

the tone at the top



Fred Phaswana

This was my first full year at the helm of the Board. Some of the highlights include a record financial performance and the in-principle conclusion of significant black economic empowerment or BEE transactions. These will be concluded during 2008, paving the way for the regulatory authorities to consider our applications for conversion of our mining rights. We still face serious challenges, especially in safety performance, cost containment and efficient production, which will require a great deal of dedication and attention from the leadership team now and in future.

Our safety performance

In 2007, 25 people at our managed and four at non-managed operations lost their lives due to accidents. Measured against our target of zero harm to our people, this performance is unacceptable. I extend the Board's condolences to the families of the deceased.

The rate at which injuries occurred at our operations decreased during the year. This is a very pleasing development.

Actions have been taken to address safety and, in 2008, the leadership team will continue to set the tone for an improved safety performance centered on zero harm to our people. Safety is our first priority. The review on pages 40 and 41 contains more detail about initiatives under way.

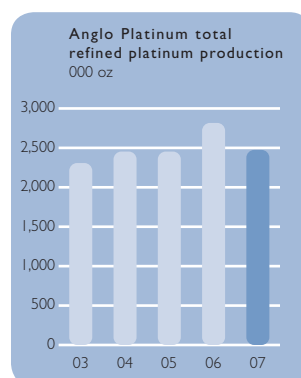
Corporate citizenship

The fight against HIV/AIDS continues with a high-profile campaign that involved voluntary counselling and testing of more than 70% of our workforce in 2007.

I am pleased to report that community engagement has received significant focus during the year, specifically as it relates to the relocation of communities on the Eastern Limb of the Bushveld Complex.

Our leadership

During 2007, significant changes were made to the Board. The number of executive directors was reduced retaining only the chief executive and chief financial officer as executive Board members. The size of the Board has been reduced from 20 to 13 members. The executive directors who left the Board were appointed executive heads and continue to serve on the Company's Executive Committee. I believe this will lead to a more effective demarcation of accountability between the Board and the executive.



During the year, Ralph Havenstein resigned as chief executive officer and I take this opportunity to express my appreciation for his contribution to Anglo Platinum. I also extend my appreciation to Norman Mbazima and Duncan Wanblad who have jointly taken the responsibility for leading the Company since 1 August 2007. The process of appointing a new chief executive officer is ongoing.

Roeland van Kerckhoven, Mike Halhead and Robin Mills retired after many years with the extended Group.

Following senior management changes at Anglo American plc, Cynthia Carroll, René Médori and Russell King joined the Anglo Platinum Board, and David Hathorn, David Barber and Anthony Trahar resigned. Non-executive directors Bill Nairn, Colin Brayshaw and Hixonia Nyasulu resigned. Subsequent to the year end, Valli Moosa and Sonja Sebotsa have joined the Board. I welcome those joining our Board and thank our outgoing directors for their respective contributions.

I am satisfied to report that the Board is executing its duties as described in the King II report on corporate governance. More details about corporate governance are contained in both the Business and Sustainable Development Reports.

Our foundation for future production

During 2007, we continued our work on transformation, aimed at fulfilling the requirements of the mining charter. To create more focus, the Board has formed a transformation committee which will begin its work in 2008. The in-principle conclusion of two significant BEE transactions and the establishment of a broad-based employee share ownership plan underline our commitment to transformation. We believe these transactions will benefit a broad spectrum of South Africans and deliver returns for our shareholders.

We continue to execute various mining and processing projects to meet our stated growth objectives. We are pleased to report that the project pipeline is in the main being executed within budget and on time during a period of high inflation pressure in the construction environment which poses a risk to achieving initial capital budgets. Execution of these projects will ensure that the capacity for future growth is available.

Current operations

The economic and operating environment in South Africa was tough during 2007.

Safety failures and related concerns led to intermittent closure of certain of our mines. This affected production for the year.

Cost containment remains a challenge for several reasons. A large proportion of production costs are fixed. Labour costs increased ahead of inflation and skills shortages in the labour market fuelled salary and wage increases. The continued buoyancy of the commodity cycle translates into price increases for mining and processing supplies that far exceed the inflation rate.

The combination of these factors led to unit production costs increases far in excess of inflation. We do not expect cost increases to remain at these levels in future. Production volumes are expected to increase in 2008 and cost containment on all fronts will remain a priority.

The electricity crisis that arose during the latter part of January 2008 poses a serious risk to the safety of our people as well as to our production ability. Management has engaged Eskom and the responsible government departments to establish the way forward as well as how we can contribute to saving on electricity consumption.

The market

The market's strong upward momentum continued throughout 2007. This has, in the main, contributed to a year in which record earnings and cash generation were achieved.

Although the world economy appears to show signs of a slowdown, the unique properties of platinum group metals that allow them to be used in a variety of applications that range from environmental protection to medicine, industrial uses and attractive jewellery continue to secure a tight supply and demand balance which underpins their price.

In closing

Despite safety, production and cost challenges this year, a record financial performance was achieved, and full earnings for the year will be distributed to shareholders.

We, as a Board, will strive to improve Anglo Platinum's safety record significantly during 2008. We will continue to strike a balance, as best we can, in performing our duties towards all the stakeholders of the Group.

To the employees – thank you.

A handwritten signature in black ink, consisting of several loops and a long tail, identifying Fred Phaswana.

Fred Phaswana

Chairman

Johannesburg

7 February 2008