

## NEWS RELEASE

24 June 2014

### **Anglo American update re. Anglo American Platinum**

Anglo American plc draws attention to an announcement issued by Anglo American Platinum Limited, the text of which is set out below:

### **Anglo American Platinum and AMCU sign wage agreement**

Anglo American Platinum Limited ("Anglo American Platinum" or the "Company") announces that it has signed a 3-year wage agreement with the Association of Mineworkers and Construction Union (AMCU), the terms of which take effect retrospectively, from 1 July 2013. The wage agreement includes:

- An annual increase of R1,000 per month in **basic pay** for A and B-band employees in years 1 and 2 and R950 per month in year 3
- Increases in basic pay of 8% per annum for C and D1 for years 1 and 2 and 7.5% for year 3.
- Living-out allowances and Housing rent subsidies for employees will increase in line with CPI in year 1 and remain flat in years 2 and 3
- Housing allowance will increase by 8% in year 1 and remain flat in years 2 and 3; and
- Other allowances will increase in line with salary increases in year 1 and there will be no further increases in years 2 and 3. This is in order to fund the increase agreed to in **basic pay**.

The principles that underpin the agreement seek to achieve a sustainable future for Anglo American Platinum for the benefit of all stakeholders and to provide employees with the most competitive increase in the current financial circumstances. The agreement is expected to increase the **total labour cost-to-company** by 10.5% in year 1; 7.7% in year 2 and 7.1% in year 3 or **8.4% on average over the 3 year period**.

The Company has also undertaken to assist returning employees in the first month with the provision of food parcels, health supplements, transport relief and the cash payment of back pay within 7 days for the period they were not on strike as the principle of "no-work no-pay" applied for the duration of the strike. Anglo American Platinum will further assist employees in managing their indebtedness and personal finances by providing legal aid and personal financial training to ensure they take a more robust approach to their personal finances.

Furthermore, it has been agreed that no strikes will be undertaken, related to any of the items covered by the wage agreement, for the three year duration of the agreement.

As part of the Company's overall cultural transformation that had already commenced, a process of building bridges between management and employees will be the first step in ensuring a safe return to work. The safe return to work programme also addresses health and safety protocols and refresher training on general mine operations. Once operations are in a position to start up safely, production ramp-up will begin. It is expected that steady state production will be achieved in Q4 2014.

In order to ensure that the Company's business remains sustainable and viable for the benefit of all stakeholders, all parties to the wage agreement have agreed to discuss productivity in a

### **Anglo American plc**

20 Carlton House Terrace London SW1Y 5AN United Kingdom

Tel: +44 (0)20 7968 8888 Fax: +44 (0)20 7968 8500

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joint task team. This task team will also assess a number of other fundamental issues including employee share ownership schemes, migrant labour and employee housing and living conditions.

Anglo American Platinum is simultaneously evaluating the sustainability of all its platinum operations in order to ensure the business continues to remain viable.

Anglo American Platinum confirms that as a result of the industrial action, total lost platinum production has amounted to 423,904 equivalent refined platinum ounces at the time of signing, equating to approximately R11.277 billion of lost revenue at current prices.

Chris Griffith, chief executive stated: “I am very pleased that we have reached an agreement which has been the result of dialogue and collaboration from both sides. The entire process has been challenging for all parties involved, but we would not have reached a resolution without the dedication and support of government, in particular the Department of Mineral Resources, Department of Labour, the Labour Court, platinum producers and organised labour. It has been a long and difficult journey but we have reached a reasonable outcome for all parties. However, the protracted strike has underlined broader issues facing the industry, its workforce and mining communities. We are committed to working with stakeholders to find solutions to address these issues and to deliver sustainable benefit for all involved.”

**Notes to editors:**

Anglo American is one of the world’s largest mining companies, is headquartered in the UK and listed on the London and Johannesburg stock exchanges. Our portfolio of mining businesses meets our customers’ changing needs and spans bulk commodities – iron ore and manganese, metallurgical coal and thermal coal; base metals and minerals – copper, nickel, niobium and phosphates; and precious metals and minerals – in which we are a global leader in both platinum and diamonds. At Anglo American, we are committed to working together with our stakeholders – our investors, our partners and our employees – to create sustainable value that makes a real difference, while upholding the highest standards of safety and responsibility across all our businesses and geographies. The company’s mining operations, pipeline of growth projects and exploration activities span southern Africa, South America, Australia, North America, Asia and Europe.

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