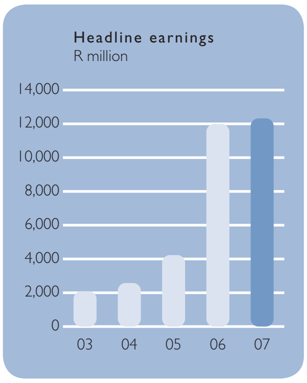
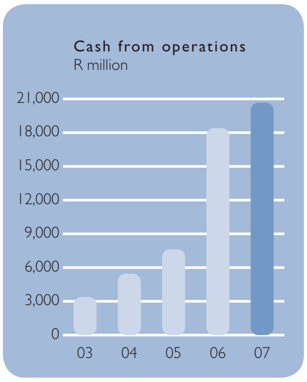
Financial performance

Record commodity prices have resulted in an improved financial performance in 2007. For the 12 months ended 31 December 2007, Anglo Platinum's headline earnings increased 3% to a record R12.3 billion, with cash generated from operations increasing 12% to R20.7 billion.





Factors contributing to the increase were higher US dollar prices realised on metals sold and a rand/US dollar exchange rate that was on average weaker during 2007. This was offset by lower sales volumes on the back of reduced production from mining operations.

Strong demand for resources globally continues to create challenges for all players in the industry and has led to increased costs for labour, contractors, raw materials, energy and other input costs. In addition to the increased cost pressures facing Anglo Platinum, reduced production has exacerbated unit cost increases with cash operating costs per refined platinum ounce increasing 41% to R8,129.

Based on the improved financial performance in 2007 and management's positive outlook for 2008, Anglo Platinum has maintained its dividend cover ratio of 1 times, and a final dividend of 2,300 cents per ordinary share has been declared.

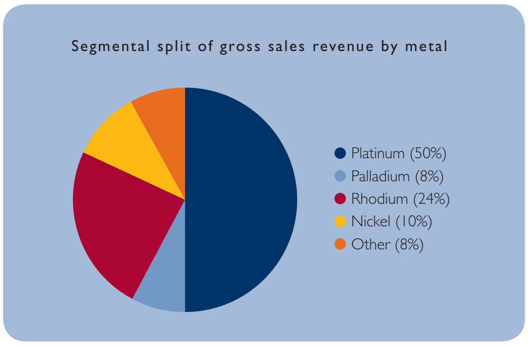
Financial results

Key financial indicators of performance include:

	2007 R million	2006 R million	% change
Gross sales revenue	**46,961**	39,356	19.3
Cost of sales	**27,519**	22,531	22.1
Gross profit on metal sales	**19,097**	16,624	14.9
Headline earnings	**12,325**	11,993	2.8
Headline earnings per ordinary share (cents)	**5,239**	5,374	(2.5)
Gross profit margin (%)	**40.7**	42.2	(3.6)

Gross sales revenue increased by R7.61 billion to R47.0 billion. The increase was the result of higher US dollar metal prices achieved on all metals sold, contributing R8.28 billion of the increase and a weaker average rand/US dollar exchange rate of R7.04, compared to R6.82 achieved in 2006, increasing revenue by R1.59 billion. This was offset by lower volumes of metals sold, which reduced revenue by R2.26 billion.

The decrease in sales volumes by 254,800 platinum ounces to 2.48 million in 2007 is the result of a 12% decrease in refined platinum production to 2.47 million ounces for the current financial year. The intervention aimed at achieving a significant improvement in employee safety and reduced production efficiency in 2007 as a result of a shortage of skilled labour, competition for labour at all levels, strike action at joint ventures, the unsettled labour situation associated with wage negotiations and lower grades at Potgietersrust contributed to the decrease in production. In addition to reduced production in 2007, refined production in 2006 significantly exceeded production from operations due to the once-off release of 112,000 ounces from the process pipeline attributable to the effect of the shutdown of the Polokwane Smelter in late 2005.

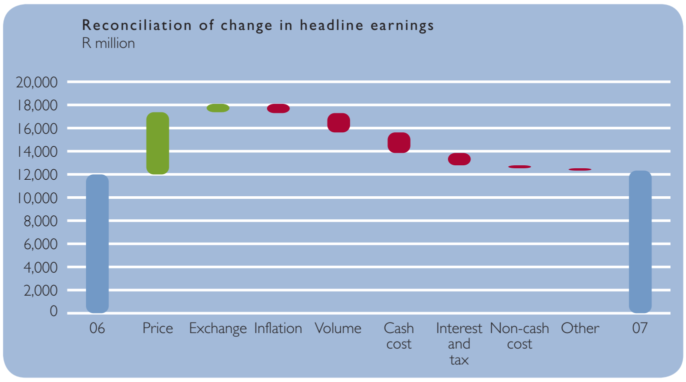


The average prices achieved on platinum, palladium and nickel sales for the year were US$1,302 per ounce, US$355 per ounce and US$17.04 per pound respectively. The average price achieved on rhodium sales for the year was US$4,344 per ounce affected by existing long-term contractual arrangements with some customers to support and develop the rhodium market. Anglo Platinum is at an advanced stage of negotiations to achieve mutual recognition with its relevant customers of structural changes to the rhodium market affecting the US dollar price of the metal. The objective of the negotiations is to move towards a contractual price for rhodium that is market related.

Over the past five years gross sales revenue has grown at a compound annual rate of 30%. This trend has been driven by a growth in the average rand basket price achieved, which, at R18,167 per platinum ounce for 2007, represents a compound annual growth of 27% over the same period.

Cost of sales increased by R4.99 billion to R27.5 billion because:

- the cost of purchases of metals increased by 40% to R5.54 billion. This was due to higher prices paid for metals contributing R1.05 billion of the increase, and an increase in the volume of metals purchased from the Marikana and Mototolo joint ventures, contributing a further R541 million;
- cash mining, smelting and refining costs rose 22% to R18.5 billion with cash operating cost per equivalent refined platinum ounce rising by 34% to R8,181. The increase in unit costs is attributable to reduced production, substantial inflationary pressures including above-inflation increases in wages, diesel, tyres, chemicals and steel grinding media, costs associated with the safety intervention, increased support costs and ramp-up costs at Mototolo and Marikana. In addition, a higher labour complement to support a planned increase in production at mining operations in 2007 further contributed to the increase in unit costs;
- depreciation increased by 14% or R336 million mainly as a result of the capital expenditure programme and increased utilisation of new operating assets. During 2007, Anglo Platinum revised its depreciation method for capitalised shaft and development costs which are now depreciated on a unit-of-production basis; and
- the value of metals in inventory increased by R957 million during 2007. Despite a net volume decrease in pipeline stock, the value of metal in stock rose as a result of the increase in the cost at which metal inventories are valued.



The Group's taxation charge increased to R6.66 billion. Higher dividends paid in 2007 resulted in a higher STC charge on the final 2006 dividend and the interim dividend for 2007. The increased STC resulted in an effective tax rate of 34.4% compared to 28.6% in 2006.

At R12.3 billion, both headline earnings and headline earnings attributable to ordinary shareholders increased some 3% and 5% respectively. Headline earnings per ordinary share decreased 3% to 5,239 cents as a result of an increased weighted average number of shares in issue in 2007. The conversion of the convertible preference shares by Anglo South Africa Capital Proprietary Limited into ordinary shares in December 2006 and additional conversions by Anglo Platinum minority shareholders in 2007 increased the weighted average number of ordinary shares in issue.

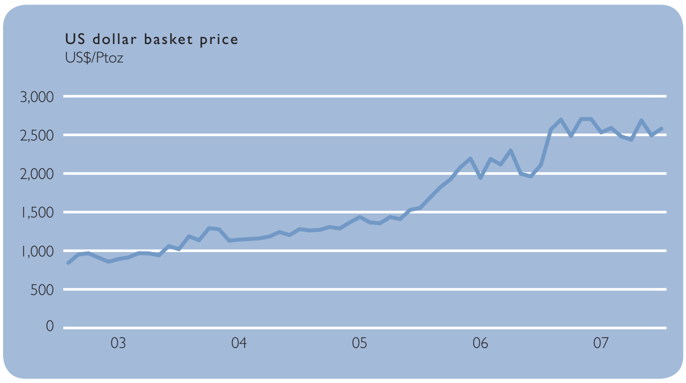
Key risks affecting financial performance

Anglo Platinum's earnings and cash flows are affected by non-controllable external factors that have a material impact on the financial performance of the business, the most significant of which are metal prices and the rand/US dollar exchange rate. Management reviews market trends arising from these factors to understand their implications on Anglo Platinum's financial performance and develop strategies to mitigate risks to the business where possible.

Anglo Platinum has a process to manage other operational risks, including safety, communities, skills shortages and security of electricity supply. The impact of the constrained electricity supply by the national electricity supplier is a risk area that could have a material financial effect in 2008 and beyond.

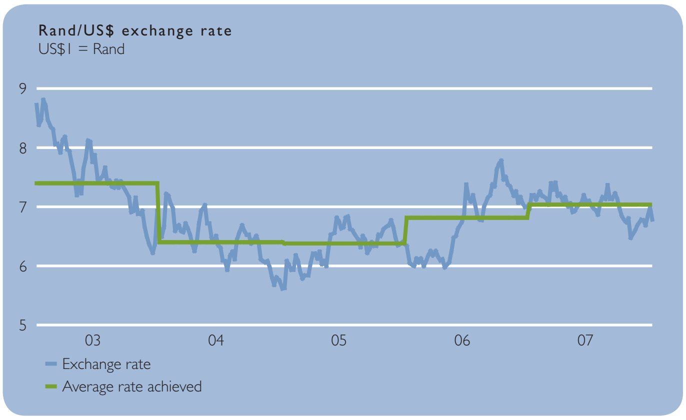
METAL PRICES

Metal price risk arises from the risk of an adverse effect on current or future earnings or uncertainty resulting from fluctuations in metal prices. Anglo Platinum has not entered into any forward contracts, or contracts of a similar nature to reduce the effect of metal price volatility.



The higher US dollar metal prices achieved on all metals sold in 2007 of US$2,579 per platinum ounce sold has contributed to an increase in headline earnings of R5.38 billion compared to the same period in 2006. A 10% increase in the US dollar basket price in 2007 would be equivalent to headline earnings increasing by a further R2.42 billion.

EXCHANGE RATE



Anglo Platinum operates in the global business environment and many transactions are priced in a currency other than South African rand. Accordingly, the Group is exposed to the risk of fluctuating exchange rates which can have a significant impact on turnover, earnings and capital expenditure. As at 31 December 2007, the Group had R315 million of purchased forward exchange contracts maturing within 12 months with a net fair value of R3 million.

The average rand/US dollar exchange rate achieved on metal sales for the 12 months ended 31 December 2007 was weaker than 2006 at R7.04, contributing to an increase in headline earnings of R0.72 billion. A 10% weakening of the average rand/US dollar exchange rate in 2007 would be equivalent to headline earnings increasing by a further R2.69 billion.

Impact of changes in accounting policies

During the year, Anglo Platinum aligned its accounting policy for valuing stores and materials with that of Anglo American plc. Stores and materials are now valued at cost on a first-in first-out basis. The impact of the change has an immaterial effect on the earnings for the period.

In 2007, Anglo Platinum adopted IFRS 7 – *Financial instruments: Disclosure*. The impact of the new standard has increased disclosure relating to the significance of financial instruments on the Group's position and performance and the nature and extent of risks arising from these financial instruments to which the Group is exposed during the period and at year end and the manner in which the Group manages these risks. Furthermore, additional disclosures relating to the Group's objectives, policies and procedures, as well as some quantitative disclosures relating to the management of capital, have been provided as required by the amendment to IAS 1.

Black economic empowerment transactions

On 4 September 2007, Anglo Platinum, Anooraq Resources and Mvela Resources announced transactions that would result in the creation of two significant and sustainable historically disadvantaged South African-managed and controlled platinum group metal producers, with critical mass and significant growth potential.

The key features of the announced transactions include:

- the sale by Anglo Platinum of an effective 51% of Lebowa Platinum Mines and an effective 1% of the Ga-Phasha project for a total consideration of R3.6 billion to Anooraq;
- the purchase by Mvela Resources of Anglo Platinum's 50% interest in the Booysendal project and its 22.4% direct interest in Northam Platinum for a total consideration of R4 billion; and

- the formation by Anglo Platinum of an employee share ownership plan benefiting more than 44,000 employees, which will comprise up to 1.5% of Anglo Platinum's issued share capital.

As these transactions are not effective for the year ended 31 December 2007, IFRS 5 – *Non-current Assets/Liabilities Held for Sale and Discontinued Operations* applies to the assets of Lebowa Platinum Mines, Ga-Phasha and Booysendal, and the Group's investment in Northam Platinum. Consequently, these assets and associated liabilities are disclosed as 'assets/liabilities held for sale' in the annual financial statements, which required a change in the measurement basis for these assets.

On the date that the transaction with Anooraq becomes unconditional, which is expected during 2008, Anglo Platinum will cease consolidating Lebowa Platinum Mines and Ga-Phasha. As significant influence will be exercised over the new combined entity, it will be equity accounted as an associate.

Further details of the key terms of the transactions will be announced in 2008 once the agreements have been finalised and funding arrangements are in place.

Capital expenditure

Total capital expenditure was R10.7 billion, an increase of R4.13 billion over 2006. Expansion expenditure was R5.24 billion with expenditure to maintain operations at R5.14 billion. Capitalised interest amounted to R275 million. Capital expenditure in 2007 included the PPRust North expansion project, the Paardekraal 2 shaft replacement project, the Amandelbult East Upper UG2 expansion project, the Base Metals Refinery 33,000T Nickel project and the Waterval Merensky plant retrofit. The actual capital expenditure for 2007 exceeds the original guidance provided as a result of increased costs incurred on the Paardekraal 2 shaft replacement project and increased costs associated with unexpected oxidised material at the PPRust North expansion project. The strong global demand for resources is placing material inflationary pressure on capital expenditure and the ability to meet project schedules, the effect of which was experienced in the latter part of 2007. These pressures are likely to continue in the foreseeable future.

Anglo Platinum continues to pursue mining and processing projects that maintain and expand production. The long-term outlook for metal prices remains positive and consequently studies evaluating the ramping up of various projects continue. Anglo Platinum expects capital expenditure for 2008 to be between R10.5 billion and R11.5 billion.

Cash flows

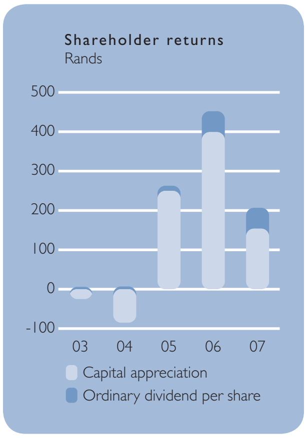
The Group's net debt position at 31 December 2007 was R3.88 billion. Cash generated from operations was R20.7 billion. Cash outflows consisted of capital expenditure of R10.7 billion, taxation payments of R6.82 billion and dividend payments of R12.7 billion, of which R12.3 billion were ordinary dividends, R19.4 million preference dividends and R382 million paid to the 15% minority shareholders in Union's mining and concentrating business.

Shareholding and dividend

SHAREHOLDER RETURNS

During 2007 there was a significant increase in trading activity in Anglo Platinum shares with the number of ordinary shares traded rising to 92.2 million from 64.4 million in 2006. This translates to total value traded of R95.9 billion.

In 2007 Anglo Platinum shareholders obtained an increased return, both in the form of share price appreciation and increased dividends.



DIVIDENDS

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

Anglo Platinum paid an interim ordinary dividend of 2,900 cents per share. The Board has declared a final ordinary dividend of 2,300 cents per share resulting in a dividend cover ratio of 1 on full-year headline earnings. A preference dividend of 318 cents and 320 cents per preference share was declared and paid in May 2007 and November 2007 respectively, maintaining the full-year preference share dividend of 638 cents per share.