the Platinum Division, in 2016 was due to above inflation wage and consumable stores cost increases, increased electricity tariffs and increased contractor costs. These increases were partly offset by the cessation of mining at Cooke 4.

Finance expenses increased to R903 million from R562 million. This increase was mainly due to increases in interest paid of R180 million, unwinding of the Burnstone debt of R139 million and a rehabilitation obligation accretion expense of R94 million. The interest paid increased following an increase in gross debt required to fund the acquisitions of Aquarius and the Rustenburg Operations. Sibanye's average gross debt outstanding (excluding the Burnstone debt) was approximately R4.8 billion in 2016 compared with approximately R2.2 billion in 2015. The rehabilitation obligation accretion expense increased, mainly due to the acquisitions of Aquarius and the Rustenburg Operations, which added R62 million.

Share-based payments include the **share-based payment on the BEE transaction** of R240 million, recognised as part of the Rustenburg Operations acquisition, which represents the BEE shareholders attributable value over the expected life of mine.

Cash-settled share instruments are valued at each reporting date based on the fair value of the instrument at that date. The appreciation in Sibanye's share price for the six months ended 30 June 2016 of approximately 120%, resulted in a fair value loss of R1,181 million. The 49% depreciation in the share price for the six months ended 31 December 2016 resulted in a fair value gain of R111 million.

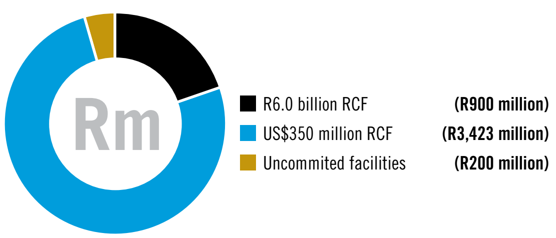
CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

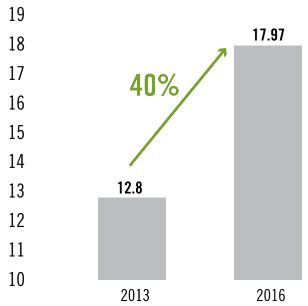
for the year ended 31 December

R million	2016	2015
ASSETS		
Non-current assets	**34,018**	25,515
Property, plant and equipment	**27,241**	22,132
Goodwill	**936**	737
Equity-accounted investments	**2,157**	168
Environmental rehabilitation obligation funds	**3,101**	2,414
Financial assets	**355**	1
Deferred tax assets	**228**	63
Current assets	**7,703**	2,751
Inventories	**677**	406
Trade and other receivables	**5,748**	1,628
Financial assets	**310**	–
Cash and cash equivalents	**968**	717
Total assets	**41,721**	28,266
Total equity	**16,697**	14,985
Non-current liabilities	**18,787**	7,934
Borrowings	**8,222**	1,808
Environmental rehabilitation obligation	**3,982**	2,411
Post-retirement healthcare obligation	**16**	16
Share-based payment obligations	**246**	137
Financial liabilities	**1,614**	–
Deferred tax liabilities	**4,707**	3,562
Current Liabilities	**6,237**	5,347
Trade and other payables	**5,181**	2,759
Tax and royalties payable	**69**	130
Borrowings	**752**	1,995
Share-based payment obligations	**235**	463
Total equity and liabilities	**41,721**	28,266

Undrawn facilities as at 31 December 2016



Net asset value per share since listing in 2013 (R)



During 2016, Sibanye acquired Aquarius (effective 12 April 2016). The Aquarius assets include a 50% stake in each of the Kroondal and Mimosa mines, and associated infrastructure and concentrating facilities, as well as Platinum Mile (91.7%). Mimosa is a 50:50 joint venture with Impala Platinum Holdings Limited (Implats).

The assets acquired from Anglo American Platinum Limited (effective 1 November 2016) are the Bathopele, Siphumelele (including Khomanani), and Thembelani (including Khuseleka) shafts, two concentrating plants, an on-site chrome recovery plant, the Western Limb Tailings Retreatment Plant and all associated surface infrastructure, referred to as the Rustenburg Operations. As part of the Rustenburg Operations' acquisition, a 26% equity stake was acquired by a BBBEE SPV and a share-based payment on BEE transaction obligation of R240 million was recognised.

R million	Aquarius acquisition	Rustenburg Operations acquisition	Total
Consideration	4,302	3,118	
Less: Fair value of identifiable net assets acquired	3,914	5,546	9,460
Property, plant and equipment	1,681	4,022	5,703
Equity-accounted investments	2,067	–	2,067
Environmental rehabilitation obligation funds	152	281	433
Non-current financial assets	108	221	329
Inventories	155	80	235
Trade and other receivables	909	2,992	3,901
Current financial assets	–	242	242
Cash and cash equivalents	494	–	494
Deferred tax	49	(899)	(850)
Environmental rehabilitation obligation	(630)	(80)	(710)
Non-current financial liabilities	(32)	–	(32)
Trade and other payables	(1,026)	(1,313)	(2,339)
Tax and royalties payable	(13)	–	(13)
Add: Non-controlling interests	13	–	
Goodwill/gain on acquisition	**401**	**(2,428)**	

Gearing and facilities

R million	2016	2015
Gross debt [1]	**7,221**	1,995
Cash and cash equivalents [1]	**928**	633
Net debt [1]	**6,293**	1,362
Net debt [1] :EBITDA	**0.60:1**	0.21:1

[1] *Excludes Burnstone*

Charl Keyter
Chief financial officer
30 March 2017