

Anglo American Platinum Corporation

Modeling Seminar

30 November 2001

Purpose of seminar

- Improve communication (*two way*)
- Improve accuracy of market valuation
- Improve accuracy of market earnings forecasts
- Explore including seminar as a regular feature of IR calendar

Agenda

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- **Disclosure**
- **Expansion Effects**
- **Financial Reporting**
- **Modeling**
- **Questions & Discussion**

Disclosure

- **Anglo Platinum strives to lead disclosure levels**
- **Proprietary Data: Competitive advantage & JV's**
- **Basic Data: Detailed breakdown per business unit**
- **Commentary: Reports, Presentations, Seminars, Website**

Current operations

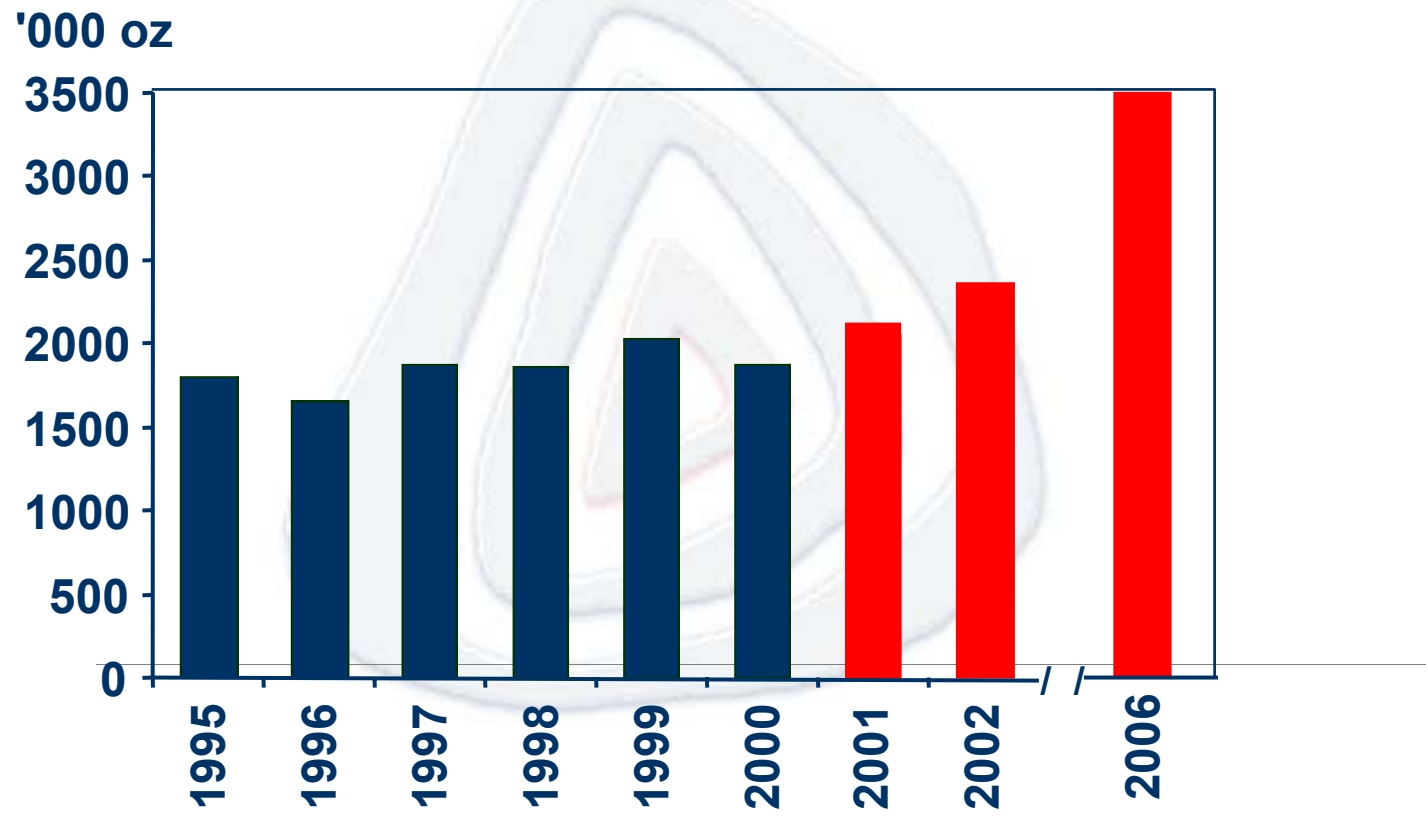
	2000					
Mining Operation	Tons milled	Grade 4E ozs	% UG2	Refined Pt ozs	Cash cost/ Pt oz (R)	Cash cost/ 4E oz (R)
Rustenburg	7 215	5,32	15	631	3 580	2 279
Union	4 159	4,89	69	289	3 182	1 939
Amandelbult	6 412	5,56	32	571	2 252	1 411
Bafokeng-Rasimone	1 533	4,61	9	115	3 458	2 533
Potgietersrust	4 177	4,33	0	194	3 654	1 645
Lebowa	1 079	4,26	18	72	4 179	2 583
TOTAL MINES	24 575	5,05	26	1 872	3 137	1 905

Expansion projects

	Capex (unescalated)	Pt oz ('000s) per annum	Steady state production
Amandelbult UG2	R0.24 bn	72	2001
Middelpunt Hill	R0.11 bn	35	2001
BRPM	R1.20 bn	250	2003
Maandagshoek	R1.35 bn	162	2004
Union UG2	R0.45 bn	94	2004
RPM UG2 (incl.Waterval)	R1.40 bn	395	2003
Waterval Convertor (ACP) Ph 1	R1.45 bn	-	2002
Pietersburg Smelter	R1.31 bn	-	2003
Pandora Joint Venture	R0.57 bn	115	2007
Styldrift Joint Venture	R2.24 bn	250	2006
Twickenham	R2.70 bn	160	2006

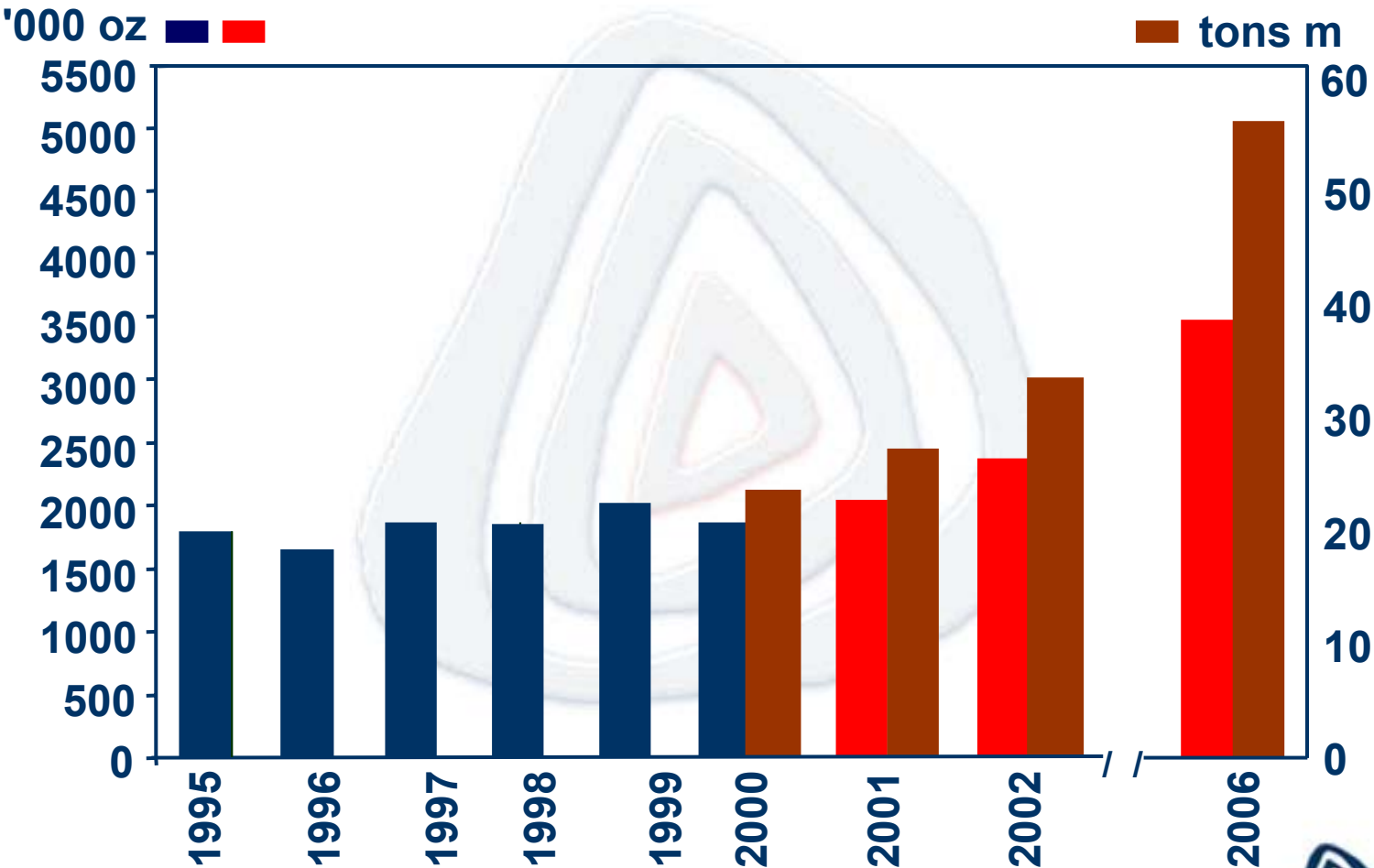
Planned expansion

Total Platinum ounces



Planned expansion

Total Platinum ounces and tons milled



A member of the Anglo American plc group



Expansion effects

- **Expansion and replenishment**
- **Multiple project suite**
- **Brown and greenfields**
- **Joint Ventures**
- **Cost profile and Earnings growth**
- **Pipeline impact on refined production**

Replacement / Replenishment Projects

- Continuous project evaluation includes current operations
- Value of deep Merensky is compared to shallow UG2 and Platreef for both brown and green field projects
- Lower grade, higher efficiency projects will be implemented and announced in due course
- Flexibility of expansion production sources is high

Expansion - Project Selection

- All opportunities ranked via multiple criteria
- Earnings growth and shareholder return focus
- 12% real hurdle rate
- Safety health and environment criteria extremely important

Joint ventures

- **BRPM / Styldrift and Maandagshoek**
- **Pandora**
- **50:50 JV to concentrate level**
- **Concentrate purchasing (Metal in concentrate)**
- **Accounting and disclosure**

Example of JV disclosure

	Total JV	50% of JV	Conversion*	Anglo Platinum**
Revenue from refined metal	0.0	0.0	1 400.0	1 400.0
Revenue from metal in concentrate	1 100.0	550.0		
On-mine costs	(800.0)	(400.0)		(400.0)
Purchase of concentrate			(1 100.0)	(550.0)
Smelting costs			(40.0)	(40.0)
Treatment & refining costs			(70.0)	(70.0)
Increase in inventories			20.0	20.0
Other costs			(20.0)	(20.0)
PROFIT ON METAL SALES	300.0	150.0	190.0	340.0

* = 100% of metal.

** = 50% of metal from mining; 50% of metal purchased in concentrate.

Financial reporting

- **IAS adopted in 1996 at the time of the 'Amplats' restructuring**
- **Accounting policy - clarity on changes**
- **Expansion projects - Brownfield, Greenfield and Joint Ventures**

Consolidated income statement Rm

Six months to June

2001

2000

%

Gross sales revenue	9 919,8	7 132,5	39,1
Cost of sales	3 745,4	3 356,5	(11,6)
Profit on metal sales	5 732,6	3 511,1	63,3
Other	558,7	391,9	42,6
Taxation	2 207,4	1 180,1	(87,1)
Attributable earnings	4 083,9	2 722,9	50,0

Revenue effects

- **Metal prices**
- **Exchange rate**
- **Metal produced vs metal sold**
- **Commissions and discounts**

Average metal prices realised

Six months to June

		2001	2000	%
Platinum	US \$/oz	600	500	20.0
Palladium	US \$/oz	784	586	33.8
Rhodium	US \$/oz	1 976	1701	16.2
Nickel	US \$/lb	2.99	4.18	(28.5)
Average R/US\$		7.92	6.61	19.8
Basket price net of commissions	R/oz	9 776	7 343	33.1
Basket price net of commissions	\$/oz	1 233	1 116	10.5
Commissions	%	4.45	3.71	(19.9)

Gross sales revenue Rm

Six months to June

2001

9 919,8

1 622,3 Metal prices

1 401,4 Exchange rate

(236,4) Sales volumes

2000

7 132,5

Operating Costs

- **Cash costs: increases driven by inflation & volume**
- **Amortisation driven by capex.**
- **50% of costs relate to labour increase greater than inflation**
- **Rand and \$ inflation effects**
- **Costs associated with stock**

Cost Profile

- Expansion : refined Pt ounces + 75%
- Expansion : tons milled +100%
- Increasing UG2 and mechanisation will tend to reduce average mined grade
- Ongoing focus on stores and labour costs
- Shallow more efficient new mines (expansion & replenishment) and Breakthrough initiatives will offset grade reduction and other cost drivers
- Focus on Rand / ton milled control
- Steady state and ramp up will be separately reported

Overall effectiveness in R/oz

Unit cost of production - steady state operations*

	Six months to June		
	2001	2000	%
Cash on-mine cost per ton milled (R/ton)	211,1	201,1	(5,0)
Cash smelting, treatment and refining cost per Pt ounce (R/oz)	507,0	512,8	1,1
Cash operating cost per Pt ounce (R/oz)	3 262,0	3 204,0	(1,8)
Tons milled (000's)	12 207	10 950	11,5
Refined Pt ounces (000's)	936,8	821,0	14,1

* Includes all operations except Bafokeng Rasimone which is in a production ramp-up phase

Earnings

- Other income and expenditure
- Tax
- Number of shares in issue
 - Employee share option scheme
 - Share Buy Back

Income statement - other Rm

Six months to June

2001

2000

Profit on metal sales	5 732,6	3 511,1
Other income	661,1	483,3
Marketing expenditure	(102,4)	(91,4)
Taxation	(2 207,4)	(1 180,1)
Attributable earnings	4 083,9	2 722,9

Tax

- **Company Tax**
- **Capital expenditure cash flow benefit**
- **25% effect on new mines and joint ventures**
- **STC on dividends and special dividends**
- **CGT not a material concern**

	Ref.	Calc.	Net Originating	Net Reversing	Unredeemed Capex c/f	Unredeemed Capex b/f	Zero Profit
Profit Before Taxation	(1)		3 700	3 700	3 700	3 700	0
Temporary Difference	(2)	(3) - (4)	(2 100)	500	(3 700)	(2 600)	0
Deduct: capital expenditure	(3)		(2 500)	(500)	(4 100)	(3 000)	(400)
- b/fwd			0	0	0	(500)	0
- Current			(2 500)	(500)	(4 600)	(2 500)	(2 500)
- c/fwd			0	0	500	0	2 100
Add: amortisation	(4)		400	1 000	400	400	400
Taxable income	(5)	(1) - (2)	1 600	4 200	0	1 100	0
Tax charge in Income Statement			1 110	1 110	1 110	1 110	0
- Current tax		(5) * 30%	480	1 260	0	330	0
- Deferred tax (2) x 30%		(2) * 30%	630	(150)	1 110	780	0
Effective rate			30.0%	30.0%	30.0%	30.0%	
Unredeemed capex							
- b/fwd			0	0	0	500	0
- utilised			0	0	0	(500)	0
- c/fwd			0	0	500	0	2 100

Financial reporting- STC example

		2000 H2	2001 H1	2001 H2
Headline earnings	Rm	4 183.4	4 083.9	
Dividend based on earnings	Rm	2 390.4	2 376.3	
<i>Dividend cover</i>		<i>1.75</i>	<i>1.72</i>	
Special dividend	Rm	1 303.9	0.0	
TOTAL DIVIDEND	Rm	3 694.3	2 376.3	
Dividend declared*	Rm		3 694.3	2 376.3
STC "attached" to dividend	Rm		461.8	297.0

* declaration date = date that Board approves resolution.

- Dividend **calculated** in relation to earnings period
- Dividend **recorded** in declaration period
- STC **charged** against profits in declaration period

End of period effects

- Pipeline movements
- Stock not sold
- Stockpiling
- Translation gain on foreign assets

Consolidated cash flow Rm

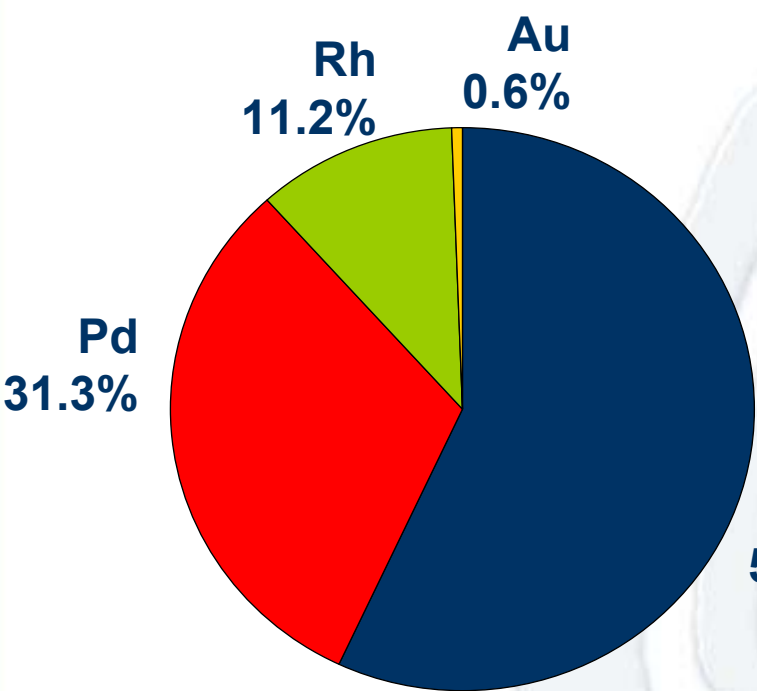
	Six months to June	
	2001	2000
Cash holdings	5 574,4	3 579,1
Operating contribution	5 744,8	3 498,5
Tax	(1 932,0)	(468,6)
Other income	310,4	126,0
Capital expenditure	(1 002,2)	(756,5)
Investment in associate	0,0	(126,8)
Dividend payments	(3 694,3)	(918,8)
Other	24,9	10,8
Net movement in cash	(548,4)	1 364,6

Modeling

- **Modeling assumptions and approach**
- **Data**
- **Pt oz & 4E oz**
- **Recoveries**

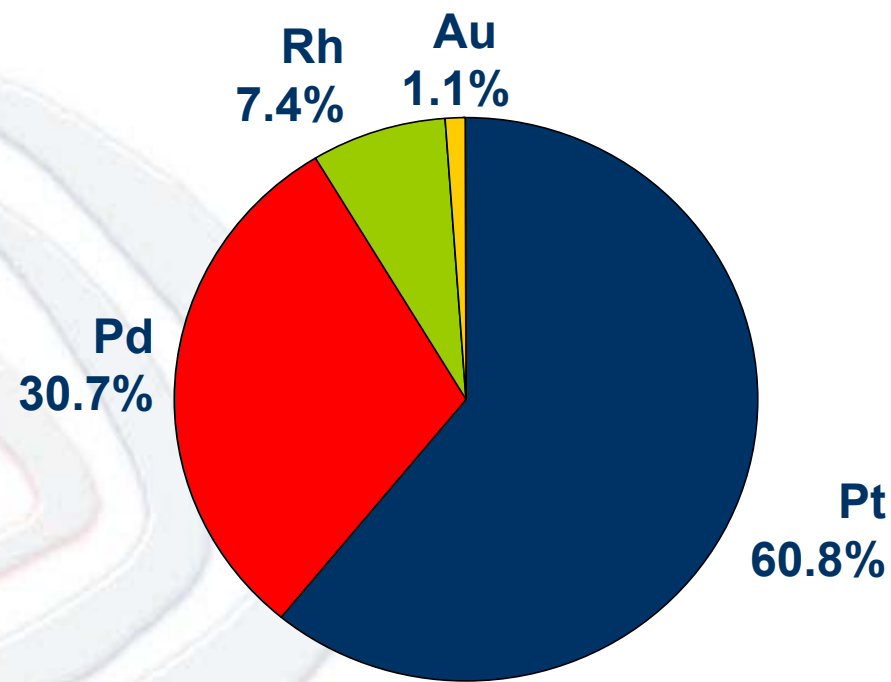


RPM Waterval metal split



Rustenberg Section

Nickel	0.10%
Copper	0.02%



Waterval

Nickel	0.11%
Copper	0.01%

Emphasis on 4E

- Changed Pt:Pd market structure
- Long-term pricing analysis
- Shift to UG2
- Especially on the Eastern Limb
- International comparisons
- All head grades are in g/t 4E
- US\$/oz 4E cost curve analysis
- R/kg 4E benchmarking

Grades and splits

Operation		Head grade g/t 4E	In situ split				Yield	
			Pt%	Pd%	Rh%	Au%	Ni%	Cu%
Rustenburg	Merensky UG2	4,9-5,4	63.0	28.0	4.5	4.5	0.052	0.027
			59.0	29.0	11.0	1.0		
Union	Merensky UG2	4,0-4,8	63.0	28.0	6.0	3.0	0.030	0.016
			58.0	29.0	12.0	1.0		
Amandelbult	Merensky UG2	5,3-5,6	63.0	28.0	6.0	3.0	0.052	0.030
			58.0	29.0	12.0	1.0		
BRPM / Styl drift	Merensky	4,9-5,1	64.0	28.0	4.5	3.5	0.075	0.051
Lebowa	Merensky	4,5-4,6	55.0	36.0	5.0	4.0	0.070	0.046
PPL	Platreef	3,6-4,2	44.0	46.0	3.0	7.0	0.103	0.058
Pandora	UG2	~4,1	60.0	29.0	10.5	0.5	0.012	0.006
Eastern limb	UG2	4,8-5,3	46.0	44.0	9.0	1.0	0.050	0.024

Concentrator 4E recoveries

- Concentrate pull issues
- Related to smelter capacity
- Also to transport issues
- Pietersburg will introduce benefits
- Merensky: 85-90% 4E recovery
- UG2: 80-85% 4E recovery
- Concentrator optimisation

Smelting & refining 4E yields*

- Smelting 97- 98%
- BMR 97- 98%
- PMR ~ 97%
- Pipeline effects

* Typical recoveries for modeling purposes

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