AngloAmerican

ANGLO AMERICAN PLATINUM

ANNUAL PRESENTATION
RESULTS 2011

BUILDING THE FOUNDATIONS FOR A FUTURE THROUGH MINING


RUBBER BANDS

2011 KEY FEATURES

- Notwithstanding a 52% reduction in fatalities since 2007, disappointingly, 12 employees lost their lives in 2011
- Sales volume up 3% to 2.60 million ounces and refined platinum production down 2% to 2.53 million ounces
- Operating free cash flow increased by 21% to R9,413 million from R7,783 in 2010
- Operating profit increased by 10% to R7,965 million in 2011 and adjusted headline earnings up 8% to R20.94 per share
- Unki delivered 51,600 ounces of platinum and reached steady state a year ahead of schedule
- Cash operating costs were adversely impacted by safety stoppages, resulting in an increase of approximately 2% above mining inflation, at 16% year-on-year, to R13,552 per equivalent refined platinum ounce
- Final dividend of R2.00 per share in addition to R5.00 interim dividend, bringing dividend for the year to R7.00 per share
- Landmark community economic empowerment transaction implemented in December 2011

OPERATIONAL INDICATORS		2011	2010	% change
Tonnes milled	000 tonnes	**41,507**	42,242	(2)
4E built-up head grade	g/t	**3.24**	3.23	–
Equivalent refined Pt ounces[1]	000 Pt oz	**2,410.1**	2,484.0	(3)
Refined Pt ounce per employee	Per annum	**32.5**	32.7	(1)
Cash on-mine costs	R/tonne milled	**529**	472	12
Cash operating costs	R/oz refined Pt	**12,869**	11,336	14
Cost of sales	R/oz Pt sold	**16,306**	14,986	9
REFINED PRODUCTION				
Platinum (Pt)	000 oz	**2,530.1**	2,569.9	(2)
Palladium (Pd)	000 oz	**1,430.7**	1,448.5	(1)
Rhodium (Rh)	000 oz	**337.6**	328.9	3
Gold (Au)	000 oz	**105.1**	81.3	29
PGMs	000 oz	**4,887.4**	4,936.9	(1)
FINANCIAL PERFORMANCE				
Net sales revenue	R million	**51,117**	46,025	11
Gross profit on metal sales	R million	**8,555**	8,034	6
Headline earnings	R million	**3,566**	4,931	(28)
Net debt	R million	**3,662**	4,111	(11)
Debt:equity ratio		**1:9.5**	1:8.3	14
Capital expenditure (including capitalised interest)	R million	**7,504**	7,989	(6)
Gross profit margin	%	**16.7**	17.5	(5)
Net sales revenue per platinum ounce sold	Rand	**19,595**	18,159	8
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)				
Employees	Number (as at 31 December)	**58,541**	54,022	8
HDSAs in management	%	**56**	50	11
Fatalities	Number	**12**	8	50
Lost-time injury-frequency rate	Rate/200,000 hrs	**1.27**	1.17	9
Sulphur dioxide emissions	000 tonnes	**18.8**	17.8	10
GHG emissions, CO_2 equivalents	000 tonnes	**5,991**	5,612	6
Water used for primary activities	Megalitres	**31,248**	28,874	8
Energy use	Terajoules	**25,168**	24,156	4
Number of Level 3, 4 and 5 environmental incidents	Number	**0**	0	
Corporate social investment	R million	**186.5**	118.7	63

[1] Mines' production and purchases of metal in concentrate, secondary metals and other metals converted to equivalent refined production using Anglo American Platinum Limited's standard smelting and refining recoveries.

STAYING FOCUSED TO DELIVER VALUE

SAFETY

It is with great sadness that we have to report that twelve of our employees lost their lives during the period. We extend our sincere condolences to their families, friends and colleagues. The major causes of the fatalities were falls of ground, tramming and transport related incidents and explosives management.

Even though there has been an improvement of 20% in injuries related to falls of ground, our major risk area, an increase in low energy incidents (slip and fall, twisting of ankle, bumps, scrapes and hand and foot injuries) resulted in a slight increase in the lost-time injury frequency rate (LTIFR) to 1.27 in 2011 from 1.17 in 2010. While this is disappointing, it is encouraging that the severity of the these injuries has decreased. The severity index (calculated as days lost divided by lost-time injuries) declined by 8% to 40.1 in 2011 from 43.6 in 2010. In addition, the management systems, engineering and technological solutions introduced to prevent the traditional causes of injury and death, falls of ground, tramming and transport incidents and inundations, have shown remarkable results.

Consistent with peers in the industry, there was a significant increase in the number of safety stoppages during the year. In 2011, there were 81 safety stoppages in our own operations, compared with 36 in 2010. There have been more safety stoppages in 2011 than in any of the last three years. We continue to work relentlessly with our partners in Government and our workforce to implement more effective means of addressing major risks and non-compliance to standards.

Our Safety Strategy has four main pillars: Appropriate safety management systems, Engineering out the Risk, Developing appropriate behavior, and Wellness in the Workplace. This strategy had improved our safety performance since 2007. We have reduced fatalities and the LTIFR by 52% and 37% respectively since 2007. We have also increased self-imposed localised safety stoppages by 46% in 2011. Anglo American Platinum halted production on 03 November 2011 for the CEO safety day and to emphasize the importance of safety. While 2011 has been a step backward, the overall trend remains positive as our safety performance during the

period is still the second best year we have had. The journey to zero harm remains our key strategic objective.

However, in light of our performance in 2011, we have comprehensively reviewed our safety strategy using internal and external experts. While the overall program is still sound, we have adjusted our priorities within the program to specifically target the recurring agencies that contribute to injuries and fatalities.

MINERALS LEGISLATION, TRANSFORMATION AND COMMUNITIES

Anglo American Platinum has made significant progress towards achieving its transformation objectives as envisaged by the Minerals and Petroleum Resources Development Act (MPRDA) and the revised Mining Charter. The key milestones achieved in support of our Social and Labour Plans include the following:

- 12% women in mining, compared with the 10% requirement; (While it is still a challenge to fill underground mining positions with women, in management we have done better: Top management 22%, senior management 11%, middle management 21% and junior management 20%);
- 54% historically disadvantaged South Africans (HDSA) in management positions, compared to the 40% Charter requirement; (Top management 44%, senior management 41%, middle management 56% and junior management 63%);
- HDSA procurement of R10.4 billion, up from R8.2 billion reported for 2010, equating to 42% spend with HDSA suppliers in 2011; and
- Three years ago, we committed ourselves to promoting employee home ownership and entered into a partnership with the then Department of Housing to build 20,000 housing units for our employees. To date 1300 stands have been fully serviced, some 300 housing units have been built and 250 of them are now occupied by proud homeowners. The company will be embarking on a "rent to buy" program during the first quarter of 2012 which will see more of our employees converted to homeowners.

We have a clear and transformational plan which has evolved beyond the recording of numbers to focusing on creating a "great place to work", and being the employer of choice. This includes creating the right culture within the company and a focus on increasing women participation in mining.

Anglo American Platinum recognises the importance and impact of sustainability on our core business and we track our sustainability targets. Notable achievements include reductions in our water consumption and that we did not have any level two or three environmental incidents in 2011.

Anglo American Platinum implemented a landmark mine host community economic empowerment transaction in December 2011. The company has facilitated the funding of the purchase of 6.3 million ordinary shares by certain mine host communities and historical labour sending areas. The shares equate to approximately 2.33% ownership interest in Anglo American Platinum, at the date of the announcement of the transaction, and will be housed in the Lefa La Rona Trust on behalf of mine host communities. The market value of the shares, funded by a notional vendor finance structure, at the time of the transaction, was R3.5 billion.

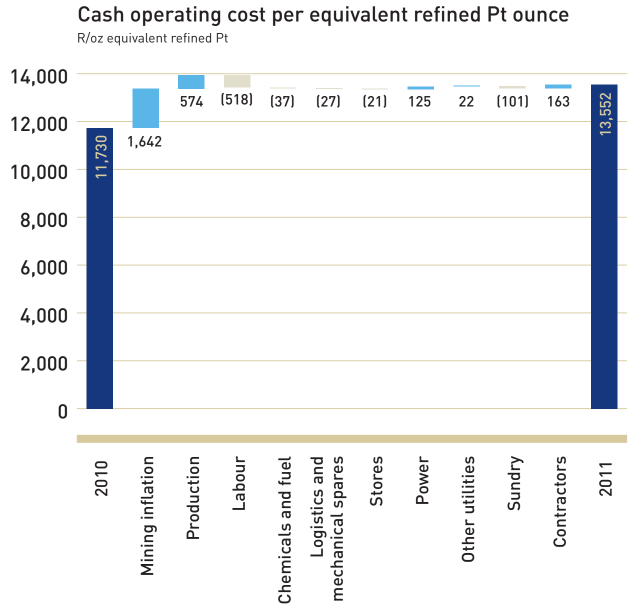
We recently announced the refinancing of Anooraq Resources Corporation ("Anooraq") and the restructuring and recapitalisation of Bokoni Platinum Holdings. The company will, through a series of related transactions, acquire the whole of the Boikgantsho project and the eastern section of the Ga-Phasha project. On implementation of these transactions the effective net consideration of R1.7 billion received by Anooraq will be applied to reduce it's approximately R3.0 billion debt owing to Anglo American Platinum.

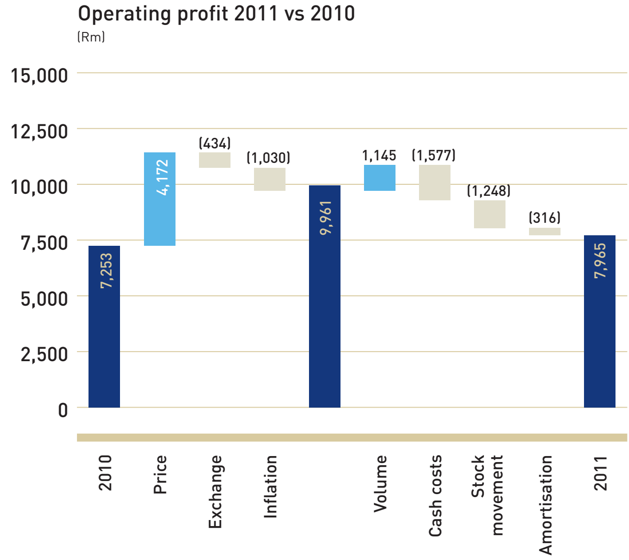
The transactions underscore the company's commitment to empowerment and community development. Anglo American Platinum believes that these transactions and the related development dialogue with the mine host communities will mark a significant step towards true broad-based and sustainable empowerment and the ongoing development of the beneficiaries.

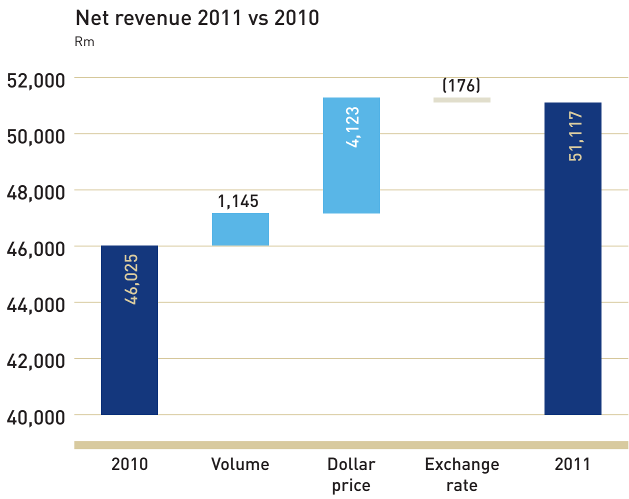
FINANCIAL REVIEW

Operating profit increased by 10% to R7,965 million from R7,253 million in 2010, mainly due to higher sales and a stronger average realised basket price. Refined platinum sales for the year increased by 3% to 2.60 million ounces, despite a higher number of safety stoppages. This is due to increased reliability and efficiency of our smelters, as depicted by the absence of any major incident for the past three years. The strong performance from our smelters played a key role in the achievement of our 2011 annual sales volume target of 2.6 million ounces.

The average dollar basket price achieved improved by 8% from US$2,491 per ounce in 2010 to US$2,698 per ounce. However, the exchange rate achieved over the last financial year was R7.26, largely unchanged over the same period (R7.29 in 2010). As a







result, the realised average Rand basket price in 2011 was R19,595 per platinum ounce, an increase of 8% compared with the 2010 basket price of R18,159.

Cash operating cost per equivalent refined platinum ounce increased by 16% to R13,552 primarily due to lower production volumes and increases in the cost of electricity, labour and consumables which materially exceeded the escalation in the mining producer price index of 14%. Cash operating cost per equivalent refined platinum ounce would have been contained at approximately R13,000 had the 109,212 ounces of platinum not have been lost due to undue scope of safety stoppages. We have also managed to keep the cash operating cost per equivalent refined platinum ounce essentially flat in real terms, between R11,000 and R12,000, between 2008 and 2010. Cost of sales per platinum ounce sold increased by 8%.

To mitigate the industry-wide cost pressures, Anglo American Platinum continued to focus on asset optimisation and supply chain management and increasing lower cost production from Mogalakwena mine. As a result, operating margin for mining and retreatment activities improved from 25.7% in 2010 to 27.1% in 2011. Furthermore, despite various challenges, gross profit margin was 17%, consistent with 2010 gross profit margin of 18%.

Operating free cash flow increased by 21% compared to 2010. The Company generated R1,902 million more cash than in 2010. This was achieved as a result of an 8% improvement in the Rand basket price, a 3% increase in Platinum sales volumes and a 23% reduction in net working capital days. In addition capital discipline continues to improve. As a result, a final dividend of R2.00 per share, amounting to a total dividend of R532 million, was declared. This implies a dividend cover of 2.5 times, after adjusting for the once-off share based payment charge on the community economic empowerment transaction, for the financial year 2011. This is in line with our targeted dividend cover of between 2 and 3 times. The dividend declared will be paid on 19 March 2012.

In line with the improvement in operating free cash flow, net debt decreased by 11% to R3.66 billion from R4.11 billion at the end of December 2010. The strength of the balance sheet continues to improve with gearing declining from 56% in 2008 to 11% in 2011. This reflects positively on the effectiveness of the restructuring initiatives implemented in 2008 which improved the company's cash generation and the equity raising of 2009.

Headline earnings per ordinary share decreased by 29% year-on-year to R13.65. This was primarily due to the impact of a once-off accounting charge for the broad-based community economic empowerment transaction (R1.07 billion), which more than offset the increase in operating profit. Headline earnings per ordinary share excluding the once-off accounting charge for the broad-based community economic empowerment transaction (R1.07 billion), the US$10 million donation to the Tongogara district community in Zimbabwe and other once-off costs increased by 8% to R20.94 from R19.35 in 2010. Headline earnings for 2010 excluded the R771 million profit on the disposal of our 37% interest in the Western Bushveld Joint Venture and an after-tax gain of R4.4 billion on the listing of Bafokeng Rasimone Platinum Mine (BRPM).

Labour productivity of our underground mines was adversely affected by safety related stoppages. Measured as square meters per total operating employee per month, the average for the period was 6.32m2 compared to 7.06m2 in 2010, a decrease of 10%. This is 4.2% lower than our targeted average labour productivity for 2011 of 6.6 m2 despite the 81 safety stoppages at own operations seen during 2011. While 2011 was a particularly challenging year for our underground operations, labour productivity improved by 23% to 7.06m2 in 2010 from 5.73m2 in 2008. We have restructured the operating base of the company from over 85,000 employees and contractors in 2008 to 58,000 in 2011.

MARKETS

The global platinum market displayed resilience in 2011 with muted growth in autocatalyst and jewellery demand, a strong increase in industrial demand and much lower investment demand. Gross platinum demand remained unchanged while a small increase in recycling and a 5% increase in mined supply resulted in the platinum market in 2011 remaining in balance.

The palladium market in 2011 however saw a 19% supply surplus where solid increases in demand for palladium in autocatalysis and industrial applications could not offset the significant declines in jewellery and investment demand. The rhodium market saw its fourth consecutive surplus as recycle volumes remain high.

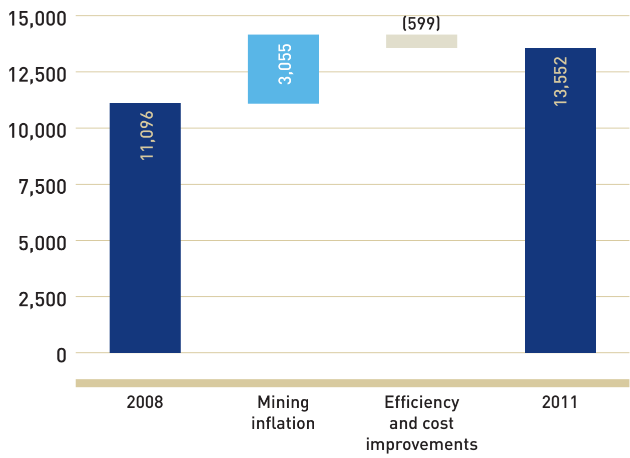
Anglo American Platinum worked with industry partners and stakeholders to continue developing the platinum markets to maintain existing, and develop new industrial applications and through Platinum Guild International, maintain the health of jewellery markets.

Autocatalysts

Demand for light vehicles increased by 1% in 2011 to 75 million units. Vehicle production was constrained by the earthquake and

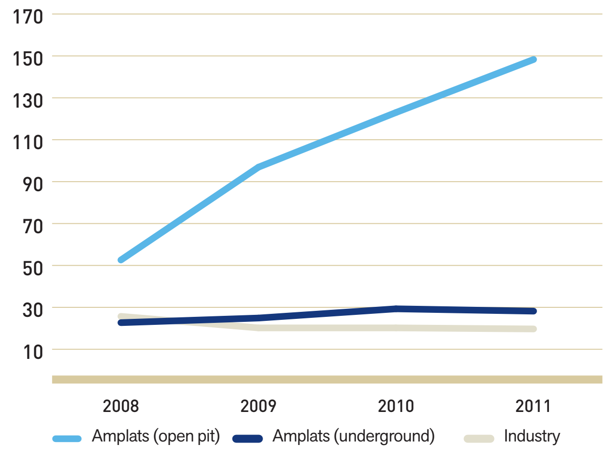
Unit cost increase vs mining inflation

Cash operating cost per equivalent refined Pt ounce



Total productivity

Ref Pt oz/total employee



Compiled using statistical data from the annual reports published by our competitors. This has been weighted according to the production of each company.

tsunami in Japan and by flooding in Thailand. Vehicle production in Europe increased by 3%, buoyed by Germany and export markets. Gross autocatalyst demand for platinum increased by 2% to 3.15 million ounces and for palladium increased by 5% to 5.8 million ounces. Autocatalyst demand for rhodium was slightly lower year-on-year at 705,000 ounces.

Industrial

Gross industrial demand for platinum attained a new record high of 1.96 million ounces, largely due to growth in the glass and petroleum industry. Wider application of process catalysts in the chemical industry saw platinum demand increase proportionately higher than the corresponding increase in chemical demand. High fuel cell unit growth driven by competitive stationary applications continued in 2011. Palladium process catalyst use for plastic bottle feedstock increased as new capacity increased. Rhodium content in rhodium/platinum catalysts for glass manufacturing increased at low rhodium price levels.

Jewellery

Platinum jewellery demand in 2011 increased 2% despite higher average prices during the year. Platinum and gold price volatility increased in the last quarter of 2011 and the platinum price fell to below that of gold. Increased platinum demand resulted from consumer preference over gold and in China the increased gold demand improved retail profits, leading to a further increase in the number of new retail stores - increasing platinum stockholding and sales.

Investment

Ongoing macro-economic uncertainty continues to dampen investment sentiment and in the last quarter of 2011 platinum and gold suffered the consequences of the risk averse trades by global investment and hedge funds. Although there was little change in physical demand for platinum, the increased platinum trading liquidity greatly exaggerated the consequent fall in the platinum price. Since then reduced investor participation, particularly by gold investors who previously held both metals, continues to keep the platinum price at depressed levels - with the rand basket price below the incentive price of the majority of production. Trade in non-visible or over-the-counter metal continues to have a material impact on short-term prices and price volatility at higher levels than those experienced in 2011 is expected in 2012, with bias to higher prices if investment sentiment improves.

OPERATIONS

Refined platinum production decreased by 2% to 2.53 million ounces in 2011 compared to the same period in 2010.

Equivalent refined platinum production (equivalent ounces are mined ounces expressed as refined ounces) from the mines managed by Anglo American Platinum and its joint venture partners for the year ended 31 December 2011 was 2.41 million ounces, a decrease of 3% compared to 2010.

Equivalent refined platinum production from wholly owned mines increased by 3,000 ounces to 1,560 koz in 2011. Mogalakwena mine increased output to 306,300 platinum ounces, up 18% year on year due to higher head grade and improved recoveries. Unki mine delivered 51,600 new platinum ounces while production from other underground operations decreased by 7% or 94,800 ounces to 1,202 koz from 1,297 koz in 2010. Operational performances were largely impacted by regulator imposed safety stoppages. This was further exacerbated by, an unprotected strike at Bathopele Mine and other short term operational challenges across the mines.

Joint ventures and associates were also impacted by regulator imposed safety stoppages and short term operational challenges with production volume down 8% from 790,300 ounces to 729,400 ounces in 2011. Equivalent refined platinum ounces purchased from third parties decreased by 14% to 79,000 from 92,000 ounces in 2011 due to decline in receipts from Eland Platinum mine.

The overall 4E built-up head grade was 3.24g/t compared with 3.23g/t in 2010 despite an increase in the milling of lower grade surface stockpiles and new medium grade ore from Unki mine. The 4E built-up head grade at Mogalakwena mine increased by 12% from 2.60g/t in 2010 to 2.91g/t in 2011 while the Merensky 4E built-up head grade declined 2% to 5.11g/t over the same period. The 4E built-up head grade for UG2 increased 1% to 3.80g/t during 2011.

Tonnes milled decreased by 2% to 41.5 million in 2011 due to a higher number of safety stoppages and operational challenges which resulted in lower production at Amandelbult, Union and Rustenburg mines. Included in the comparative 2010 tonnes milled number is some 666,000 tonnes from Bafokeng Rasimone mine (BRPM) now reported as an associate mine. The decline in production from underground operations was partly offset by increased volumes from Mogalakwena and surface materials as well as new production from Unki.

Planned maintenance was carried out at Waterval and Polokwane furnaces to inspect and replace end-walls. The Mortimer furnace was shutdown in the second half of the year to carry out technical enhancements and a power upgrade to 38MW, providing the group with enhanced smelting flexibility.

Own mines

Anglo American Platinum had a very challenging year, with a high number of safety related stoppages. There were 81 safety related stoppages at wholly owned operations during 2011 compared with 36 in 2010. While we agree with the need for the regulator to stop operations for non-compliance, the key issue is the nature of stoppages and their effectiveness in addressing real risks. The regulator moved from localized stoppages to shutting down entire shafts or mines and this resulted in higher production losses.

As a result, 101,068 ounces of platinum, compared with 34,359 in 2010 were lost due to non fatality related and non localized safety stoppages. The company also lost 37,147 ounces, compared with 17,115, as a result of fatality related safety stoppages. In total, Anglo American Platinum lost 138,215 platinum ounces in 2011 due to safety stoppages, compared with 51,474 ounces in 2010. The higher number of safety stoppages resulted in lower production at Amandelbult, Union and Rustenburg mines. The own mines division suffered the loss of 11 employees across its operations in 2011 while processing division lost 1 employee over the same period.

The key highlights for the own mines division in 2011 include the successful and early commissioning of Unki platinum mine, significant improvement in recoveries and 4E built-up head grade at Mogalakwena mine, the re-organisation of Union mine into two separate entities namely Union North and Union South mines and the reopening of the Khuseleka 2 shaft.

Individual operational performances were as follows:

Bathopele

Disappointingly, two employees lost their lives at Bathopele mine during 2011. The lost-time injury frequency rate however improved by 23% in 2011 to 0.84 from the 1.09 achieved in 2010.

Equivalent refined platinum production decreased by 19% to 112,500 ounces in 2011 as a result of safety related stoppages and unprotected industrial action partly offset by a higher 4E built-up head grade.

Khomanani

Khomanani mine achieved a record four fatality free years and four million fatal free shifts respectively during the first half of 2011. Regrettably, two employees lost their lives in 2011. The lost –time injury frequency rate deteriorated to 1.49 in 2011, up 11% compared with 2010.

Output of equivalent refined platinum production decreased by 2% to 97,200 ounces primarily due to lower grades and safety stoppages.

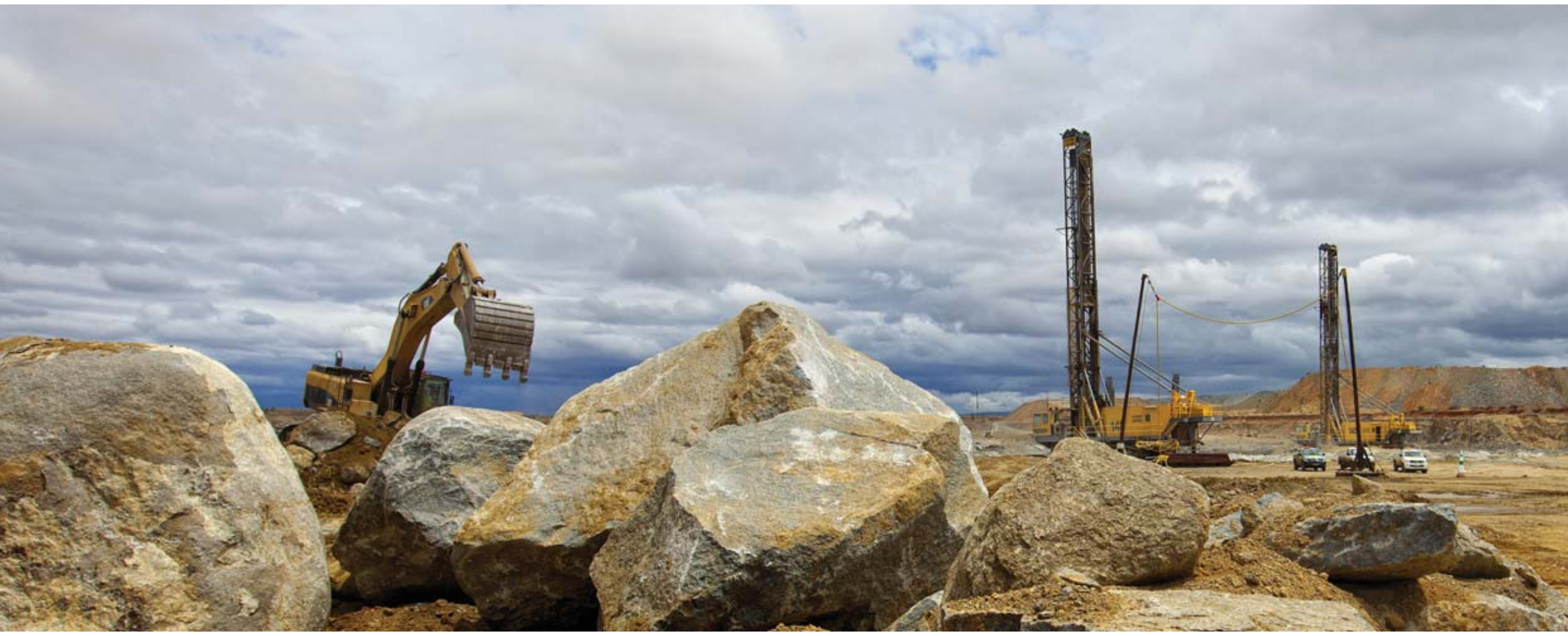
Thembelani

Disappointingly, two employees lost their lives at Thembelani mine during 2011. However, the mine achieved in excess of four million shifts without a fall-of-ground incident. The lost-time injury frequency rate deteriorated to 2.05, a 34% regression from the rate achieved in 2010.

Equivalent refined platinum production increased by 6% to 101,200 ounces from 95,600 ounces in 2010 as a result of a 2% increase in tonnes milled and a 3% improvement in 4E built-up head grade.

Khuseleka

The mine achieved 3.7 million fatality-free shifts in 2011. The lost-time injury frequency rate however deteriorated to 1.65, up 16% from 2010.



Production at 126,500 equivalent refined platinum ounces was down 2% in 2011 compared to 2010 as a result of operational challenges, safety stoppages and an underground fire experienced at Khuseleka 1 shaft. These production losses were offset by 23,400 new ounces from the re-opened Khuseleka 2 shaft where production ramp-up is progressing according to schedule.

Siphumelele

Siphumelele mine achieved one million fatality free shifts during the fourth quarter of 2011. The lost-time injury frequency rate deteriorated by 31% year on year to 2.61.

Equivalent refined platinum production increased by 2% to 96,000 due to increased processing of low grade surface stockpiles. The 4E built-up head grade from underground sources was unchanged at 4.58g/t while the overall grade decreased by 24% to 3.85g/t as a result of the increased treatment of surface material.

Tumela

Tumela mine achieved two million fatality-free shifts in August 2011. Regrettably, one employee lost his life at Tumela mine following the achievement of this milestone. The lost-time injury frequency rate improved by 10% to 1.60 in 2011 compared to the 1.77 achieved in 2010.

The equivalent refined platinum production decreased by 11% to 264,000 ounces principally due to safety stoppages, lower 4E built-up head grade and decreased processing of surface material.

Tonnes milled decreased by 7% to 4.2 million tonnes while the 4E built-up head grade declined by 3.0% to 3.91 g/tonne as a result of an increase in development on the UG2 reef horizon to establish sufficient ore reserves.

Dishaba

Disappointingly, a winch operator was fatally injured by falling objects on 13 January 2011. The lost-time injury frequency rate deteriorated by 2% to 1.94 in 2011 compared with 1.90 in 2010.

Equivalent refined platinum production at 150,300 ounces was 1% below that achieved in 2010 despite the increase in safety stoppages experienced during 2011.

Union

The management of the Mine was successfully restructured into Union North and Union South mines during the last quarter of 2011 and henceforth will be reported as two separate entities. Commentary for 2011 will be on a consolidated basis with some reference to the individual mines performances. From 2012 full individual operational reports will be available.

Disappointingly, two employees lost their lives at Union mine during 2011. The lost-time-injury frequency rate for North Mine deteriorated to 1.30 from 1.41 in 2010 while South Mine recorded the lost-time-injury frequency rate of 1.34 compared with 1.29 in 2010.

The equivalent refined platinum production for the combined mine decreased by 13% to 254,200 ounces (North Mine: 91,500 and South Mine: 162,700) in 2011. This was due to safety stoppages, expected decline in Merensky ore mining, a decrease in low grade surface sources as well as operational issues at the declines.

Mogalakwena

Mogalakwena mine had no fatalities in 2011 and has achieved 1.85 million fatality-free shifts. The loading, hauling and blasting teams have achieved five years lost-time injury free shifts in May 2011. The challenge for Mogalakwena was the high number of minor incidents like slip and fall, twisting of ankle, bumps and scrapes in non-production areas. The mine incurred eight lost-time injuries during 2011 resulting in a frequency rate of 0.48 compared with 0.40 in 2010.

Equivalent refined platinum production increased to 306,300 ounces, up 18% on 2010. This was due to a 12% improvement in 4E built-up head grade, a 4% increase in tonnes milled and a 16% improvement in recoveries at North concentrator during the second half of 2011. The throughput constraints previously experienced at the North concentrator have been resolved and the plant is now running at steady state level.

Unki

Regrettably, one employee was fatally injured on 7 April 2011 in a fall of ground incident. The mine achieved a 0.18 lost-time injury frequency rate in its first year of production compared with a rate of 0.13 during project phase in 2010.

Equivalent refined platinum production was 51,600 for the year exceeding ramp-up expectations. The mine milled 1.3 million tonnes for the year at an average of107,000 tonnes per month reaching and exceeding concentrator plant capacity of 120,000 tonnes per month in the last quarter of 2011.

Joint venture and associate mines

The joint venture operations and associates had a challenging production period due largely to regulatory safety stoppages, with the lost-time injury frequency rate per 200 000 hours deteriorating 9% from 0.85 in 2010 to 0.93 in 2011. There were 50 safety stoppages at joint venture and associate mines during 2011.
The joint venture operations and associates lost 23,776 ounces of platinum in 2011 due to non fatality related safety stoppages and 1,892 ounces as a result of fatality related safety stoppages. In total, joint venture operations and associates lost 25,668 platinum ounces in 2011 due to safety stoppages. The higher number of safety stoppages resulted in lower production for the joint venture and associates mines.

The individual operational performance reflects the challenges experienced during 2011.

Joint venture mines

Modikwa

Production decreased by 4% to 124,800 equivalent refined platinum ounces compared with 2010 due to lack of immediately available and stopable Ore Reserves and regulator imposed safety stoppages. Modikwa achieved eight million fatality free shifts on the 21 June 2011 and set a new benchmark for mine safety in South Africa.

Kroondal

Production was down 18% to 208,600 equivalent refined platinum ounces in 2011 compared to 2010 due to the implementation of more stringent support standards which disrupted mining cycles, regulatory safety stoppages and lack of stoping face availability. Unfortunately, Kroondal had one fatality in 2011, prior to which two million fatality free shifts were recorded.

Marikana

Production at 60,400 equivalent refined platinum ounces was down 19% in 2011 compared to 2010 due to regulator imposed safety stoppages, the implementation of more stringent ground support standards and new mining layout.

Mototolo

Production increased by 1% to 109,400 equivalent refined platinum ounces compared to 2010. Production at the higher grade Borwa Shaft declined as a result of the shaft developing through a dyke and fault zone. The decline in production at Borwa was however supplemented by increased production from the lower grade Lebowa shaft. Regrettably Mototolo had its first fatality since inception in 2011.

Associate mines

BRPM

Production decreased by 2% to 180,000 platinum ounces during 2011 due to a two week strike by contractors, regulator imposed safety stoppages and a conveyor belt failure at North Shaft. BRPM had no fatalities in 2011.

Bokoni

Production for the year ended 31 December 2011 was 5% lower compared to 2010. Production was impacted by regulator imposed safety stoppages, lack of mining flexibility and lower head grade resulting from challenging geological conditions. Regrettably, a fatality occurred at Bokoni in 2011. Remediation action will continue until a consistent level of production is maintained.

Following the recently announced refinancing, restructuring and recapitalisation, Anooraq and Bokoni mine are now set up for sustainable operational turnaround and growth.

CAPITAL EXPENDITURE PROJECTS

Our capital projects division has achieved a record 871 fatality free days. A major safety focus is ensuring projects are set up in line with the company safety management system and standards.

Capital expenditure for 2011, excluding capitalised interest, amounted to R7,141 million, a decrease of 1% or R103 million from 2010. Stay-in-business capital expenditure was R3,282 million – R308 million higher than in 2010 due to safety related spend. However, waste stripping capital expenses at our Mogalakwena Mine decreased to R563 million in 2011 from R599 million in 2010. Project capital expenditure was R3,296 million, down 10% or R375 million from the 2010 figure. Interest capitalised was R363 million, down 51% or R382 million from the previous year.

The majority of the project capital expenditure for 2011 was invested on the Twickenham Platinum Mine, the Mortimer Furnace Upgrade, the Unki Platinum Mine, the Base Metal Refinery 33 kt nickel expansion, the Thembelani 2 shaft replacement project and the Khuseleka ore replacement project.

The Unki Platinum Mine was handed over to operations in January 2011 and has reached steady state production of 120,000 tonnes milled per month during the fourth quarter of 2011, a year ahead of schedule. Housing construction commenced in 2011 and is planned to be completed in 2014.

The Base Metal Refinery 33,000 tonnes nickel expansion has harvested first metal in line with expectations and reached steady state production during the fourth quarter of 2011, as planned.

The Twickenham Platinum Mine achieved 1.5 million fatality free shifts. Current major work includes declines and primary developments.

Anglo American Platinum continues to prioritise capital projects and stay-in-business expenditure to ensure that capital funding requirements are aligned with our strategy.

MINERAL RESOURCES AND RESERVES

Anglo American Platinum's total Ore Reserves 4E content increased by 6.4% from 165.5 million ounces to 176.1 million ounces primarily due to:

- Platreef: Mogalakwena South's additional drilling and re-evaluation resulted in higher resource confidence and therefore, was converted to Ore Reserves. This resulted in an increase in ore reserves of 118.6Mt or 13.0Moz.
- UG2 Reef: Conversion at various mines due to feasibility studies in progress, additional projects in execution and new information mainly at Thembelani, Siphumelele, Union, and Twickenham mines added 52.6Mt or 7.8Moz.

The increase in the Ore Reserves is partly offset by re-allocation of previously reported Ore Reserves back to Mineral Resources at Tumela 4-shaft's UG2 reef due to mining engineering related issues (-19.6Mt or - 2.8 Moz) and at Thembelani 's Merensky Reef due to economic assumptions (-17.7Mt or - 2.9 Moz).

The Mineral Resources exclusive of Ore Reserve 4E content increased by 3.2% from 619.5 million ounces to 639.2 million ounces primarily due to positive results yielded through increased drilling at Mogalakwena Mine. Additional borehole information for Mogalakwena North has confirmed the presence of the Platreef at higher elevation in localised areas to the west and below the original pit shell. Conceptual pit shell evaluations have indicated that the pit could extend to the west and deeper to exploit these resources. Consequently, the Mineral Resource reporting depth has increased by approximately 200m to 650m below surface elevation. Due to this increase in reporting depth the Mineral Resources exclusive of Reserves increased substantially by 784.4Mt or 71.0Moz.

The increase in the Mineral Resources is partly offset by:

- Mining constraints at Merensky and UG2 Reef: Investigations conducted in 2011 to determine maximum mining depths related to virgin rock temperatures have been concluded. A virgin rock temperature of 75° Celsius is currently considered to be the limit to mining given anticipated technology, metal prices and energy costs. The Inferred Mineral Resources of 128.7Mt or 26.1Moz within the Mining Rights of Tumela Mine, Twickenham Mine and Ga-Phasha project are affected and are therefore re-classified as Mineral Deposit within the Anglo Platinum portfolio.
- Platreef Mogalakwena Mine: Conversion of Mineral Resources to Ore Reserves for Mogalakwena South resulted in a decline of 123.6Mt or 13.9Moz.
- Decline in Anglo American Platinum's shareholding in Wesizwe: During 2011 Wesizwe issued additional shares which diluted Anglo American Platinum's shareholding to about 13%. As a result Anglo American Platinum can no longer apply equity accounting in reporting this investment and therefore the attributable Mineral Resources of 27.0Mt or 4.6Moz are excluded.

BOARD AND EXCO APPOINTMENTS

Albertinah Kekana was appointed independent non-executive director with effect from 1 July 2011. Khanyisile Kweyama joined us as Executive Head of Human Resources, also with effect from 1 July 2011. Andrew Hinkly joined us as Executive Head of Marketing in January 2012. He replaced Sandy Wood who retired at the end of 2011. Sarita Martin joined us as Company Secretary. She replaced Doug Alison who also retired at the end of 2011.

OUTLOOK

For the past four years, Anglo American Platinum has been on a journey of transformation. We are transforming our operations, transforming our corporate culture, and transforming the race and gender demographics throughout the company. This journey has made steady and irreversible progress. It is therefore unfortunate that 2011 was a very difficult year on this journey.

Although 2011 was a particularly challenging year, the restructuring programme implemented by Anglo American Platinum since 2008 delivered the intended step change in our operational performance. We have reduced fatalities and LTIFR by 52% and 37% respectively since 2007 and kept our unit costs essentially flat in real terms, between R11,000 and R12,000, during the period 2008 to 2010. We reduced our labour force from over 85,000 employees and contractors in 2008 to just 58,000 in 2011, an appropriate level for our production base. Labour productivity improved by 25% to 7.06m2 in 2010 from 5.7m2 in 2008. We have also restructured the balance sheet to enable the company to be better positioned for economic uncertainty and resumed dividend payments.

The year ahead is expected to be challenging with ongoing macro-economic uncertainty and volatility expected to continue, particularly in the developed world. The concerns about European sovereign debt continue to create volatility in the financial markets and are expected to impact market sentiment. This has largely been reflected in the investment markets where reduced appetite for participation in commodity markets continues to depress platinum and palladium prices.

Overall platinum demand is expected to grow in 2012, despite the lack of economic growth in the European market. Tightening emissions legislation in all markets and the overall global increase in vehicle production, including heavy duty diesel, are expected to offset the depressed volumes in Europe. Jewellery demand growth is also expected, primarily in response to the depressed platinum price. Industrial demand for platinum in 2012 is unlikely to experience the solid growth seen in 2011 which was primarily driven by capacity expansions in glass and petroleum applications.

Primary supply challenges are expected to escalate during 2012 with increased risk of supply disruptions from power shortages, industrial actions and safety stoppages in South Africa. The ongoing constraint on capital investment posed by low prices continues to limit South African output growth and 2012 may exhibit the compounding effects of similar capital constraints in recent years.

Consequently, we expect the platinum market to remain in balance in 2012. We believe the expected growth in platinum demand and the ongoing challenges faced by platinum miners will be key drivers of the recovery in the platinum price in 2012.

Palladium demand is expected to grow in 2012 supported by global vehicle production growth and tightening emissions legislation with growth in gasoline vehicle production in China remaining a dominant driver. Industrial demand, dominated by the electronics sector, is expected to remain robust in 2012. Primary supply is also expected to be constrained by the same factors impacting platinum production. The palladium market is therefore expected to return to a deficit in 2012.

The Rhodium market is expected to remain depressed in 2012. Autocatalyst and new industrial demand is expected to increase modestly. Recycling continues to grow resulting in the market remaining in surplus.

Anglo American Platinum has commenced a review of its marketing and commercial strategy with a particular focus on adding value by better matching our product offering to customer needs. Security of supply, metal quality and product development are integral to this approach. The review will include our customer mix, contractual terms and risk management.

Anglo American Platinum plans to refine and sell between 2.5 and 2.6 million ounces of platinum in 2012, subject to market conditions. Last year Anglo American Platinum had forecast growth to 2.7 million ounces of platinum in 2012. Given the current circumstances, we have reduced this to between 2.5 and 2.6 million platinum ounces for 2012. We will monitor the situation during the year for both changes in demand and the opportunity to fill supply gaps created in the market. Our strategy of understanding the platinum market, growing into that market and doing so safely, cost effectively and profitability is well established. By monitoring platinum supply and demand we are able to adjust our production plan appropriately, as would be expected of a major participant in this market.

Having set the level of production, we are in the process of adjusting our cost base. Our asset optimisation and supply chain activities are well entrenched and continue to deliver value. Our production profile indicates excess smelting and refining capacity in the short to medium term and provides an opportunity to improve capital efficiency. Following the successful introduction of some secondary material in 2011, we plan to secure additional secondary material to further increase capacity utilisation. Management focus and effectiveness with regard to labour and organisation structure will increase. The ongoing reduction of redundant labour, preferably through mechanisms that avoid retrenchment, will continue. Overhead and shared services labour will be adjusted to the needs of the business. All recruitment, particularly in non-production jobs will be frozen and no new contractors appointed. We will also reconfigure our portfolio and operating model and put in place appropriate structures to support it. Any drop in metal prices during the year will result in more intense efforts in all of these cost management areas.

Cost inflation will, however, continue to present the company with challenges this year. 'Mining inflation', as measured by the Producers Price Index, remained well above South African CPI during 2011, at 14%, compared to an average inflation rate of 5% for the country; and a similar differential is expected in 2012. During the first half of 2012, we will see another 25% increase in Eskom's electricity tariffs while the second half of the year will see a 9% increase in wages.

Notwithstanding the difficult inflationary environment, as a result of the swift actions highlighted above, Anglo American Platinum aims to contain cash unit costs to between R14,000 and R14,500 per equivalent refined platinum ounce. This implies growth in cash operating cost per refined platinum ounce of between 3% and 7%, well below expected mining inflation. We will also closely monitor cash cost per refined platinum ounce, which is also the more widely targeted unit cost metric in the industry and more of an end-to-end measure of overall cost position. This unit cost target is based off an expected production level of 2.6 million ounces of platinum, which is subject to continual review in light of market uncertainty.

Following a significant improvement in operating free cash generated by the company, Anglo American Platinum's net debt decreased by 11% to R3.66 billion from R4.11 billion at the end of December 2010. The company plans to reduce its net debt further in 2012, based on current expectations of market conditions.

Capital expenditure excluding capitalised interest will be up to R8 billion in 2012, R3.6 billion of which is expect to be stay-in-business capital; R0.4 billion will be allocated to waste stripping at Mogalakwena. The remaining R4.0 billion will be allocated to project capital. Although, in 2011, we had forecast capital expenditure for 2012 of approximately R9 billion, it is prudent to reduce this forecast to R8 billion in light of current market uncertainty.

Anglo American Platinum aims to maintain its stated target dividend cover of between 2 and 3 times, after taking into account the company's future capital expenditure requirements and the market outlook.

Anglo American Platinum is committed to the highest standards of safety and continues to make a meaningful and sustainable difference in the development of the communities around its operations.

For further information, please contact:

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