

WHAT WE DID IN THE DOWNTURN WILL DETERMINE OUR FUTURE SUCCESS

OVERVIEW

Anglo Platinum experienced very challenging market conditions during 2009 but used the opportunity to reconfigure the cost base, improve production and take a significant step forward in safety efforts. While our financial results are significantly below those of previous years, our operating performance improved and we increased production and sales while keeping unit costs essentially flat. As a result productivity improved significantly from 2008. During the year we restructured management and replaced the traditional hierarchy with a more efficient matrix structure. Our mines were restructured into smaller, more manageable units and our total labour force was reduced, mainly through a reduction in contractors. We advanced our values-based Company culture program and improved our external relationships with stakeholders.

SAFETY

Anglo Platinum produced a much improved set of safety results in 2009. In many respects it was a record year. Unfortunately, our goal of zero fatalities was not achieved. During the year 13 of our employees died while on duty, compared with 18 in 2008. The Chief Executive Officer reviewed each fatality. In this he was fully supported by the respective mine management teams who, together with Union representatives, attended each of the funerals and ensured the efficient administration of death benefits. These reviews study all aspects

of each incident in detail to ensure we do everything possible to avoid a death or an injury in similar circumstances in the future.

During the year, in addition to a reduction in the number of fatalities, we improved our lost-time injury frequency rate (LTIFR) from 1.74 to 1.37. Many of our individual operations achieved significant milestones in our pursuit of zero harm. The most notable of these achievements was a fatality-free final quarter for 2009, which is reflective of the sound and stable approach to safety adopted during a very disrupted and challenging year. The following Anglo Platinum mines and Service areas achieved significant safety milestones in 2009:

- Dishaba Mine: 3.5 million fatality-free shifts
- Tumela Mine: 4 million fatality-free shifts
- Thembelani 1 Shaft: 2 million fatality-free shifts
- Modikwa Mine: 6 million fatality-free shifts
- Rustenburg Services: 10 years without a fatality

Safety is our first value and an important part of our operating strategy to produce safe, profitable platinum. Early in 2009 we bolstered the Anglo Platinum Safety Strategy following a gap analysis with the One Anglo Safety Way, an analysis of the accidents we were experiencing and a review of various existing Anglo Platinum safety management

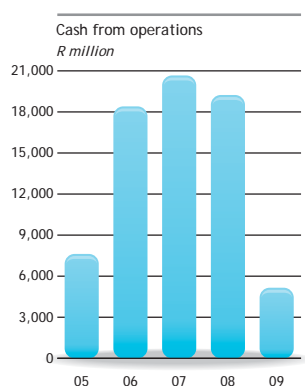
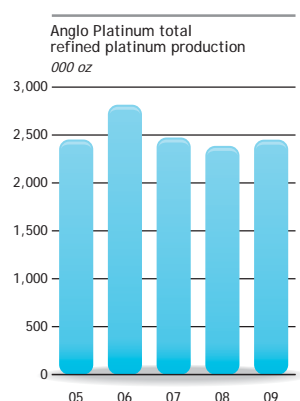
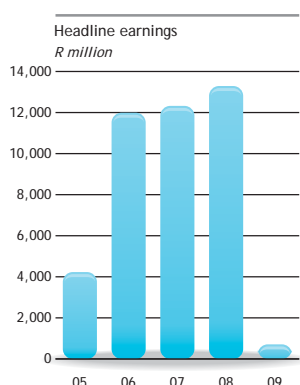
improvement systems. This strategy continues to pursue the vision of zero harm and is based on the three principles of zero mindset, no repeats, and simple non-negotiable standards. Our strategy has four thrusts: first we need thorough and complete safety management systems that are implemented on all our operations. Next we need to engineer or design out the risks in our business through, for example, systems like FOGM (fall of ground management) and IRM.net (integrated risk management). Behaviour is the third thrust and in this regard we encourage people not to perform dangerous tasks, and to withdraw from dangerous circumstances. Finally, we realised that mine accident deaths form only a small number of the total number of employee deaths per annum. As a consequence, Wellness in the Workplace is our fourth thrust. In this we try to improve the health, both physical and emotional, of our employees. A key achievement in this regard was the increase in our Voluntary Counselling and Testing rate, for HIV/Aids, to over 80%.

FINANCIAL RESULTS

Anglo Platinum's headline earnings for the year ended 31 December 2009 decreased by 95% to R710 million. The main factors contributing to this decrease were lower US dollar prices realised on metals sold, offset by higher sales volumes and the receipt of insurance income. Headline earnings per ordinary share decreased 95% to 298 cents. Headline

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for the year ended 31 December 2009



earnings exclude profits of R2.5 billion realised on the conclusion of Anglo Platinum's BEE transactions with Anooraq Resources Corporation (Anooraq) and Mvelaphanda Resources Limited (Mvela). Basic earnings per share, which include the profits on the transactions, amounted to 1,269 cents, down 79% on 2008.

While the global financial crisis that started during the last quarter of 2008 curbed demand for platinum group metals (PGMs) and caused prices to decline significantly, the second half of 2009 brought early signs of economic recovery, with a consequential increase in demand

and recovery in prices with platinum increasing by 60% from US\$922 per ounce at the beginning of 2009 to US\$1,475 at 31 December 2009.

The average prices achieved on platinum, palladium, rhodium and nickel sales for the year were US\$1,199 per ounce, US\$257 per ounce, US\$1,509 per ounce and US\$14,424 per tonne respectively. The 2009 average rand basket price achieved was R14,115 per platinum ounce, a reduction of 37% when compared with the R22,348 price in 2008.

Refined platinum sales for the year ended 31 December 2009 amounted to 2.57 million ounces compared to 2.22 million ounces in 2008, representing an increase of 16%.

The increase was due to unsold metal at the end of 2008 being available for sale in 2009 and the achievement of higher refined production volumes.

Net sales revenue decreased by R14.1 billion to R36.7 billion. The decrease was primarily the result of lower US dollar metal prices achieved on metals sold, which accounted for R21 billion, offset by higher volumes of metals sold increasing revenue by R7 billion.

Costs were well controlled during 2009. Our focus on cost management, inbound supply chain projects and asset optimisation initiatives started to bear fruit and resulted in the cash operating cost per equivalent refined platinum ounce remaining essentially flat at R11,236 compared with 2008. This was achieved despite upward inflationary pressure caused by wage and electricity tariff increases in excess of consumer price inflation.

Cost of sales for the year at R34.7 billion increased by 3% over 2008. This increase is due to the following;

- Cash mining, smelting and refining costs decreased by 0.6% to R22.9 billion compared with 2008;
- The cost of purchased metal decreased by R2.3 billion, or 26%, primarily due to lower rand prices paid for metal purchased, offset by higher volumes purchased mainly resulting from the disposal of a 51% interest in Lebowa Platinum Mines (now Bokoni Platinum Mine) and the consequent arrangement to purchase their concentrator output;
- Other costs increased by 12% or R226 million, to R2.1 billion. This was largely due to the increase in share-based payments costs, and R282 million once-off costs in respect of voluntary separations;
- The increase in metal inventories was lower in 2009 than in 2008, when a build-up of refined stocks and a lock-up of metal in the pipeline following smelter outages occurred;
- Depreciation increased by 25% to R4.1 billion as a result of the high levels of capital expenditure in prior years.

Cost increases were curbed through improved productivity and numerous cost management initiatives including:

- Placing the high cost Siphumelele 3 (Bleskop), Siphumelele 2 (Brakspruit) and Khuseleka 2 (Boschfontein) shafts onto “care and maintenance”;
- Early re-negotiation with suppliers for reduced prices on key input commodities such as diesel, steel tyres and reagents;
- Making full use of the centralised procurement facilities provided by the One Anglo Supply Chain Project;
- Changing Mogalakwena mining production levels without sacrificing concentrator throughput;
- Completing the restructuring processes at the Rustenburg and Amandelbult mines; and
- Reducing overhead costs at the Corporate and Regional Offices.

The Group’s taxation charge decreased by R4.6 billion, reducing the effective tax rate from 23.4% in 2008 to (5.1%) in 2009 owing to the significant decrease in taxable income.

Net debt at the end of 2009 increased to R19.3 billion from R13.5 billion at the end of December 2008. While operating activities produced a positive cash flow of R4.7 billion, this was down 73% from 2008 and funding of some R9.7 billion of capital expenditure was largely through increased debt. This cash outflow was mitigated by the proceeds from the successful conclusion of the BEE transactions with Mvela and Anooraq.

During the second half of 2009, we announced that the Board was considering balance sheet restructuring options and that an announcement of the Board’s decision would be made along with our 2009 Annual Results. Consequently Anglo

Platinum has announced its intention to issue equity to the value of R12.5 billion in a rights offer.

After considering the current level of Anglo Platinum’s debt, our Board believes that raising additional equity through a rights issue will provide the Company with a more balanced capital structure.

This will enable us to focus on:

- extracting value from our existing operations through cost and productivity improvements; and
- optimising our premium portfolio of assets and growth projects through targeted investment.

Dividend payments will be resumed when market conditions and the operating environment permit.

The proceeds from the rights offer will be used to repay long-term debt. As at 31 December 2009 Anglo Platinum had gross debt of R23 billion, of which R20 billion was outstanding under facilities provided by our largest shareholder Anglo American plc and R3 billion outstanding under facilities provided by other financial institutions.

MARKETS

The unprecedented volatility in platinum demand and price experienced in 2008 was followed by a period of consolidation in 2009. The inherent strength in the structure of the platinum business saw the platinum market return to balance during 2009, as jewellery and investment demand increased, reacting to lower price levels in the first half of the year and as investor sentiment improved. These increases offset depressed demand for metal for use in

autocatalysts and lower demand from the industrial sector.

Developments in 2009 again highlight the importance of Anglo Platinum’s continued commitment to market development which supports the maintenance of existing and the development of new industrial (including autocatalyst) applications, and also the maintenance of healthy jewellery markets. Market development for joint products metals, most specifically palladium and rhodium, maximise contribution to the total revenue from the basket of metals sold.

AUTOCATALYSTS

Demand for PGMs in the autocatalyst industry declined in 2009 due to falling automobile production relative to 2008. The reduction in metal purchased by auto manufacturers was exacerbated, in the first half of the year, by their need to decrease vehicle inventory levels hence restricting production and selling from available stock. Some re-building of these inventories together with widespread government incentive schemes saw a firming in PGM demand in the second half of 2009. Incentive schemes resulted in an increase in the sale of smaller gasoline vehicles and a consequent reduction in diesel vehicle demand in Europe.

INDUSTRIAL

Demand for platinum in the industrial sector in 2009 reduced in line with the global economic decline. Low utilisation rates in the chemical and petroleum sectors further reduced demand for new metal as companies reduced inventory levels. Glass demand was negatively affected by excess capacity and a return of metal from decommissioned plants.

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JEWELLERY

As expected, demand for platinum jewellery fabrication responded quickly and strongly to the lower platinum prices in the latter part of 2008 and the first half of 2009. The increased demand was most notable in the unsaturated Chinese market. Total demand for jewellery in 2009 was 70% higher than in 2008.

INVESTMENT

Investor inflow into the platinum and palladium Exchange Traded Funds (ETFs) continued strongly throughout the year. Platinum holdings increased by just over 380,000 ounces and palladium by just over 506,000 ounces in 2009. The expected launch of the US based ETFs supported firm investment demand towards the end of 2009.

Anglo Platinum's extensive knowledge of the market forms the base of our operating strategy. This knowledge greatly enhances our ability to forecast the PGM market needs and consequently the level of production required to ensure long-term market sustainability. Having determined this production level we plan accordingly, resulting in an operating strategy that is appropriate for us as the leader in the platinum industry.

OPERATIONS

During the challenging past year and the opportunity it provided to reposition Anglo Platinum, every aspect of our business was examined and questioned. Rebuilding the competitive position we formerly occupied remained a key focus and is supported by actions taken. The role of our corporate office was redefined and our structures were reduced significantly. They are now focused on

supporting our operations in their efforts to improve performance.

The major restructuring of our mining operations, which we announced early in 2009, was completed by year-end. Our largest operations, Rustenburg and Amandelbult, have been split into more efficient stand-alone units, of five and two mines respectively. This new structure ensures that we can achieve a sustainable reduction in the unit cost of our production and underpins our commitment to extracting maximum value from our assets.

As part of the restructuring process, we have optimised the source of ounces across our portfolio. This included placing three of our high cost shafts onto 'care and maintenance' indefinitely: Siphumelele 3 shaft and Siphumelele 2 Shaft in April and August respectively and Khuseleka 2 Shaft at Khuseleka Mine in August. Union and Mogalakwena remain untouched by these changes.

The programme to upgrade our smelters to provide maximum flexibility continued successfully in 2009 and the efforts of our process division employees contributed greatly to the enhanced smelter performance in the second half of 2009.

We reduced our head office and regional office complement by 724 people in 2009, bringing the total reduction to 1,150 since July 2008. Overall we reduced our labour complement by 15,752 people during the year or by 18,786 people from October 2008. This reconfiguration of the company structure was a difficult time for all Anglo Platinum employees, but was unfortunately a requisite part of our rationalisation. We are proud of the Anglo Platinum team, who ensured these reductions occurred in a professional, orderly and compassionate manner.

In spite of the significant reduction in employees and the associated challenges, we are pleased to say we did not experience any industrial action and we did not have a single forced retrenchment. This is only possible when there are sound and robust relations with our employees, partners and the unions.

We delivered on our production target for 2009 of 2.4 million ounces of refined platinum with 2.45 million ounces being the final refined total. It was pleasing that we did not reduce our production target during the year, an unwelcome occurrence in recent years. We have worked hard to ensure that that forecast and actual production are aligned and to increase the flexibility of our mining operations.

We also delivered on our cost target despite the inefficiency inherent in labour rationalisation periods. Anglo Platinum's unit cost of production was essentially the same per equivalent refined platinum ounce in 2009 as in 2008, at R11,236. As part of cost management, our productivity levels showed an increase of 13% compared with 2008, to 6.33 m² per total operating employee on average per month.

Cost management is being institutionalised in our business and we have plans to keep our unit costs flat for the next two years. This is a major challenge in an environment of very high cost escalations and we will be hard pressed to achieve this but we are sure the Anglo Platinum team will meet this challenge successfully. This will be delivered through improved productivity, value engineering and effective cost management, focusing on supply chain escalation management, the elimination of wastage and reducing allocated costs.

CAPITAL EXPENDITURE AND PROJECTS

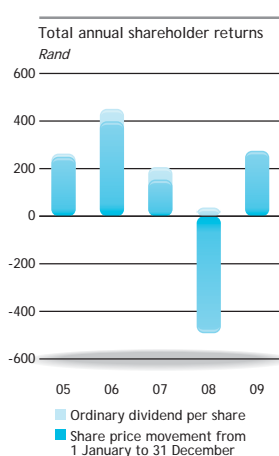
At R9.7 billion, our total capital expenditure for the year was some R3.1 billion lower than in 2008 due to the aggressive actions taken to reduce the rate of capital expenditure across the Company whilst we were in the grip of the global economic downturn. Project capital spend is now directly related to our long-term ounce requirements and the reduction in the rate of spend resulted in a number of our projects being delayed, including Tumela (Amandelbult) 4 Shaft, Twickenham Platinum Mine and the Styldrift Merensky Phase 1 project. However, the Thembelani 2 Shaft (formerly Paardekraal 2), Dishaba (Amandelbult) UG2 (formerly East Upper UG2) and Khuseleka 1 Shaft (formerly Townlands Ore Replacement) projects are all progressing without delay.

Capital expenditure for 2009 included R6.0 billion spent on projects and R3.7 billion on stay-in-business (SIB) capital. It is important to further analyse our SIB capital as a portion of this expenditure is solely for waste-stripping at our open-pit Mogalakwena mine. The expenditure on waste-stripping at the mine during the year amounted to R240 million.

We are particularly pleased with the initial progress we have made in re-evaluating our SIB capital allocation procedures to ensure that we spend capital only on work required to achieve our production profile. This has resulted in substantial reductions in our SIB expenditure, which in 2009 were some 40% lower than the previous year.

DIVIDENDS

Ordinary dividends are declared after consideration of current and future funding requirements, and are paid out of cash generated from operations. Anglo Platinum did not pay an interim and final dividend for 2009, owing to the impact of the downturn in the economy and the need to retain cash to maintain operations.



TRANSFORMATION

During 2009, Anglo Platinum successfully completed three Black Economic Empowerment (BEE) transactions. They were:

BEE transaction with Mvela: All of the conditions precedent in respect of the disposal of Anglo Platinum's 50% interest in the Booyensdal project and of its 22.4% interest in Northam Platinum Limited to Mvela, for a total consideration of R3.7 billion, were fulfilled, with the final part of the transaction becoming effective in June 2009.

BEE transaction with Anooraq: All of the conditions precedent to the acquisition by Anooraq of an effective 51% interest in Bokoni Platinum Mines (formerly

Lebowa Platinum Mine) and 1% interest in Ga Phasha, Boikgantsho and Kwanda projects, have been fulfilled and the transaction became effective on 30 June 2009. The transaction facilitated Anooraq's strategy of becoming a major HDSA managed and controlled PGM producer and illustrates Anglo Platinum's commitment to broad-based BEE as a strategic transformation initiative. Anooraq now controls the third largest PGM resource base in South Africa, with a combination of high quality exploration, development and production mineral properties.

BEE transaction with Royal Bafokeng Resources (Proprietary) Limited (RBR): The transaction whereby RBR obtained a majority interest in the Bafokeng-Rasimone Platinum Mine Joint Venture became unconditional and therefore effective on the 7th December 2009.

COMMUNITIES

We strive to operate our business in a sustainable, responsible way, with particular reference to engaging with the communities in which we operate. In this regard, the planned resettlement of the Motlotlo communities at Mogalakwena Mine progressed in 2009, albeit slowly with only an additional nine families being resettled during the year, bringing the total number of families resettled to date to 892. A task team has been set up by the Minister of Mineral Resources to address the issues being raised by the remaining 64 families. We are working through this task team to monitor and resolve the outstanding issues preventing further resettlement. We continue to keep the South African Human Rights Commission apprised of all aspects of the resettlement, following their investigation in 2008.

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PEOPLE

Anglo Platinum is a people business. In July 2008 the leadership team of Anglo Platinum, comprising management and Unions, studied our corporate culture and identified a number of areas where we could better equip ourselves to meet the challenges of our current circumstances. We launched a values programme to encompass every human interaction within Anglo Platinum, and with our stakeholders. We established a Leadership Academy to more efficiently fast-track the skills transfer necessary for frontline supervisors and middle management to integrate our values-based culture. The academy is supported by a Personal Change Workshop programme that aids the creation of a culture in Anglo Platinum appropriate for success in a modern South Africa.

OUTLOOK

Anglo Platinum expects the platinum market in 2010 to return to a position of deficit as a result of a moderate increase in supply but a significant recovery in demand.

South African production is expected to remain constrained as producers adapt to a safer working environment and as

lower rand metal prices result in production being restricted at high cost operations across the industry.

Vehicle sales in 2010 are expected to be similar to those in 2009. However, production levels in 2010 will be higher as fewer sales from inventory are expected in 2010 and production levels recover to match sales. Higher sales of larger sedan vehicles are expected as diesel fleet purchases re-commence.

While demand for industrial products is expected to recover slowly, platinum demand will be enhanced by a substantial element of re-stocking.

Another good year is expected from the investment segment, particularly as the US ETF has been launched.

Jewellery demand is expected to be lower in 2010 as inventory levels in the supply chain are adequate following the extra demand that re-built them in 2009. Whilst the higher price may discourage new jewellery demand in mature markets, the Chinese jewellery market continues to react positively to slow sustained price increases and remains the largest jewellery market.

The platinum price in 2010 is expected to remain at above \$1,500 per ounce on average, as small improvements in the global economic recovery and re-stocking are likely to further increase the expected demand recovery in 2010.

Firm investment demand for palladium and the strong reliance on it of gasoline engines, more typical in smaller engines and in the growing Chinese market, is likely to see the price of the metal strengthen. Rhodium remains in demand for its particular catalytic properties but suffered demand loss due to thrifting at the very high prices during 2008.

Operationally our top priority remains safety. We will consolidate at the level we achieved in the second half of 2009 and prepare to take the next major step in safety improvement.

Given the market conditions we believe that the appropriate level of production for 2010 is 2.5 million ounces of refined platinum and this remains our target. We also aim to produce this volume at a unit cost of just over R11,000/oz, the same level as in the preceding two years. Our labour reductions are largely complete and we will spend the year working on improved productivity.

