

**ANGLO PLATINUM LIMITED ('AMPLATS') QUARTERLY REVIEW AND PRODUCTION  
REPORT FOR THE PERIOD 1 JANUARY 2011 TO 31 MARCH 2011**

**OVERVIEW**

- LTIFR improved by 7%, to 1.22, in the first quarter of 2011.
- Regrettably, four fatalities occurred during the quarter.
- Refined platinum production was 533 koz, representing an increase of 19% year on year.
- Cash operating costs per equivalent refined platinum ounce were R12 728, up by 9% on the cost of R11 730 for the previous year.
- Alchemy, Amplats' Community Empowerment Project, was launched by President Zuma.

**REVIEW OF THE QUARTER**

After a very good start the first quarter ended poorly, with extraordinary safety stoppages that affected production from underground mines negatively.

**SAFETY**

Regrettably, four employees lost their lives at Amplats during the first quarter. We extend our sincere condolences to their families, friends and colleagues.

At 1.22, the lost-time injury frequency rate (LTIFR) is better than the 1.31 seen in the first quarter of 2010, but slightly worse than the 1.17 achieved during 2010 as a whole.

Clearly, safety has been a major concern during the quarter. We experienced more safety stoppages in the first quarter of 2011 than during the whole of last year. The very high number of safety stoppages led to regular breaks in production momentum. As a result we completely reviewed all safety-related issues. In the process we engaged with our colleagues from Labour unions and the Department of Minerals Resources, as we remain committed to, and supportive of, all safety improvement initiatives. By the end of the quarter the extraordinary safety stoppages had come to an end, and we have been striving to ensure the continued implementation of the safety-improvement initiatives we have been working on for

the past three years. We are confident that we are back on track in our journey to 'zero harm'.

## **OPERATIONS**

Refined platinum production of 533 koz was 19% better than production during the first quarter of 2010. At 568 koz, equivalent ounces were down 5% on production in the first quarter of last year. The lower production was a direct result of the extraordinary safety stoppages. Nevertheless, the production deficit was partly made up from other sources. Tonnes from surface materials increased by 44% or 234 kt year on year while Mogalakwena Mine milled 14% more volume over the same period.

Production from our own mines was 368 koz – down 10 koz or 3% year on year. This was the result of a 6% decline in area mined. Bathopele, Tumela and Dishaba contributed the most to the lower production offset by higher volume at Mogalakwena and new ounces from Unki.

Joint ventures reported lower production volumes with equivalent refined platinum ounces, inclusive of both mined and purchased production net of concentrate sold, down 6% at 181 koz. Safety stoppages together with reduced face availability, unprotected strike and flooding contributed to the reduction in production.

Productivity declined by 15% from 6.83m<sup>2</sup> per employee per month in Q1 2010 to 5.82m<sup>2</sup> per employee per month in Q1 2011. This was a direct result of the lower-than-planned area mined. During the period the labour complement was below the planned level.

Work done to improve grade bore fruit – the built-up head grade increased by 2% year on year from 3.08g/t to 3.14g/t in the first quarter of 2011. As the weighting of higher-grade platreef ore at Mogalakwena increases and as the underground volumes increase, the grade is expected to improve further.

Costs were also directly affected by the lower area mined. At R12 728 per equivalent refined platinum ounce, they are some 9% higher than the R11 730 per equivalent refined platinum ounce in 2010. At R480, the cost per tonne milled compares favorably with the cost of R493 per tonne milled in the last quarter of last year. Actual expenditure was well controlled; and with improved production from underground mines, costs per ounce will improve.

## **CAPITAL PROJECTS AND BALANCE SHEET**

Capital expenditure excluding capitalized interest stood at R1.3 billion at the end of quarter one and is in line with the plan for the year.

At R5 billion, net debt is slightly better than expected owing to higher revenues from a higher basket price in the first quarter.

**GUIDANCE FOR THE REMAINDER OF 2011**

Despite the production losses in the first quarter, Amplats remains confident of refining and selling 2.6 million ounces in 2011.

Action plans are being implemented to make up the lost production from underground. The positive results of these plans will result in costs below R12 000 per ounce and productivity of 7.3 m<sup>2</sup> per employee per month. Capital is still forecast at R8 billion for the year.

The platinum price continues to be forecast at an average of at least \$1 800 per ounce, as diesel share recovery in Europe, healthy jewellery sales and improved industrial demand continue to support the price. Moreover, supply is expected to be slightly lower than last year. The continued strength of the rand balances the higher dollar price.

While the average basket price for the first quarter was R21 384, it has treaded towards R20 000 per ounce as the rand has strengthened. Despite this, the basket price is expected to be better than last year's, resulting in improved earnings.

**FINALLY**

Much has been achieved over the past few years and much of this has led to permanent change. The first quarter has been challenging, but the underlying trend is still intact. The Amplats team is well positioned and is busy addressing the problems. Recovery is under way.

**QUARTERLY PRODUCTION STATISTICS**

		Quarter ended			% Change	
		March 2011	March 2010	December 2010	March Q1 '11 vs March Q1 '10	March Q1 '11 vs December Q4 '10
<b>Production statistics</b>						
Tonnes mined - opencast <sup>1</sup>	000	18,819	18,334	16,739	3%	12%
Tonnes broken - underground mines	000	6,208	6,651	6,874	-7%	-10%
Tonnes milled	000	10,102	10,233	10,416	-1%	-3%
Merensky / UG2 / Other tonnes <sup>2</sup>	per 1 Merensky tonne	1: 4.1: 4.5	1: 3.4: 3.1	1: 3.7: 3.5		
4E Built-up head grade	g/tonne milled	3.14	3.08	3.33	2%	-6%
Merensky reef		5.28	5.01	5.38	5%	-2%
UG2 reef		3.72	3.72	3.81	0%	-2%
Platreef (Mogalakwena Mine)		2.81	2.54	2.74	11%	3%
MSZ reef (Unki Mine)		2.99				
Surface sources including WLTR		1.23	1.17	1.43	5%	-14%
<b>Equivalent refined platinum production <sup>3</sup></b>						
Mined	000 oz	433.4	463.0	494.1	-6%	-12%
Purchased		136.5	135.0	148.0	1%	-8%
Sold		-2.3	-3.3	-2.0	-30%	15%
<b>Attributable to Anglo American Platinum</b>		<b>567.6</b>	<b>594.7</b>	<b>640.1</b>	<b>-5%</b>	<b>-11%</b>
<b>Total refined production</b>						
Platinum	000 oz	532.9	446.7	872.4	19%	-39%
Palladium	000 oz	288.2	247.0	502.6	17%	-43%
Rhodium	000 oz	85.7	61.6	111.4	39%	-23%
Gold	000 oz	28.5	17.4	20.7	64%	38%
PGMs	000 oz	1,055.7	869.4	1,682.8	21%	-37%
Nickel	000 tonnes	4.8	4.4	5.0	9%	-4%
Copper	000 tonnes	3.5	2.6	2.9	35%	21%
<b>Pipeline stock adjustment</b>						
Refined platinum production	000 oz	531.4	446.7	872.3	19%	-39%
Mining	000 oz	408.7	336.6	679.9	21%	-40%
Purchase of concentrate	000 oz	122.7	110.1	192.4	11%	-36%
<b>Platinum pipeline movement</b>	000 oz	<b>36.2</b>	<b>148.0</b>	<b>(232.2)</b>		
<b>Employees (Managed operations: end of period)</b>						
Own enrolled employees		48,553	48,331	48,224	0%	1%
Contractor employees		4,838	8,025	5,798	-40%	-17%
<b>Total employees for managed operations</b>		<b>53,391</b>	<b>56,356</b>	<b>54,022</b>	<b>-5%</b>	<b>-1%</b>
m <sup>2</sup> per total operating employee		5.82	6.91	7.10	-16%	-18%

<sup>1</sup> Includes Mogalakwena, Modikwa, Kroondal and Marikana opencast operations

<sup>2</sup> Other tonnes includes both Platreef and other surface sources

<sup>3</sup> Mine's production converted to equivalent refined production using Anglo American Platinum's standard smelting and refining recoveries

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