

## FINANCIAL REVIEW

Net sales revenue decreased by R14.1 billion, to R36.7 billion. This was the result of lower US dollar metal prices achieved on all metals sold with the exception of gold, contributing R20.9 billion of the decrease. The decrease was offset by higher metal volumes sold, which increased revenue by R7 billion; and also by a weaker average rand/US dollar exchange rate achieved of R8.23 (compared with R8.08 in 2008), which increased revenue by R489 million.

Sales volumes for 2009 were 2.57 million platinum ounces, some 16% or 350,000 ounces more than in 2008. Sales volumes were higher as a result of improved demand for metal. Anglo Platinum was able to supply the market, utilising metal that was unsold at the end of 2008 as well as an increase in refined production.

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 price in 2008.

Cost of sales increased by 3% or R1.0 billion to R34.7 billion. The movement is due to the following:

- Cash mining, smelting and refining costs decreased by 0.6% to R22.9 billion. This was the result of improved mines productivity, successful inbound supply chain cost control projects, focused cost management, and asset optimisation initiatives that concentrated on reducing consumption, offset by wage and electricity tariff increases.
- The cost of purchases of metal decreased by 26% to R6.7 billion owing to lower metal prices offset by an increase in the volume of metals purchased.
- Depreciation increased by 25% to R4.1 billion as a result of the high levels of past capital expenditure.
- Other costs increased by 12% or R226 million, to R2.1 billion. The main reasons for this were the increase in share-based payments costs, and once-off voluntary separations costs.
- 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.

The excess refined stock at the end of 2008 was sold during 2009.

In addition, the slower increase in the unit cost of production as well as lower cost of metals purchased contributed to the reduced increase in metal inventories.

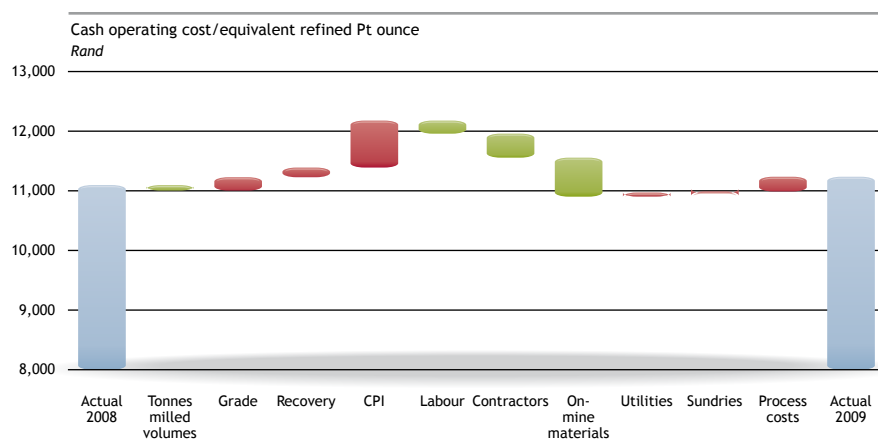
The Group's taxation charge decreased by R4.6 billion, reflecting a reduction in the effective tax rate from 23.4% in 2008 to (5.1%) in 2009 owing to a significant decrease in taxable income.

Both headline earnings and headline earnings attributable to ordinary shareholders decreased during 2009. Headline earnings per ordinary share decreased by 95% to 298 cents. The average number of ordinary shares in issue for 2009 was 236.9 million shares, compared with 236.8 million in 2008.

The financial impact of the BEE transactions as reported on pages 39 to 40 of this report are included in the financial performance for 2009.

### IMPACT OF CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

There were no changes in accounting policies or estimates in the current year. The Group adopted various amendments and interpretations to International Accounting Standards during the year, but none of these had any impact on the financial results for the current period. However, the adoption of IFRS 8 – Operating Segments did have an impact on the presentation of the financial statements. As a result of the adoption of this Standard, the Group has revised its reportable segments. Previously, the Group presented its results based on two business segments, namely mined and purchased metals. Following the adoption of this Standard, the Group now reflects



the results of each mining operation as a separate segment. This is consistent with the information that is reported to the Group's operations committee for purposes of resource allocation and assessment of segment performance.

### CAPITAL EXPENDITURE

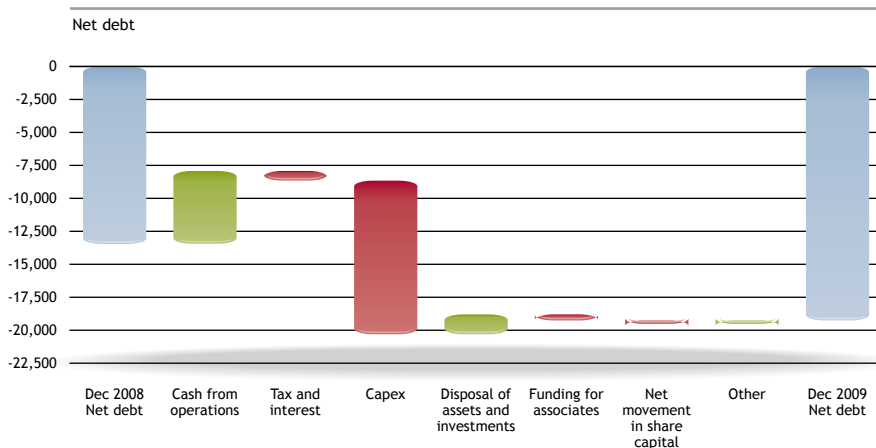
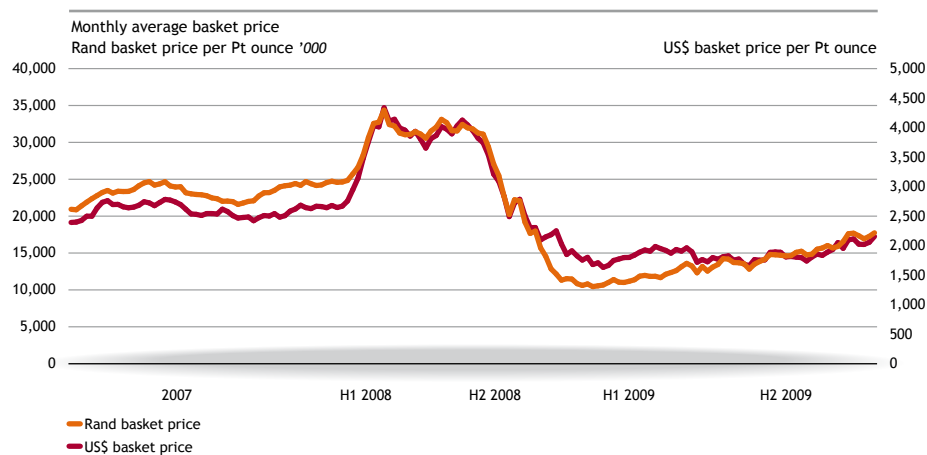
Total capital expenditure for 2009 was R11.3 billion, a decrease of 22% or R3.1 billion from 2008. Project capital expenditure amounted to R6.0 billion and expenditure on stay-in-business capital was R3.7 billion. Interest capitalised in terms of International Accounting Standards amounted to R1.6 billion. Project capital expenditure during 2009 included the Thembelani 2 shaft replacement project, the Dishaba UG2 expansion project, the Base Metals Refinery's 33,000 tonne nickel project and the Bokoni Brakfontein Merensky replacement project.

The downturn experienced in the world economy has impacted global demand for commodities, and caused Anglo Platinum to reassess some of its planned capital expenditure going forward. The availability of capital funding and the increased cost of capital finance have also been taken into consideration when performing the capital expenditure review.

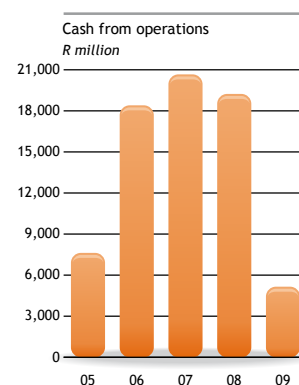
Consequently, the total capital expenditure planned for 2010 is expected to be R8 billion excluding interest capitalised.

### CASH FLOWS

The Group's net debt position at 31 December 2009 amounted to R19.3 billion, compared with R13.5 billion net debt at 31 December 2008. Cash generated from operations amounted to R5.5 billion, 71% below that recorded in 2008, mainly due to



lower revenue earned. Cash outflows consisted primarily of capital expenditure of R11.3 billion (including capitalised interest of R1.6 billion). In addition, cash distributions of R82 million were made to minorities.



### SHAREHOLDING AND DIVIDEND

#### SHAREHOLDER RETURNS

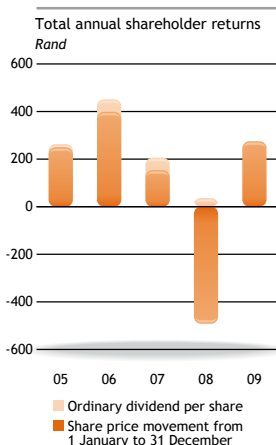
The shareholders in Anglo Platinum consist only of ordinary shareholders, as all outstanding preference shares were either converted or redeemed during the course of the year. The shareholders

Miners returning to surface from underground at Bathopele

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consist of companies, individuals, pension and provident funds, insurance companies, banks, nominees, finance companies, trust funds, investment companies and other corporate bodies.

Anglo Platinum did not pay an interim or final dividend for 2009, owing to the impact of the downturn in the economy and the need to retain cash to maintain operations.



At 31 December 2009 the Company had 236,840,231 issued ordinary shares (net of treasury shares), of which resident shareholders held 213,964,456 (90.34%) and non-residents held 22,875,775 (9.66%). The shareholding of Anglo South Africa Capital (Proprietary) Limited increased to 79.72% from 79.64% in 2008.

Anglo Platinum believes that the current market conditions and the restructured balance sheet, following the rights issue mentioned in the Chairman’s Statement, should position the Company to resume dividend payments in the near term taking into account capital requirements and industry prospects at any point in time.

## DIVIDENDS

Ordinary dividends are declared after consideration of current and future funding requirements, and are paid out of cash generated from operations.

Relative share price performance compared to the JSE All Share Index

