

# ANGLO PLATINUM LIMITED

2010 Annual Results  
07 February 2011



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# AGENDA

- Welcome
  - Cynthia Carroll, Chairman
- Overview of FY10, markets, operational review
  - Neville Nicolau, CEO
- Review of mining and processing
  - Pieter Louw, Executive Head: Mines
- Review of financial performance
  - Bongani Nqwababa, Finance Director
- Review of projects and capital management
  - Ben Magara, Executive Head: Engineering and Projects
- Outlook
- Question and answer session

# OVERVIEW OF FY10

- Neville Nicolau, CEO



# HIGHLIGHTS OF FY10

## Strong rebound in performance leads to resumption of dividend payments

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- Continued improvement in safety performance: LTIFR down 15% year on year from 1.37 to 1.17
- Resuming dividend payout: declaring final dividend of R6.83 per share (R1.8 billion)
- Excellent rebound in profitability: headline earnings up 595% to R4.93 billion
- Refined platinum production of 2.57 million ounces, up 5% year on year
- Cash operating costs of R11,730 per equivalent refined platinum, up 4% year on year
- Net debt of R4.1 billion, down from R19.3 billion
- Received new order mineral right grant letters
- Major broad-based empowerment deal with communities announced

# SAFETY



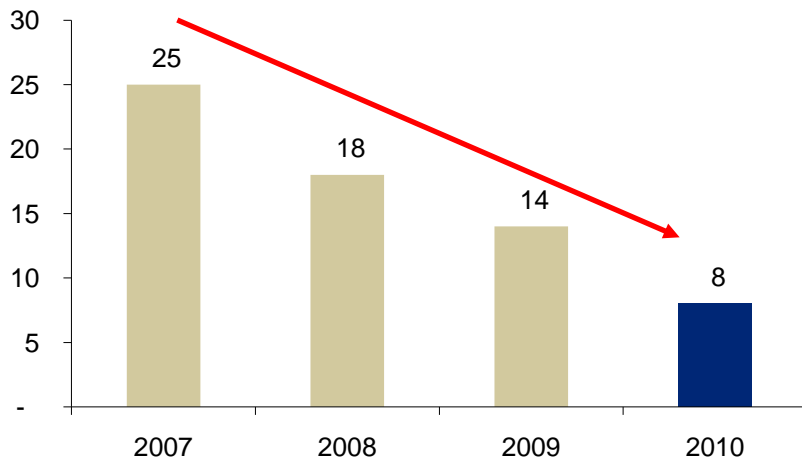
# SAFETY

## Significant decline in fatalities and LTIFR

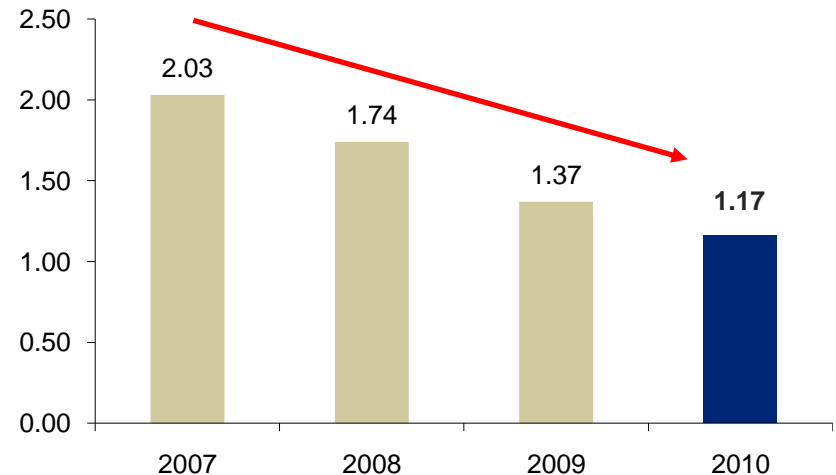
- LTIFR down 15% year on year from 1.37 to 1.17
- Regrettably, 8 fatalities during the year

- Significant safety achievements during 2010
  - Dishaba mine: > 4 million fatality free shifts
  - Tumela mine: > 4 million fatality free shifts
  - Khomanani Mine: 3.6 million fatality free shifts
  - Khuseleka Mine: 2.9 million fatality free shifts
  - Mogalakwena: 1 million fatality free shifts
  - PMR: 2 million LTI free hours

**Number of fatalities: down 68% since 2007**



**Lost-time injury frequency rate: down 42% since 2007**



# REVIEW OF MARKETS



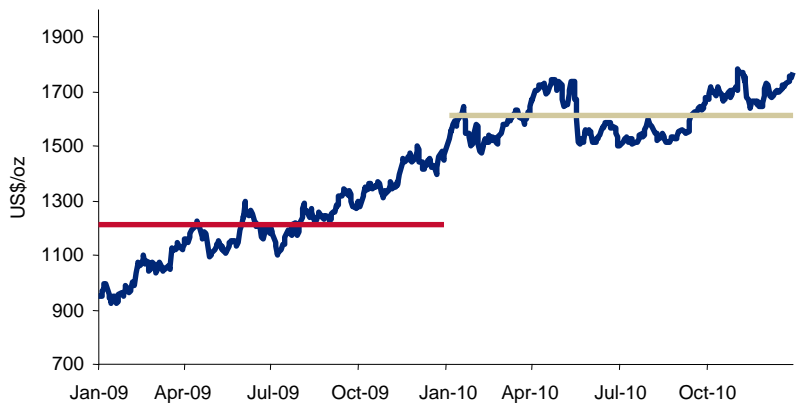


# REVIEW OF MARKETS

## Substantial improvement in realised basket price

- Platinum price achieved averaged US\$1611/oz, up 34% year on year
- Realised average rand platinum basket price increased of R18,159, +29% year on year

Spot platinum price and annual averages



Anglo Platinum's realised basket price



— Platinum spot — FY09 average platinum spot — FY10 average platinum spot

— ZAR basket price — FY09 average basket price — FY10 average basket price

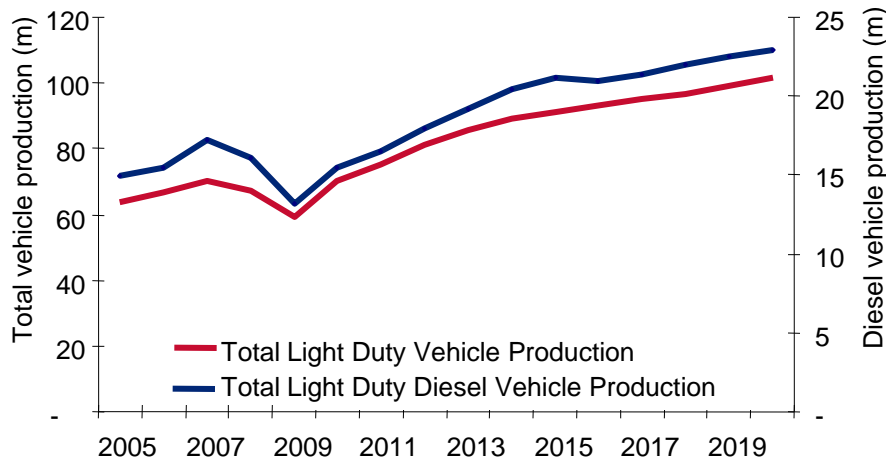
Source: Johnson Matthey and Anglo Platinum

# REVIEW OF MARKETS

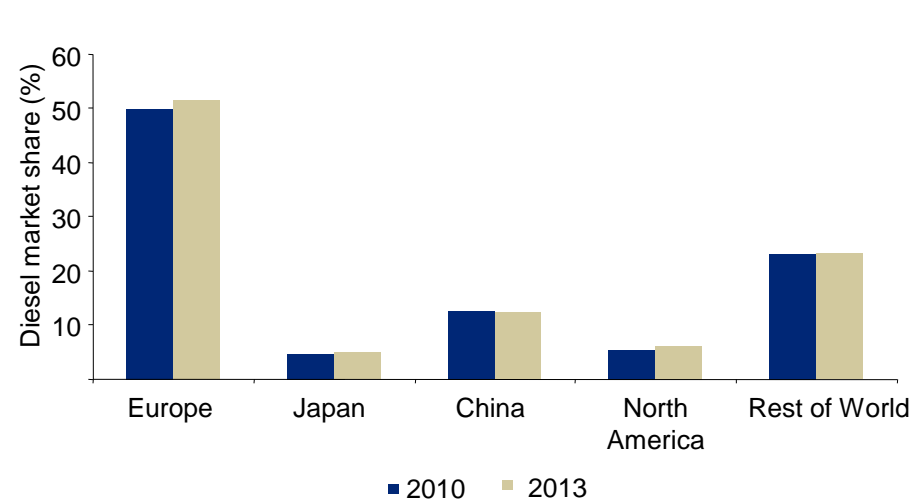
## Autocatalyst demand recovering: Gross demand for platinum up 45%

- Global light duty vehicle sales > 70 million units, c.14% higher year on year
- Light duty vehicle production > 74 million units
- In Europe, diesel proportion of sales increased to 50%, driven by increased fleet purchases
- US vehicle inventories returned to historic averages of 67 days

Global light duty vehicle production forecast



Regional diesel share of light duty vehicle production

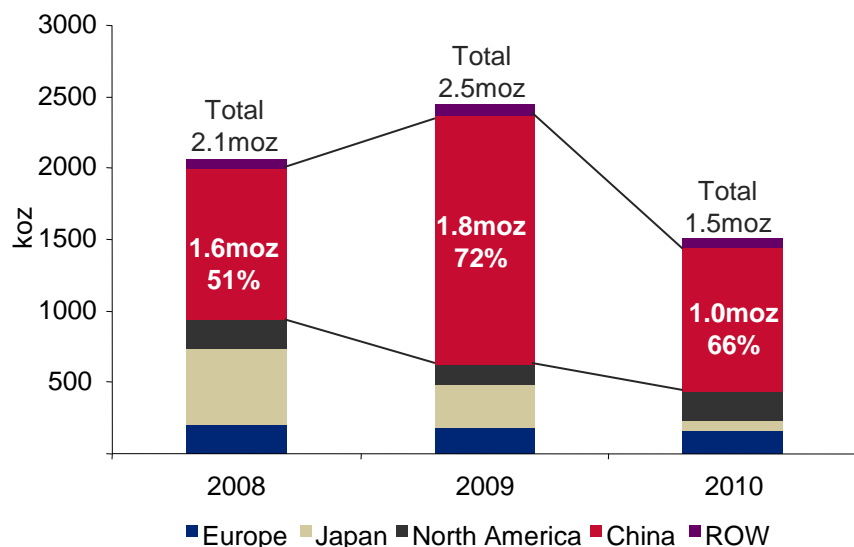


# REVIEW OF MARKETS

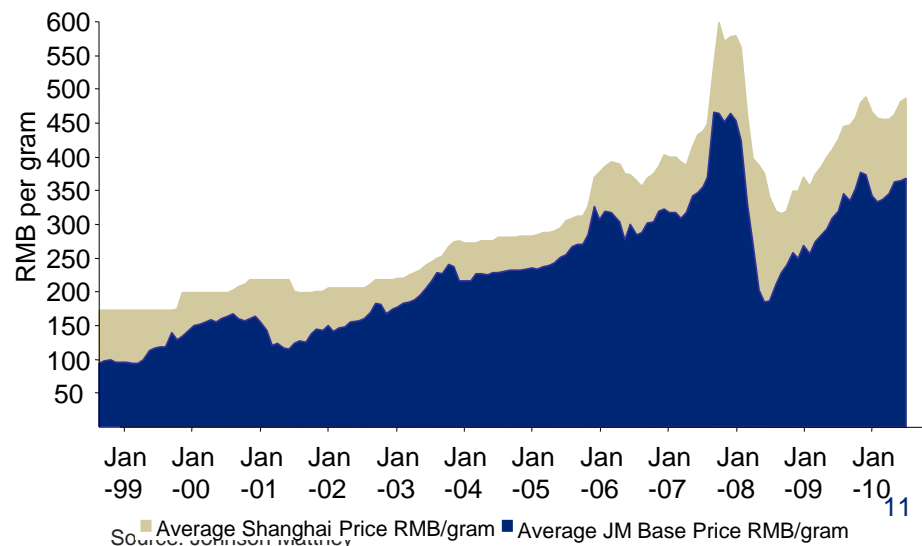
## Platinum jewellery demand remained resilient

- Jewellery market remained resilient: 1.5m ounces of demand in 2010
- China: 66% of platinum jewellery demand, despite c.40% decline due to higher price environment
- UK: Hallmarking figures showed solid growth, 9M10 sales up on 9M09
- RoW: Steady demand growth supported by improved world economic conditions
- India: Jewellery development program starting to yield results

Split of platinum jewellery demand by region



Shanghai Pt Retail Price and Margins (monthly average)

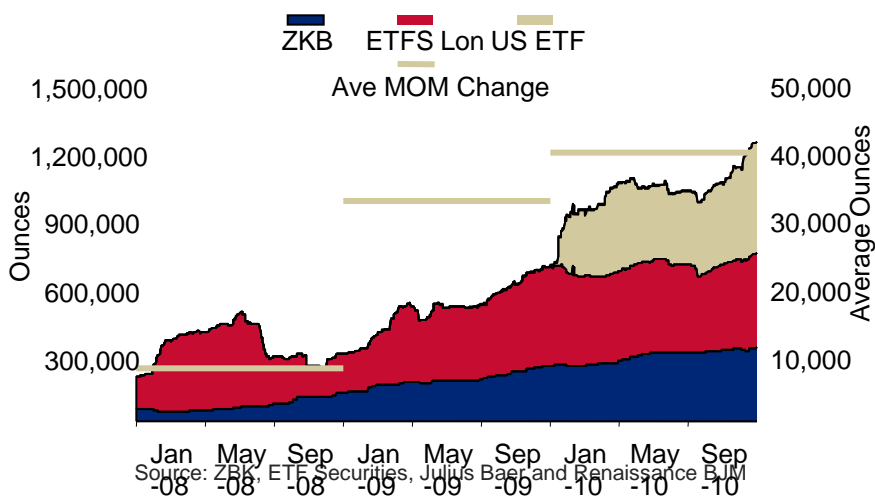


# REVIEW OF MARKETS

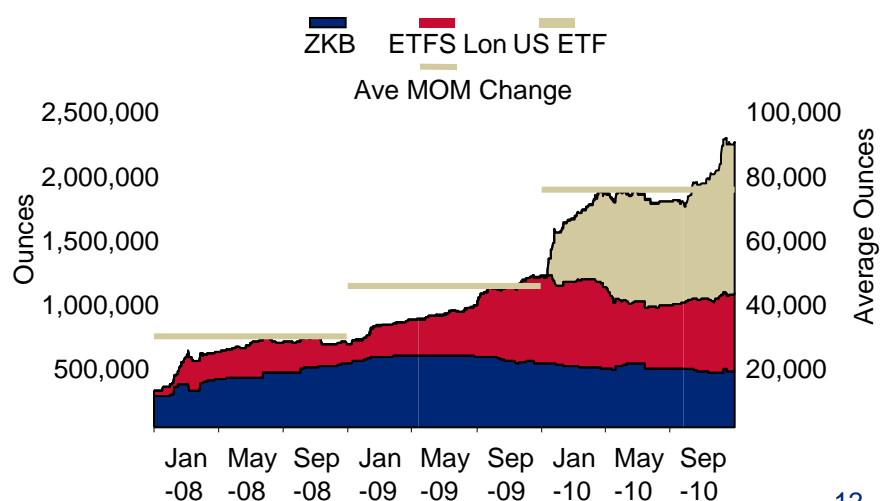
Stronger investment demand reflects positively on the outlook

- Strong investor inflows into ETFs
- Total ETF holdings at end 2010: record 1.23 million ounces of platinum; record 2.21 million ounces of palladium
- Net physical platinum investment decreased to 620,000 ounces
- Net physical palladium investment increased to 1.06 million ounces

### Platinum ETF positions



### Palladium ETF positions



Source: ZKB, ETF Securities, Julius Baer and Renaissance BMM

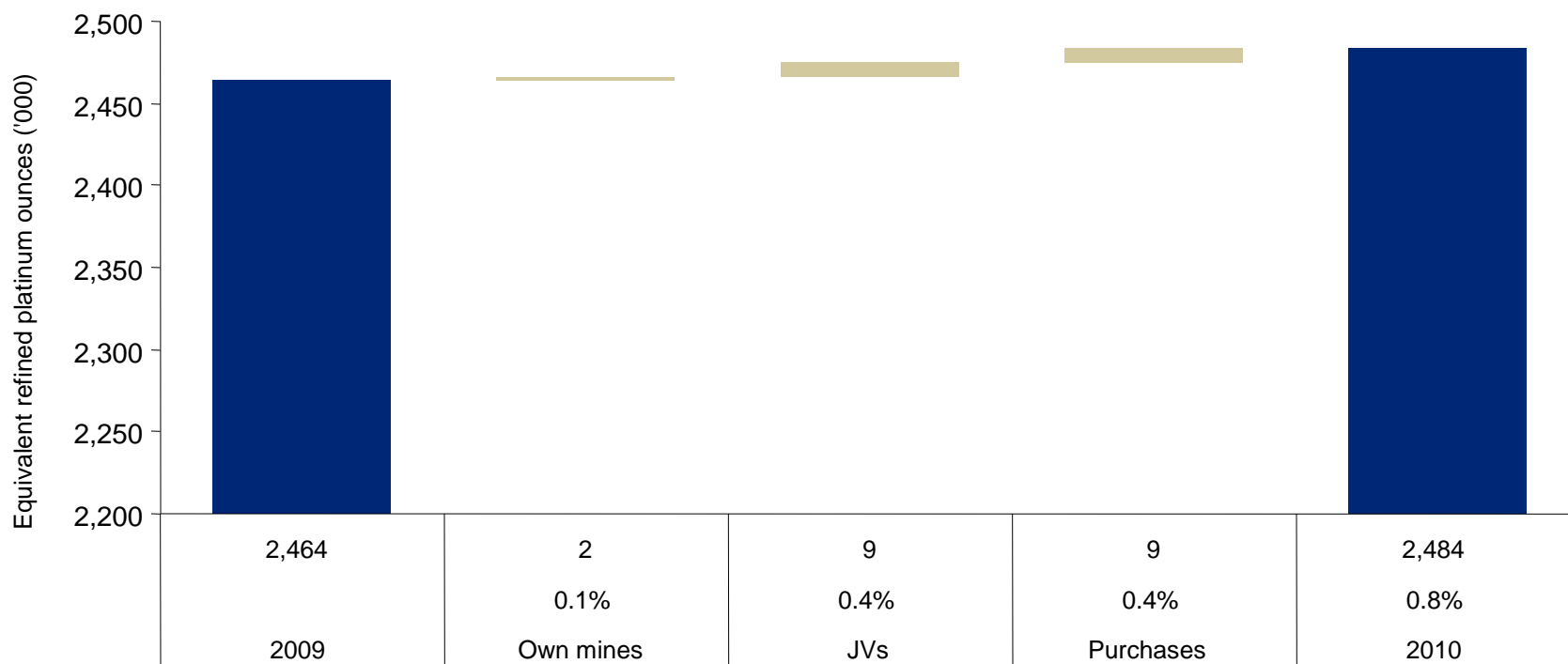
# OPERATIONAL REVIEW



# OPERATIONAL REVIEW

## Production and sales volumes exceed targets

- Refined platinum production of 2.570 million ounces, up 118,300 ounces year on year
- Equivalent refined platinum production of 2.484 million ounces, up 19,700 ounces year on year
- Refined platinum ounces sold of 2.524 million ounces, down 49,100 year on year

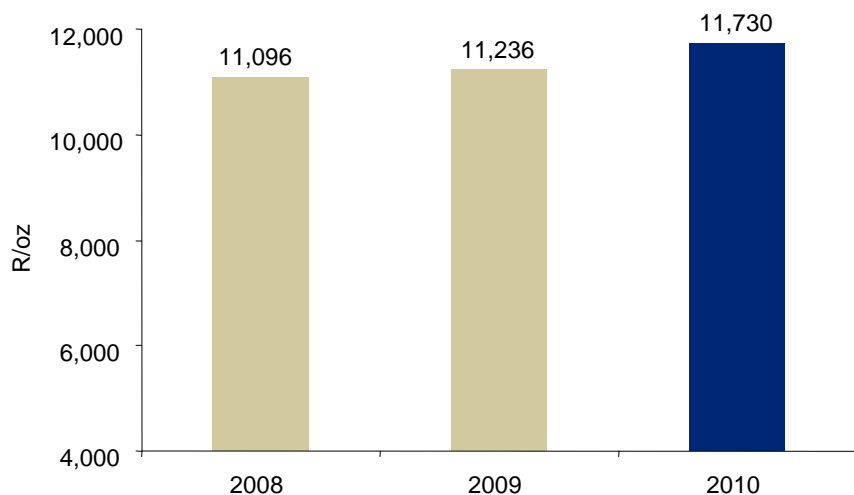


# CONTINUED PROGRESS ON COST MANAGEMENT

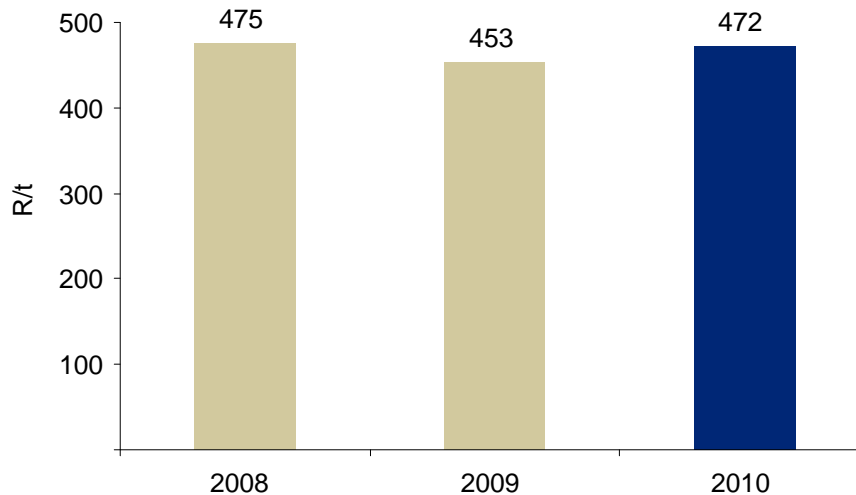
## Unit costs kept flat in real terms

- Cash operating costs per equivalent refined platinum ounce of R11,730
  - Flat in real terms
  - Up 4.4% year on year in nominal terms
    - Impact of inflation: 1.5%
    - Impact of volume: 2.9%
- Cash on-mine cost per tonne of R472
  - Up 4% year on year
  - CAGR of -0.3%, kept flat since 2008

### Cash operating cost per equivalent refined Pt oz



### Cash on-mine cost per tonne milled

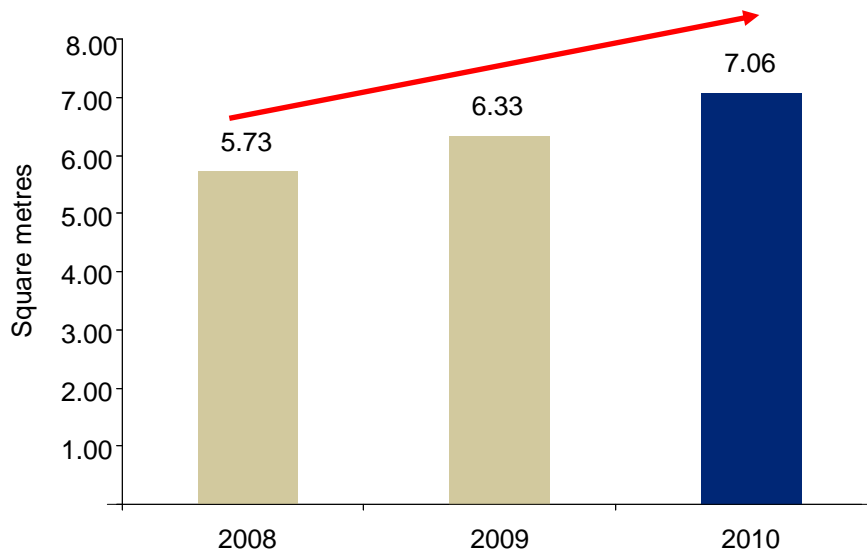


# OPERATIONAL REVIEW

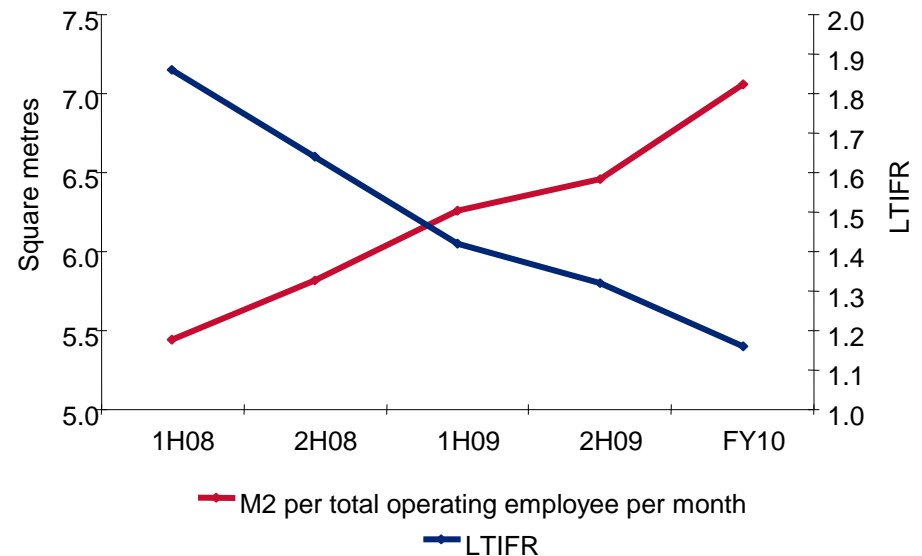
## Productivity to improve further

- Labour productivity improved by 12% from 6.33m<sup>2</sup> per total operating employee per month in 2009 to 7.06m<sup>2</sup> in 2010
- Strong correlation between improved safety and improved productivity

Labour productivity up 23% since 2008



Productivity vs. safety performance





# OPERATIONAL REVIEW

## Grades set to improve in 2011

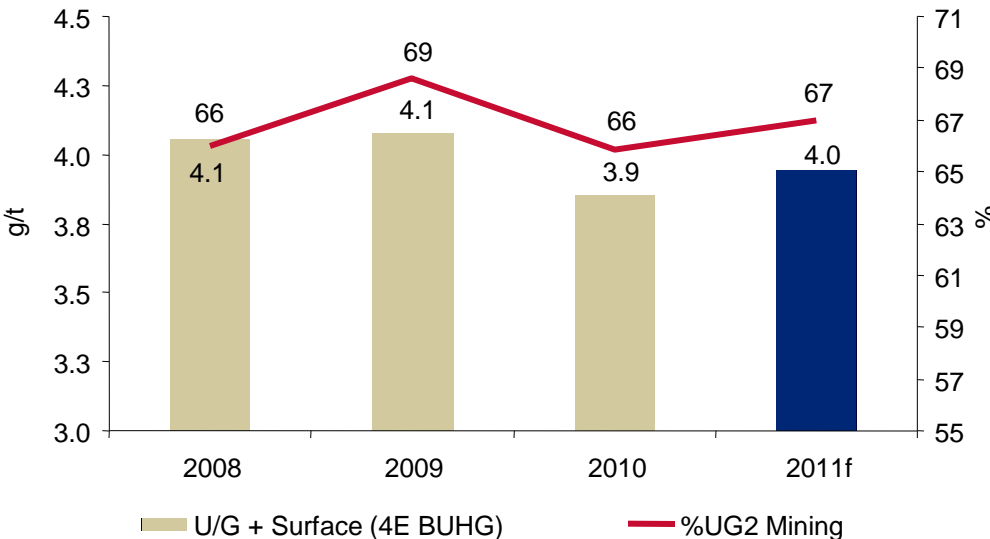
### Underground Mines

- Total built-up head grade declined by 5% due to:
  - Decline of 2% in Merensky and UG2 reef grades due to in-stope roof bolting
  - Processing of lower grade surface stockpiles at Tumela and Union
- Built-up head grade expected to improve in 2011

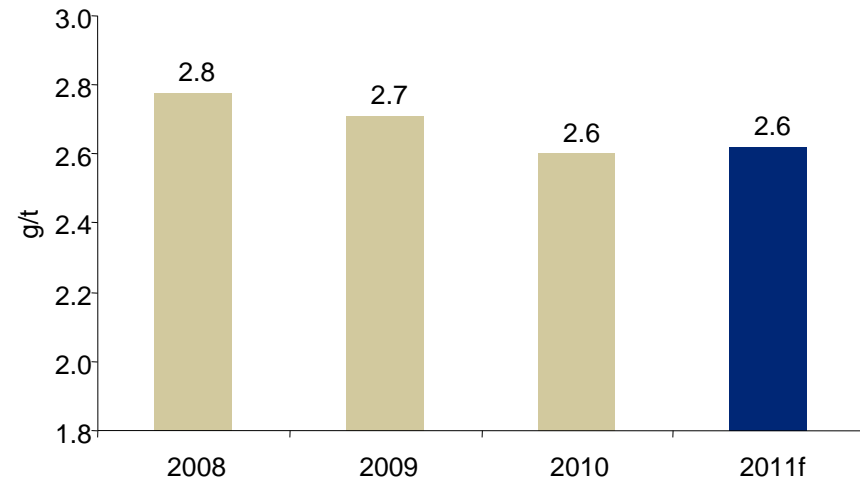
### Mogalakwena open pit mine

- Built-up head grade declined by 4% due to planned move from Zwartfontein pit to the North pit

**Own mines' underground Built-up head grade vs. UG2%**



**Surface Mine Built-up (4E) head grade (Mogalakwena)**



# OPERATIONAL REVIEW

## Continued improvement in operational performance

	FY 2010	FY 2009	Change	
<b>Significant improvement in safety performance</b>				
LTIFR (LTI/200,000 hours)	1.17	1.37	15%	▲
<b>Better-than-expected production volume</b>				
Refined platinum production (Moz)	2,570	2,452	5%	▲
<b>Continues aggressive cost management</b>				
Cash costs/equivalent refined Pt oz (rand)	11,730	11,236	4%	▼
<b>Solid progress on improving productivity</b>				
M2 per total operating employee pcm	7.06	6.33	12%	▲

# OPERATIONAL UPDATE AND PROCESS

- Pieter Louw, Executive Head: Mines



# OPERATIONAL UPDATE

## Operational challenges worked through by end 1H11

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- Khomanani Mine: Simultaneous intersection of five major potholes at 1 shaft
  - Development to re-establish mining panels on track to be completed by 1Q11
- Tumela Mine: 15E shaft barrel and haulage failures
  - Shaft barrel rehabilitation completed
  - 5 level production re-established
  - 7 level on schedule to be completed by the end of 1H11
- Union Mine: Challenging geological conditions at Richard shaft
  - On schedule to establish required ore reserve position by end of 1Q11
- Union Mine: Implementation of new shift cycle, cleaning method and changeover to owner maintenance of equipment at Decline section
  - Revised mining method, shift cycle and owner maintenance completed

# PROCESSING REVIEW

## Improved processing reliability

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### **Concentrators:** Improved Performance

- Produced 2.48 million ounces of equivalent refined platinum, up 19,700 ounces year on year
- Mogalakwena North concentrator optimisation progressing well
- ISA Mills™ optimised

### **Smelters and Refineries:** Improved Reliability

- Tonnes smelted down 3% year on year
- Refined 2.57 million ounces platinum, up 5% on FY09
- BMR expansion project restarted and commissioning planned for mid-2011
- Decrease of 119,000 platinum ounces in equivalent refined in process inventory:



# REVIEW OF FINANCIAL PERFORMANCE

- Bongani Nqwababa, Finance Director



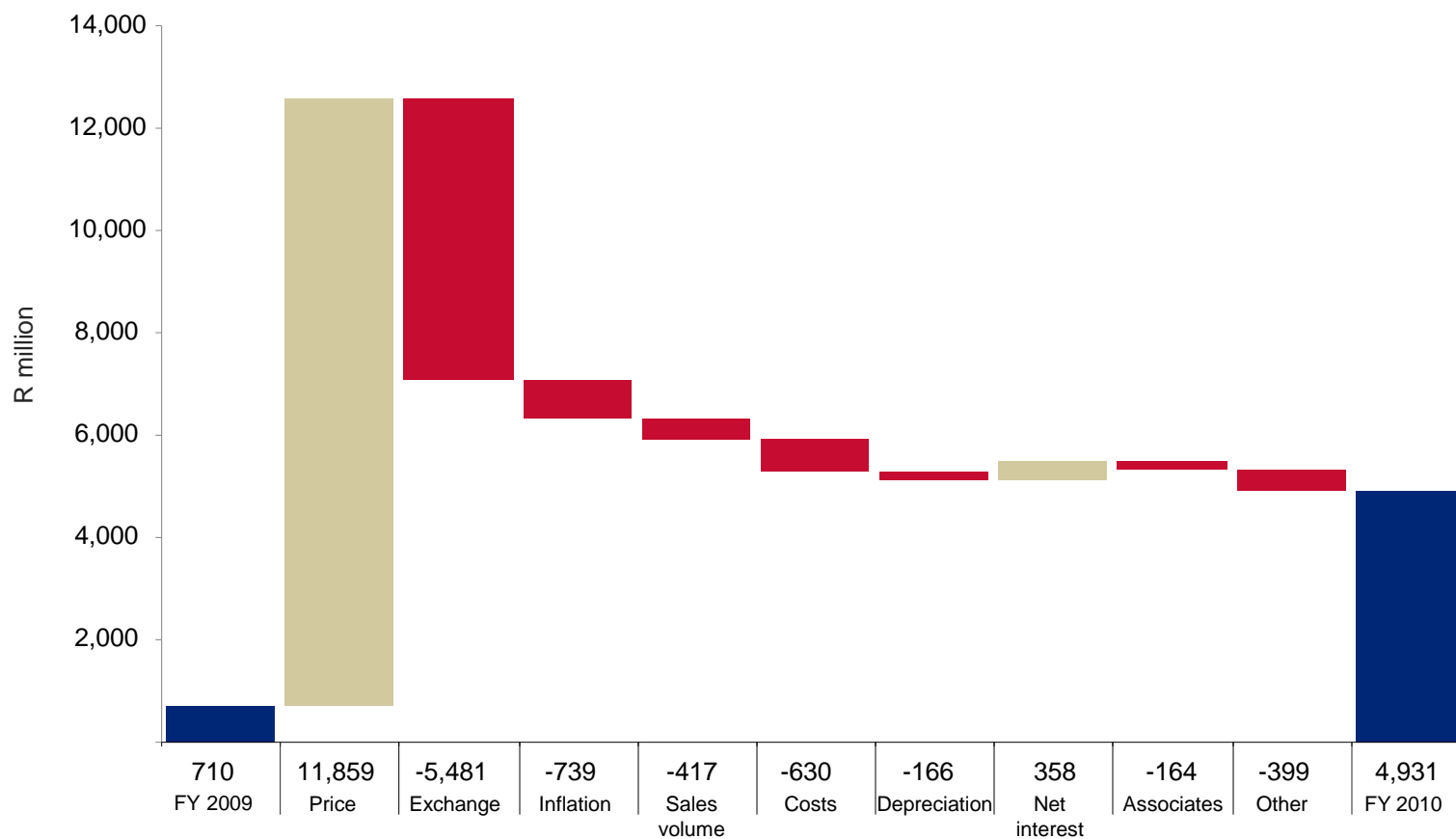
# REVIEW OF FINANCIAL PERFORMANCE

Resumption of dividend testimony to improved financial performance

R million	FY 2010	FY 2009	Change	
Basket price per Pt oz (\$)	2,491	1,715	45%	▲
Basket price per Pt oz (R)	18,159	14,115	29%	▲
Net sales revenue	46,025	36,687	25%	▲
EBITDA	11,271	4,936	128%	▲
Operating profit	7,253	921	688%	▲
Headline earnings	4,931	710	595%	▲
Headline earnings per share (cents)	1,935	289	570%	▲
Ordinary dividends	1,787	–		▲
Ordinary dividends per share (cents)	6.83	–		▲
Operating free cash flow	7,783	1,778	338%	▲
Capital expenditure (excl. interest capitalised)	7,244	9,732	26%	▼
Net debt	4,111	19,261	79%	▼

# REVIEW OF FINANCIAL PERFORMANCE

Headline earnings up strongly due to strong metal price recovery





# REVIEW OF FINANCIAL PERFORMANCE

Cash operating costs well contained and operating margins improved

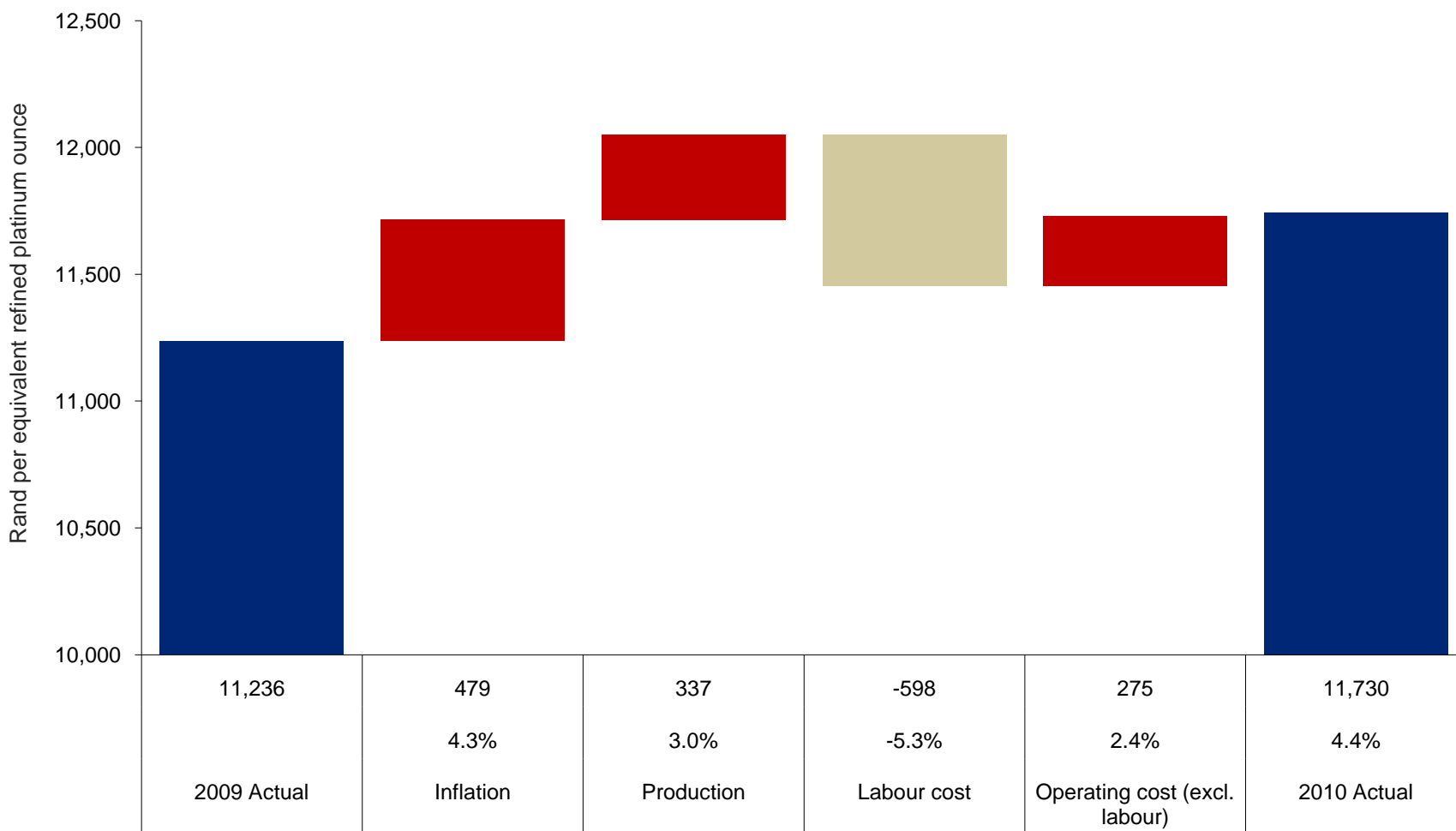
R million	FY 2010	FY 2009	Change	
Cash operating costs <sup>1</sup>	23,232	22,884	2%	▲
Other costs <sup>2</sup>	2,185	2,060	6%	▲
Purchase of concentrate / metals	9,215	6,689	38%	▲
Depreciation and waste stripping	4,354	4,177	4%	▲
Cost of sales	37,991	34,715	9%	▲
Operating margin – mined (%)	19.7	5.8	240%	▲
Operating margin - purchase of metals (%)	9.1	3.4	168%	▲
Operating margin – total (%)	17.5	5.4	224%	▲

<sup>1</sup> Cash operating costs comprise on-mine, smelting and refining costs

<sup>2</sup> 2010 includes R163m in respect of the mineral resource royalty

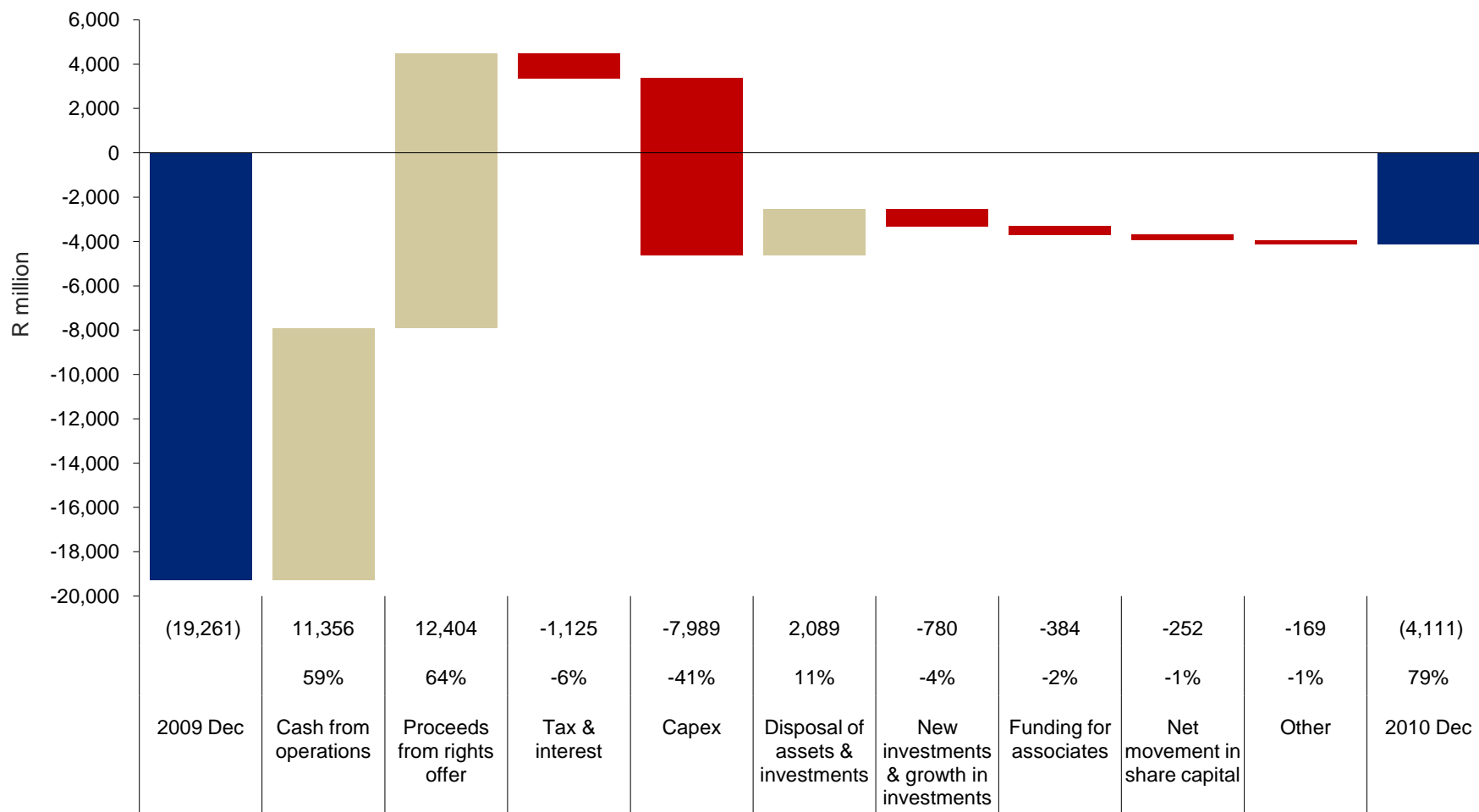
# REVIEW OF FINANCIAL PERFORMANCE

## Unit cost management initiatives proving effective



# REVIEW OF FINANCIAL PERFORMANCE

Significant reduction in net debt following rights issue and strong cash generation



# REVIEW OF FINANCIAL PERFORMANCE

US\$583 million savings from Asset Optimisation

<b>Asset Optimisation:</b>	<b>Asset Optimisation: Main contributing projects</b>
<ul style="list-style-type: none"><li>● Asset optimisation operating profit benefit US\$583 million, vs. target of US\$577 million</li><li>● Targeting asset optimisation savings of US\$645 million in 2011</li></ul>	<ul style="list-style-type: none"><li>● Smelter capacity improvements</li><li>● Slag Milling and flotation project</li><li>● Labour productivity improvements and cost savings</li><li>● Siphumelele 3 care and maintenance</li><li>● Steel ball reduction in milling circuits</li></ul>
<b>Supply Chain:</b>	<b>Supply Chain: Main contributing projects</b>
<ul style="list-style-type: none"><li>● Total Supply chain savings of US\$240 million*, vs. target of US\$195 million</li><li>● Targeting sustainable supply chain savings of US\$280 million in 2011</li></ul>	<ul style="list-style-type: none"><li>● Explosives – AEL shocktubes</li><li>● Steel balls and grinding media contracts</li><li>● Resource allocation tool (labour initiative)</li><li>● Tyres, mobile cranes, caustic soda contracts</li><li>● Reduction in tyre inventory at Mogalakwena</li><li>● Min/max inventory initiative</li></ul>

\*Including joint ventures, intercompany transactions and working capital

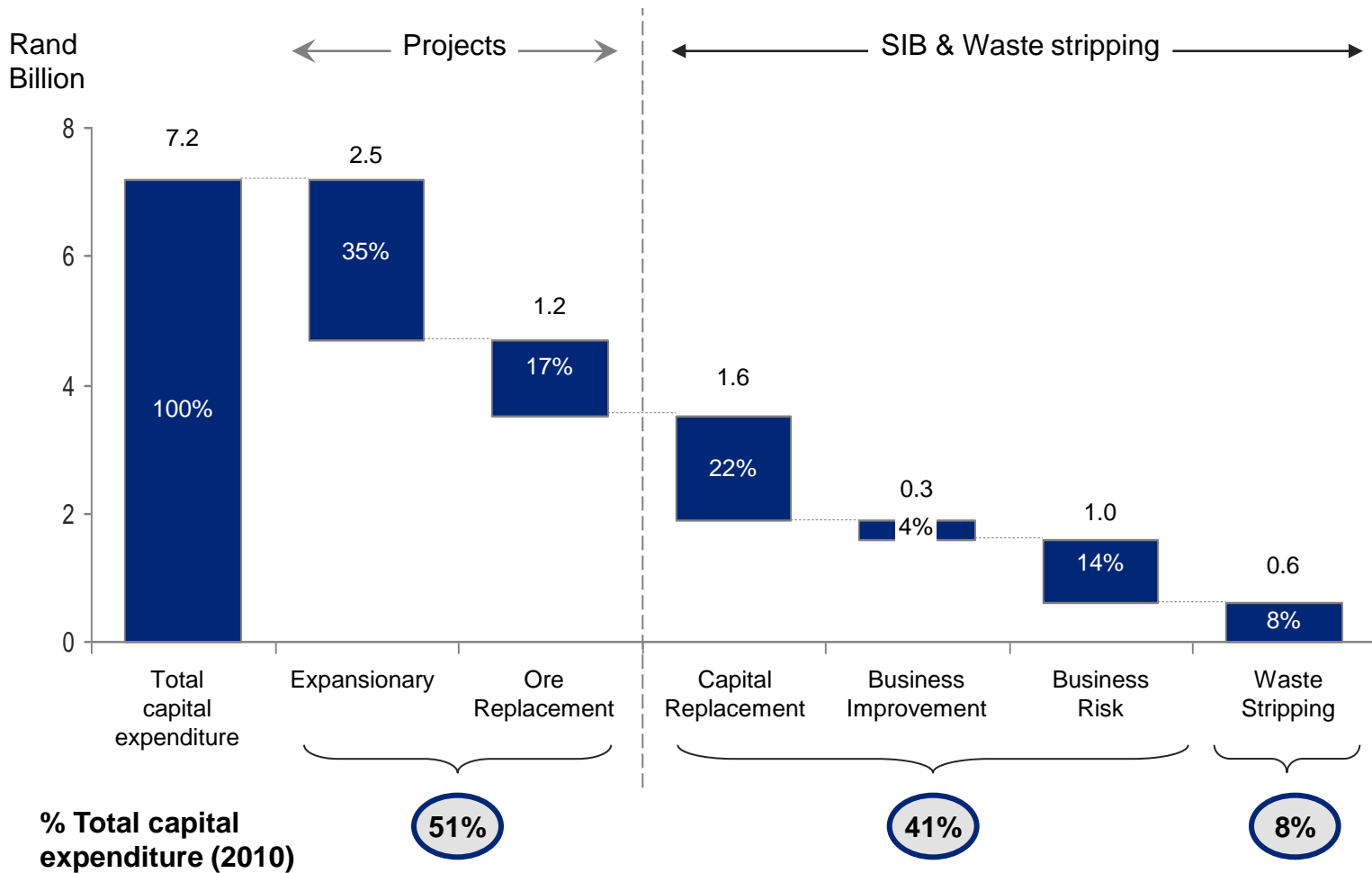
# REVIEW OF PROJECTS AND CAPITAL MANAGEMENT

- Ben Magara, Executive Head: Engineering and Projects



# REVIEW OF PROJECTS AND CAPITAL SPENDING

In 2010, c.50% of Capex spent on projects, of which 35% on expansion

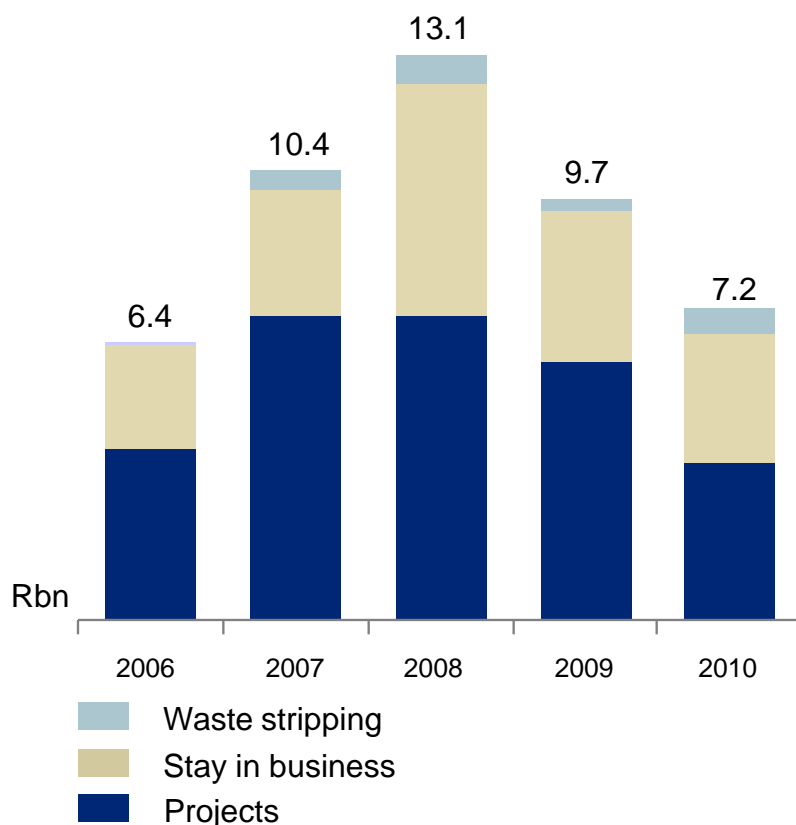


# REVIEW OF PROJECTS AND CAPITAL SPENDING

## A shift towards smarter spending

Total Capex spend reduced in recent years...

...due to:



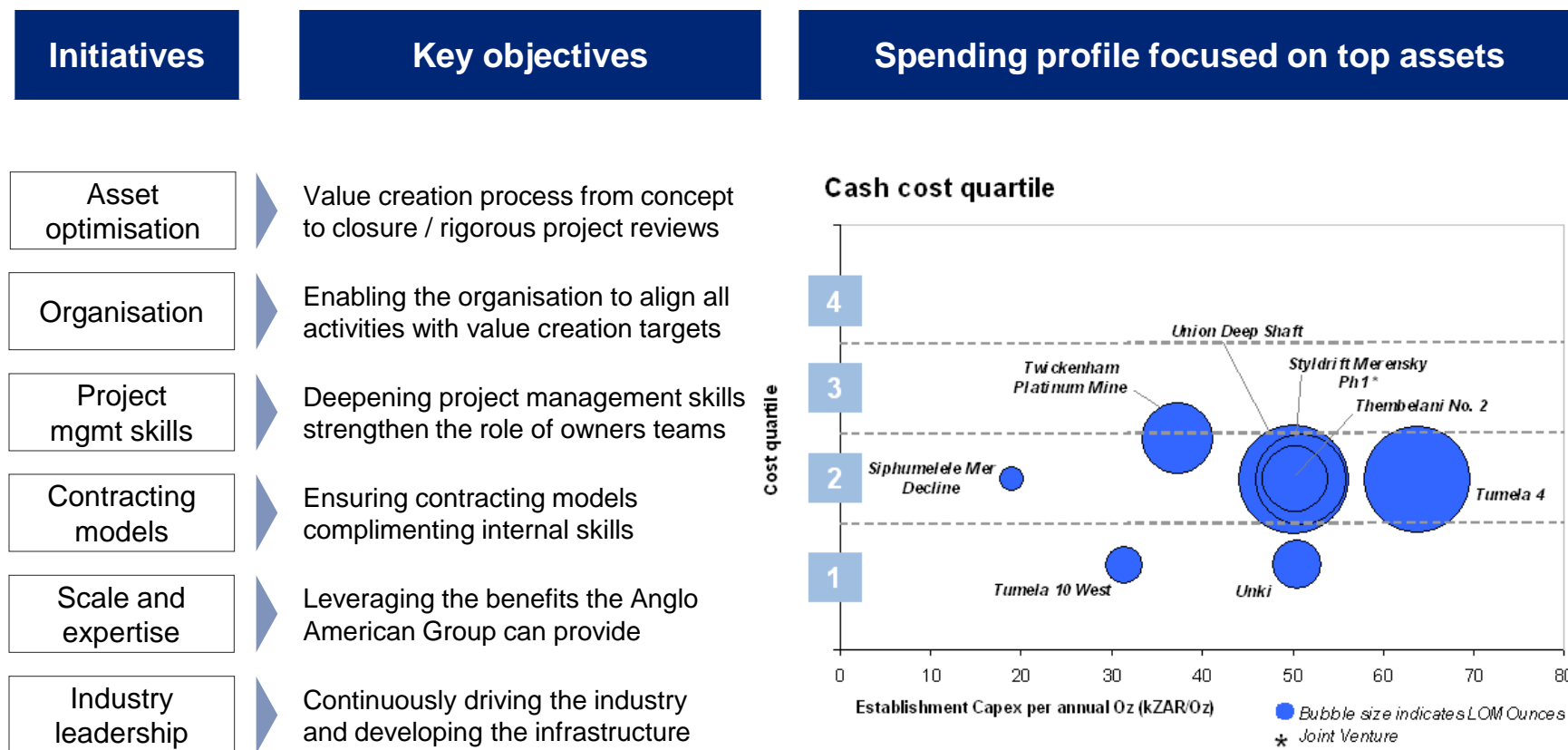
- Market conditions and affordability
- Higher level of cost consciousness
- Increased focus on capital efficiency
- Value engineering as part of Asset Optimisation
- Improved capital scheduling, especially on non-critical path items

**...with no compromise on near term projects**

- ISA Mills™ rollout, Twickenham, Mogalakwena, Thembelani 2 shaft
- Unki, Dishaba, Khuseleka, BMR expansion
- Recently deferred projects now incorporated into ounce profile

# REVIEW OF PROJECTS AND CAPITAL SPENDING

What are we doing to spend our capital more effectively?

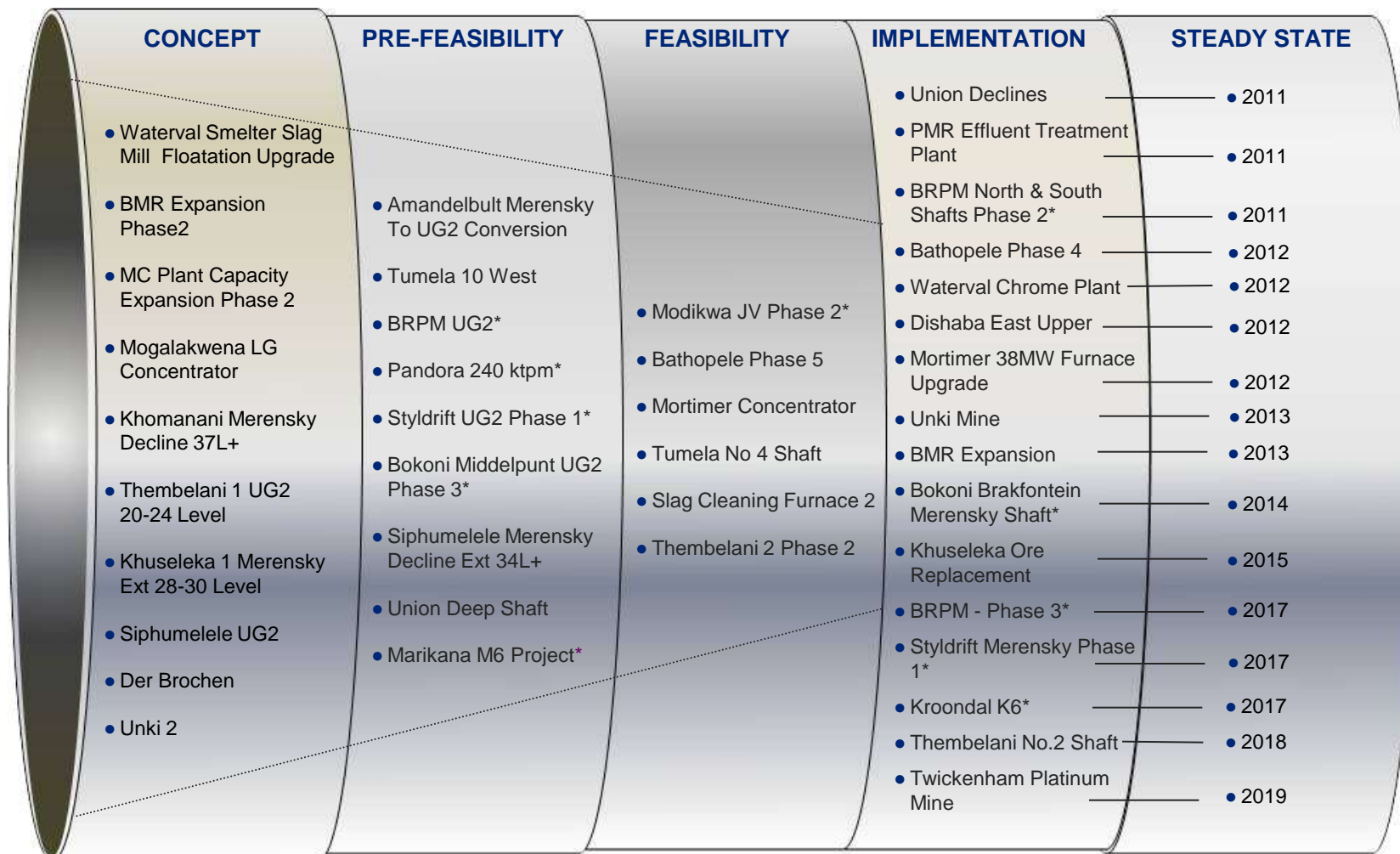


**Our ounce profile dictates our capital plan, our initiatives bring the plan to life**



# REVIEW OF PROJECTS AND CAPITAL SPENDING

A premium project pipeline supports our operational strategy



\*Joint venture

# REVIEW OF PROJECTS AND CAPITAL SPENDING

## In conclusion

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- Our capital plan is directly linked to our view of the market
- We have a premium project pipeline
- We are embedding a culture focused on delivering safe, value-adding projects which meet quality and risk requirements, on time and budget, to scope



# OUTLOOK

- Neville Nicolau



# OUTLOOK

## 2011 outlook is positive

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- Platinum market to remain in balance
- Platinum price to average at least US\$1,800 per ounce
- Production: 2.6 million refined and equivalent refined Pt ounces
- Cash costs per equivalent refined platinum ounce in line with 2010 levels
- Productivity: 7.3m<sup>2</sup> per total operating employee per month
- CAPEX:
  - Projects: R4.0 billion; SIB: R3.5 billion, Waste-stripping R0.5 billion
- Committed to achieving zero harm

# OUR STRATEGY

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**Our strategy is to maximise value by understanding and developing the market for platinum group metals, to expand our production into that opportunity and to conduct our business safely, cost-effectively and competitively**

**Safe, Profitable Platinum**



**THANK  
YOU**