COMMENTARY

for the six months ended 30 June 2011

SAFETY

We are sorry to report eight of our employees lost their lives during the period. We extend our sincere condolences to their families, friends and colleagues.

There was also an increase in the lost time frequency rate (LTIFR) to 1.33 during the first half of the year. While this is unfortunate, we are encouraged that the severity of these injuries has decreased. Also encouraging is that the actions taken to prevent the traditional causes of injury and death, falls of ground, tramming and transport and inundations, have shown remarkable results.

Clearly, it has been a very difficult start to the year. There have been more safety stoppages in the first quarter than the whole of last year and we have had many breaks due to public holidays and long weekends resulting in disruption to the operating environment. We have worked relentlessly with our partners in Government and Labour and we believe we have our journey to zero harm back on track. In light of our performance we have reviewed our safety strategy using internal and external experts. While the overall program is still sound, we have adjusted our priorities within the program based on the current risk.

Our Safety Strategy has four main components: Appropriate safety management systems, Engineering out the Risk, Developing appropriate behaviour, and Wellness in the Workplace. Together these strategies have improved our safety performance over the past three years. While the first half has been a step backward, the overall trend remains positive as our safety performance during the period is still the second best half year we have had.

MINERALS LEGISLATION, TRANSFORMATION AND COMMUNITIES

Anglo American Platinum has made significant progress towards achieving its transformation objectives as envisaged by the Minerals and Petroleum Resources Development (MPRD) Act and the Mining Charter. The key milestones achieved in support of our Social and Labour Plan include:

- 12% women in mining, compared with the 10% requirement; (While it is still a challenge to fill underground mining positions with women, in management we have done better: Top management 13%, senior management 10%, middle management 21% and junior management 20%);
- 52% historically disadvantaged South Africans (HDSA) in management positions, compared to the 40% Charter requirement; (Top management 38%, senior management 39%, middle management 54% and junior management 62%);
- HDSA procurement of R9.8 billion, up from R8.9 billion reported for the first half of 2010, equating to 42% spent with HDSA suppliers in the first half of 2011; and
- Plans in place to build 20,000 houses in the next 10 years with the initial 1,000 already under construction.

We have a clear and transformational plan which has evolved beyond the recording of numbers to focusing on creating a "great place to work", and being the employer of choice. This includes creating the right culture within the company and a focus on increasing women participation in mining.

Anglo American Platinum recognises the importance and impact of sustainability on our core business and we track our sustainability targets. Notable achievements include reductions in our water consumption and that we did not have level two or three environmental incidents reported during the first half of 2011.

Anglo American Platinum continues to engage host communities on their community representative structure and the long term development plans, following the announcement of a multi-billion rand community economic empowerment transaction in February 2011. This is to ensure that the benefits from the transaction will be directed to the right areas, as our ultimate goal is to make a meaningful and sustainable contribution to the ability of host communities to thrive well beyond the life of our operations.

FINANCIAL REVIEW

Anglo American Platinum delivered a strong financial performance during the first half of 2011.

Operating free cash flow increased by 159% compared to the first half of 2010. The Company generated R2,914 million more than the first half of 2010. This was achieved as a result of a 5% improvement in the Rand basket price, an increase of 13% in Platinum sales volumes and a 35% reduction in net working capital days. In addition capital discipline continues to improve. As a result, an interim dividend of R5.00 per share, amounting to a total dividend of R1.3 billion, was declared. This implies a dividend cover of 2.5 times. The dividend declared will be paid on 22 August 2011.

Headline earnings per ordinary share increased by 20% year-on-year to R12.36. The headline earnings margin improved by 44% from 9% to 13% compared to the second half of 2010. Headline earnings for 2011 excluded approximately R95 million of gains from the profit on disposal of assets and revaluation of the company's investment in Wesizwe Platinum Limited. Headline earnings for 2010 excluded R771 million profit on the disposal of our 37% interest in the Western Bushveld Joint Venture.

Refined platinum sales for the six months ended 30 June 2011 increased by 13% to 1.23 million ounces compared to the first half of 2010.

Sydney Mabale observes a fall-of-ground light installed to monitor ground movement

The average Rand/US dollar exchange rate achieved on sales was 9% stronger than the previous half year. The exchange rate achieved over the last six months was R6.90, compared to R7.54 in 2010, which reduced our earnings by R1,555 million.

The cash operating cost per equivalent refined platinum ounce was 13% higher than the first half of 2010. Based on our estimate the average increase in our costs, discounting the effect of consumption and volume, is approximately 10% compared to the first half of 2010. This is primarily due to increases in the cost of electricity, diesel, explosives, steel and labour which materially exceeded the escalation in the consumer price index. In spite of the underlying cost pressure, higher number of safety stoppages and the 18% deterioration in underground productivity we have managed to contain our unit cost increase to 13%. This was achieved through continued focus on asset optimisation and supply chain management and utilising the flexibility of Mogalakwena mine.

Labour productivity of our underground mines was adversely affected by safety stoppages and face availability. Measured as square meters per total operating employee per month, the average for the period was 5.88m^2 compared to 7.15m^2 in the first half of 2010, a decrease of 18%. As outlined in the outlook section, we expect productivity of underground operations to return to the levels originally planned for 2011 during the course of the second half. Therefore, we expect the average labour productivity for 2011 to be 6.6 m^2.

This temporary deterioration in productivity had an adverse effect on the production of equivalent refined platinum ounces which was down 3% compared to same period last year. The effect of productivity losses was partially mitigated by increased production from Mogalakwena mine, new production from Unki mine and higher milling of surface material.

Despite many challenges faced during this half year, the gross profit margin improved by 19% from 16% to 19%, compared to the second half of 2010.

In line with the improvement in operating free cash flow, net debt decreased by 47% to R4.35 billion from R8.25 billion at the end of June 2010. The current level of debt is in line with the balance as at 31 December 2010 following a dividend payment of R1,791 million earlier this year.

MARKETS

Anglo American Platinum maintains its view that the platinum market will remain in balance in 2011. The continued recovery in the autocatalyst and industrial segments and the sustained strength of the jewellery segment, particularly in China, is expected to be met by increases in production. The average US dollar price achieved for platinum in the first six months is robust given the unexpected negative effect the Japanese earthquake and tsunami had on the market and the substantial reduction in the net long positions of platinum. We continue to believe that there is strong demand and investor interest to support the market. Beyond 2011 Anglo American Platinum expects platinum demand to continue to improve from the low levels of 2010 and for primary supply growth to remain challenged by safety related production stoppages and current Rand. The current Rand basket price is inadequate to incentivise sustainable investment to secure future supply.

AUTOCATALYSTS

Global vehicle production in 2011 is anticipated to reach in excess of 75 million vehicles, implying a 3% growth from 2010 levels. The earthquake and tsunami in Japan resulted in supply disruptions for the Japanese auto market as well as knock-on supply chain delivery issues. It is estimated that the disaster resulted in vehicle production losses of approximately 2.8 million units worldwide. We anticipate that the majority of these losses will be recovered by the second quarter of 2012. Sales volumes across all other major markets, excluding Japan, have been higher in the period compared with 2010 levels. With the exception of Japan, all markets are expected to experience growth with the highest growth expected from developing markets.

INDUSTRIAL

Following the recovery in 2010, the demand from the industrial sector is expected to remain strong in the near to medium term. Demand for consumer goods including electronics, packaging and other chemicals continues to show strong growth particularly in Asian markets. The fuel cell industry continues to benefit from acceptance as a proven technology and is moving towards more widespread commercialisation. The largest fuel cell unit growth has been in the stationary power sector which is being driven by demand for residential units and off-grid mobile base stations.

JEWELLERY

The platinum jewellery market benefited from relative price stability and the higher gold prices. The developed jewellery markets have remained healthy despite some regional variation on performance. Jewellery purchases in China have increased by approximately 20% in the first half of 2011 compared with the same period in 2010. The Indian jewellery market development program continues to show success.

INVESTMENT

Overall ETFs platinum holdings have increased by approximately 15% in the first half of 2011. Net long speculative positions have declined by 36% over the same period exhibiting a lack of general confidence in the world commodity markets. Despite this reduction, the platinum price remains resilient and has found a trading support level above $1,700 per ounce.

OPERATIONS

Refined platinum production increased by 17% to 1.17 million ounces in the first half of 2011 compared to the same period in 2010.

Equivalent refined platinum production (equivalent ounces are mined ounces expressed as refined ounces) from the mines managed by Anglo American Platinum and its joint venture partners for the first half of 2011 was 1.16 million ounces, a slight decrease of 3% compared to the first half of 2010.

Wholly owned mines produced 763,100 equivalent refined platinum ounces, an increase of 2% compared to the first half of 2010. The majority of this increase was from Mogalakwena, Unki and Thembelani. The Unki project was delivered successfully, on schedule and within budget in January 2011 and contributed 22,400 additional equivalent refined platinum ounces. In addition, Mogalakwena open-pit mine continued to perform strongly providing Anglo American Platinum with a flexible production source. This was however partly offset by lower volumes from Bathopele, Khuseleka and Union mines.

Joint ventures and associates achieved zero fatal accidents and showed an improvement in the lost time injury frequency rate for the six month reporting period. However, all operations were impacted by regulatory stoppages and short term operational challenges resulting in lower production volumes with equivalent refined platinum ounces down 11% from 396,800 ounces to 353,700 ounces in the first half of 2011. Purchased equivalent refined ounces from third parties decreased by 9% to 43,300 ounces in the first half of 2011.

The overall 4E built-up head grade for the first half of 2011 was 3.16g/t compared to 3.15g/t in the same period in 2010. Grade from all production sources were higher compared to 2010, particularly at Mogalakwena which increased by 15%. The 4E built-up head grade for Merensky and UG2 increased by 2% and 1% respectively. The overall grade was impacted by the increased milling of lower grade ore sources while fewer higher grade underground tonnes were processed as a result of the operational challenges experienced.

Tonnes milled decreased by 1% to 20.5 million in the first half of 2011. This decrease was a direct result of the safety stoppages and the successful conclusion of the Royal Bafokeng Platinum Limited transaction in November 2010, with our 33% direct holding in Bafokeng-Rasimone Mine (BRPM) now reported as an associate. Attributable tonnes milled from BRPM included in the comparative period for 2010 were 389,000 tonnes. The underground production deficit was partly made up from new mining at Unki and other sources such as Mogalakwena and surface materials.

Willie Pienaar and Pierre Hattingh discuss commissioning of the new refrigeration plant at Khuseleka Mine

Planned maintenance was carried out at Waterval and Polokwane furnaces to inspect and replace end walls. The Mortimer furnace will be shutdown in the second half of the year to carry out technical enhancements and upgrade power to 38MW, providing the group with smelting flexibility.

WHOLLY OWNED MINES

Anglo American Platinum had a very challenging start to the 2011 financial year, with a high number of safety stoppages, fatalities and multiple public holidays which negatively affected the working month and therefore the level of expected production from underground mines.

Production from wholly owned underground mines for the first half of 2011 was primarily impacted by safety related stoppages, both regulatory and self imposed. The number of regulatory imposed stoppages for the first six months of 2011 was 33 compared to 17 in the same period of 2010. The Own Mines Division suffered the loss of eight employees across its operations compared to four in the same period in 2010. Individual operational performance is as follows:

Bathopele

Production decreased by 20% to 54,600 platinum ounces in the first half of 2011 as a result of safety related stoppages and unprotected industrial action. Two employees lost their lives at Bathopele mine during the first half of 2011.

Khomanani

Production declined by 4% to 44,100 platinum ounces in the period compared to the first half of 2010. One employee lost his life at Khomanani on 30 June 2011.

Thembelani

Production increased by 14% to 48,300 platinum ounces in the first half of 2011, up some 5,900 ounces from 2010. Two of our employees lost their lives at Thembelani mine during the period.

Khuseleka

Production at 54,900 platinum ounces was down 12% in the first half of 2011 compared to the same period in 2010. Khuseleka 2 shaft was re-opened during the first quarter of 2011 and delivered 7,200 equivalent refined new ounces.

Siphumelele

Production increased by 3% to 43,300 platinum ounces in the first half of 2011 compared to the same period in 2010. The mine milled some 250,000 tonnes from low grade surface sources to mitigate losses from underground production caused by safety related stoppages.

Tumela
Production at 133,800 platinum ounces was the same as that produced in the first half of 2010. The mine continued to mill low grade surface ore during the period under review albeit some 9% lower compared to the same period in 2010.

Dishaba
Production at 67,500 platinum ounces was down by 5%. One employee lost his life at Dishaba during the first half of 2011.

Union
Production declined by 12% to 126,100 platinum ounces in the first half of 2011 due to a planned reduction in Merensky underground production, safety stoppages, operational challenges at the declines mining area and unexpected geological disturbances at the Richard shaft. The mine increased its processing of low grade surface material ore by 13% to 904,000 tonnes during the first half of 2011 in an attempt to mitigate the production losses from underground. One employee lost his life at Union Mine during the first half of 2011.

Mogalakwena
Production increased by 21% to 146,900 platinum ounces in the period compared to the first half of 2010. This was due to a 10% increase in tonnes milled and 15% improvement in 4E built-up head grade. The throughput constraints previously experienced at the North plant have been resolved and the plant is now running at steady state level.

Unki
Unki produced 22,400 ounces of platinum during the first half of 2011, some 7,900 ounces ahead of expectations. The mine is exceeding its planned ramp-up profile and is expected to reach steady state of 120,000 tonnes milled per month in the third quarter of 2011. One employee lost his life at Unki Mine during the first half of 2011.

JOINT VENTURE MINES
The joint venture operations and associates had a challenging first half production period due to regulatory safety stoppages despite having zero fatalities and achieving a 2% improvement in the Lost Time Injury Frequency Rate for the period. Individual operational performance reflects the challenges experienced for the first half of 2011.

Modikwa
Production decreased by 7% to 55,800 platinum ounces compared to the first half of 2010 due to lack of equipment availability in the South shaft. Modikwa achieved eight million fatality free shifts on the 21 June 2011 and set a new benchmark for mine safety in South Africa.

Kroondal
Production was down 14% to 109,600 platinum ounces compared to the first half of 2010 due to regulator imposed safety stoppages, lack of stoping face availability and crews getting accustomed to new work routines.

Marikana
Production decreased by 48% to 16,600 platinum ounces compared to the first half of 2010 due to the intersection of a higher number of potholes at 4 shaft, ramping down of the opencast operations to final closure in March 2011, safety related stoppages and the implementation of more stringent ground support standards.

Mototolo
Production was down by 5% to 54,400 platinum ounces compared to the first half of 2010 due to reduced production at the higher grade Borwa Shaft as a result of the shaft developing through a dyke and fault zone. The reduced production at Borwa was however supplemented by increased production from the lower grade Lebowa shaft.

ASSOCIATE MINES

BRPM
Production for the first half of 2011 was impacted by regulatory safety stoppages and a conveyor belt failure at North Shaft.

Bokoni
Production for the six month period was 12% lower compared to the same period in 2010. Remediation action will continue until a consistent level of production is maintained. As per the cautionary note released on 13 May 2011, Anglo American Platinum and Anooraq Resources Corporation are in discussions surrounding a strategic review of the assets and financing structures of Bokoni Platinum Holdings (Proprietary) Limited.

View across Mototolo Concentrator

CAPITAL EXPENDITURE PROJECTS

Our capital projects division has achieved a record 691 fatality free days. Major safety focus is in ensuring projects are set up in line with the company safety management system and standards.

Capital expenditure for the first half of 2011, excluding capitalised interest, amounted to R2,828 million. The capital spend on projects was R1,540 million; R950 million was on stay-in-business capital and R338 million on waste stripping at Mogalakwena Mine.

Project capital expenditure for the first half of 2011 was mostly spent on the Twickenham Platinum Mine project, the Base Metal Refinery 33 kt nickel expansion project, the Unki Platinum Mine project, the Khuseleka ore replacement project, the Thembelani 2 shaft replacement project and the Mortimer Furnace Upgrade.

The Unki Platinum Mine Project was handed over to operations in January 2011 and is expected to reach steady state production of 120,000 tonnes milled per month about a year ahead of schedule. Civil construction work on employee housing has started in Shurungwi and the access road to the mine is currently being surfaced for all-weather purposes.

The Base Metal Refinery 33,000 tonnes nickel expansion project has harvested first metal in line with expectations. It is expected to reach steady state by the end of the year, as planned.

The Twickenham Platinum Mine Project achieved 1.5 million fatality free shifts. Current major work includes declines and primary developments.

Anglo American Platinum continues to prioritise capital projects and stay-in-business expenditure to ensure that capital funding requirements are aligned with our strategy.

MINERAL RESOURCES AND RESERVES

There have been no material changes to the ore reserves as disclosed in the 2010 Annual Report.

BOARD AND EXCO APPOINTMENTS

Albertinah Kekana was appointed independent non-executive director with effect from 1 July 2011. Khanyisile Kweyama joined us as executive head of Human Resources, also with effect from 1 July 2011.

CHANGE TO THE PERFORMANCE CONDITIONS FOR THE LONG TERM INCENTIVE PLAN (LTIP)

The vesting of the 2011 awards under this plan will be subject to the achievement of two performance conditions over a fixed three year period. Half of each award will be subject to a Total Shareholder Return (TSR) measure while the other half will be subject to an Asset Optimisation efficiency measure. This is consistent with the performance conditions applied to its own LTIP by the Company's holding company, Anglo American plc.

OUTLOOK FOR 2011

Anglo American Platinum is expecting a stronger second half for the year. Our sales forecast remains unchanged at 2.6 million ounces of platinum in 2011 despite the impact of the Japanese earthquake, concerns about European sovereign risk and monetary policy to contain inflation in China.

Despite lower production in the first half of the year, we maintain our refined production target of 2.6 million ounces of platinum for 2011. This implies production volumes of 1.4 million ounces of platinum in the second half of 2011 given that we produced 1.2 million ounces in the first half.

Our cash operating cost per equivalent refined platinum ounce increased by 13% to R12,991 per equivalent refined platinum ounce during the first half of 2011. The remedial actions effected to improve safety and productivity include the implementation of safety strategy to improve workplace conditions, increasing of development and equipping to provide sufficient mineable panels for teams, focusing on people management and wellness to ensure that teams are at full strength and at work and providing quality technical assistance and support to operations. We believe the expected increase in production volume and the remedial actions implemented to improve our safety performance and labour productivity will drive our unit cost in the second half of the year to around R12,000 per equivalent refined platinum ounce. This will be largely in line with our original target for 2011. We therefore revise our unit cost target for 2011 to between R12,400 and R12,600 per equivalent refined platinum ounce.

We expect labour productivity to improve from 5.9m^2 in the first half of 2011 to our original annual target of 7.3 m^2 during the second half of the year. This is due to the expected increase in production volume from higher grade underground sources and the remedial actions as above. We therefore revise our labour productivity target for 2011 to 6.6m^2.

Our project ranking and prioritisation has identified less capital intensive projects in the near term and is expected to improve the efficiency of capital allocation and investment decisions. Consequently, we are revising our capital expenditure for 2011 from R8 billion to R7.3 billion, excluding capitalised interest.

BEYOND 2011

Three years ago we embarked on a journey to reposition Anglo American Platinum. Our plans included actions to improve on safety, to make our production more reliable and predictable and to move our operations down the cost curve. We have made good progress towards zero harm despite the challenges experienced during the first half of 2011. We have excellent systems in place and are confident we will continue to improve safety in our business. Our production has also proved to be more predictable and reliable and where we are unlikely to achieve our targets we communicate this early to avoid surprises. We have restructured our mining and process teams to increase focus on safety, costs and productivity. Our restructuring continues with the separation of Union mine into two separate mines to improve management's efficiency and focus on costs and productivity. Importantly, we are currently restructuring our Projects Division to improve our capacity to deliver the large number of capital project options we have.

Anglo American Platinum is not immune to industry-wide cost pressures. Although we experienced higher than expected unit cost increases during the first half of 2011, we remain committed to our strategy to move down the cost curve and focus on asset optimisation and supply chain management. We will continue to build on the foundation built over the past three years and costs will continue to be managed as a priority. Importantly, we have integrated safety, production and cost management at all levels in our business, so that our success is not top down driven. In addition, we have restructured our balance sheet, introduced a new operating model, improved business planning, addressed project and capital management challenges and worked to improve both the internal corporate culture and our relationships with all the stakeholders.

While there is still a lot of work to be done to extract maximum value from our assets, it is timely and opportune to develop our assets efficiently and improve our market share. Building on the work we have done to understand and develop the market, our market analysis suggests that demand will grow by about 4% per year and supply will increase by slightly less than that. This will result in an increasing market deficit, particularly in palladium and platinum markets. With all the supply side challenges in the industry we believe we are well positioned to take advantage of the expected robust growth in demand given our asset and resource base. We believe we can increase our production cost effectively into the expected deficit and this will result in a steady increase in our market share. To do this effectively we have studied and optimised our business plan to include different sources of additional ounces.

UG2 in Rustenburg is our first opportunity. After years of extracting mainly Merensky, we now have an opportunity to go back to the shallow UG2 orebody. This requires much less capital compared to the very deep shafts required to continue mining Merensky. Cost of

Sydney Mabale explains the safety marking system to his team at Section 6, West Central Bathopele Mine

mining will be lower and this will offset the negative impact of a slightly lower grade. We continue to improve our concentrating efficiencies of UG2. Overall this means that we will be able to increase mining in the Rustenburg area in the short term and at relatively low capital and operating cost.

Mogalakwena is the only true sustainable open pit platinum mine in the world and also one of the most profitable platinum mines. We have made good progress on the community issues we face and have improved our capacity to process the very difficult Platreef. That means that we have the opportunity to expand the production at this mine. This is a relatively low cost, low risk project with a massive orebody that has a very long life. Accelerating the mining will increase the already high value.

Unki is our mine in Zimbabwe that started production this year. We have the opportunity to expand this mine and we plan steady organic growth as we ramp up the first phase. We are working with Government to resolve the Mining Rights issues and are confident of a positive outcome.

For the medium term, five to ten year, we have an extensive and undeveloped footprint on the Eastern Limb. We plan to use our assets and our relationships with our partners to develop this large resource. While the Eastern Limb is often viewed as a low margin area, it is possible, with scale to improve the value.

Finally, in the long term, ten to twenty years, we have multiple deep shaft opportunities, mainly on the Western Limb. We still have deep Merensky Shafts to develop, Tumela 3 and 4 shaft, and Union Deeps. While these will be capital intensive shafts, we believe they will still be competitive at that time because of our PGM market development initiatives.

This capital program allows us to develop the best business opportunities and ensures that we remain in the upper half of the margin graph. We are aware of both internal and external constraints and inhibitors of this program and have incorporated appropriate remedial actions in our management agenda. Our actions and plans are continually reviewed in light of the market situation and we will adapt them as required.

Johannesburg, South Africa
25 July 2011

For further information please contact:
Kgapu Mphahlele
Investor Relations
+27 (0) 11 373 6239
kgapu.mphahlele@angloamerican.com